

6.4. OCTOBER 2024 FINANCIAL REPORT

REPORT AUTHOR	Chief Financial Officer
MANAGER	General Manager TC Jasper Corporate and Communities
DEPARTMENT	Finance and Corporate Services
RECOMMENDATION	

That Council notes the Statement of Comprehensive Income for October 2024.

EXECUTIVE SUMMARY

The statement of comprehensive income details the 2024-2025 budget's progress for the period ended 31 October 2024.

Key points to note include the following:

- Operating revenue is ahead of budget by \$464k. Expenditure is over budget \$11k.
- The operating surplus is currently \$9.3m compared to a budgeted surplus of \$8.9m.

BACKGROUND

In accordance with s204 of the *Local Government Regulation 2012* the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget. This report must be presented to Council on a monthly basis and cover the period up to a day as near as practicable to the end of the preceding month.

COMMENT

The 2024-2025 annual budget was adopted on 25 June 2024. The attached financial report details progress against budget for the period ended 31 October 2024.

FINANCIAL REPORT – Statement of Comprehensive Income

Operating Revenue and Expenditure

Operating revenue is currently ahead of budget, with variations occurring within the categories as follows:

- Rates and utility charges are behind budget by \$42k. This is primarily due to water usage being \$39k less than budget for the water reads conducted in October.
- Fees and charges are over budget by \$145.4k due to the following:
 - Daintree ferry revenue \$132k over budget.
 - Revenue from Licence fees is over budget \$33.8k. The timing of invoices being issued affects this area.
 - Building and property related fees are \$6.5k under budget.
 - Refuse tipping fees are \$6k under budget.

- Other fees and charges are \$7.9k under budget. Water connections are \$19k ahead budget, however this is offset by a number of areas including Mossman Pool & Van Park \$2k and Wonga Beach Van Park \$20k under budget
- Grants and subsidies are \$100k over budget. \$85k of this variance is due to a lift in the quarterly disbursement of the financial assistance grant.
- Interest is \$106k over budget. No downward movement in interest rates has assisted this result.
- Other recurrent income is \$154k ahead of budget, primarily due to the timing of works completed on behalf of TMR.

Year-to-date expenditure, variations to budget are as follows:

- Employee benefits expenditure is currently \$779k under budget, and this can be subject to the timing of various unfilled vacancies, and staff leave. This variance is also partly offset by an increase in materials and services for temporary and contract staff.
- Materials and services expenditure is \$789K over budget year to date, primarily caused by continued expenditure related to the Tropical Cyclone Jasper and the subsequent flooding natural disaster. Other expenditure such as the use of temporary and contract staff to fill vacancies, ferry dredging and stormwater drainage work also contribute to this variance.
- Depreciation expense is reported online with budget, whilst capitalisations are completed

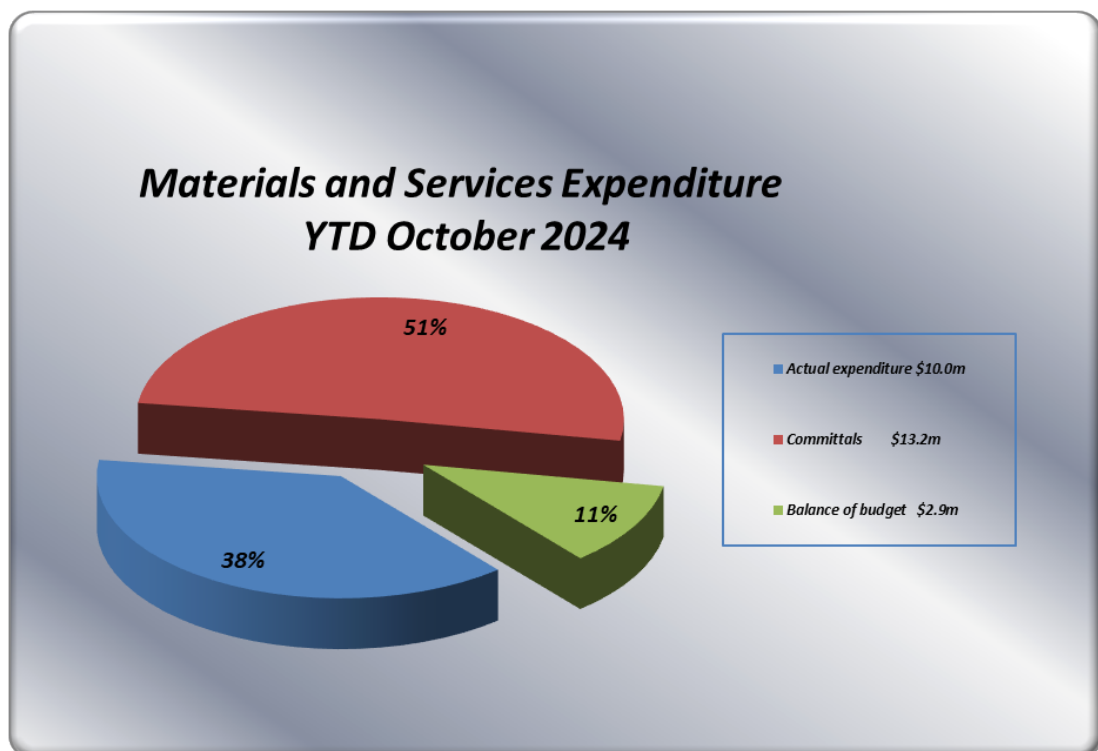


Figure 1.

Operating Result

A key point to note is the operating surplus is currently \$453k over budget.

As reflected in the attached report operating revenue at the end of October 2024 was \$464k over budget and operating expenditure \$11k under budget.

This has resulted in an operating surplus of \$9.3m compared to a budgeted surplus of \$8.9m for year to date.

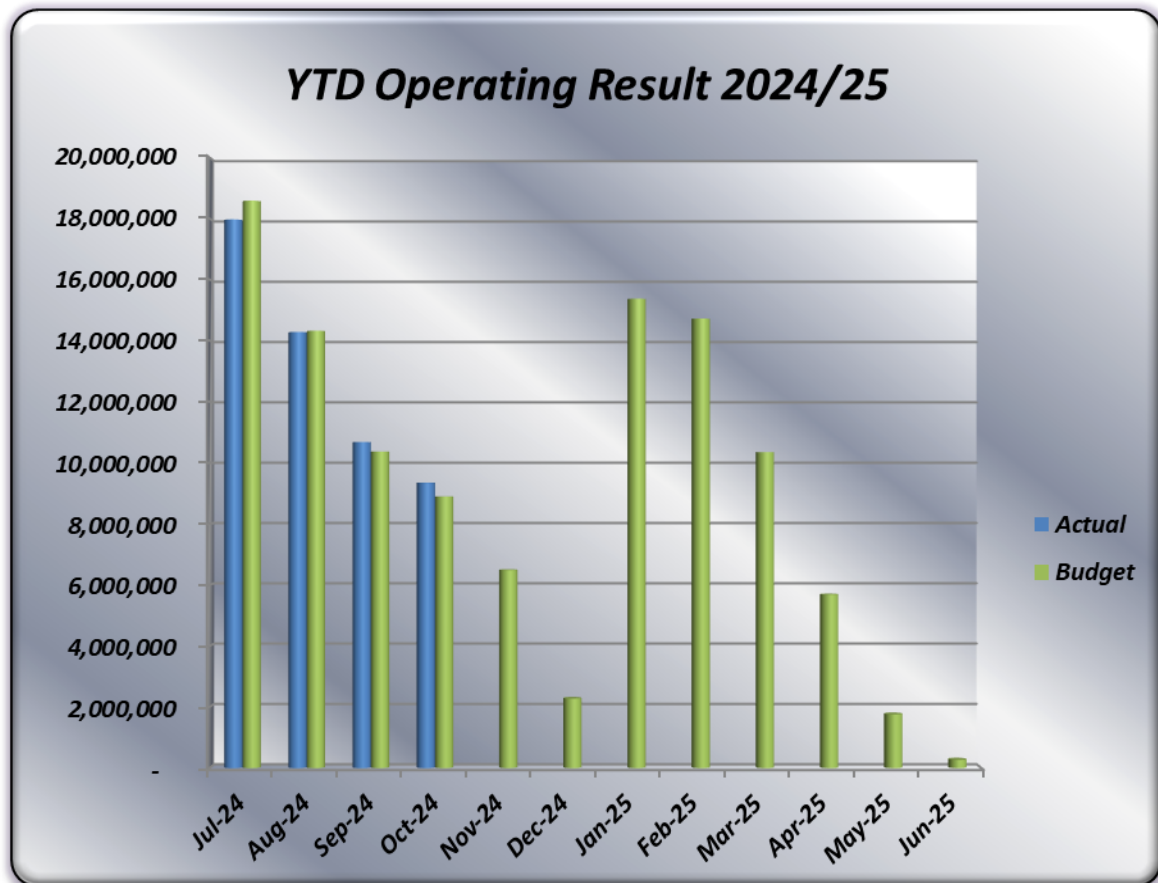


Figure 2.

Capital Revenue and Expenditure

Budget was adopted on 25 June 2024.

- Council has received \$19m (126%) of its annual budgeted capital grants and subsidies, and \$54.6k contributions from developers. A sizeable portion of these grants are new this year and are for restoration works for the damage caused by the disaster. Full adjustments for additional grants will be taken into account at the upcoming budget review.
- Capital works income and expenditure budgets include projects that may be completed across multiple financial years.

- No adjustments or considerations have been assessed or made for outstanding revenues or expenses or ongoing contract assets or liabilities which arise from the receipt of grant funding.

In addition to year-to-date capital expenditure of \$10.2m a further \$19.3m had been committed for capital as at the end of October 2024.

As damage assessments continue, and restoration works commence there will be significant changes to the Capital Works program which will be provided for in the Revised budget 2024-2025.

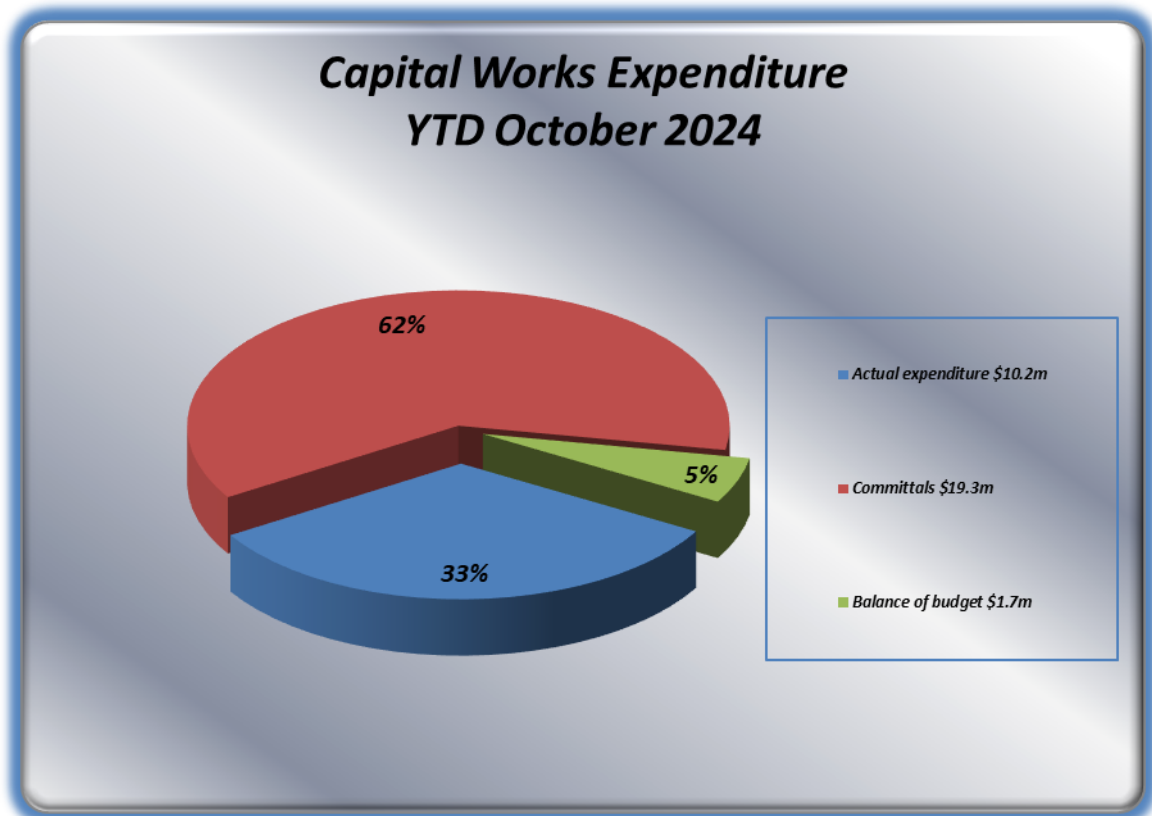


Figure 3.

FINANCIAL STATEMENT – Statement of Financial Position

The Statement of Financial Position will recommence being provided with the November 2024 Financial Report.

FINANCIAL/RESOURCE IMPLICATIONS

The longer-term rebuilding of the damaged assets will be subject to full assessments. The timing of works, and subsequent reimbursement from the TC Jasper disaster funding bodies may also impact the financial year result. Council's cashflow will need to be closely monitored to ensure that funding payments from the funding bodies are received in a timely manner.

RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting keeps Council informed of the progress in relation to the budget and allows for timely corrective action if required.

SUSTAINABILITY IMPLICATIONS

Economic: The aim of the long-term financial forecast is to meet all the 'measures of financial sustainability'. The impact of recent disasters may now affect these measures.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

Operational Plan 2024-2025 Actions:

Legislative requirement.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Custodian	Council owns and manages infrastructure, facilities, reserves, resources, and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment and good governance.
Regulator	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.

ATTACHMENTS

1. 2024 October Statement of Comprehensive Income [**6.4.1** - 1 page]

Douglas Shire Council					
Statement of Comprehensive Income					
Financial Report October 2024					
	Actual YTD 25	Budget YTD 24/25	Variance	Budget 24/25	Actual as % of Budget 24/25
	\$	\$	\$	\$	
Operating Revenue					
Rates and utility charges	20,572,448	20,596,164	(23,716)	44,406,802	46%
less: Financial Assistance, Remissions (incl. Pensioners)	(334,205)	(316,300)	(17,905)	(634,601)	53%
Net rates and utility charges	20,238,243	20,279,864	(41,621)	43,772,201	46%
Fees and charges	3,595,791	3,450,357	145,434	8,302,506	43%
Grants and subsidies	5,819,065	5,719,341	99,724	8,901,163	65%
Interest received	796,396	690,210	106,186	1,755,458	45%
Other recurrent income	623,239	469,003	154,236	1,524,650	41%
Total Operating Revenue	31,072,734	30,608,775	463,959	64,255,978	48%
Operating Expenses					
Employee benefits	6,353,202	7,132,662	779,460	21,849,076	29%
Materials and services	9,979,339	9,190,041	(789,298)	26,094,988	38%
Depreciation	5,372,089	5,372,089	-	15,941,566	34%
Finance costs	24,878	23,720	(1,158)	98,599	25%
Total Recurrent Expenses	21,729,508	21,718,512	(10,996)	63,984,229	34%
Operating Result	9,343,226	8,890,263	452,963	271,749	3438%
Capital Revenue					
Capital grants and subsidies	18,989,154	15,028,000	3,961,154	15,028,000	126%
Contributions from developers	54,633	250,000	(195,367)	250,000	22%
Gain/(Loss) non current assets	-	-	-	-	
Total capital revenue	19,043,787	15,278,000	3,765,787	15,278,000	125%
Net Result	28,387,013	24,168,263	4,218,750	15,549,749	183%
Capital Works Program					
Capital additions	10,246,113	31,220,021	20,973,908	31,220,021	33%
Total capital additions	10,246,113	31,220,021	20,973,908	31,220,021	33%

INFORMATION ONLY: CDO and Emergency Works (Included Above)				
INCOME: DRFA Operational Funding	99,900	183,250	(83,350)	183,250
EXPENDITURE: DRFA Employee & Materials & Services	687,633	-	687,633	-
Total DRFA	(587,733)	183,250	(770,983)	183,250