

6.3. FEBRUARY 2025 FINANCIAL REPORTS

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 Financial Position and Statement of Comprehensive Income for February 2025.

EXECUTIVE SUMMARY

The statement of comprehensive income details the 2024-2025 revised budget's progress for the period ended 28 February 2025. The Statement of Financial Position reports the Council's Assets and Liabilities at 28 February 2025.

Key points to note include the following:

- Operating revenue is behind budget by \$2.2m. Expenditure is under budget \$590.2k.
- The operating surplus is \$1.6m behind budget, currently \$12.9m compared to a budgeted surplus of \$14.5m

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 and the revised budget was subsequently adopted on the 26 November 2024. The attached financial report details progress against the revised budget for the period ended 28 February 2025.

FINANCIAL REPORT – Statement of Comprehensive Income

Operating Revenue and Expenditure

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

- Rates and utility charges are behind budget by \$151k. Property growth and associated charges are ahead of budget \$47k however this has been offset by a reduction in water revenue now \$157k under budget after February Water notices were issued, and an increase in Pension & Council discounts.

- Fees and charges are behind budget by \$242k due to the following:
 - Daintree ferry revenue \$86k behind budget. February ferry fares were significantly under budget (30%) for February.
 - Revenue from Licence fees is ahead of budget \$39k. The timing of invoices being issued affects this area.
 - Building and property related fees are \$207k behind budget. \$71k of this variance relates to the reversal of an application fee due to it expiring. Lodgment and application fees for properties, including property search fees are also behind budget.
 - Refuse tipping fees are \$9k ahead of budget.
 - Other fees and charges are \$3k ahead of budget
- Grants and subsidies are \$2.1m behind budget. This is primarily due to the timing for the final reimbursement for the works completed for Cyclone Jasper and the associated flooding.
- Interest is \$249k over budget. The delay in reducing interest rates has assisted this result.
- Other recurrent income is \$109k ahead of budget, primarily due to additional work performed and the timing of works completed on behalf of the Department of Transport and Main Roads (TMR).

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

- Employee benefits expenditure is currently \$638k under budget. 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 \$39K currently under budget year to date. Expenditure such as the use of temporary and contract staff to fill vacancies and additional costs for contracted works for TMR can impact on this result.
- Depreciation expense is \$85k over budget. The timing of the completion of works can impact this result.

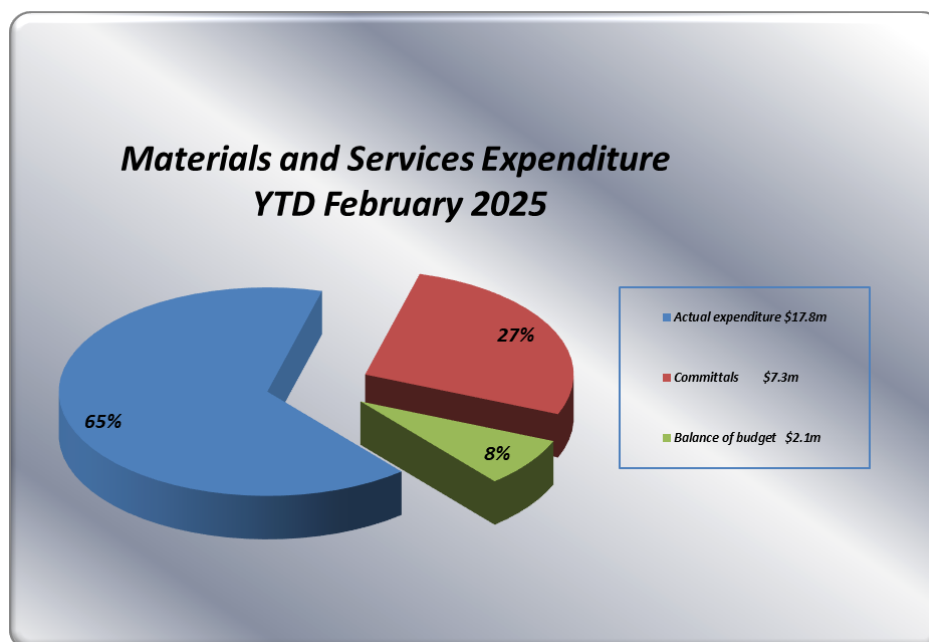


Figure 1.

Operating Result

A key point to note is the operating surplus is currently \$1.6m behind budget.

As reflected in the attached report operating revenue at the end of February 2025 was \$2.2m behind budget and operating expenditure \$590k under budget.

This has resulted in an operating surplus of \$12.9m compared to a budgeted surplus of \$14.5m for year to date.

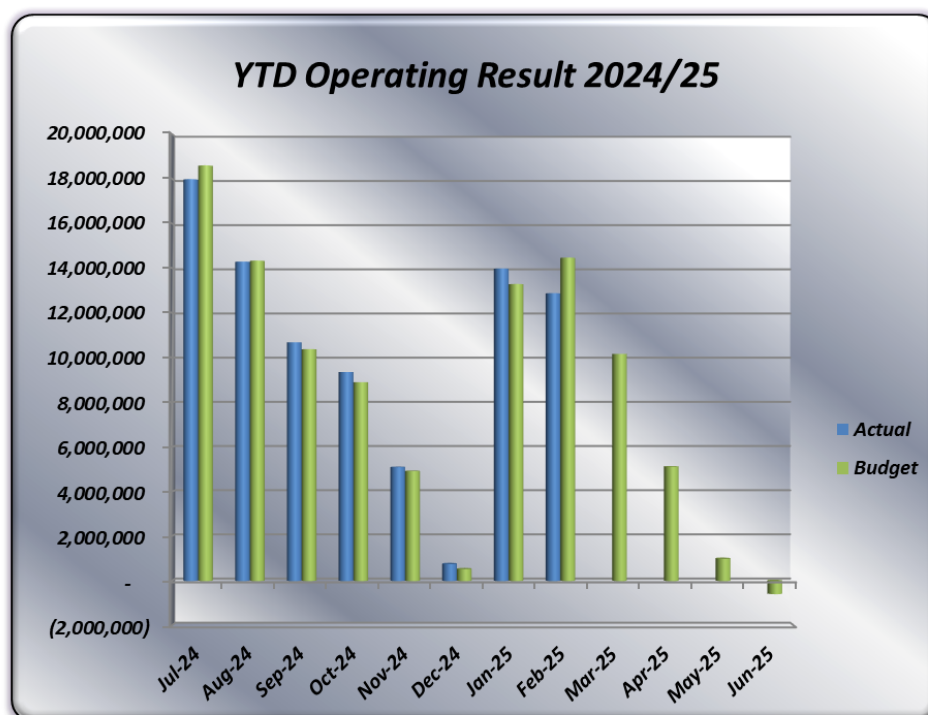


Figure 2.

Capital Revenue and Expenditure

Budget was adopted on 25 June 2024 and revised on the 26 November 2024.

- The revised budget process has created significant changes in budgeted capital grants and expenditure. This change primarily relates to the inclusion of the approved projects by Queensland Reconstruction Authority (QRA) for the reconstruction of Council's assets which were damaged as result of Cyclone Jasper and the subsequent flooding event. Council has received \$38m (29% of its annual budgeted capital grants and subsidies, \$4.7k contributions from developers and recorded a loss on disposal of assets of \$89k.
- 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 \$31.3m a further \$32.6m had been committed for capital as at the end of February 2025.

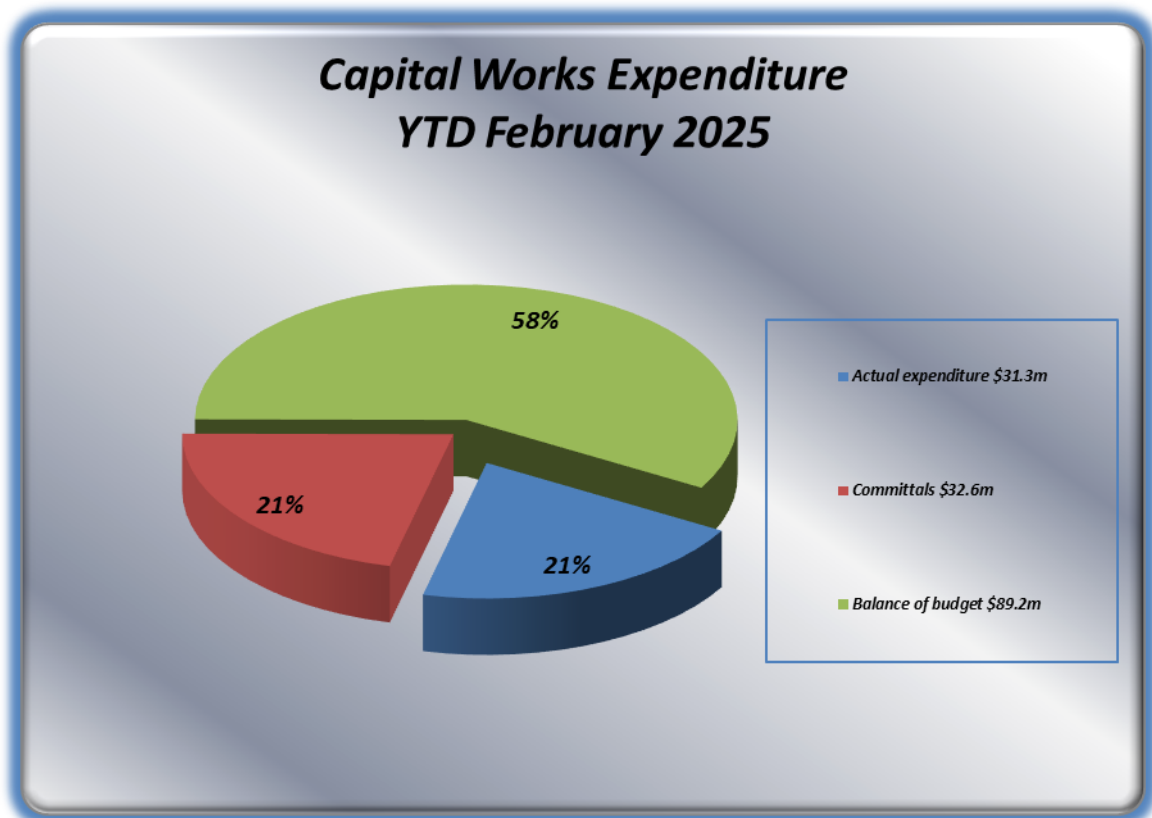


Figure 3.

FINANCIAL STATEMENT – Statement of Financial Position

The Statement of Financial Position at 28 February 2025, reflects net community assets of \$589.2m. This includes an increase in cash holdings, primarily due to the receipt of funds for the 30% prepayment of QRA Capital reconstruction grants.

FINANCIAL/RESOURCE IMPLICATIONS

The timing of works, and subsequent reimbursement from the Tropical Cyclone Jasper disaster funding bodies will need to be closely monitored as they impact Councils available cash. 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 continue to 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. 2025 February Statement of Financial Position [**6.3.1** - 1 page]
2. 2025 February Statement of Comprehensive Income [**6.3.2** - 1 page]

Douglas Shire Council
Statement of Financial Position
February 2025

	2025 \$	2024 \$
Current assets		
Cash and cash equivalents	53,825,851	29,073,420
Investments	-	5,000,000
Trade and other receivables, Contract Assets, Prepayments	8,107,188	8,763,092
Inventories	124,153	96,761
Total current assets	62,057,192	42,933,273
Non-current assets		
Property, plant and equipment	542,194,856	522,467,104
Intangible assets	54,998	54,998
Total non-current assets	542,249,854	522,522,102
Total assets	604,307,046	565,455,375
Current liabilities		
Trade and other payables, Contract Liabilities	5,077,345	17,781,715
Provisions	5,304,450	4,605,338
Total current liabilities	10,381,794	22,387,052
Non-current liabilities		
Borrowings	-	-
Provisions	4,321,141	4,321,141
Unearned Revenue	355,529	355,529
Total non-current liabilities	4,676,670	4,676,670
Total liabilities	15,058,464	27,063,722
Net community assets	589,248,582	538,391,653

**** Statement of Financial Position is a representation of Council's financial position at a point in time. 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. Assessments of Leave provisions, Landfill provisions are undertaken annually.**

Douglas Shire Council**Statement of Comprehensive Income****Financial Report February 2025**

	Actual YTD 25 \$	Budget YTD 24/25 \$	Variance \$	Budget 24/25 \$	Actual as % of Budget 24/25
Operating Revenue					
Rates and utility charges	41,162,283	41,272,345	(110,062)	44,406,802	93%
less: Financial Assistance, Remissions (incl. Pensioners)	(673,408)	(632,600)	(40,808)	(634,601)	106%
Net rates and utility charges	40,488,876	40,639,745	(150,869)	43,772,201	92%
Fees and charges	5,532,420	5,774,037	(241,617)	8,434,506	66%
Grants and subsidies	6,416,669	8,558,684	(2,142,015)	9,930,205	65%
Interest received	1,655,742	1,406,968	248,774	1,938,902	85%
Other recurrent income	1,020,197	911,256	108,941	1,613,650	63%
Total Operating Revenue	55,113,904	57,290,690	(2,176,786)	65,689,464	84%
Operating Expenses					
Employee benefits	12,980,618	13,618,158	637,540	21,848,491	59%
Materials and services	17,773,517	17,812,461	38,944	27,204,946	65%
Depreciation	11,450,817	11,365,898	(84,919)	17,072,227	67%
Finance costs	39,633	38,266	(1,367)	98,599	40%
Total Recurrent Expenses	42,244,585	42,834,783	590,198	66,224,263	64%
Operating Result	12,869,318	14,455,907	(1,586,589)	(534,799)	(2406%)
Capital Revenue					
Capital grants and subsidies	38,377,027	131,023,807	(92,646,780)	131,023,807	29%
Contributions from developers	4,770	250,000	(245,230)	250,000	2%
Gain/(Loss) non current assets & Insurance Proceeds	(89,227)	-	89,227	386,000	(23%)
Total capital revenue	38,292,570	131,273,807	(92,981,237)	131,659,807	29%
Net Result	51,161,889	145,729,714	(94,567,825)	131,125,008	39%
Capital Works Program					
Capital additions	31,281,432	153,068,683	121,787,251	153,068,683	20%
Total capital additions	31,281,432	153,068,683	121,787,251	153,068,683	20%