TITLE:	July 2026 Finance Report	DOC REF:

REPORT BY:	Anthony Ottaway ADO & Co Consultancy Pty Ltd	DATE: 21 August 2026

CORPORATE PLAN REFERENCE:
Key Priority 5: Robust Governance
5.2: Accountability
5.2.1: Ensure Council's financial activities are monitored and well managed

RISK MANAGEMENT:
Monitoring of actual operating and capital performance against budget will reduce the following operational risks:

- Budgets – budget overspend
- Budgets – failure to achieve required targets

PURPOSE:
To provide council with the financial report for the period ended 31 July 2026

CONTENT:

Financial statement preparation remains a key focus in July and August. While work is well advanced, June expenditure accruals are still being finalised and will be reflected in the August 2026 reports. As a result, July expenditure may currently be overstated.

<u>Operating performance</u>
Included at Attachment A is the finance report providing council's operating performance for the period ended 31 July 2026 incorporating:

- operating performance summary
- cash position and key operating sustainability ratios
- aged debtors (excluding rates receivables), and
- statement of financial performance.

From an operating performance perspective, council recorded a net operating deficit (before depreciation) of ($765K) for July, representing a favourable variance of $173K against budget. Attachment A outlines the key variances between actual and budgeted performance.

A detailed RMPC financial performance review completed in early August 2026 identified a significant improvement in the full year estimated loss reported in the June 2026 financial report, reducing it by $605K to a loss of $235K. This was primarily driven by the recognition of $548K in revenue relating to works in progress in June that were not billable at 30 June 2026.

Monthly monitoring of private works and RMPC financial performance has commenced, with quarterly performance reports to be provided to council.

<u>Capital performance</u>
Included at Attachment B is the performance of Council's capital works program for the period ended. Capital expenditure for July totals $80K.

CONSULTATION: The financial report has been prepared in consultation with the chief executive officer.

GOVERNANCE IMPLICATIONS: In accordance with section 204 of the *Local Government Regulation 2012*, this financial report outlines progress against the adopted budget for the financial year to a date as near as practicable to the end of the month preceding this meeting. Monthly year-to-date financial statements are prepared to monitor actual performance against budget.

RECOMMENDATION:
That Council notes the contents of the finance report: operating performance and the capital program performance report for the period ended 31 July 2026.

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ATTACHMENTS:

A – Finance report: operating performance to 31 July 2026
B – Capital program performance report to 31 July 2026

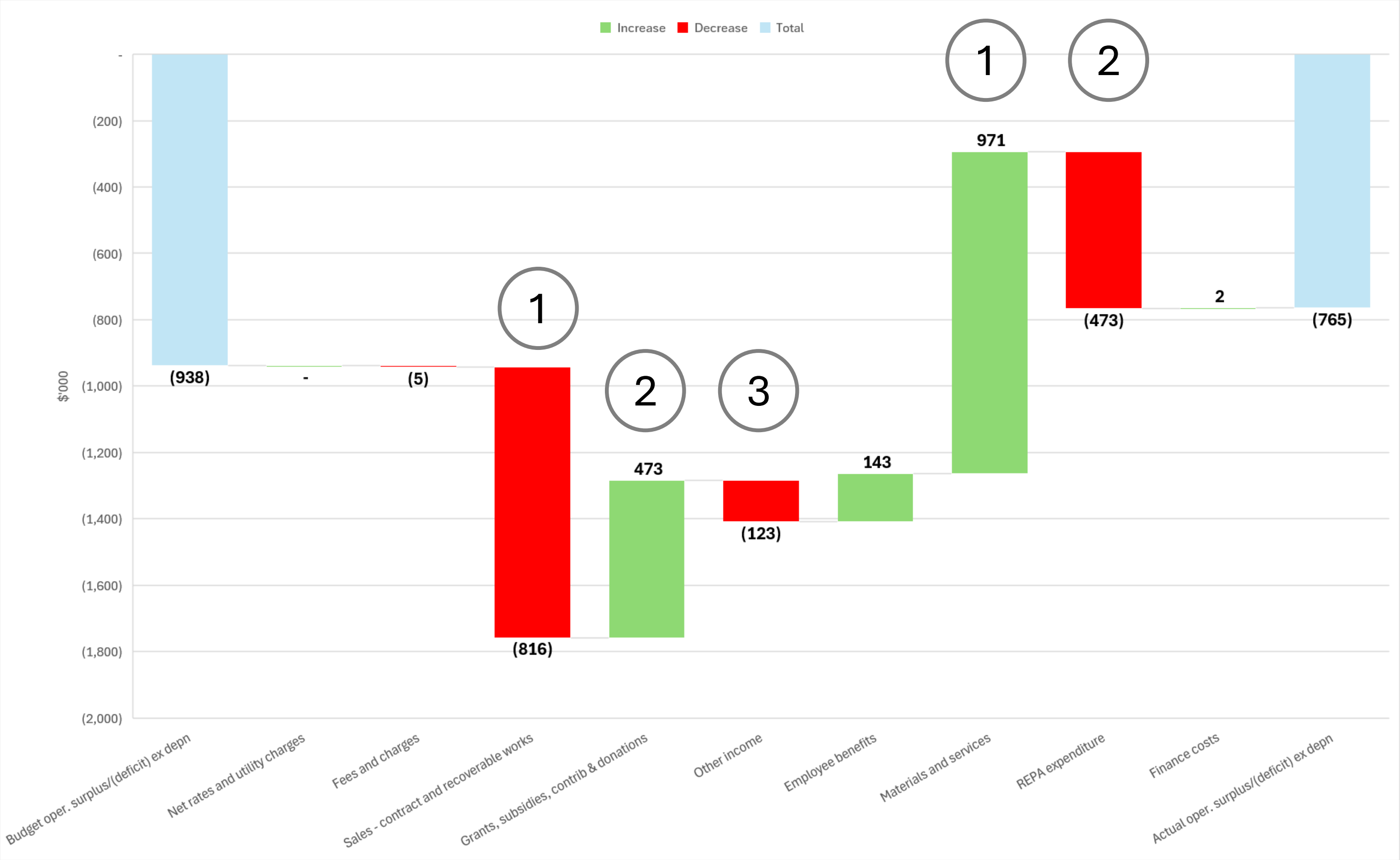
Attachment A: Finance report

period ended 31 July 2026

BOULIA SHIRE COUNCIL

Operating performance – whole of council

YTD operating surplus/(deficit) ex depn of **($765K)**



Favourable YTD variance to budget of **$173K**

Key points to note:

July 2026 results do not yet reflect all FY26 year end adjustments.

1. **($816K)** ***unfavourable variance:*** contract and recoverable works revenue was lower than budget**.** This lower RMPC activity also influenced the **$971K favourable variance** in materials and services costs.

2. **$473K** ***favourable variance:*** grants, subsidies and contributions**,** is offset by **$473K** ***unfavourable variance*** in REPA expenditure, reflecting higher than budgeted REPA activities in the month.

3. **$123K** ***unfavourable variance:*** other income is influenced by July interest earned, received in August, not yet being reflected in the financial reports.

Attachment A: Finance report

period ended 31 July 2026

BOULIA SHIRE COUNCIL

Cash position (unrestricted)

Component	$'000
Cash balance at month end	44,543
Less restricted components	(25,790)
Unrestricted cash balance	18,753

The unrestricted cash cover ratio as at 31 July 2026 is 5.8 months.

This result is influenced by the forecast QRA recovery works for FY27 of $17,233K. Excluding the impact of these QRA recovery works, the cash cover ratio as at 31 July 2026 would be 10.3 months.

Key operating sustainability ratios

	Actual		Target	Target met
Operating cash ratio	-61.2%	>	0%	No
Unrestricted cash expense cover ratio (months)	5.8	>	4.0	Yes
Asset sustainability ratio	N/A	>	90%	
Asset consumption ratios	N/A	>	60%	
Leverage ratio (times)	(1.3)	<	0-3	No

While the operating cash ratio and leverage ratio are outside the sustainability guidelines, this reflects only a single month of trading activity.

The unrestricted cash expense cover ratio is within the sustainability guidelines.

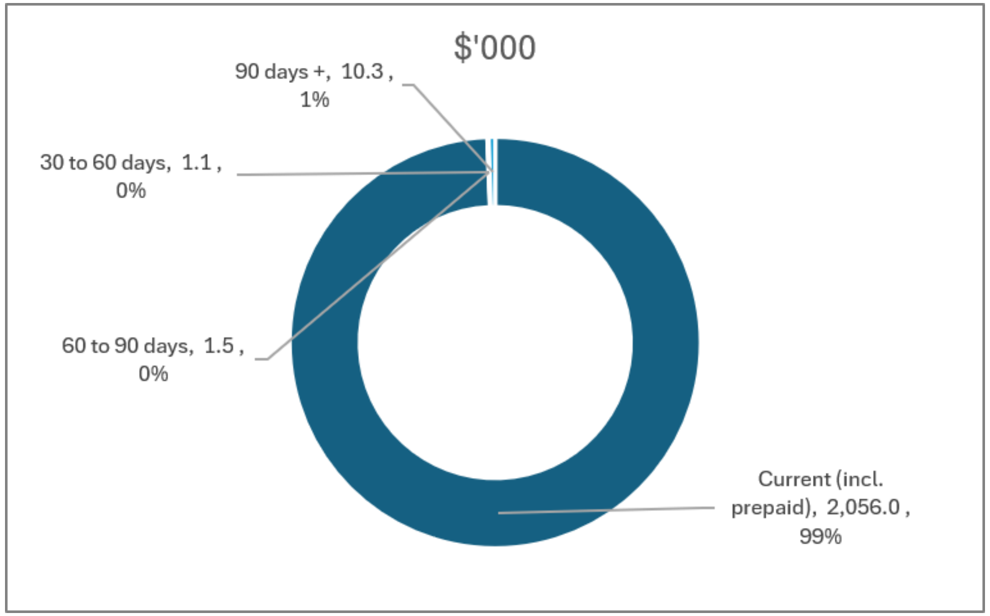
The asset sustainability ratio and asset consumption ratio will be calculated as part of the FY27 financial statement preparation process.

Attachment A: Finance report

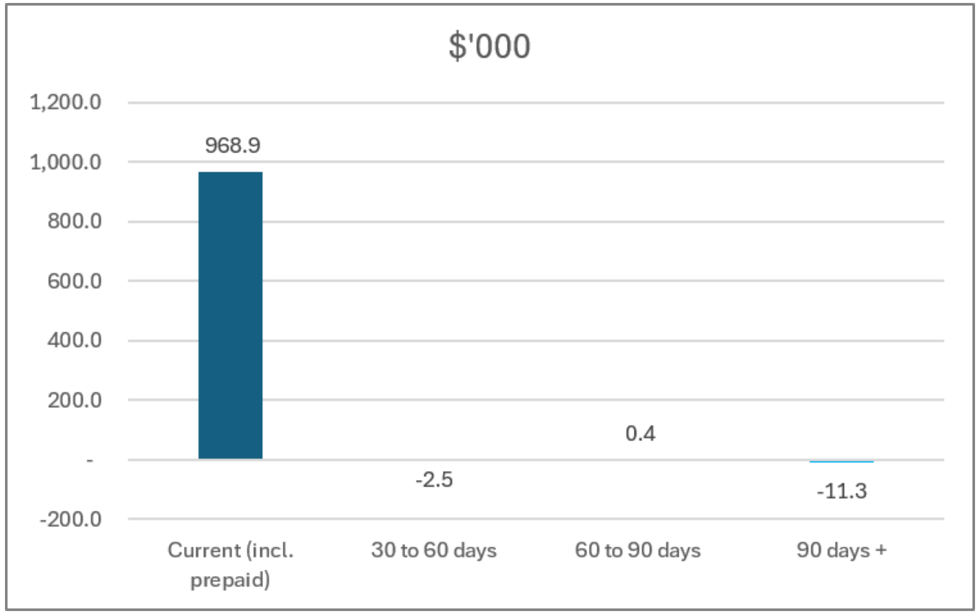
period ended 31 July 2026

BOULIA SHIRE COUNCIL

Aged debtors (excluding rates) ($'000)



Aged debtors (excluding rates) monthly movement ($'000)



Aged debtors at 31 July 2026 were $2,069K. Of the $2,056K current balance, $1,481K relates to DTMR invoices and $413K is grant funding recoveries for the Boulia cycleway.

Attachment A: Finance report

period ended 31 July 2026

YTD operating deficit (ex depn) **($765K)**

BOULIA SHIRE COUNCIL

Statement of financial performance

Revenue	Year to date July 2026 Actual $'000	Budget $'000	Variance Fav\(unfav) $'000	Ref	Full year Forecast $'000	Original budget $'000	Variance Fav\(unfav) $'000
Recurrent income:							
Rates, levies and charges	-	-	-		2,010	2,010	-
Fees and charges	59	64	(5)		281	281	-
Sales contract and recoverable works	96	912	(816)	1	11,139	11,139	-
Grants, subsidies, contributions and donations	1,077	604	473	2	26,615	26,615	-
Total recurrent revenue	1,232	1,579	(347)		40,045	40,045	-
Other income							
Rental income	13	19	(6)		234	234	-
Interest received	5	109	(104)		1,252	1,252	-
Other recurrent income	-	13	(13)		152	152	-
Total other income	18	141	(123)	3	1,638	1,638	-
Total operating revenue	**1,250**	**1,720**	**(470)**		**41,683**	**41,683**	-
Recurrent expenses:							
Employee benefits	356	499	143		6,902	6,902	-
Materials and services	582	1,553	971	1	14,892	14,892	-
REPA expenditure	1,077	604	(473)	2	17,233	17,233	-
Finance costs	-	2	2		28	28	-
Depreciation and amortisation	-	460	460		5,520	5,520	-
Total recurrent expenses	**2,015**	**3,118**	**1,103**		**44,575**	**44,575**	-
Net operating surplus/(deficit)	**(765)**	**(1,398)**	**633**		**(2,891)**	**(2,891)**	-
Net operating suprlus/(deficit) - ex depreciation	**(765)**	**(938)**	**173**		**2,629**	**2,629**	-
Capital revenue:							
Grants, subsidies, contributions and donations	85	325	(240)		18,500	18,500	-
Sale of property, plant & equipment	258	-	258		-	-	-
Total capital revenue	**343**	**325**	**18**		**18,500**	**18,500**	-
Capital expenses:							
Sale of property, plant & equipment	-	-	-				
Landfill rehabilitation	-	-	-		-	0	-
Total capital expenses	-	-	-		-	-	-
Net result	**(422)**	**(1,073)**	**651**		**15,609**	**15,609**	-

Favourable YTD variance to budget of **$173K**

Key points to note:

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Attachment B: Capital program performance report

period ended 31 July 2026

BOULIA SHIRE COUNCIL

Capital program – outcomes

Total YTD capital program spend of $80K

Council has adopted a capital program of $21,028K for FY27. While only $80K of expenditure has been incurred in July 2026, project activity is expected to increase significantly over the coming months.