

### 3.10. STATEMENT OF ESTIMATED FINANCIAL POSITION 2024-2025

<b>REPORT AUTHOR</b>	Interim Chief Financial Officer
<b>MANAGER</b>	General Manager TC Jasper Corporate and Communities
<b>DEPARTMENT</b>	Corporate and Communities
<b>RECOMMENDATION</b>	

**That:**

- 1. Council receives and notes the Statement of Estimated Financial Position of the Council in respect of the 2024-2025 financial year, pursuant to s205 of the *Local Government Regulation 2012*; and**
- 2. Council receives and notes the Financial Reports for the period ended 31 May 2025, comprising the Statement of Comprehensive Income, and the Statement of Financial Position for 31 May 2025.**

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#### EXECUTIVE SUMMARY

The attached Financial Report details the progress of the 2024-2025 budget for the period ended 31 May 2025 and provides a "statement of estimated financial position" for the 2024-2025 financial year. Key points to note include the following:

- Operating revenue at 31 May 2025 is under budget by \$1.4m
- Operating expenditure at 31 May 2025 is under budget by \$1.5m
- The operating surplus at 31 May 2025 is currently \$1.1m, compared to a budgeted surplus of \$996k

#### BACKGROUND

In accordance with s204 of the *Qld 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.

Additionally, s205 of the *Qld Local Government Regulation 2012* requires the CEO to present to the annual budget meeting a Statement of Estimated Financial Position.

#### COMMENTS

The 2024-2025 annual budget was adopted on 25 June 2024, and the revised budget was subsequently adopted on 26 November 2024. The attached financial report details progress against revised budget for the period ended 31 May 2025.

Also included in the report is the Statement of Estimated Financial Position for the financial year ending 30 June 2025.

The following information is provided to assist with interpreting the report, including the provision of relevant graphs.

## **PROGRESS AGAINST BUDGET FOR THE PERIOD ENDING 31 MAY 2025**

### FINANCIAL REPORT – Statement of Comprehensive Income

#### Operating Revenue and Expenditure

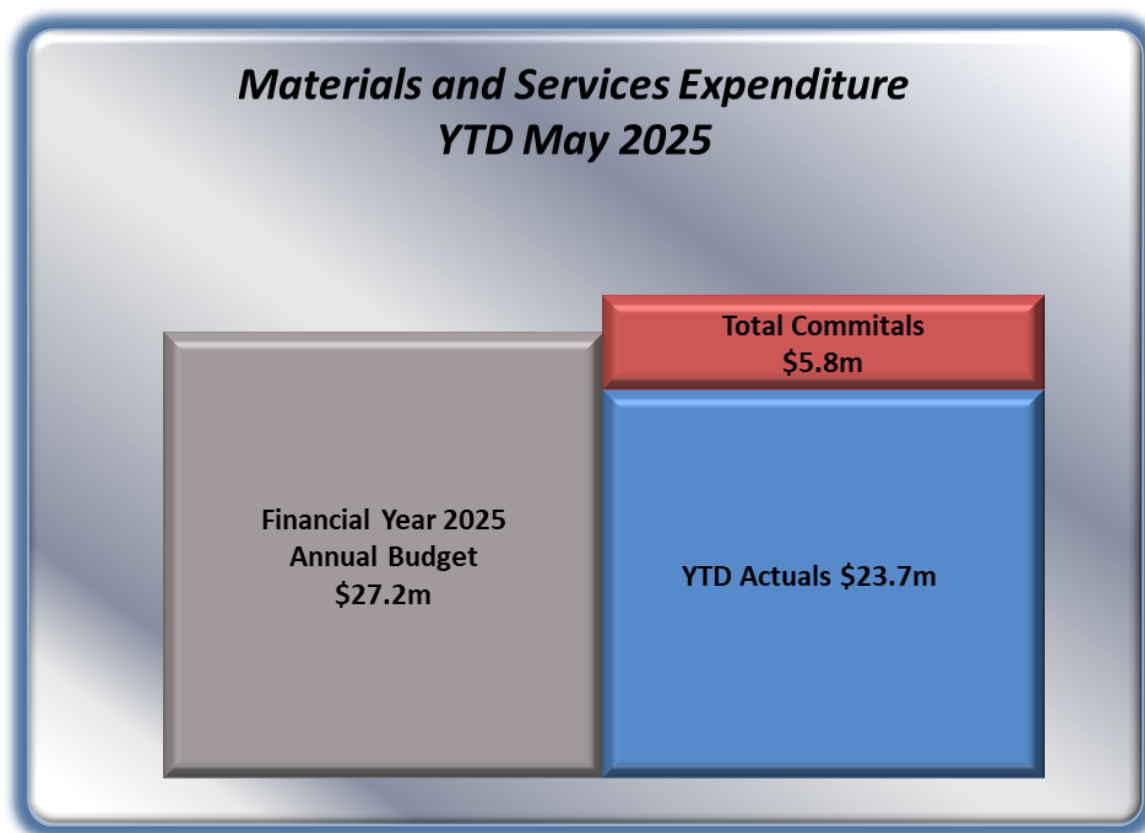
Operating revenue is currently behind budget, with variations occurring within the categories as follows:

- Rates and utility charges are behind budget by \$156k. Property growth and associated charges are ahead of budget \$45k however this has been offset by a reduction in water revenue now \$159k under budget after February Water notices were issued, and an increase in Pension & Council discounts.
- Fees and charges are behind budget by \$479k due to the following:
  - Daintree ferry revenue \$172k behind budget.
  - Revenue from Licence fees is behind budget \$23k. The timing of invoices being issued affects this area.
  - Building and property related fees are \$241k behind budget. Of this variance, \$71k 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 \$32k ahead of budget.
  - Other fees and charges are \$75k behind budget. This is primarily due to a downturn in Van Park Revenue for both Mossman & Wonga, combined \$129k under budget. This has been offset by an increase in Pool revenue \$30k.
- Grants and subsidies are \$1.6m behind budget. This is primarily due to the timing for the final reimbursement for the works completed for Cyclone Jasper and the associated flooding. This will impact on end of year result and carry forward to FY26 if the funding is not received by 30 June.
- Interest is \$644k over budget. Continued high interest rates have assisted this result. This will provide a permanent lift to the FY25 result.
- Other recurrent income is \$169k 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 \$911k 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 currently \$655K under budget year to date. There are a number of grant funded projects yet to be completed.
- Depreciation expense is \$49k 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 \$65.8k ahead of budget.

As reflected in the attached report operating revenue at the end of May 2025 was \$1.4m behind budget and operating expenditure \$1.5m under budget.

This has resulted in an operating surplus of \$1.1m compared to a budgeted surplus of \$996k for year to date.

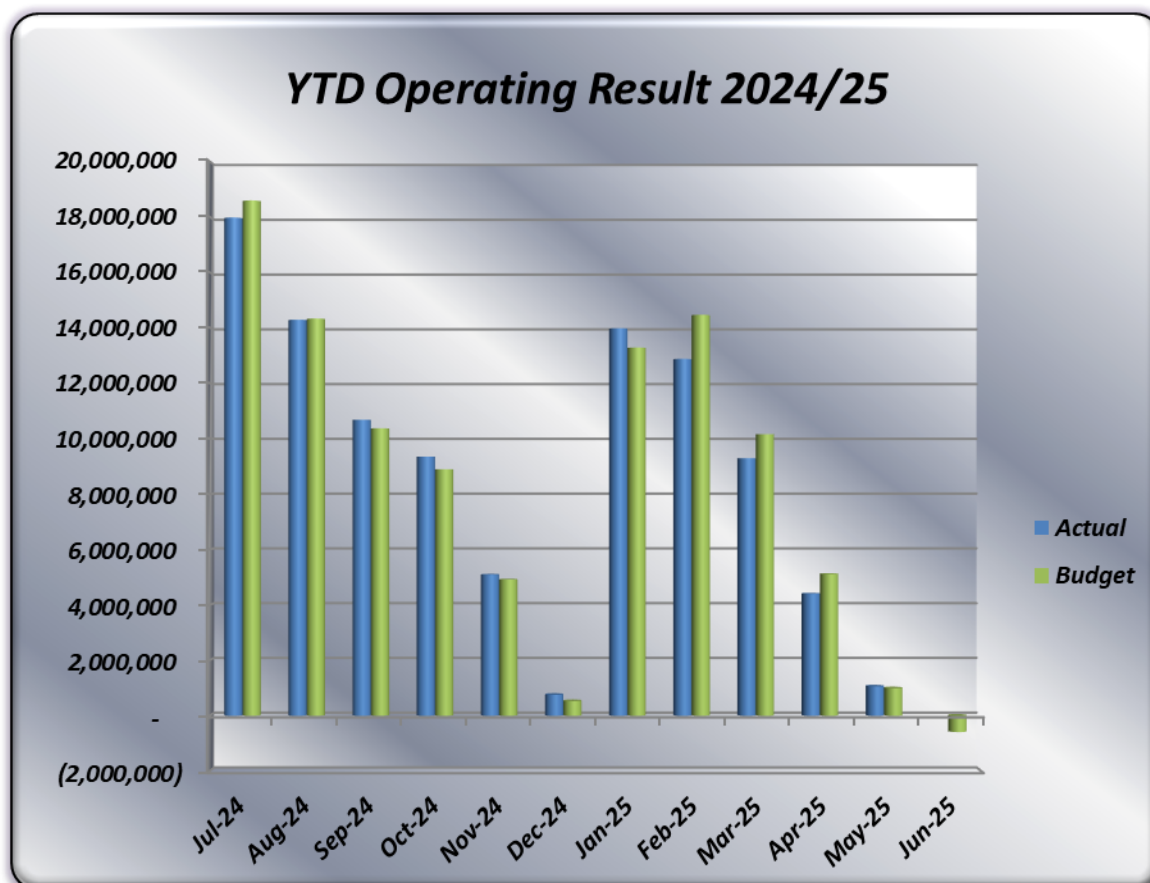


Figure 2.

### Capital Revenue and Expenditure

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

- The revised budget process created significant changes in budgeted capital grants and expenditure. This change primarily relates to the inclusion of approved projects by QRA for the reconstruction of Council's assets which were damaged as a result of Cyclone Jasper and the subsequent flooding event. Council has received \$65.4m (50%) of its annual budgeted capital grants and subsidies, \$97k contributions from developers and recorded a loss on disposal of assets of \$540k. Insurance proceeds from claims lodged are still pending and may be received prior to year end.
- 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 \$48.3m a further \$24.5m had been committed for capital as at the end of May 2025.

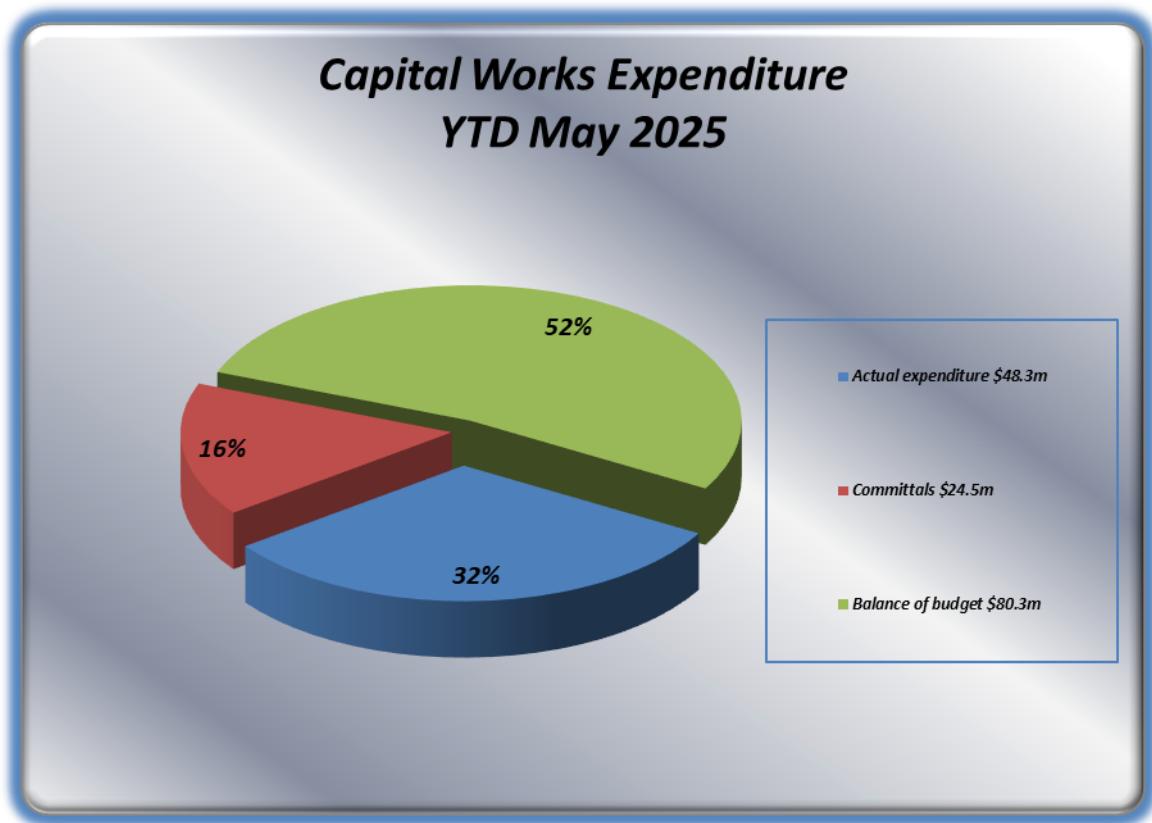


Figure 3.

#### FINANCIAL STATEMENT – Statement of Financial Position

The Statement of Financial Position at 31 May 2025, reflects Net community assets of \$604m. This includes an increase in cash holdings, primarily due to the receipt of funds for the 30% prepayment of QRA Capital reconstruction grants.

## ESTIMATED FINANCIAL POSITION FOR THE FINANCIAL YEAR ENDING 30 JUNE 2025

Two columns have been added to the attached financial report to show the estimated financial position and variance to budget for the financial year ending 30 June 2025. This estimate is based on information available (including the variance explanations outlined above) and analysis made at the time of preparing this report.

Please note the final result is subject to the finalisation of end of year processes.

The operating result is estimated to be a \$104k surplus against a budgeted deficit of \$535k. The timing of payments from Queensland Reconstruction Authority, for Disaster related grants may significantly affect this forecast, due to the Australian Accounting Standards which determine the timing of when revenue may be recognised.

Operational revenue is expected to be \$101k over budget:

Rates and utilities are forecast to be \$152k behind budget, due to a reduction in water usage and an increase in pension remission granted.

Fees and charges are expected to be under budget by \$504k. This includes Daintree Ferry revenue, which is forecast to be \$235k under budget and Building & Property fees \$175k under budget due to planning fee adjustments.

Interest revenue is forecast to be \$790k above budget due to continued high interest rates and other recurrent income is estimated to be \$34k under budget. This includes increased works for the State Roads maintenance contract however has been offset by a decline in recycled material income, and a change in the Carnivale program.

Total operational expenditure is expected to be \$539k under budget. There is a forecast saving in employee benefits of \$780k. This is due to the inability to fill vacancies throughout the year. This has been partially offset by a forecast increase in materials & services \$241k partially due to the use of contract employees to fill some vacancies. Depreciation forecast has not been reviewed as this is subject to end of year processes.

Developer Contributions have been forecast to be \$180k above budget.

Capital grants and subsidies are forecast to a lower result of \$38m for the end of year as projects associated with the grants are not yet complete.

Capital works expenditure has been forecast to the likely project completion result of \$73m. Outstanding capital grants and subsidies and incomplete capital works projects are budgeted to carry forward in the 2025-2026 budget.

Council's financial position as at 30 June 2025 will be dependent upon the outcomes of the end of financial year adjustments and final audit processes.

## PROPOSAL

1. Pursuant to s205 of the *Local Government Regulation 2012*, the Statement of Estimated Financial Position of the Council in respect of the 2024-2025 financial year be received and its contents noted.

2. The Financial Reports for the period ended 31 May 2025, comprising the Statement of Comprehensive Income, and the Statement of Financial Position for 31 May 2025 be noted.

## FINANCIAL/RESOURCE IMPLICATIONS

The forecast end of year financial result for 2024-2025 would see a decline in the result of \$1.6m, should the payment for the final submission for the Cyclone Jasper emergent works claim not be received by 30 June 2025.

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 of 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:

<b>Custodian</b>	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.
<b>Regulator</b>	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 May Statement of Financial Position [3.10.1 - 1 page]
2. 2025 May Comprehensive Income and FY 2025 Estimated Financial Position [3.10.2 - 1 page]



**Douglas Shire Council**  
**Statement of Financial Position**  
**May 2025**

	2025	2024
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	61,217,409	29,073,420
Investments	-	5,000,000
Trade and other receivables, Contract Assets, Prepayments	4,148,637	8,763,092
Inventories	140,413	96,761
<b>Total current assets</b>	<b>65,506,460</b>	<b>42,933,273</b>
<b>Non-current assets</b>		
Property, plant and equipment	554,444,492	522,467,104
Intangible assets	54,998	54,998
<b>Total non-current assets</b>	<b>554,499,490</b>	<b>522,522,102</b>
<b>Total assets</b>	<b>620,005,949</b>	<b>565,455,375</b>
<b>Current liabilities</b>		
Trade and other payables, Contract Liabilities	6,026,407	17,781,715
Provisions	5,336,246	4,605,338
<b>Total current liabilities</b>	<b>11,362,654</b>	<b>22,387,052</b>
<b>Non-current liabilities</b>		
Borrowings	-	-
Provisions	4,321,141	4,321,141
Unearned Revenue	355,529	355,529
<b>Total non-current liabilities</b>	<b>4,676,670</b>	<b>4,676,670</b>
<b>Total liabilities</b>	<b>16,039,323</b>	<b>27,063,722</b>
<b>Net community assets</b>	<b>603,966,626</b>	<b>538,391,653</b>

**\*\* 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 May 2025**

	Actual YTD 25 \$	Budget YTD 24/25 \$	Variance \$	Budget 24/25 \$	Actual as % of Budget 24/25
<b>Operating Revenue</b>					
Rates and utility charges	41,188,120	41,302,345	(114,225)	44,406,801	93%
less: Financial Assistance, Remissions (incl. Pensioners)	(676,503)	(634,600)	(41,903)	(634,601)	107%
Net rates and utility charges	40,511,617	40,667,745	(156,128)	43,772,200	93%
Fees and charges	7,195,188	7,673,875	(478,687)	8,434,506	85%
Grants and subsidies	7,640,788	9,266,758	(1,625,970)	9,930,203	77%
Interest received	2,470,163	1,826,571	643,592	1,938,902	127%
Other recurrent income	1,428,226	1,258,818	169,408	1,613,650	89%
<b>Total Operating Revenue</b>	<b>59,245,982</b>	<b>60,693,767</b>	<b>(1,447,785)</b>	<b>65,689,461</b>	<b>90%</b>
<b>Operating Expenses</b>					
Employee benefits	18,717,444	19,628,694	911,250	21,848,491	86%
Materials and services	23,684,534	24,339,941	655,407	27,204,946	87%
Depreciation	15,718,470	15,669,039	(49,431)	17,072,227	92%
Finance costs	63,893	60,282	(3,611)	98,599	65%
<b>Total Recurrent Expenses</b>	<b>58,184,340</b>	<b>59,697,956</b>	<b>1,513,616</b>	<b>66,224,263</b>	<b>88%</b>
<b>Operating Result</b>	<b>1,061,642</b>	<b>995,811</b>	<b>65,831</b>	<b>(534,802)</b>	<b>(199%)</b>
<b>Capital Revenue</b>					
Capital grants and subsidies	65,351,070	131,023,807	(65,672,737)	131,023,807	50%
Contributions from developers	96,952	250,000	(153,048)	250,000	39%
Gain/(Loss) non current assets & Insurance Proceeds	(539,954)	-	539,954	386,000	(140%)
<b>Total capital revenue</b>	<b>64,908,068</b>	<b>131,273,807</b>	<b>(66,365,739)</b>	<b>131,659,807</b>	<b>49%</b>
<b>Net Result</b>	<b>65,969,710</b>	<b>132,269,618</b>	<b>(66,299,908)</b>	<b>131,125,005</b>	<b>50%</b>
<b>Capital Works Program</b>					
Capital additions	48,288,065	153,068,683	104,780,618	153,068,683	32%
<b>Total capital additions</b>	<b>48,288,065</b>	<b>153,068,683</b>	<b>104,780,618</b>	<b>153,068,683</b>	<b>32%</b>

**Statement of  
Estimated Financial Position  
Financial Year June 2025**

Actual \$	Variance \$
44,296,801	(110,000)
(676,601)	(42,000)
43,620,200	(152,000)
7,931,006	(503,500)
9,930,203	-
2,728,902	790,000
1,579,650	(34,000)
<b>65,789,961</b>	<b>100,500</b>
21,068,749	779,742
27,445,946	(241,000)
17,072,227	-
98,599	-
<b>65,685,521</b>	<b>538,742</b>
<b>104,440</b>	<b>639,242</b>
37,972,715	(93,051,092)
429,867	179,867
(539,954)	(925,954)
<b>37,862,628</b>	<b>(93,797,179)</b>
<b>37,967,068</b>	<b>(93,157,937)</b>
73,144,910	79,923,773
<b>73,144,910</b>	<b>79,923,773</b>