

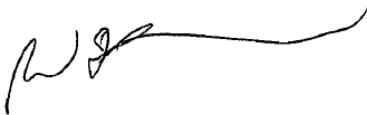


Supplementary Agenda (Late Report)

Notice is hereby given that the **Ordinary Council Meeting** of **Whitsunday Regional Council** will be held at the Council Chambers, 83-85 Main Street, Proserpine on Wednesday 28 August 2024, commencing 9.00am and the Supplementary Agenda is attached.

Councillors: Ry Collins (Mayor), Michelle Wright (Deputy Mayor), Jan Clifford, Clay Bauman, John Collins, Gary Simpson and John Finlay

Supplementary Agenda item is enclosed on the following page/s.



Warren Bunker
CHIEF EXECUTIVE OFFICER

13.1 - Monthly Finance Report

MEETING DETAILS: Ordinary Council Meeting - Wednesday 28 August 2024

AUTHOR: Coordinator Strategic Finance

AUTHORISING OFFICER: Director Corporate Services

PURPOSE

To inform Council of the current unaudited financial performance and position for the reporting period.

EXECUTIVE SUMMARY

This report promotes sound financial management and accountability by presenting the Monthly Finance Reports and sustainability ratios for the period ending 31 July 2024 to Council.

OFFICER'S RECOMMENDATION

That Council receive the Monthly Financial Report and the Financial Statements (unaudited) for the period ended 31 July 2024.

BACKGROUND

The Chief Executive Officer is required by Section 204(2) of the Local Government Regulation 2012 to present the financial report at a meeting of the Local Government on a monthly basis. The financial report must state the progress that has been made in relation to the Local Government's budget for the period for the financial year up to a day as near as practicable to the end of the month before the meeting is held.

DISCUSSION/CURRENT ISSUE

Year to Date Results

This report and the attachments provide the estimated financial performance and position for the relevant period in the current financial year.

- Attachment 1 contains a summary of the financial performance with commentary around significant items.
- Attachment 2 contains unaudited financial statements.

Council remains in a stable financial position at this point in the financial year, with rates to issue in August 2024 for the first half of the 2024/25 financial year.

The focus has been on the completion of the Annual Financial Statements for the 2023/24 financial year. These were presented to the Audit and Risk Committee for approval and have since been signed off by the Queensland Audit Office dated 21 August 2024. A separate report will be provided to the September Ordinary Meeting of Council.

FINANCIAL IMPLICATIONS

Maintaining a balanced budget throughout the financial year and remaining financially sustainable remain key objectives. Council maintains a Budget Risk Register to capture any significant budget risks during the year.

CONSULTATION/ENGAGEMENT

Director Corporate Services
Manager Financial Services
Coordinator Strategic Finance
Management Accountant

STATUTORY/COMPLIANCE MATTERS

Local Government Regulation 2012

204 Financial Report

- (1) The local government must prepare a financial report.
- (2) The Chief Executive Officer must present the financial report -
 - (a) If the local government meets less frequently than monthly - at each meeting of the local government; or
 - (b) Otherwise - at a meeting of the local government once a month.
- (3) The financial report must state the progress that has been made in relation to the local government's budget for the period of the financial year up to a day as near as practicable to the end of the month before the meeting is held.

RISK ASSESSMENT/DEADLINES

If actual revenue or expenditure exceeds budget, financial risks may apply. These risks will either be managed on a project basis or mitigated through the operational budgets of Council.

A budget risk register is maintained to collate any identified budget risks as they arise during the financial year to be mitigated in quarterly budget reviews.

There is mandatory reporting to Council each month as per Section 204 of the Local Government Regulation 2012 to ensure ongoing oversight of the financial position.

STRATEGIC IMPACTS

Corporate Plan Reference:

Maximise the organisation's financial performance, achieving a high level of customer service, productivity and efficiency through strategic direction, expert advice and leadership.

ATTACHMENTS

1. Monthly Financial Report July 2024 (1) [**13.1.1** - 6 pages]
2. Financial Statements for the period ending 31 July 2024 [**13.1.2** - 5 pages]

FINANCIAL REPORT

Financial Year: 2024/25
Period Ending: 31 July 2024



BACKGROUND

This report provides the unaudited estimated financial performance and position of Whitsunday Regional Council for the relevant period in the current financial year against the 2024/25 Budget.

INCOME & EXPENDITURE

What was charged to our ratepayers/customers compared to what was spent in delivering our services.

For the period under review, Council's operating deficit stood at \$5.3M after charging depreciation (What We Set-aside for Asset Renewals) of \$3M. Council's operating deficit can be attributed to first half rates levy being issued on 7 August 2024.

Table 1 : Statement of Income & Expenditure

	Prev. Yr. Audited	Current Budget to date	Actual to date	% Var Current Bud v Act
What We Levied Our Ratepayers	102,717,873	-	797,130	0%
What We Invoiced Our Customers	32,321,658	3,046,338	2,794,649	92%
What We Rcvd. as Grants & Subsidies	2,833,470	309,560	4,691,404	1516%
What We Rcvd. As Interest from Investment	7,673,761	578,583	616,822	107%
Our Other Revenue	3,019,528	259,130	236,519	91%
Our Total Recurrent Earnings	148,566,290	4,193,611	9,136,523	218%
What We Spent on Our Staff	44,764,538	3,788,311	4,608,725	122%
What We Spent on Our Suppliers	71,180,993	6,752,112	6,602,642	98%
Our Total Direct Spend	115,945,531	10,540,423	11,211,367	106%
What We Paid Our Bankers	4,072,098	231,666	211,666	91%
What We Set-aside for Asset Renewals	31,684,485	3,063,672	3,035,142	99%
Our Operating Surplus/(Deficit)	(3,135,824)	(9,642,150)	(5,321,651)	55%
Our Capital Revenue	34,860,356	5,788,262	2,869,521	50%
Our Capital Expenses	49,492,736	898,139	-	0%
Our Capital Surplus/(Deficit)	(14,632,380)	4,890,124	2,869,521	59%
Our Net Earnings	(17,768,204)	(4,752,026)	(2,452,130)	52%

Revenue

- What we have levied our ratepayers is under budget due to first half rates levy not being issued until August.
- Total Recurrent Earnings is ahead of budget due to the timing of receipt of the Financial Assistance Grant. The Department advised late June 2024 that an advance payment would not be made in the 2023/24 financial year, with the payment being made in July.
- Interest from Investments has performed well, being ahead of budget at 107% due to maximising Council's return on investment, in addition to interest rates remaining higher than anticipated.

Expenditure

- Total direct spend is above YTD budget sitting at 106%.
- Staff costs are above budget at 122%. The labour oncost associated with staff costs is overstated and this is the cause of the wages variance which is linked to the timing and application of indirect wages costs. This is being reviewed currently.
- Total spent on suppliers is currently on target at 98%.
- Total depreciation set aside for asset renewals has met the budget position.

Additional details of revenue and expenditure and their comparison to budget are graphically presented below which also demonstrates in labour costs that overtime is being utilised due to staff vacancies.



Note: The phasing of employee oncost calculations is currently being reviewed.

COMMUNITY WEALTH

The value of resources Council has to service our community. Net Community wealth at the end of the period stood at \$1.37B.

Table 2 : Statement of Financial Position

	Prev. Yr. Audited	Annual Budget	Actual to date
What We Own	1,369,137,318	1,336,352,032	1,369,575,980
Inventory We Hold	2,100,388	3,230,000	2,197,996
What We are Owed	26,477,578	18,627,168	21,495,893
What We Have in Bank	136,414,816	90,925,402	129,939,058
Our Total Assets	1,534,130,100	1,449,134,603	1,523,208,927
What We Owe Our Suppliers	89,103,638	47,939,402	81,118,336
What We Owe Our Lenders	65,317,500	59,087,121	64,833,759
Our Total Liabilities	154,421,138	107,026,523	145,952,095
Our Community Wealth	1,379,708,962	1,342,108,080	1,377,256,832

- What we are Owed has decreased from the previous month from \$27M to \$21M with debt recovery continuing.
- Cash balances (what we have in bank) remain at healthy levels and well above minimum requirements due to advance payments of grant funding \$15M and underspend on the YTD capital budget.

Debtors& Borrowings

What We Are Owed	
Category	Amount
Rates & Charges	5,733,917
General Debtors	5,296,430
GST Receivable/(Payable)	953,275
Advances to Community	1,006,000
SUB-TOTAL	12,989,622

Contract Assets	4,609,982
Water Charges not yet levied	4,985,833
Prepayments	711,464
Provision for Bad Debts	(1,801,009)
SUB-TOTAL	8,506,271

GRAND TOTAL	21,495,893
--------------------	-------------------

What We Have Borrowed		
Loan	Rate	Balance
81091 Gen5 05/06	7.08%	772,646
81092 Gen7 08/09	6.82%	2,894,441
81090 Gen8 09/10	6.33%	2,036,221
81089 Gen8 AMSU	5.07%	2,059,173
81093 STP Projects	5.25%	14,733,201
81094 WTP Projects	4.86%	7,214,779
Bowen STP 19/20	2.20%	7,885,549
WCARun 19/20	2.20%	19,319,594
Bowen Cell 3 19/20	0.91%	1,250,066
Bowen STP 20/21	1.80%	4,681,537
Lease Liabilities		1,986,553
TOTAL		64,833,759

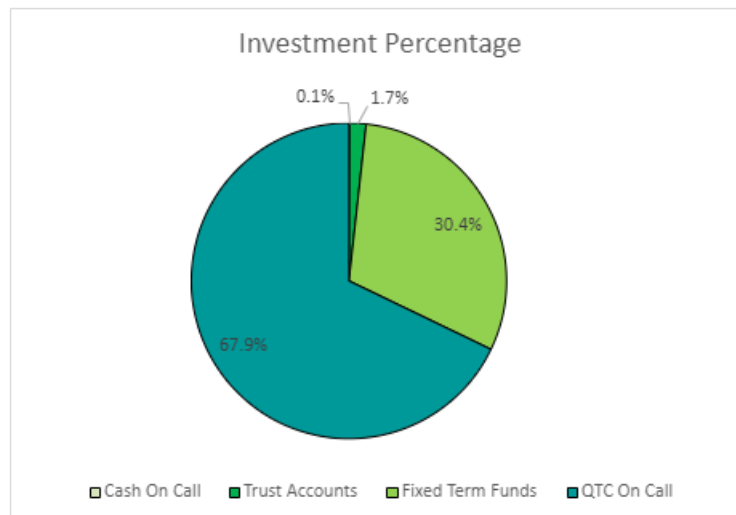
What We Have Available to Borrow		
Facility	Rate	Limit
Working Capital Facility	RBA official Cash Rate + 0.10% Admin Fee	20,000,000
Term Loans		-
TOTAL		20,000,000

- Rates & charges owed have decreased from \$6.3M in June to \$5.7M in July 2024. Council continues its debt recovery process including the Intention to Sell process, to ensure this remains at manageable levels.
- General Debtors balance is \$5.2M compared to \$5.8M the previous month. General Debtors vary depending upon when invoices have been issued within the month.
- Recovery measures are currently in progress through a professional debt recovery agency for both Rates debtors and General debtors to ensure outstanding debt remains at acceptable levels.

Investments

	Prev. Yr	Current
Queensland Treasury Corporation	96,401,810	89,939,058
Term Deposit < 3 Months	20,000,000	20,000,000
Term Deposit > 3 Months	20,000,000	20,000,000
Total	136,401,810	129,939,058

- \$40M is currently invested in term deposits at competitive interest rates to maximise Council's return on investment with maturity dates in September 2024 and March 2025.
- The balance of excess cash is invested with Queensland Treasury Corporation (QTC), as QTC has been providing the best returns among the acceptable counterpart institutions.



CAPITAL DELIVERY (Excluding remediation)

- \$3.4M or 4% of the full year capital budget of \$92.8M has been delivered up to 31 July excluding commitments. The capital program will be reviewed through the financial year to manage expected timeframe for delivery and availability of goods and services.
- \$30.2M has been committed to date, which equates to 36.3% of the full year capital budget being spent or committed.
- The Project Management Framework continues to build momentum in its use across the majority of projects and reporting on project delivery is becoming more consistent.

**SUSTAINABILITY RATIOS**

- The financial sustainability ratios are for the month of July and will vary throughout the financial year as Council completes its operational and capital budgets.

As at July 2024




Type	Measure	Target (Tier4)	As at July 2024	5 Year Average
Audited ratios				
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	123.64 months	N/A
Operating	Operating Surplus Ratio	Greater than 0%	(58.25%)	(8.62%)
Performance	Operating Cash Ratio	Greater than 0%	(22.89%)	17.42%
Asset	Asset Sustainability Ratio	Greater than 80%	86.35%	99.09%
Management	Asset Consumption Ratio	Greater than 60%	69.03%	71.90%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	-30.05 times	-4.46 times

Type	Measure	Target (Tier4)	0	5 Year Average
Contextual ratios (unaudited)				
Financial Capacity	Council-Controlled Revenue	N/A	38.80%	75.29%
	Population Growth	N/A	3.12%	2.51%

Both Liquidity and Asset Management ratios are currently within the target range set for Council by the State Government as at the end of July 2024. Operating Ratios, including Operating Surplus and Operating Cash ratios, along with the Leverage Ratio are below the target range, due to first half rate levy not being issued until August.

BUDGET ACHIEVEMENT – FULL YEAR BUDGET

Council's ability to meet annual budgeted revenue, contain costs within budgeted expenditure parameters and manage cash flows is presented below.

Item	Prev. Yr Act vs Bud	Curr. Yr. to date	Flag
Our Earnings	95%	5%	
Our Expenditure	98%	9%	
Our Cash on Hand	136%	129%	

- Our Earnings are at 5% and is expected to increase as half yearly rates are issued in August.
- Cash on Hand indicators are within expected levels as of 31 July.
- Our Expenditure is at 9% and this will change as we progress throughout the financial year.

- Rates and Charges half yearly rates notices were issued on the 7 August, with discount for prompt payment closing on 5 September.
- Water accounts were issued on the 21 August and are due on the 20 September.
- Quarter 1 Budget Review is expected to be tabled at Council's Ordinary Council Meeting in October 2024.
- 2024/25 Budget was adopted by Council on the 26 June 2024.
- Budget risks are being monitored as the year progresses and will be discussed during the budget review deliberations.

Whitsunday Regional Council**Statement of Comprehensive Income**
For the period ending 31 July 2024

	Note	YTD Actual 2024/25 \$	Actual 2023/24 \$	Current Budget 2024/25 \$	Current Budget YTD 2024/25 \$	Variance to Current YTD Budget
REVENUE						
Recurrent revenue						
Rates and levies	3(a)	797,130	102,717,873	108,881,505	-	0%
Sale of goods and major services	3(b)	2,283,594	21,789,918	26,675,399	2,205,423	104%
Fees and charges	3(c)	464,361	4,117,090	3,979,773	331,648	140%
Interest received		616,822	7,673,761	6,910,900	578,583	107%
Sales of contract and recoverable works		-	6,074,765	5,741,000	478,417	0%
Rental income		46,695	339,885	370,200	30,850	151%
Grants, subsidies, contributions and donations	3(d)(i)	4,691,404	2,833,470	11,086,996	309,560	1516%
Other recurrent income	3(e)	236,519	3,019,528	3,109,258	259,130	91%
Total recurrent revenue		9,136,523	148,566,290	166,755,031	4,193,611	218%
Capital revenue						
Grants, subsidies, contributions and donations	3(d)(ii)	2,819,006	33,725,703	44,353,601	5,730,533	49%
Other capital income	4	50,515	1,134,653	692,759	57,730	88%
Total capital revenue		2,869,521	34,860,356	45,046,360	5,788,262	50%
Total revenue		12,006,044	183,426,646	211,801,391	9,981,873	120%
EXPENSES						
Recurrent expenses						
Employee expenses	5	4,608,725	44,764,538	48,914,946	3,788,311	122%
Materials and services	6	6,602,642	71,180,992	78,054,130	6,752,112	98%
Finance costs	7	211,666	4,072,098	2,779,994	231,666	91%
Depreciation and amortisation						
Property, plant and equipment	12	3,035,142	31,341,579	36,421,699	3,035,141	100%
Intangible assets		-	-	-	-	
Right of use assets	14	-	342,906	342,354	28,531	0%
Total recurrent expenses		14,458,175	151,702,114	166,513,123	13,835,761	104%
Capital expenses	8	-	49,492,736	10,777,662	898,139	0%
Total expenses		14,458,175	201,194,850	177,290,785	14,733,900	98%
Net operating result		(5,321,651)	(3,135,824)	241,908	(9,642,150)	55%
Net result		(2,452,130)	(17,768,204)	34,510,606	(4,752,026)	52%
Other comprehensive income						
Items that will not be reclassified to net result						
Increase/(decrease) in asset revaluation surplus		-	103,022,301	0	0	
Total other comprehensive income for the year		-	103,022,301	-	-	
Total comprehensive income for the year		(2,452,130)	85,254,098	34,510,606	(4,752,026)	

Whitsunday Regional Council**Statement of Financial Position****As at 31 July 2024**

	Note	Actual 2024/25 \$	Actual 2023/24 \$	Budget 2024/25 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	9	109,939,058	116,414,816	70,925,402
Cash Investments	12	20,000,000	20,000,000	20,000,000
Trade and other receivables	10(a)	10,231,338	11,594,319	12,127,168
Inventories	11	1,572,996	1,475,388	1,575,000
Contract assets	15	4,609,982	6,694,019	-
Other assets	12	6,650,573	8,185,240	6,500,000
		153,003,947	164,363,782	111,127,570
Non-current assets held for sale		625,000	625,000	1,655,000
Total current assets		153,628,947	164,988,782	112,782,570
NON-CURRENT ASSETS				
Trade and other receivables	10(b)	4,000	4,000	13,000
Investment property	13	2,785,000	2,785,000	2,100,000
Property, plant and equipment	14	1,364,894,167	1,364,455,506	1,332,684,020
Right of use assets	16	1,896,813	1,896,813	1,555,011
Total non-current assets		1,369,579,980	1,369,141,319	1,336,352,031
TOTAL ASSETS		1,523,208,927	1,534,130,101	1,449,134,601
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	17	17,491,566	24,743,954	16,472,545
Contract liabilities	15	15,060,793	16,817,546	-
Provisions	18	14,624,716	14,761,725	13,902,266
Borrowings	19	6,026,073	6,026,073	6,197,500
Lease liabilities	16	309,262	309,262	
Total current liabilities		53,512,410	62,658,559	36,572,311
NON-CURRENT LIABILITIES				
Trade and other payables	17	3,079,884	3,079,884	3,050,734
Provisions	18	30,861,377	29,700,531	14,513,857
Borrowings	19	56,821,133	57,304,874	51,213,991
Lease liabilities	16	1,677,291	1,677,291	1,675,630
Total non-current liabilities		92,439,685	91,762,580	70,454,212
TOTAL LIABILITIES		145,952,095	154,421,139	107,026,523
NET COMMUNITY ASSETS				
		1,377,256,832	1,379,708,962	1,342,108,078
COMMUNITY EQUITY				
Asset revaluation reserve	20	536,829,651	536,829,651	433,807,358
Retained surplus	21	840,427,181	842,879,311	908,300,720
TOTAL COMMUNITY EQUITY		1,377,256,832	1,379,708,962	1,342,108,078

Statement of Cash Flows

For the year ending 30 June 2024/25

Period ending 31 July 2024

	Actuals 2024/25 \$	Actual 2023/24 \$	Budget 2024/25 \$
Cash flows from operating activities:			
Receipts from customers	4,874,821	136,079,912	147,463,698
Payments to suppliers and employees	(15,742,790)	(110,197,836)	(126,359,072)
Interest received	616,822	7,673,761	6,910,900
Rental income	46,695	339,885	370,200
Non capital grants and contributions	6,222,811	2,278,466	11,060,236
Borrowing costs	(195,392)	(2,521,001)	(2,664,994)
Net cash inflow from operating activities	(4,177,034)	33,653,188	36,780,968
Cash flows from investing activities:			
Payments for property, plant and equipment	(3,473,803)	(60,195,265)	(92,804,692)
Payments for investment property	-	-	-
Net movement in loans to community organisations	2,000	12,000	7,000
Proceeds from sale of property, plant and equipment	-	1,140,061	692,759
Payment for rehabilitation work	(8,580)	(333,657)	(4,461,865)
Grants, subsidies, contributions and donations	1,614,885	39,236,166	44,353,601
Net transfer (to) from cash investments	-	10,000,000	20,000,000
Net cash outflow from investing activities	(1,865,498)	(10,140,696)	(32,213,197)
Cash flows from financing activities:			
Repayment of borrowings	(483,741)	(5,683,845)	(5,929,200)
Repayments made on leases (principal only)	50,515	(312,561)	(311,742)
Net cash inflow (outflow) from financing activities	(433,226)	(5,996,406)	(6,240,942)
Net increase in cash and cash equivalents held	(6,475,758)	17,516,086	(1,673,171)
Cash and cash equivalents at beginning of the financial year	116,414,816	98,898,730	72,598,575
Cash and cash equivalents at end of the financial year	109,939,058	116,414,816	70,925,404
Summary of Cash and cash equivalents:-			
Investments	20,000,000	20,000,000	40,000,000
Cash & cash equivalents	109,939,058	116,414,816	70,925,404
Total Cash and cash equivalents at end of the financial year	129,939,058	136,414,816	110,925,404

Whitsunday Regional Council

Statement of Changes in Equity

As at 31 July 2024

	Note	TOTAL		Retained Surplus		Asset revaluation surplus	
		Actual 2024/25 \$	Actual 2023/24 \$	Actual 2024/25 \$	Actual 2023/24 \$	Actual 2024/25 \$	Actual 2023/24 \$
Total							
Balance at beginning of year		1,379,708,962	1,294,454,864	842,879,311	860,647,515	536,829,651	433,807,349
Assets not previously recognised	14	-	-	-	-	-	-
Restated opening Balance		1,379,708,962	1,294,454,864	842,879,311	860,647,515	-	-
Net Result		(2,452,130)	(17,768,204)	(2,452,130)	(17,768,204)	-	-
Revaluations:							
Property, plant & Equipment	14	-	103,022,478	-	-	-	103,022,478
Change in value of future:							
Rehabilitation costs		-	(177)	-	-	-	(177)
Total comprehensive income for the year		(2,452,130)	85,254,098	(2,452,130)	(17,768,204)	-	103,022,301
Balance at end of year		1,377,256,832	1,379,708,962	840,427,181	842,879,311	-	103,022,301

Whitsunday Regional Council**Notes to the Financial Statements****For the period ending 31 July 2024****Property, plant and equipment**

Basis of measurement

Asset Value

Opening gross value as at 1 July 2024

Minor correction to opening balance

Additions at cost

Contributed assets at valuation

Internal transfers from work in progress

Transfer to Non-Current assets held for sale

Revaluation adjustment to other comprehensive income

Disposals

Write-offs

Internal transfers between asset classes

Closing gross value as at 30 June 2025

Accumulated depreciation and impairment

Opening gross value as at 1 July 2024

Minor correction to opening balance

Depreciation provided in year

Depreciation on disposals

Depreciation on write-offs

Revaluation adjustment to other comprehensive income

Internal transfers between asset classes

Closing gross value as at 30 June 2025

Written down value as at 30 June 2025

	Land and Improvements	Building and Other Structures	Plant and Equipment	Transport Infrastructure	Marine Infrastructure	Water Infrastructure	Sewerage Infrastructure	Work in progress	Total
	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25
				0					
Opening gross value as at 1 July 2024	48,720,581	184,450,116	77,353,709	936,242,701	44,674,827	351,370,765	241,084,403	89,956,551	1,973,853,654
Minor correction to opening balance	-	-	-	-	-	-	-	-	-
Additions at cost	-	-	-	-	-	-	-	3,473,803	3,473,803
Contributed assets at valuation	-	-	-	-	-	-	-	-	-
Internal transfers from work in progress	-	-	-	-	-	-	-	0	0
Transfer to Non-Current assets held for sale	-	-	-	-	-	-	-	-	-
Revaluation adjustment to other comprehensive income	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-
Internal transfers between asset classes	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2025	48,720,581	184,450,116	77,353,709	936,242,701	44,674,827	351,370,765	241,084,403	93,430,354	1,977,327,457
Opening gross value as at 1 July 2024	28,647	56,108,478	42,060,489	268,588,031	11,730,128	137,772,706	93,109,669	-	609,398,148
Minor correction to opening balance	-	-	-	-	-	-	-	-	-
Depreciation provided in year	-	484,186	401,369	1,194,234	57,346	519,171	378,836	-	3,035,142
Depreciation on disposals	-	-	-	-	-	-	-	-	-
Depreciation on write-offs	-	-	-	-	-	-	-	-	-
Revaluation adjustment to other comprehensive income	-	-	-	-	-	-	-	-	-
Internal transfers between asset classes	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2025	28,647	56,592,663	42,461,859	269,782,264	11,787,474	138,291,878	93,488,505	0	612,433,290
Written down value as at 30 June 2025	48,691,934	127,857,453	34,891,850	666,460,437	32,887,353	213,078,887	147,595,898	93,430,354	1,364,894,167

13.1 - Monthly Finance Report

MEETING DETAILS: Ordinary Council Meeting - Wednesday 28 August 2024

AUTHOR: Coordinator Strategic Finance

AUTHORISING OFFICER: Director Corporate Services

PURPOSE

To inform Council of the current unaudited financial performance and position for the reporting period.

EXECUTIVE SUMMARY

This report promotes sound financial management and accountability by presenting the Monthly Finance Reports and sustainability ratios for the period ending 31 July 2024 to Council.

OFFICER'S RECOMMENDATION

That Council receive the Monthly Financial Report and the Financial Statements (unaudited) for the period ended 31 July 2024.

BACKGROUND

The Chief Executive Officer is required by Section 204(2) of the Local Government Regulation 2012 to present the financial report at a meeting of the Local Government on a monthly basis. The financial report must state the progress that has been made in relation to the Local Government's budget for the period for the financial year up to a day as near as practicable to the end of the month before the meeting is held.

DISCUSSION/CURRENT ISSUE

Year to Date Results

This report and the attachments provide the estimated financial performance and position for the relevant period in the current financial year.

- Attachment 1 contains a summary of the financial performance with commentary around significant items.
- Attachment 2 contains unaudited financial statements.

Council remains in a stable financial position at this point in the financial year, with rates to issue in August 2024 for the first half of the 2024/25 financial year.

The focus has been on the completion of the Annual Financial Statements for the 2023/24 financial year. These were presented to the Audit and Risk Committee for approval and have since been signed off by the Queensland Audit Office dated 21 August 2024. A separate report will be provided to the September Ordinary Meeting of Council.

FINANCIAL IMPLICATIONS

Maintaining a balanced budget throughout the financial year and remaining financially sustainable remain key objectives. Council maintains a Budget Risk Register to capture any significant budget risks during the year.

CONSULTATION/ENGAGEMENT

Director Corporate Services
Manager Financial Services
Coordinator Strategic Finance
Management Accountant

STATUTORY/COMPLIANCE MATTERS

Local Government Regulation 2012

204 Financial Report

- (1) The local government must prepare a financial report.
- (2) The Chief Executive Officer must present the financial report -
 - (a) If the local government meets less frequently than monthly - at each meeting of the local government; or
 - (b) Otherwise - at a meeting of the local government once a month.
- (3) The financial report must state the progress that has been made in relation to the local government's budget for the period of the financial year up to a day as near as practicable to the end of the month before the meeting is held.

RISK ASSESSMENT/DEADLINES

If actual revenue or expenditure exceeds budget, financial risks may apply. These risks will either be managed on a project basis or mitigated through the operational budgets of Council.

A budget risk register is maintained to collate any identified budget risks as they arise during the financial year to be mitigated in quarterly budget reviews.

There is mandatory reporting to Council each month as per Section 204 of the Local Government Regulation 2012 to ensure ongoing oversight of the financial position.

STRATEGIC IMPACTS

Corporate Plan Reference:

Maximise the organisation's financial performance, achieving a high level of customer service, productivity and efficiency through strategic direction, expert advice and leadership.

ATTACHMENTS

1. Monthly Financial Report July 2024 (1) [**13.1.1** - 6 pages]
2. Financial Statements for the period ending 31 July 2024 [**13.1.2** - 5 pages]

FINANCIAL REPORT

Financial Year: 2024/25
Period Ending: 31 July 2024



BACKGROUND

This report provides the unaudited estimated financial performance and position of Whitsunday Regional Council for the relevant period in the current financial year against the 2024/25 Budget.

INCOME & EXPENDITURE

What was charged to our ratepayers/customers compared to what was spent in delivering our services.

For the period under review, Council's operating deficit stood at \$5.3M after charging depreciation (What We Set-aside for Asset Renewals) of \$3M. Council's operating deficit can be attributed to first half rates levy being issued on 7 August 2024.

Table 1 : Statement of Income & Expenditure

	Prev. Yr. Audited	Current Budget to date	Actual to date	% Var Current Bud v Act
What We Levied Our Ratepayers	102,717,873	-	797,130	0%
What We Invoiced Our Customers	32,321,658	3,046,338	2,794,649	92%
What We Rcvd. as Grants & Subsidies	2,833,470	309,560	4,691,404	1516%
What We Rcvd. As Interest from Investment	7,673,761	578,583	616,822	107%
Our Other Revenue	3,019,528	259,130	236,519	91%
Our Total Recurrent Earnings	148,566,290	4,193,611	9,136,523	218%
What We Spent on Our Staff	44,764,538	3,788,311	4,608,725	122%
What We Spent on Our Suppliers	71,180,993	6,752,112	6,602,642	98%
Our Total Direct Spend	115,945,531	10,540,423	11,211,367	106%
What We Paid Our Bankers	4,072,098	231,666	211,666	91%
What We Set-aside for Asset Renewals	31,684,485	3,063,672	3,035,142	99%
Our Operating Surplus/(Deficit)	(3,135,824)	(9,642,150)	(5,321,651)	55%
Our Capital Revenue	34,860,356	5,788,262	2,869,521	50%
Our Capital Expenses	49,492,736	898,139	-	0%
Our Capital Surplus/(Deficit)	(14,632,380)	4,890,124	2,869,521	59%
Our Net Earnings	(17,768,204)	(4,752,026)	(2,452,130)	52%

Revenue

- What we have levied our ratepayers is under budget due to first half rates levy not being issued until August.
- Total Recurrent Earnings is ahead of budget due to the timing of receipt of the Financial Assistance Grant. The Department advised late June 2024 that an advance payment would not be made in the 2023/24 financial year, with the payment being made in July.
- Interest from Investments has performed well, being ahead of budget at 107% due to maximising Council's return on investment, in addition to interest rates remaining higher than anticipated.

Expenditure

- Total direct spend is above YTD budget sitting at 106%.
- Staff costs are above budget at 122%. The labour oncost associated with staff costs is overstated and this is the cause of the wages variance which is linked to the timing and application of indirect wages costs. This is being reviewed currently.
- Total spent on suppliers is currently on target at 98%.
- Total depreciation set aside for asset renewals has met the budget position.

Additional details of revenue and expenditure and their comparison to budget are graphically presented below which also demonstrates in labour costs that overtime is being utilised due to staff vacancies.



Note: The phasing of employee oncost calculations is currently being reviewed.

COMMUNITY WEALTH

The value of resources Council has to service our community. Net Community wealth at the end of the period stood at \$1.37B.

Table 2 : Statement of Financial Position

	Prev. Yr. Audited	Annual Budget	Actual to date
What We Own	1,369,137,318	1,336,352,032	1,369,575,980
Inventory We Hold	2,100,388	3,230,000	2,197,996
What We are Owed	26,477,578	18,627,168	21,495,893
What We Have in Bank	136,414,816	90,925,402	129,939,058
Our Total Assets	1,534,130,100	1,449,134,603	1,523,208,927
What We Owe Our Suppliers	89,103,638	47,939,402	81,118,336
What We Owe Our Lenders	65,317,500	59,087,121	64,833,759
Our Total Liabilities	154,421,138	107,026,523	145,952,095
Our Community Wealth	1,379,708,962	1,342,108,080	1,377,256,832

- What we are Owed has decreased from the previous month from \$27M to \$21M with debt recovery continuing.
- Cash balances (what we have in bank) remain at healthy levels and well above minimum requirements due to advance payments of grant funding \$15M and underspend on the YTD capital budget.

Debtors& Borrowings

What We Are Owed	
Category	Amount
Rates & Charges	5,733,917
General Debtors	5,296,430
GST Receivable/(Payable)	953,275
Advances to Community	1,006,000
SUB-TOTAL	12,989,622

Contract Assets	4,609,982
Water Charges not yet levied	4,985,833
Prepayments	711,464
Provision for Bad Debts	(1,801,009)
SUB-TOTAL	8,506,271

GRAND TOTAL	21,495,893
--------------------	-------------------

What We Have Borrowed		
Loan	Rate	Balance
81091 Gen5 05/06	7.08%	772,646
81092 Gen7 08/09	6.82%	2,894,441
81090 Gen8 09/10	6.33%	2,036,221
81089 Gen8 AMSU	5.07%	2,059,173
81093 STP Projects	5.25%	14,733,201
81094 WTP Projects	4.86%	7,214,779
Bowen STP 19/20	2.20%	7,885,549
WCARun 19/20	2.20%	19,319,594
Bowen Cell 3 19/20	0.91%	1,250,066
Bowen STP 20/21	1.80%	4,681,537
Lease Liabilities		1,986,553
TOTAL		64,833,759

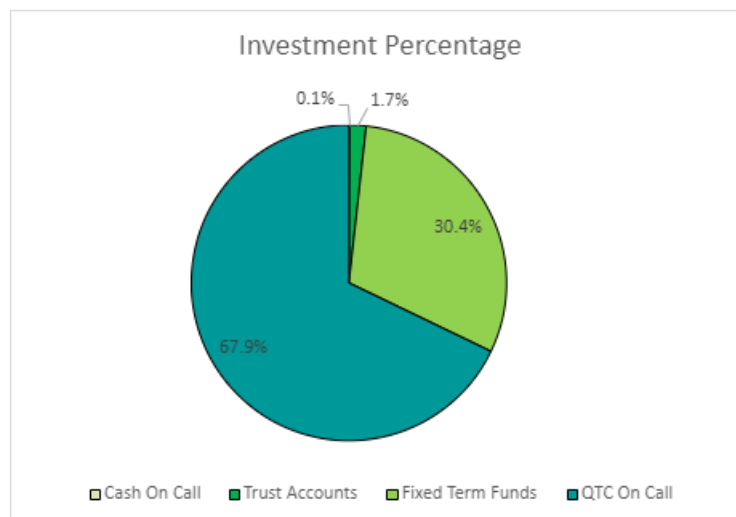
What We Have Available to Borrow		
Facility	Rate	Limit
Working Capital Facility	RBA official Cash Rate + 0.10% Admin Fee	20,000,000
Term Loans		-
TOTAL		20,000,000

- Rates & charges owed have decreased from \$6.3M in June to \$5.7M in July 2024. Council continues its debt recovery process including the Intention to Sell process, to ensure this remains at manageable levels.
- General Debtors balance is \$5.2M compared to \$5.8M the previous month. General Debtors vary depending upon when invoices have been issued within the month.
- Recovery measures are currently in progress through a professional debt recovery agency for both Rates debtors and General debtors to ensure outstanding debt remains at acceptable levels.

Investments

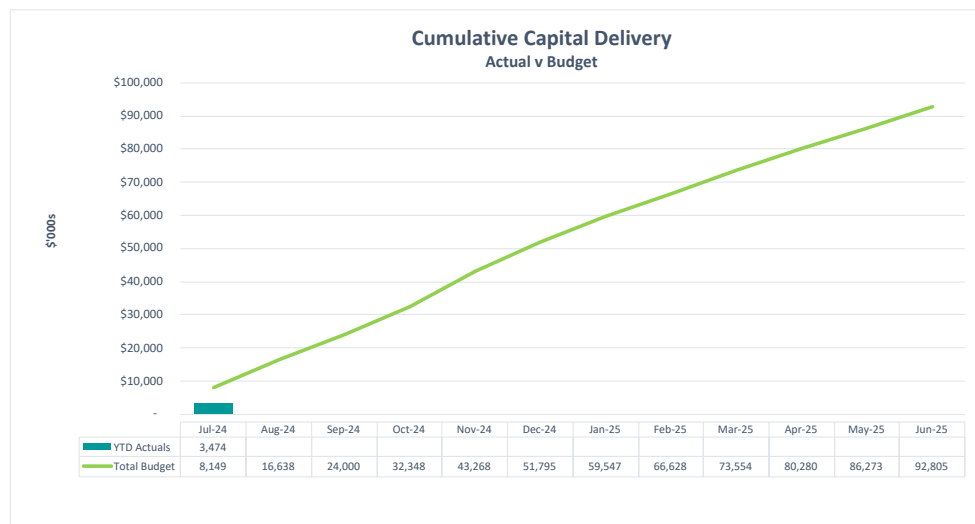
	Prev. Yr	Current
Queensland Treasury Corporation	96,401,810	89,939,058
Term Deposit < 3 Months	20,000,000	20,000,000
Term Deposit > 3 Months	20,000,000	20,000,000
Total	136,401,810	129,939,058

- \$40M is currently invested in term deposits at competitive interest rates to maximise Council's return on investment with maturity dates in September 2024 and March 2025.
- The balance of excess cash is invested with Queensland Treasury Corporation (QTC), as QTC has been providing the best returns among the acceptable counterpart institutions.



CAPITAL DELIVERY (Excluding remediation)

- \$3.4M or 4% of the full year capital budget of \$92.8M has been delivered up to 31 July excluding commitments. The capital program will be reviewed through the financial year to manage expected timeframe for delivery and availability of goods and services.
- \$30.2M has been committed to date, which equates to 36.3% of the full year capital budget being spent or committed.
- The Project Management Framework continues to build momentum in its use across the majority of projects and reporting on project delivery is becoming more consistent.

**SUSTAINABILITY RATIOS**

- The financial sustainability ratios are for the month of July and will vary throughout the financial year as Council completes its operational and capital budgets.

As at July 2024




Type	Measure	Target (Tier4)	As at July 2024	5 Year Average
Audited ratios				
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	123.64 months	N/A
Operating Performance	Operating Surplus Ratio	Greater than 0%	(58.25%)	(8.62%)
	Operating Cash Ratio	Greater than 0%	(22.89%)	17.42%
Asset Management	Asset Sustainability Ratio	Greater than 80%	86.35%	99.09%
	Asset Consumption Ratio	Greater than 60%	69.03%	71.90%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	-30.05 times	-4.46 times

Type	Measure	Target (Tier4)	0	5 Year Average
Contextual ratios (unaudited)				
Financial Capacity	Council-Controlled Revenue	N/A	38.80%	75.29%
	Population Growth	N/A	3.12%	2.51%

Both Liquidity and Asset Management ratios are currently within the target range set for Council by the State Government as at the end of July 2024. Operating Ratios, including Operating Surplus and Operating Cash ratios, along with the Leverage Ratio are below the target range, due to first half rate levy not being issued until August.

BUDGET ACHIEVEMENT – FULL YEAR BUDGET

Council's ability to meet annual budgeted revenue, contain costs within budgeted expenditure parameters and manage cash flows is presented below.

Item	Prev. Yr Act vs Bud	Curr. Yr. to date	Flag
Our Earnings	95%	5%	
Our Expenditure	98%	9%	
Our Cash on Hand	136%	129%	

- Our Earnings are at 5% and is expected to increase as half yearly rates are issued in August.
- Cash on Hand indicators are within expected levels as of 31 July.
- Our Expenditure is at 9% and this will change as we progress throughout the financial year.

- Rates and Charges half yearly rates notices were issued on the 7 August, with discount for prompt payment closing on 5 September.
- Water accounts were issued on the 21 August and are due on the 20 September.
- Quarter 1 Budget Review is expected to be tabled at Council's Ordinary Council Meeting in October 2024.
- 2024/25 Budget was adopted by Council on the 26 June 2024.
- Budget risks are being monitored as the year progresses and will be discussed during the budget review deliberations.

Whitsunday Regional Council**Statement of Comprehensive Income**
For the period ending 31 July 2024

	Note	YTD Actual 2024/25 \$	Actual 2023/24 \$	Current Budget 2024/25 \$	Current Budget YTD 2024/25 \$	Variance to Current YTD Budget
REVENUE						
Recurrent revenue						
Rates and levies	3(a)	797,130	102,717,873	108,881,505	-	0%
Sale of goods and major services	3(b)	2,283,594	21,789,918	26,675,399	2,205,423	104%
Fees and charges	3(c)	464,361	4,117,090	3,979,773	331,648	140%
Interest received		616,822	7,673,761	6,910,900	578,583	107%
Sales of contract and recoverable works		-	6,074,765	5,741,000	478,417	0%
Rental income		46,695	339,885	370,200	30,850	151%
Grants, subsidies, contributions and donations	3(d)(i)	4,691,404	2,833,470	11,086,996	309,560	1516%
Other recurrent income	3(e)	236,519	3,019,528	3,109,258	259,130	91%
Total recurrent revenue		9,136,523	148,566,290	166,755,031	4,193,611	218%
Capital revenue						
Grants, subsidies, contributions and donations	3(d)(ii)	2,819,006	33,725,703	44,353,601	5,730,533	49%
Other capital income	4	50,515	1,134,653	692,759	57,730	88%
Total capital revenue		2,869,521	34,860,356	45,046,360	5,788,262	50%
Total revenue		12,006,044	183,426,646	211,801,391	9,981,873	120%
EXPENSES						
Recurrent expenses						
Employee expenses	5	4,608,725	44,764,538	48,914,946	3,788,311	122%
Materials and services	6	6,602,642	71,180,992	78,054,130	6,752,112	98%
Finance costs	7	211,666	4,072,098	2,779,994	231,666	91%
Depreciation and amortisation						
Property, plant and equipment	12	3,035,142	31,341,579	36,421,699	3,035,141	100%
Intangible assets		-	-	-	-	
Right of use assets	14	-	342,906	342,354	28,531	0%
Total recurrent expenses		14,458,175	151,702,114	166,513,123	13,835,761	104%
Capital expenses	8	-	49,492,736	10,777,662	898,139	0%
Total expenses		14,458,175	201,194,850	177,290,785	14,733,900	98%
Net operating result		(5,321,651)	(3,135,824)	241,908	(9,642,150)	55%
Net result		(2,452,130)	(17,768,204)	34,510,606	(4,752,026)	52%
Other comprehensive income						
Items that will not be reclassified to net result						
Increase/(decrease) in asset revaluation surplus		-	103,022,301	0	0	
Total other comprehensive income for the year		-	103,022,301	-	-	
Total comprehensive income for the year		(2,452,130)	85,254,098	34,510,606	(4,752,026)	

Whitsunday Regional Council**Statement of Financial Position****As at 31 July 2024**

	Note	Actual 2024/25 \$	Actual 2023/24 \$	Budget 2024/25 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	9	109,939,058	116,414,816	70,925,402
Cash Investments	12	20,000,000	20,000,000	20,000,000
Trade and other receivables	10(a)	10,231,338	11,594,319	12,127,168
Inventories	11	1,572,996	1,475,388	1,575,000
Contract assets	15	4,609,982	6,694,019	-
Other assets	12	6,650,573	8,185,240	6,500,000
		153,003,947	164,363,782	111,127,570
Non-current assets held for sale		625,000	625,000	1,655,000
Total current assets		153,628,947	164,988,782	112,782,570
NON-CURRENT ASSETS				
Trade and other receivables	10(b)	4,000	4,000	13,000
Investment property	13	2,785,000	2,785,000	2,100,000
Property, plant and equipment	14	1,364,894,167	1,364,455,506	1,332,684,020
Right of use assets	16	1,896,813	1,896,813	1,555,011
Total non-current assets		1,369,579,980	1,369,141,319	1,336,352,031
TOTAL ASSETS		1,523,208,927	1,534,130,101	1,449,134,601
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	17	17,491,566	24,743,954	16,472,545
Contract liabilities	15	15,060,793	16,817,546	-
Provisions	18	14,624,716	14,761,725	13,902,266
Borrowings	19	6,026,073	6,026,073	6,197,500
Lease liabilities	16	309,262	309,262	
Total current liabilities		53,512,410	62,658,559	36,572,311
NON-CURRENT LIABILITIES				
Trade and other payables	17	3,079,884	3,079,884	3,050,734
Provisions	18	30,861,377	29,700,531	14,513,857
Borrowings	19	56,821,133	57,304,874	51,213,991
Lease liabilities	16	1,677,291	1,677,291	1,675,630
Total non-current liabilities		92,439,685	91,762,580	70,454,212
TOTAL LIABILITIES		145,952,095	154,421,139	107,026,523
NET COMMUNITY ASSETS				
		1,377,256,832	1,379,708,962	1,342,108,078
COMMUNITY EQUITY				
Asset revaluation reserve	20	536,829,651	536,829,651	433,807,358
Retained surplus	21	840,427,181	842,879,311	908,300,720
TOTAL COMMUNITY EQUITY		1,377,256,832	1,379,708,962	1,342,108,078

Statement of Cash Flows

For the year ending 30 June 2024/25

Period ending 31 July 2024

	Actuals 2024/25 \$	Actual 2023/24 \$	Budget 2024/25 \$
Cash flows from operating activities:			
Receipts from customers	4,874,821	136,079,912	147,463,698
Payments to suppliers and employees	(15,742,790)	(110,197,836)	(126,359,072)
Interest received	616,822	7,673,761	6,910,900
Rental income	46,695	339,885	370,200
Non capital grants and contributions	6,222,811	2,278,466	11,060,236
Borrowing costs	(195,392)	(2,521,001)	(2,664,994)
Net cash inflow from operating activities	(4,177,034)	33,653,188	36,780,968
Cash flows from investing activities:			
Payments for property, plant and equipment	(3,473,803)	(60,195,265)	(92,804,692)
Payments for investment property	-	-	-
Net movement in loans to community organisations	2,000	12,000	7,000
Proceeds from sale of property, plant and equipment	-	1,140,061	692,759
Payment for rehabilitation work	(8,580)	(333,657)	(4,461,865)
Grants, subsidies, contributions and donations	1,614,885	39,236,166	44,353,601
Net transfer (to) from cash investments	-	10,000,000	20,000,000
Net cash outflow from investing activities	(1,865,498)	(10,140,696)	(32,213,197)
Cash flows from financing activities:			
Repayment of borrowings	(483,741)	(5,683,845)	(5,929,200)
Repayments made on leases (principal only)	50,515	(312,561)	(311,742)
Net cash inflow (outflow) from financing activities	(433,226)	(5,996,406)	(6,240,942)
Net increase in cash and cash equivalents held	(6,475,758)	17,516,086	(1,673,171)
Cash and cash equivalents at beginning of the financial year	116,414,816	98,898,730	72,598,575
Cash and cash equivalents at end of the financial year	109,939,058	116,414,816	70,925,404
Summary of Cash and cash equivalents:-			
Investments	20,000,000	20,000,000	40,000,000
Cash & cash equivalents	109,939,058	116,414,816	70,925,404
Total Cash and cash equivalents at end of the financial year	129,939,058	136,414,816	110,925,404

Whitsunday Regional Council**Statement of Changes in Equity****As at 31 July 2024**

	Note	TOTAL		Retained Surplus		Asset revaluation surplus	
		Actual 2024/25 \$	Actual 2023/24 \$	Actual 2024/25 \$	Actual 2023/24 \$	Actual 2024/25 \$	Actual 2023/24 \$
Total							
Balance at beginning of year		1,379,708,962	1,294,454,864	842,879,311	860,647,515	536,829,651	433,807,349
Assets not previously recognised	14	-	-	-	-	-	-
Restated opening Balance		1,379,708,962	1,294,454,864	842,879,311	860,647,515	-	-
Net Result		(2,452,130)	(17,768,204)	(2,452,130)	(17,768,204)	-	-
Revaluations:							
Property, plant & Equipment	14	-	103,022,478	-	-	-	103,022,478
Change in value of future:							
Rehabilitation costs		-	(177)	-	-	-	(177)
Total comprehensive income for the year		(2,452,130)	85,254,098	(2,452,130)	(17,768,204)	-	103,022,301
Balance at end of year		1,377,256,832	1,379,708,962	840,427,181	842,879,311	-	103,022,301

Whitsunday Regional Council**Notes to the Financial Statements****For the period ending 31 July 2024****Property, plant and equipment**

Basis of measurement

Asset Value

Opening gross value as at 1 July 2024

Minor correction to opening balance

Additions at cost

Contributed assets at valuation

Internal transfers from work in progress

Transfer to Non-Current assets held for sale

Revaluation adjustment to other comprehensive income

Disposals

Write-offs

Internal transfers between asset classes

Closing gross value as at 30 June 2025

Accumulated depreciation and impairment

Opening gross value as at 1 July 2024

Minor correction to opening balance

Depreciation provided in year

Depreciation on disposals

Depreciation on write-offs

Revaluation adjustment to other comprehensive income

Internal transfers between asset classes

Closing gross value as at 30 June 2025

Written down value as at 30 June 2025

	Land and Improvements	Building and Other Structures	Plant and Equipment	Transport Infrastructure	Marine Infrastructure	Water Infrastructure	Sewerage Infrastructure	Work in progress	Total
	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25	Fair Value 2024/25
				0					
Opening gross value as at 1 July 2024	48,720,581	184,450,116	77,353,709	936,242,701	44,674,827	351,370,765	241,084,403	89,956,551	1,973,853,654
Minor correction to opening balance	-	-	-	-	-	-	-	-	-
Additions at cost	-	-	-	-	-	-	-	3,473,803	3,473,803
Contributed assets at valuation	-	-	-	-	-	-	-	-	-
Internal transfers from work in progress	-	-	-	-	-	-	-	0	0
Transfer to Non-Current assets held for sale	-	-	-	-	-	-	-	-	-
Revaluation adjustment to other comprehensive income	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-
Internal transfers between asset classes	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2025	48,720,581	184,450,116	77,353,709	936,242,701	44,674,827	351,370,765	241,084,403	93,430,354	1,977,327,457
Opening gross value as at 1 July 2024	28,647	56,108,478	42,060,489	268,588,031	11,730,128	137,772,706	93,109,669	-	609,398,148
Minor correction to opening balance	-	-	-	-	-	-	-	-	-
Depreciation provided in year	-	484,186	401,369	1,194,234	57,346	519,171	378,836	-	3,035,142
Depreciation on disposals	-	-	-	-	-	-	-	-	-
Depreciation on write-offs	-	-	-	-	-	-	-	-	-
Revaluation adjustment to other comprehensive income	-	-	-	-	-	-	-	-	-
Internal transfers between asset classes	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2025	28,647	56,592,663	42,461,859	269,782,264	11,787,474	138,291,878	93,488,505	0	612,433,290
Written down value as at 30 June 2025	48,691,934	127,857,453	34,891,850	666,460,437	32,887,353	213,078,887	147,595,898	93,430,354	1,364,894,167

