



COMMUNITY FINANCIAL REPORT

For the year ended 30 June 2025

Appendix 1



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1. Statement of Comprehensive Income (Profit and Loss)

The Statement of Comprehensive Income details where Council received its money and how it spent this money in delivering services to the Region.

Financial Summary 2024 - 2025

Summary Statement of Comprehensive Income (\$'000's)

Profit and Loss	2024-25	2023-24	2022-23	2021-22
Operating revenue	104,051	64,451	88,573	60,322
Less: Operating expenditure	94,907	74,236	85,385	57,255
Operating surplus / (deficit)	9,144	(9,785)	3,188	3,067
Capital income	2,758	11,275	6,307	17,831
Less: Capital expense	2,171	1,513	1,252	1,511
Net Result	9,731	(22)	8,243	19,387

The Operating surplus or deficit is the outcome which results from the day-to-day activities of Council. The Operating result is an important indicator of financial health and one of the primary metrics Council measures itself on.

The Net Result is arrived at by adding the Capital items to the Operating result.

The improved result in 2024-25 is primarily attributed to a brought forward payment of the Financial Assistance Grant totalling \$6.65m.

1.1. Revenue – Where does the money come from?

This year Council received \$106.8 million in revenue for the financial year, which consisted of \$104.1 million in recurrent revenue and \$2.8 million in capital revenue. This is an increase of 41% from the previous year. The annual amount of revenue received is heavily influenced by the level of State funding claims for roads restoration works undertaken in relation to recent natural disaster events and the timing of Financial Assistance Grants.

The source of recurrent revenue is shown in Figure 1. Council controlled recurrent revenue increased by 7% from the prior financial year (excluding State and Federal Funding).

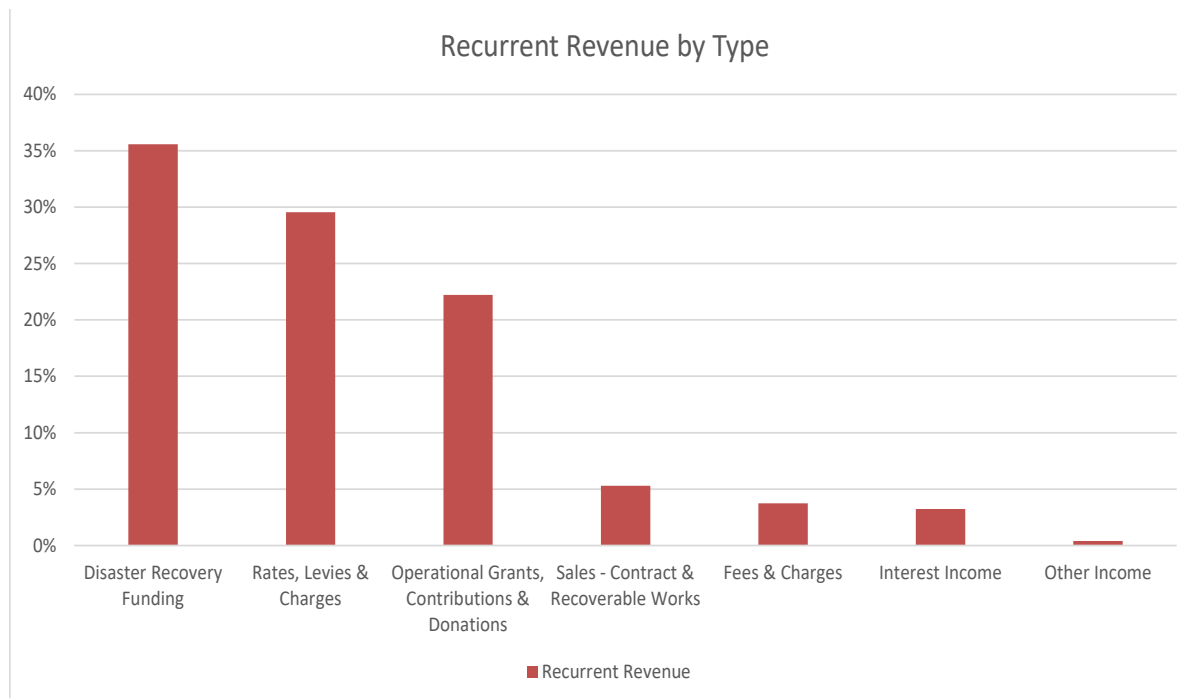


Figure 1

1.2. Expenses – Where was the money spent?

Council incurs both Recurrent (operating) and Capital expenditure in delivering services to the community.

Recurrent expenditure for 2024-25 year is highlighted in Figure 2. Recurrent expenditure increased by 6% from the prior financial year (excluding Disaster Recovery Expenses). General market conditions resulted in increases to Materials, Services and Depreciation.

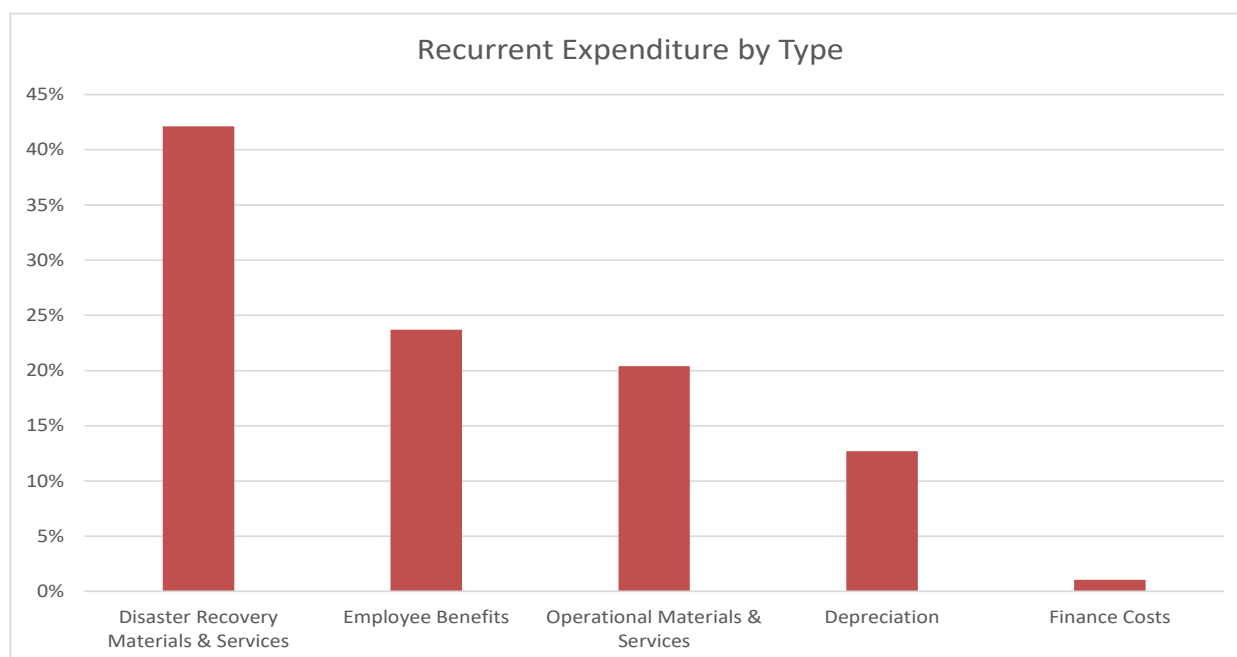


Figure 2

Recurrent Expenditure by function

Funds raised through Recurrent revenue are used to provide services to the community. These include:

- Roads & Infrastructure Operations
- Water
- Sewerage
- Facilities
- Community Building
- Organisational Services/WHS
- Office of CEO/Elected Members
- Fleet
- Human Resources
- Development/Regulatory Services

During the year, these funds were consumed across the functions as shown in Figure 3.

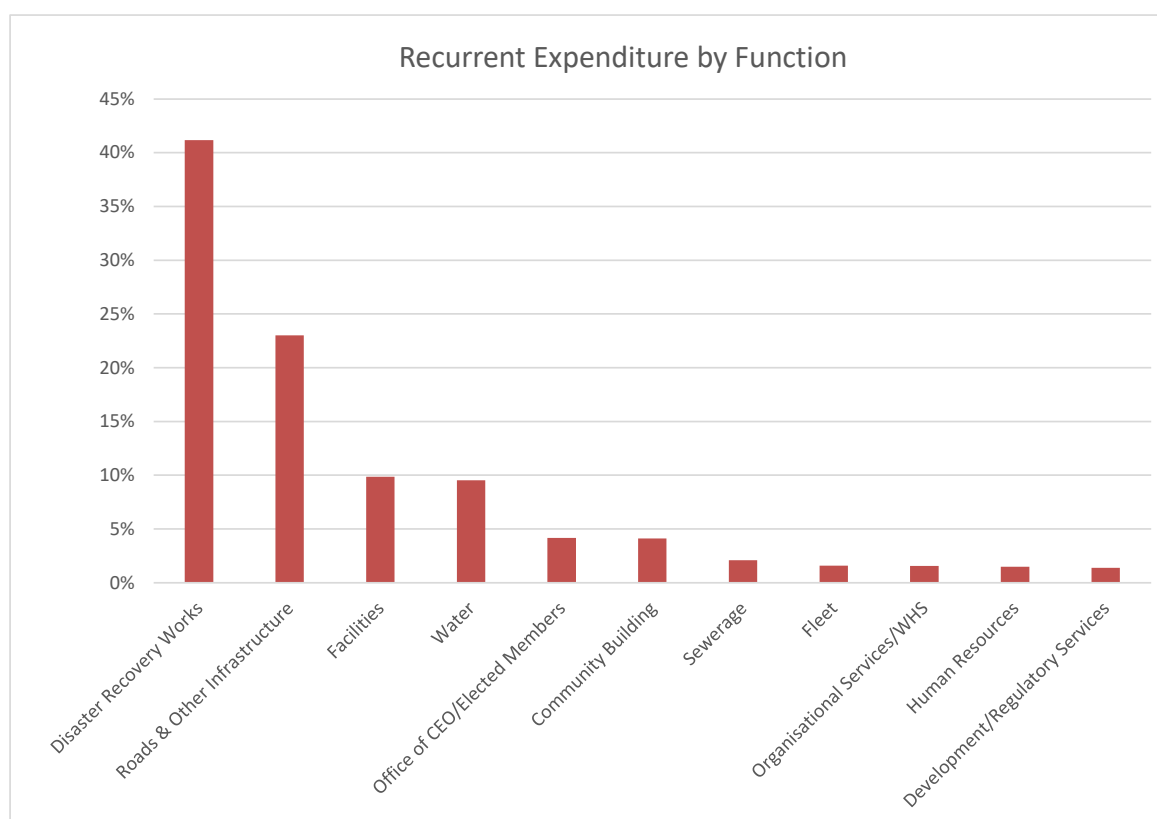


Figure 3

2. Statement of Financial Position (Balance Sheet)

The Statement of Financial Position measures what Council owns (assets) and what Council owes (liabilities), resulting in Council's net worth at the end of the financial year.

This statement is often referred to as the Balance Sheet and summarises the financial position of the Council at the end of the financial year.



2.1. Assets: What does Council own?

Council's 2024-25 total Assets amount to \$767 million (2023-24 \$724 million). These are classified as either Current or Non-current assets in the annual financial statements.

Total Assets (\$'000's)

Total Assets	2024-25	% of	2023-24
Current assets	92,790	12%	83,064
Non-current assets	674,454	88%	640,702
Total Assets	767,244	100%	723,766

Current assets include cash and other assets that are expected to be converted to cash within the year. These grew by 12% over the year.

Non-current assets include long-term investments that are used to provide infrastructure and services to the community. In the Balance Sheet these assets are called Property, Plant and Equipment and this captures the regions roads and drainage, water and sewerage assets, property (land and buildings), fleet, plant and equipment. Council spent \$15m during the year on additional long-term assets.

Council's Property, Plant and Equipment are represented in Figure 4.

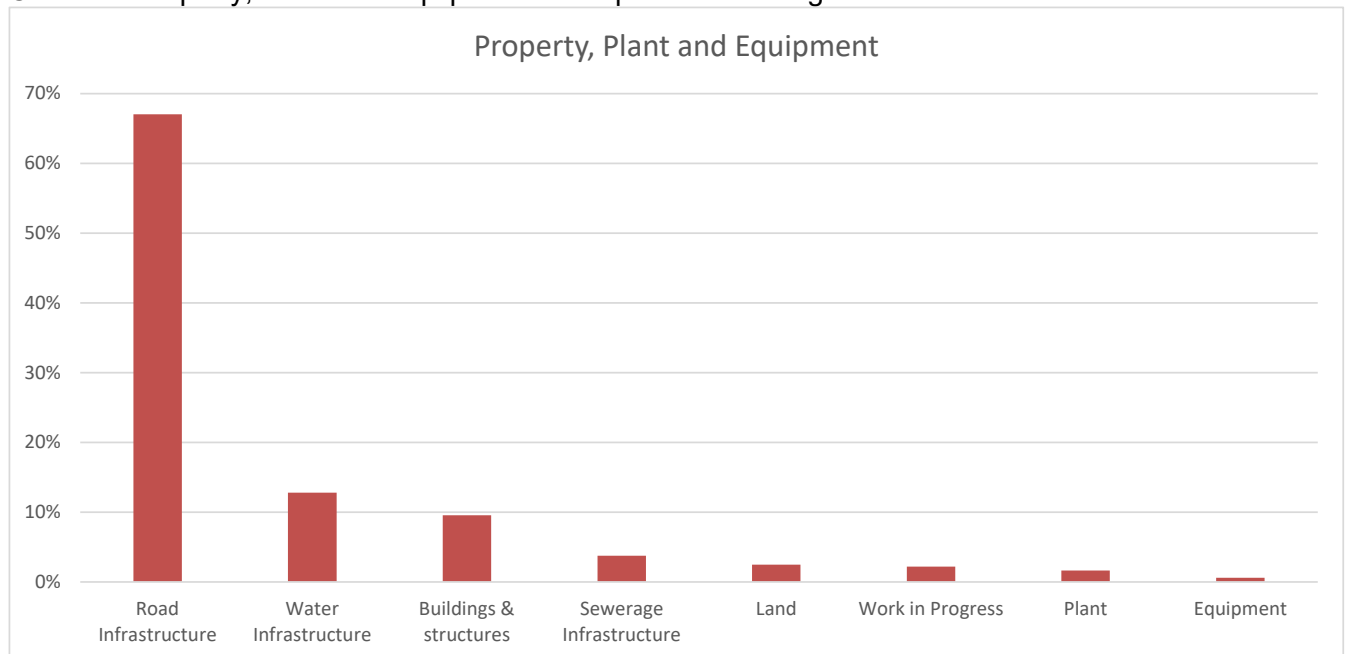


Figure 4

2.2. Liabilities: What does Council owe?

Council's 2024-25 total Liabilities were \$33.6 million (2023-24 \$38.4 million). These are classified as either Current or Non-current liabilities in the annual financial statements.

Total Liabilities (\$'000's)

Total Liabilities	2024-25	% of	2023-24
Current liabilities	30,971	92%	35,554
Non-current liabilities	2,675	8%	2,919
Total Liabilities	33,646	100%	38,473

Current liabilities include payables and other liabilities that are expected to be paid within the year.

Non-current liabilities represent amounts expected to be paid out after 12 months. Council's liabilities decreased by 13% during the year and the majority of the liability balance relates to supplier payables and unspent grant funding,

3. Statement of Changes in Equity: Net Worth

The Statement of Changes in Equity measures the changes in Council's Net worth and shows the movements in Retained surplus, Council capital and Asset revaluation surplus.

The 2024-25 net worth was \$734 million (2023-24: \$685 million). The 7% increase in the net worth of Council can be attributed to the following:

- Increase in the value of Council's Property, Plant and Equipment - \$39m
- Increase in Council's cash position - \$5m
- Increase in Council's other balance sheet items - \$5m

3.1. Retained Surplus (Council Cash)

Retained surplus represents the cash available at balance date. It is made up of externally restricted cash, internally allocated cash (reserves) and unallocated cash. Council reserves are allocated for future investment on Council assets and services. The allocation of Council's \$70m in retained surplus at year end is as follows:

Category	Amount (\$,000's)	Allocation
Externally restricted cash	14,189	20%
Internally allocated cash	45,499	65%
Unallocated cash	10,323	15%



4. Statement of Cash Flows

The Statement of Cash Flows shows all the activities Council undertakes during the year that impact the cash balance. Cash increased by \$5m during the year to \$70m. This movement can be summarised as follows:

- Cash from operating activities was cashflow positive - \$12m
- \$7m of this cash was invested on assets and in paying down debt during the year
- The remaining \$5m was retained by Council

5. Financial Sustainability Measures: How strong is Council financially?

A local government is considered financially sustainable if it can maintain its financial capital (equity and net worth) and its infrastructure over the long-term. In forming a view of a local government's financial sustainability, the below ratios are used.

Council's performance at 30 June 2025 - Measures of Financial Sustainability (Tier 5 Council)

Ratio	Target	2024-25	2023-24	5-Yr Average
Council controlled revenue ratio*	n/a	33.3%	51.1%	41.8%
Population growth ratio*	n/a	0.3%	0.5%	0.1%
Operating surplus ratio	> (2%)	8.8%	(15.2%)	(0.6%)
Operating cash ratio	> 0%	20.4%	1.7%	12.8%
Unrestricted cash expense ratio	> 4 months	8.1 months	9.1 months	Single result only
Asset sustainability ratio	> 90%	99.4%	97.7%	98.9%
Asset consumption ratio	> 60%	65.9%	66.3%	65.3%
Leverage ratio	0 – 3 times	0 times	0 times	0 times

*Contextual ratio

Whilst the above table indicates that Council is operating on a financially sustainable basis and can adequately deliver the range of services it provides to the region, there are a number of underlying risks. These are outlined below.

Operating Performance – Council generated an operating surplus this year of \$9.1m. However, the majority of this was due to an advance of Government funding. The adjusted surplus for the year is 2.6% and the 5-year average adjusted deficit is (1.84%). Operational deficits limit Council's capacity to invest in upgrading assets and providing additional assets and services in the region without Government funding.

Liquidity – Council's cash coverage is above the target over 4 months. However, more than 80% of this cash is committed for future investment in assets or for Council liabilities such as employee entitlements. Excluding these commitments, Council's adjusted cash coverage ratio is 1.5 months.

Asset Management – Council appears to be meeting the target set for its assets, however there are disparities across the asset classes. Investment in renewing the road network has been considerable in recent years as a result of natural disasters. Further, these works have largely been funded from other levels of government. Council's Consumption and Sustainability Ratios for asset classes such as Sewerage and Buildings are below the target, indicating that additional investment may be required in these assets. Council is currently developing Asset Management Plans which will provide guidance on required asset investment in future years.

More information on the Financial Sustainability Framework and ratios can be found on the State Government website <https://www.localgovernment.qld.gov.au/for-councils/finance/local-government-sustainability-framework>.