

6.3. JANUARY 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 January 2025.

EXECUTIVE SUMMARY

The statement of comprehensive income details the 2024-2025 Revised budget's progress for the period ended 31 January 2025. The Statement of Financial Position reports the Council's Assets and Liabilities at 31 January 2025.

Key points to note include the following:

- Operating revenue is ahead of budget by \$210k. Expenditure is under budget \$486k.
- The operating surplus is \$696k ahead of budget, currently \$14.0m compared to a budgeted surplus of \$13.3m

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 31 January 2025.

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 \$27.5k. Property growth and associated charges are ahead of budget \$48k however this has been offset by October water revenue \$39k under budget and an increase in Pension & Council discounts. New water reads are due to be processed in February.
- Fees and charges are behind budget by \$13k due to the following:
 - Daintree ferry revenue \$21k behind budget.

- Revenue from Licence fees is ahead of budget \$42k. The timing of invoices being issued affects this area.
 - Building and property related fees are \$95k 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 online with budget.
 - Other fees and charges are \$61k ahead of budget, which include water connections \$24k ahead of budget.
- Grants and subsidies are \$87k behind budget. This is primarily due to the timing for the receipt of grant funding.
 - Interest is \$187k over budget. Holding interest rates has assisted this result.
 - Other recurrent income is \$151k ahead of budget, primarily due to additional work performed and the timing of works completed on behalf of TMR.

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

- Employee benefits expenditure is currently \$560k 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 \$104K over 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 \$32k under budget. The timing of the completion of works can impact this result.

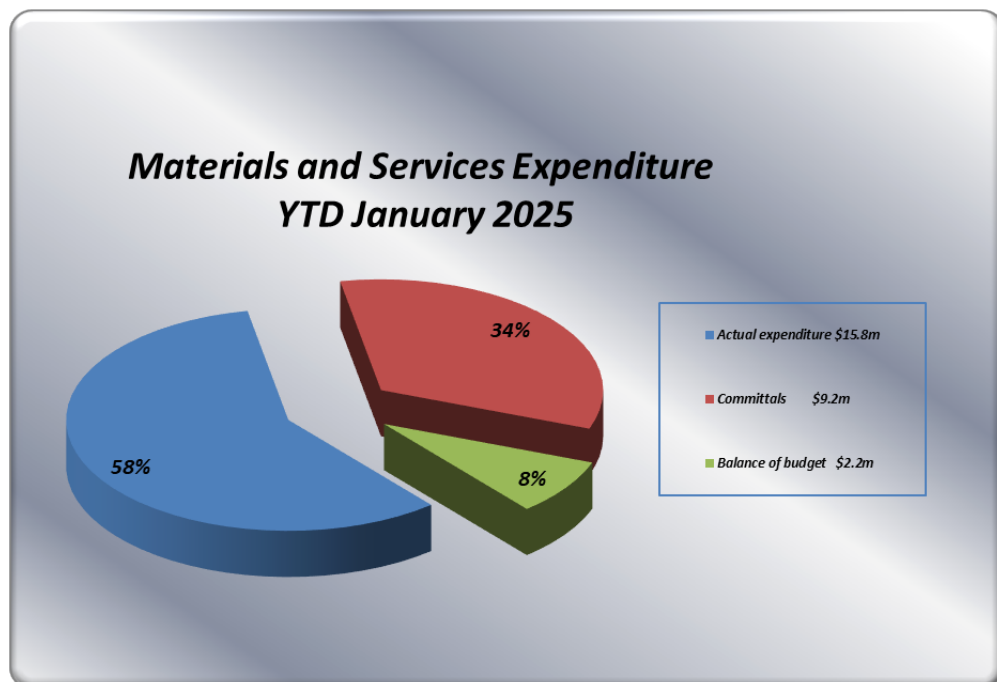


Figure 1.

Operating Result

A key point to note is the operating surplus is currently \$696k ahead of budget.

As reflected in the attached report operating revenue at the end of January 2025 was \$210k ahead of budget and operating expenditure \$486k under budget.

This has resulted in an operating surplus of \$14.0m compared to a budgeted surplus of \$13.3m for year to date.

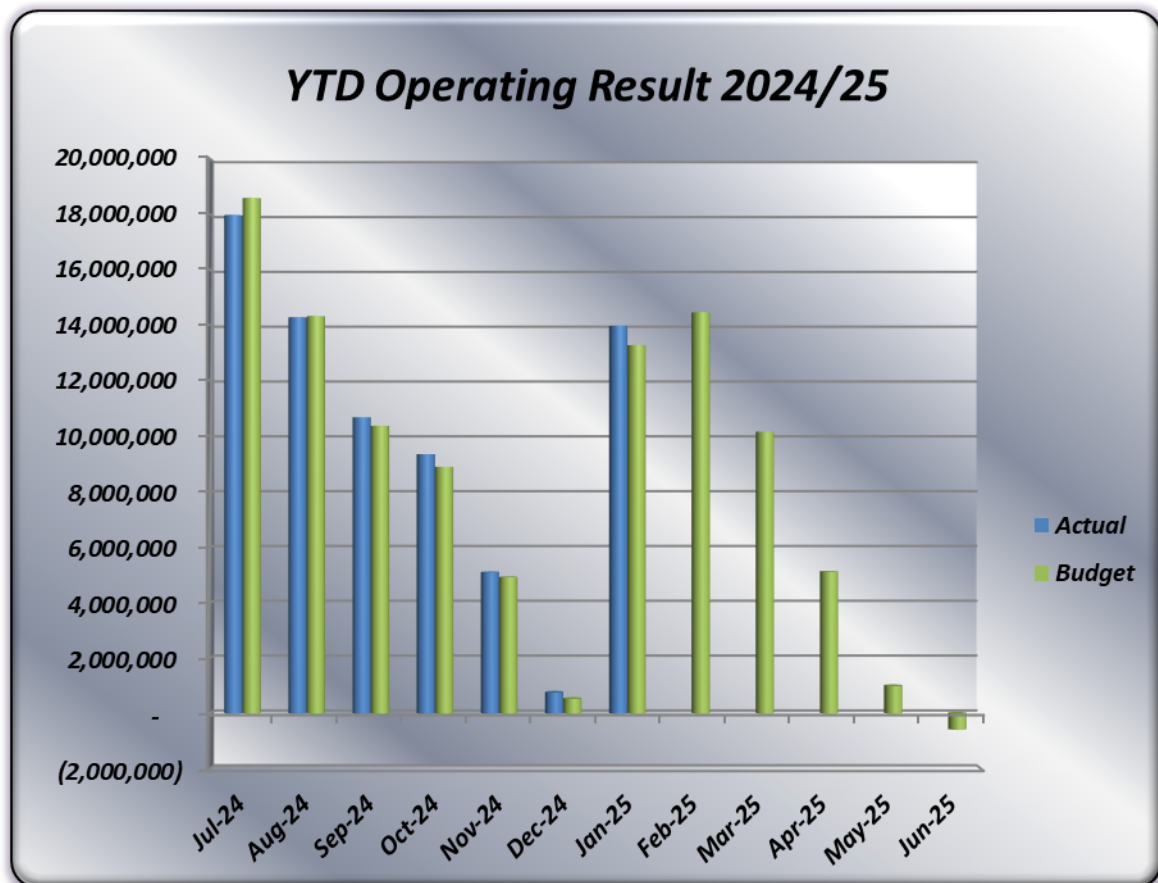


Figure 2.

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 QRA for the reconstruction of Council's assets which were damaged as result of Cyclone Jasper and the subsequent flooding event. Council has received \$37m (28% 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 \$26m a further \$35.8m had been committed for capital as at the end of January 2025.

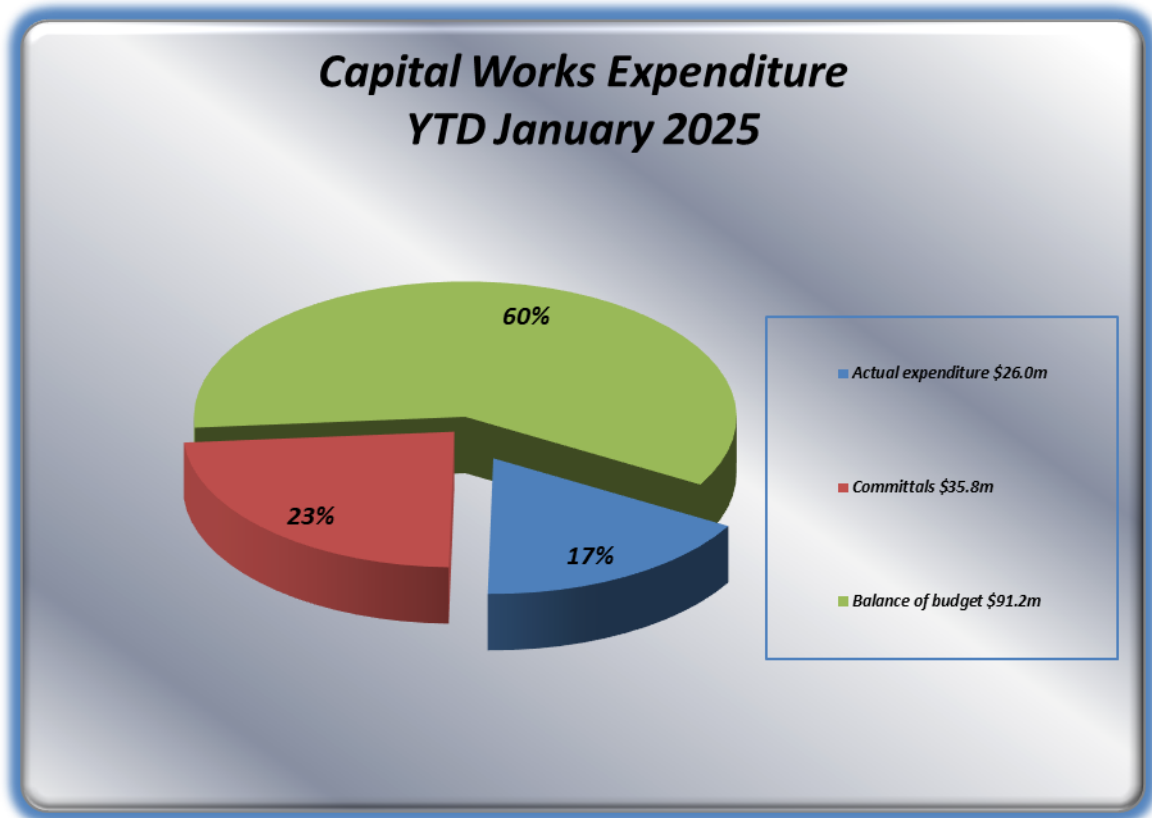


Figure 3.

FINANCIAL STATEMENT – Statement of Financial Position

The Statement of Financial Position at 31 January 2025, reflects Net community assets of \$588.7m. This includes an increase in cash holdings, primarily due to the receipt of funds for the 30% prepayment of QRA Capital reconstruction grants and an increase in Trade and other receivables due to the issue of January 25 rate notices.

FINANCIAL/RESOURCE IMPLICATIONS

The timing of works, and subsequent reimbursement from the TC 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 January Statement of Comprehensive Income [**6.3.1** - 1 page]
2. 2025 January Statement of Financial Position [**6.3.2** - 1 page]

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

	Actual YTD 25 \$	Budget YTD 24/25 \$	Variance \$	Budget 24/25 \$	Actual as % of Budget 24/25
Operating Revenue					
Rates and utility charges	38,045,962	38,036,966	8,996	44,406,802	86%
less: Financial Assistance, Remissions (incl. Pensioners)	(669,120)	(632,600)	(36,520)	(634,601)	105%
Net rates and utility charges	37,376,842	37,404,366	(27,524)	43,772,201	85%
Fees and charges	5,256,974	5,270,312	(13,338)	8,434,506	62%
Grants and subsidies	6,126,377	6,213,441	(87,064)	9,930,205	62%
Interest received	1,464,761	1,277,816	186,945	1,938,902	76%
Other recurrent income	970,145	818,685	151,460	1,613,650	60%
Total Operating Revenue	51,195,100	50,984,620	210,480	65,689,464	78%
Operating Expenses					
Employee benefits	11,337,816	11,898,017	560,201	21,848,491	52%
Materials and services	15,823,095	15,718,686	(104,409)	27,204,946	58%
Depreciation	10,024,592	10,056,250	31,658	17,072,227	59%
Finance costs	35,536	34,054	(1,482)	98,599	36%
Total Recurrent Expenses	37,221,039	37,707,007	485,968	66,224,263	56%
Operating Result	13,974,061	13,277,613	696,448	(534,799)	(2613%)
Capital Revenue					
Capital grants and subsidies	36,773,084	131,023,807	(94,250,723)	131,023,807	28%
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	36,688,627	131,273,807	(94,585,180)	131,659,807	28%
Net Result	50,662,688	144,551,420	(93,888,732)	131,125,008	39%
Capital Works Program					
Capital additions	26,009,778	153,068,683	127,058,905	153,068,683	17%
Total capital additions	26,009,778	153,068,683	127,058,905	153,068,683	17%

Douglas Shire Council
Statement of Financial Position
January 2025

	2025	2024
	\$	\$
Current assets		
Cash and cash equivalents	50,214,971	29,073,420
Investments	-	5,000,000
Trade and other receivables, Contract Assets, Prepayments	16,937,382	8,763,092
Inventories	115,665	96,761
Total current assets	67,268,018	42,933,273
Non-current assets		
Property, plant and equipment	538,349,428	522,467,104
Intangible assets	54,998	54,998
Total non-current assets	538,404,426	522,522,102
Total assets	605,672,444	565,455,375
Current liabilities		
Trade and other payables, Contract Liabilities	7,054,383	17,781,715
Provisions	5,201,631	4,605,338
Total current liabilities	12,256,014	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	16,932,684	27,063,722
Net community assets	588,739,760	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.**