

6.3. MARCH 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 March 2025.

EXECUTIVE SUMMARY

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

Key points to note include the following:

- Operating revenue is below budget by \$1.5m.
- Expenditure is below budget \$677k.
- The net operating position is \$865k below budget expectation, currently \$9.3m compared to a budgeted surplus of \$10.2m

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 March 2025.

FINANCIAL REPORT – Statement of Comprehensive Income

Operating Revenue

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

- Rates and utility charges are below budget by \$150k:
 - Property growth and associated charges are above budget \$51k
 - Water revenue below budget by \$158k
 - Increase in Pension & Council discounts now \$43k over budget.

- Fees and charges are below budget by \$283k due to the following:
 - Daintree ferry revenue \$100k behind budget.
 - Revenue from Licence fees is ahead of budget \$36k. This is only a timing difference and not expected to continue.
 - Building and property related fees are \$221k below budget. \$71k of this variance relates to the reversal of an application fee due to it expiring & a further \$50k from an application being withdrawn. Lodgment and application fees for properties, including property search fees are also behind budget.
 - Refuse tipping fees are \$8k above budget.
 - Other fees and charges are \$6k below budget. This includes Caravan Parks which are currently behind budget; Mossman \$39k & Wonga Beach \$32k. These have been partially offset by an increase in Pool revenue \$27k and subsidiary water connections \$33k.
- Grants and subsidies are \$1.7m below 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 \$371k above budget. The delay in reducing interest rates has assisted in this result.
- Other recurrent income is \$221k above budget, primarily due to additional work performed and the timing of works completed on behalf of the Department of Transport and Main Roads (TMR).

Operating Expenditure

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

- Employee benefits expenditure is currently \$735k below budget. This can be subject to the timing of various unfilled vacancies. However, this variance is partly offset by an above budget increase in temporary and contract staff expenditure.
- Materials and services expenditure is currently tracking against budget expectations with only a small \$9K year to date variation.
- Depreciation expense is \$61k over budget. The timing of the completion of works can impact this result.
- Finance charges are currently \$7k above budget.

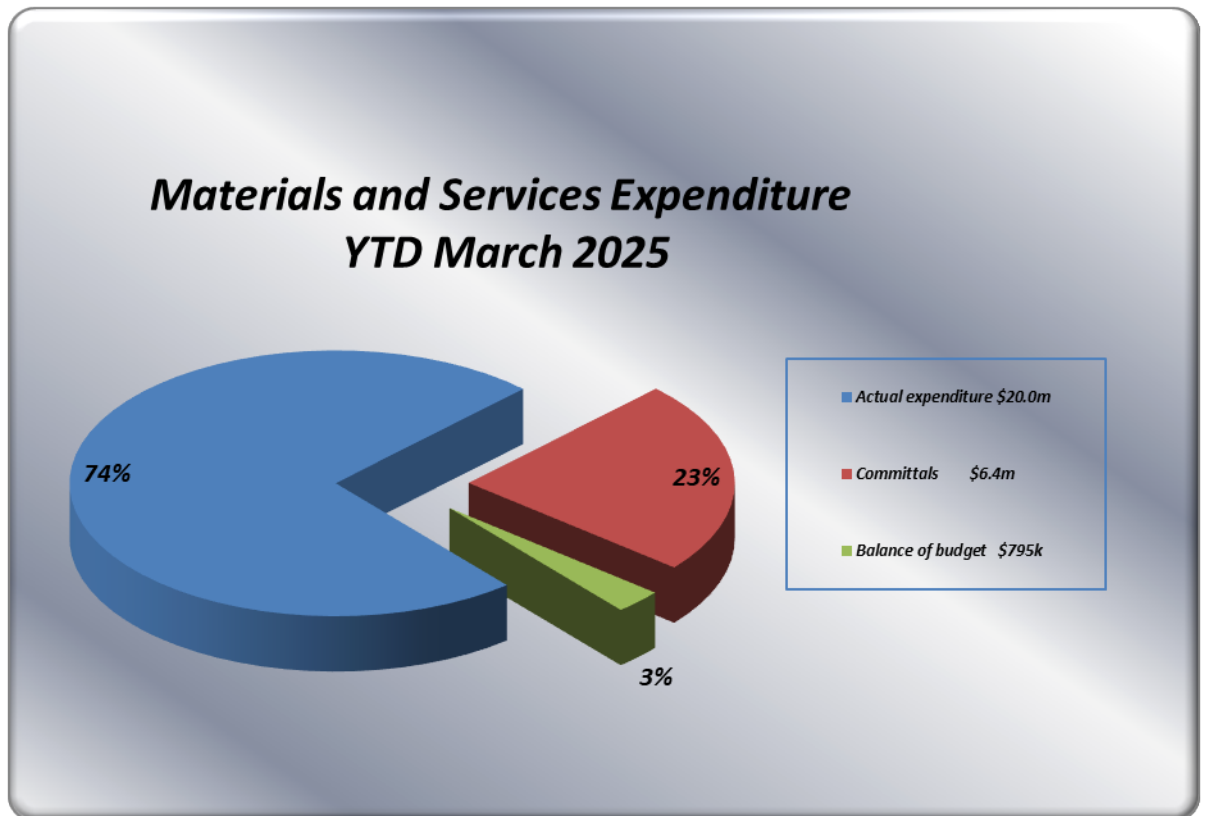


Figure 1.

Operating Result

A key point to note is the operating surplus is currently \$865k behind budget.

As reflected in the attached report operating revenue at the end of March 2025 was \$1.5m behind budget and operating expenditure \$9.3k under budget.

This has resulted in an operating surplus of \$9.3m compared to a budgeted surplus of \$10.2m for year to date.

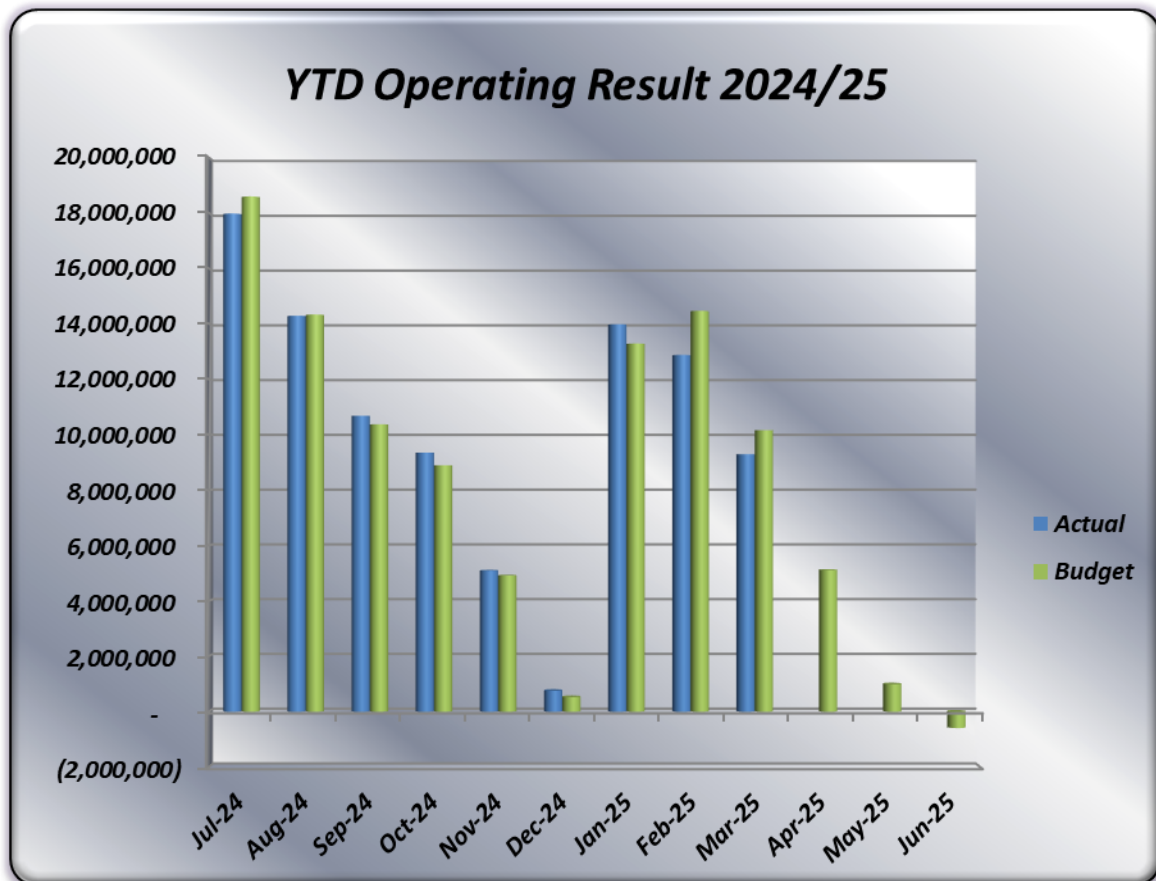


Figure 2.

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 \$52.2m (40% of its annual budgeted capital grants and subsidies, \$40.1k contributions from developers and recorded a loss on disposal of assets of \$205k.
- 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 \$37.3m a further \$28.7m had been committed for capital as at the end of March 2025.

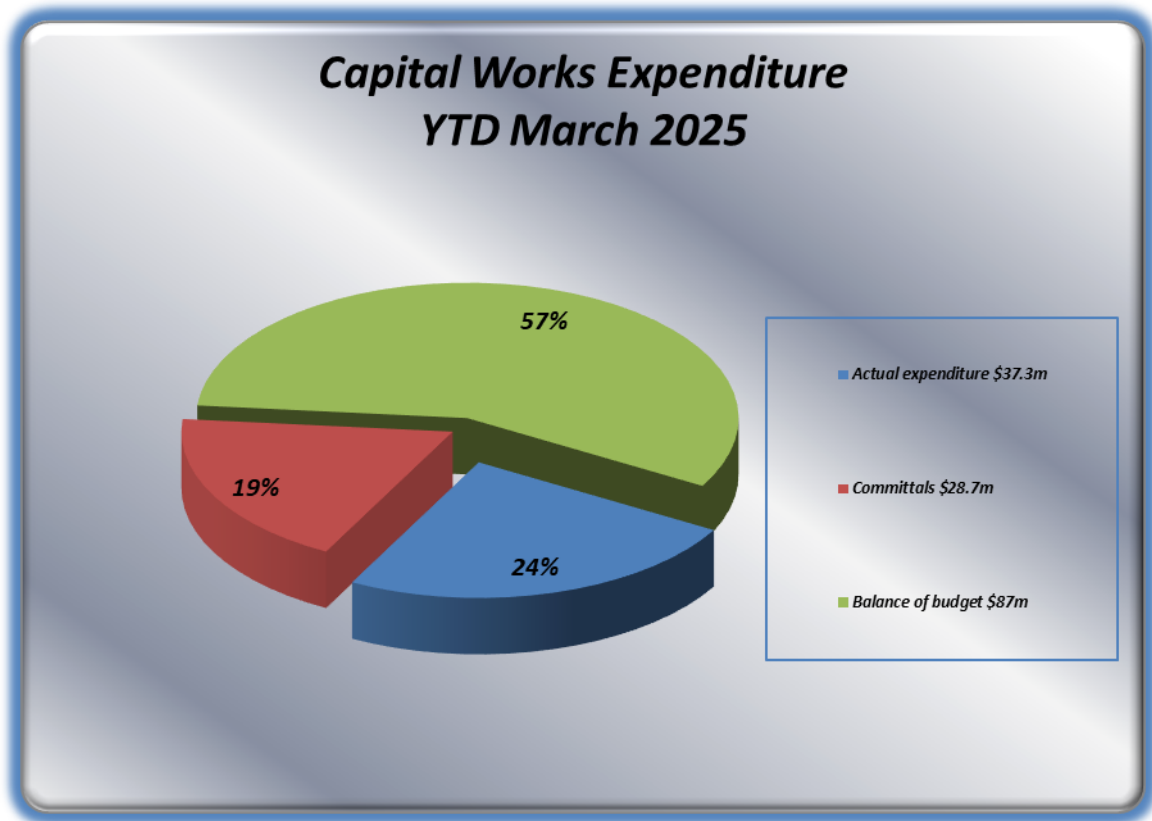


Figure 3.

FINANCIAL STATEMENT – Statement of Financial Position

The Statement of Financial Position at 31 March 2025, reflects net community assets of \$599.4m. This includes an increase in cash holdings, primarily due to the receipt of funds for the 30% prepayment of QRA Capital reconstruction grants and receipts for Rates & Utility charges.

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 Council's 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 March Statement of Financial Position [6.3.1 - 1 page]
2. 2025 March Statement of Comprehensive Income [6.3.2 - 1 page]

Douglas Shire Council
Statement of Financial Position
March 2025

	2025	2024
	\$	\$
Current assets		
Cash and cash equivalents	64,801,634	29,073,420
Investments	-	5,000,000
Trade and other receivables, Contract Assets, Prepayments	4,605,724	8,763,092
Inventories	124,629	96,761
Total current assets	69,531,986	42,933,273
Non-current assets		
Property, plant and equipment	546,705,926	522,467,104
Intangible assets	54,998	54,998
Total non-current assets	546,760,924	522,522,102
Total assets	616,292,911	565,455,375
Current liabilities		
Trade and other payables, Contract Liabilities	7,005,171	17,781,715
Provisions	5,181,084	4,605,338
Total current liabilities	12,186,255	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	16,862,925	27,063,722
Net community assets	599,429,986	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 March 2025**

	Actual YTD 25 \$	Budget YTD 24/25 \$	Variance \$	Budget 24/25 \$	Actual as % of Budget 24/25
Operating Revenue					
Rates and utility charges	41,165,808	41,272,345	(106,537)	44,406,801	93%
less: Financial Assistance, Remissions (incl. Pensioners)	(675,786)	(632,600)	(43,186)	(634,601)	106%
Net rates and utility charges	40,490,022	40,639,745	(149,723)	43,772,200	93%
Fees and charges	5,931,040	6,214,268	(283,228)	8,434,506	70%
Grants and subsidies	7,227,599	8,927,906	(1,700,307)	9,930,203	73%
Interest received	1,932,010	1,561,272	370,738	1,938,902	100%
Other recurrent income	1,251,158	1,030,795	220,363	1,613,650	78%
Total Operating Revenue	56,831,828	58,373,986	(1,542,158)	65,689,461	87%
Operating Expenses					
Employee benefits	14,602,849	15,338,299	735,450	21,848,491	67%
Materials and services	20,009,519	20,018,872	9,353	27,204,946	74%
Depreciation	12,876,676	12,815,872	(60,804)	17,072,227	75%
Finance costs	54,068	47,454	(6,614)	98,599	55%
Total Recurrent Expenses	47,543,113	48,220,497	677,384	66,224,263	72%
Operating Result	9,288,716	10,153,489	(864,773)	(534,802)	(1737%)
Capital Revenue					
Capital grants and subsidies	52,271,444	131,023,807	(78,752,363)	131,023,807	40%
Contributions from developers	40,140	250,000	(209,860)	250,000	16%
Gain/(Loss) non current assets & Insurance Proceeds	(205,458)	-	205,458	386,000	(53%)
Total capital revenue	52,106,126	131,273,807	(79,167,681)	131,659,807	40%
Net Result	61,394,842	141,427,296	(80,032,454)	131,125,005	47%
Capital Works Program					
Capital additions	37,334,592	153,068,683	115,734,091	153,068,683	24%
Total capital additions	37,334,592	153,068,683	115,734,091	153,068,683	24%