



I hereby give notice that a Special Meeting of Council will be held on:

Date: Tuesday, 11 October 2022
Time: 10.00am
Location: Council Chambers
Administration Office
10 Furneaux Street, Cooktown

AGENDA AND BUSINESS PAPERS

Special Council Meeting

11 October 2022

Brian Joiner
Chief Executive Officer

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- 1 ATTENDANCE**
- 2 MEETING OPENED**
- 3 APOLOGIES**
- 4 ACKNOWLEDGEMENT OF COUNTRY**

Cook Shire Council acknowledges the Traditional Owners of country throughout the Shire and recognises their continuing connection to lands, water and community. We pay our respects to the many Aboriginal and Torres Strait Islander peoples across our vast Shire and to elders and leaders past, present and emerging.

5 ORGANISATIONAL BUSINESS SERVICES - REPORTS

5.1 FINANCIAL STATEMENTS 2021/2022 FINANCIAL YEAR

File Number: D22/22618

Author: Chief Financial Officer

Authoriser: Heather Kelly, Director Organisational Business Services

Attachments: 1 Draft Financial Statements - 30 June 2022 

PRECIS

Council's General Purpose Financial Statements have been prepared in accordance with the requirements of sections 176 to 178 of the *Local Government Regulation 2012* and have been audited by the Queensland Audit Office (QAO) in accordance with section 212 of the *Local Government Regulation 2012*.

QAO have indicated that based on the information that has been assessed during the audit, it is expected that Council will be issued with an unmodified audit opinion. The official Management Letter & Closing Report will be issued in due course and will be presented to the next available Council Meeting following receipt.

The audit of the financial statements for the year ended 30 June 2022 has now been finalised and are presented to Council for adoption.

BACKGROUND/HISTORY

Council has a statutory requirement to prepare general-purpose financial statements and these statements must be provided to the Auditor-General for auditing. The audit for the 2022 financial year has been finalised and Council will report a net operating result of \$1.1M. This is due to increased Operating Revenue in FY22 compared to the prior year. The biggest driver being an increase to Grant, subsidies, contributions and donations revenue.

Table 1 below outlines the annual movement and the following commentary provides some key outcomes/results obtained for the financial year.

Revenue

- *Operating Grant Revenue (increased \$9.6M)*

\$4.4M increase due to recognition of DRFA compared to prior year.

\$4M increase in FA Grant received in FY22 compared to FY21. Council has historically received an early payment for the FA Grant, which in 2021-22 was \$9.2M compared to \$4.9M received as an early payment in FY21.

- *Fees and Charges (increased \$199k)*

Increase in some annual fees and charges, but difference is predominantly due to an increase in usage/quantity across building & development; airport; waste, swimming pool, halls hires and other fees & charges.

- *Sales revenue (increased \$236k)*

Movement is made up of \$150k due to the Natures Powerhouse Café being a full year's operation compared to six months' worth in the prior year; and \$50k due to Airport Services in Coen & Cooktown.

Expenditure

- *Employee benefits (increased \$299k)*

Actual wages & salaries and other employee benefits paid for the year has increased by \$900k compared to prior year (2022:\$16.4M; 2021: \$15.5M). That increase is slightly offset due to increased capitalised employee expenses i.e. the portion of those wages and salaries that were costed to capital projects, rather than Councils operating costs (2022: \$1.7M; 2021 \$1M). Further dissection of these values are outlined at Note 5 of the financial statements.

- *Materials and services (decreased \$1.4M)*

Decrease due to reduced Contractors and Disaster Recovery Funding Arrangements (DRFA) expenses compared to prior year.

- *Finance Costs (decrease of \$478k)*

Council carries amounts on the Statement of Financial Position (formerly known as the Balance Sheet), as provisions for the rehabilitation of quarries and rubbish tips, as well as for any future impairment of accounts receivable. The annual movement in the carrying amount of those provisions is recognised as a finance cost on the Statement of Comprehensive Income. In FY22, Council decreased the impairment to receivables, which makes up \$286k, as well as the movement in the quarry and tip rehabilitation provision of \$140k.

Table 1: Cook Shire Council Operating Revenue & Expenditure

Description	Actual 2022 \$,000	Actual 2021 \$,000	Annual Movement \$'000	Revised Budget 2022 \$,000
Revenue				
Rates, Levies & Charges	8,188	7,783	405	8,499
Fees & Charges	1,317	1,118	199	967
Sales Revenue	1,103	867	236	1001
Grants, subsidies, contributions and donations	58,809	49,151	9,658	54,998
Other Income	1,088	1,115	(27)	911
Total Operating Revenue	70,505	60,034		66,376
Expenditure				
Employee Benefits	14,726	14,427	299	15,236
Materials & Services	43,268	44,669	(1,401)	46,810
Finance Costs	194	672	(478)	330
Operating Expenditure Without Depreciation	58,188	59,768		62,376
	12,317	266		4,000

Sub-Total – Revenue less Expenditure without Depreciation				
Depreciation & Amortisation	11,134	11,098	36	10,704
Total Operating Expenditure	69,322	70,866		73,080
Net Operating Result [Surplus / (Deficit)]	1,183	(10,832)		(6,704)

LINK TO CORPORATE PLAN

Theme 6 Organisational Capability - A Council characterised by strong leadership, good governance, effective community engagement and excellence in delivery

ORG 1 Manage Council's activities and decision-making with strategic oversight, transparency and accountability.

Org 1b. Council activities comply with applicable legislation through well-maintained policies, procedures and information systems that guide and facilitate good decision making

Org 1c. Work management systems and procedures are reviewed and adjusted to support improved organisational service provision, compliance and efficiency

CONSULTATION

As this is a legislative requirement for Council to have its financial statements audited, consultation, in this instance, is not undertaken.

LEGAL IMPLICATIONS (STATUTORY, BASIS, LEGAL RISKS)

Pursuant to section 212 of the *Local Government Regulation 2012*, Council is required to have its general purpose financial statements audited within 4 months after the end of the financial year to which the statements relate.

POLICY IMPLICATIONS

There are no policy implications with regards to the audit of Council's financial statements.

FINANCIAL AND RESOURCE IMPLICATIONS (BUDGETARY)

As the financial statement audit is an annual requirement, the cost of this audit is factored into Council's annual budget.

RECOMMENDATION

That Council adopts the Financial Statements for the year ended 30 June 2022 and that the Mayor and Chief Executive Officer be authorised to execute the Management Certificate and Financial Sustainability Statements accordingly.