

7.3. 2025 DECEMBER FINANCIAL REPORTS

REPORT AUTHOR	Interim Chief Financial Officer
MANAGER	General Manager TC Jasper Corporate and Communities
DEPARTMENT	Corporate and Communities
DATE	27 January 2026

RECOMMENDATION

That Council note the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cashflows for December 2025.

EXECUTIVE SUMMARY

The Statement of Comprehensive Income, Statement of Financial Position, and Statement of Cashflows detail progress against the 2025-2026 budget for the period ended 31 December 2025.

Key points to note include the following:

- Operating revenue is above budget by \$3.3m
- Expenditure is below budget \$1.6m
- The operating surplus is \$4.9m above budget (Actual result of \$2.8m compared to Budget deficit of \$2.1m)

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.

The 2025-2026 annual budget was adopted on 1 July 2025 and revised on 25 November. The attached financial report details progress against the revised budget for the period ended 31 December 2025.

FINANCIAL REPORT – Statement of Comprehensive Income

Operating Revenue

The Statement of Comprehensive income provided has been updated to now include information based on a Council "Business as Usual" position and information on the impact of the "Disaster Unit", along with the consolidated report.

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

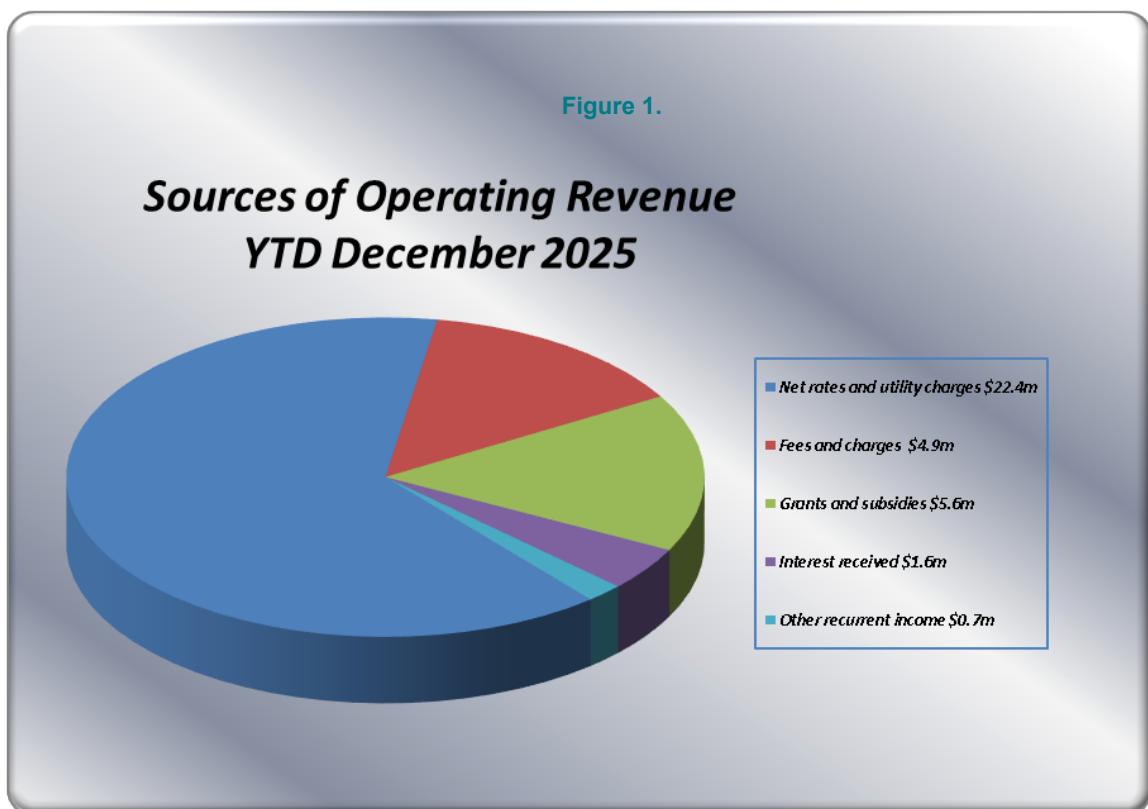
- Rates and utility charges are above budget by \$312k. This is primarily due to the timing of issuing Water notices.
- Fees and charges are below budget by (\$103k), this includes:
 - Daintree Ferry revenue is (\$55k) below budget expectations.
 - Revenue from license fees is \$6k above budget
 - Refuse tipping fees are (\$12k) below budget
 - Building and property related fees are \$21k above budget.
 - Other fees and charges are (\$63k) below budget - includes Cemetery fees (\$11k) Port Douglas Markets (\$18k) Van Parks (\$9k), Infringements issued are below budget (\$34k). \$10k has been received from Cook Shire for assistance with Plumbing inspections.
- Grants and subsidies are \$2.9m above budget. Council has received additional grants relating to Tropical Cyclone Jasper. Due to revenue recognition standards, these grants must be recognised upon claim approval and receipt of the funding. These grants include:
 - \$138k for additional Counter Disaster Claim
 - \$1.75 Million from Extraordinary Clean-up funding
 - \$156k has also been received for emergent expenditure that was incurred during the Jan/Feb 2025 Monsoonal event

There is no expenditure outstanding or associated with the above grants.

Council has also received a prepayment of \$641k for additional approved works for the Tropical Cyclone Jasper Extraordinary Clean-up. Timing of corresponding expenditure is yet to be finalised and will be considered at the second revised budget.

- Interest earned is \$97k above budget due to the maintained interest rates from the Reserve Bank.
- Other recurrent income is \$77k above budget. Council has received \$30k for the proceeds of recycling.

The below graph proportionately represents Council's sources of operational revenue:



Operating Expenditure

Year-to-date expenditure is currently below budget, with variations occurring within the categories as follows:

- Employee benefits expenditure is currently (\$201k) below budget. This can be subject to the timing of various unfilled vacancies but is partly offset by the increase in temporary and contract staff expenditure.
- Materials and services expenditure is currently below budget expectations by (\$1.5m). This is primarily caused by the timing of work performed and supplier invoices received. Budgets are allocated earlier in the year to ensure it is available to expend, if the resources are available. The Disaster Management Unit is currently (\$374k) below budget due to the timing of grant funding being expended.
- Depreciation expense is \$106k ahead of budget, however this is regarded as a timing difference only at this stage as projects are still to be finalised and capitalised.
- Finance charges are \$8k above budget.

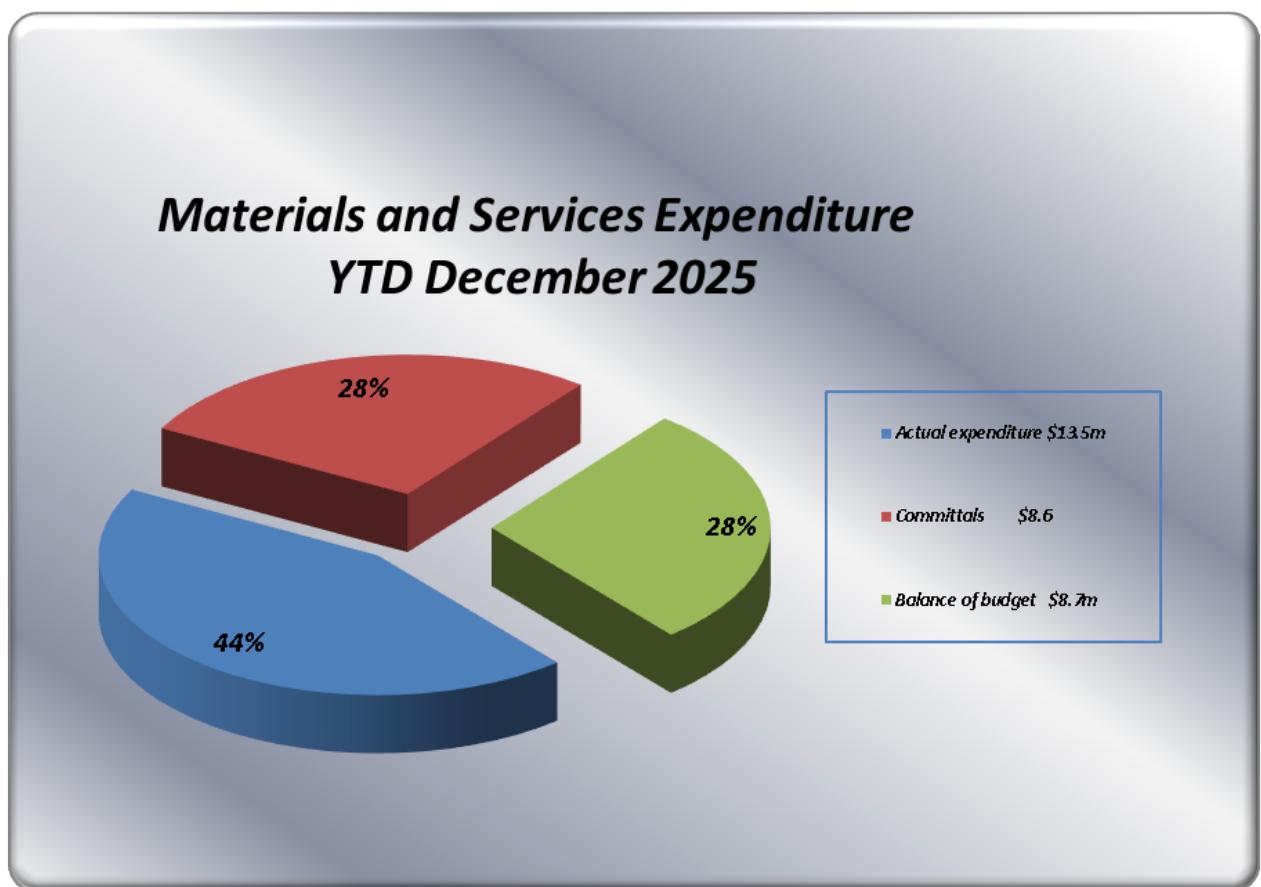


Figure 2.

Operating Result

- The year-to-date operating surplus is currently \$4.9m above budget expectations,
- As reflected in the attached report, operating revenue at the end of December was \$3.3m above budget primarily due to additional Grant income and operating expenditure (\$1.6m) below budget.
- This has resulted in an actual operating surplus of \$2.8m compared to a budgeted deficit of \$2.1m which is an improvement on the budgeted position of \$4.9m.

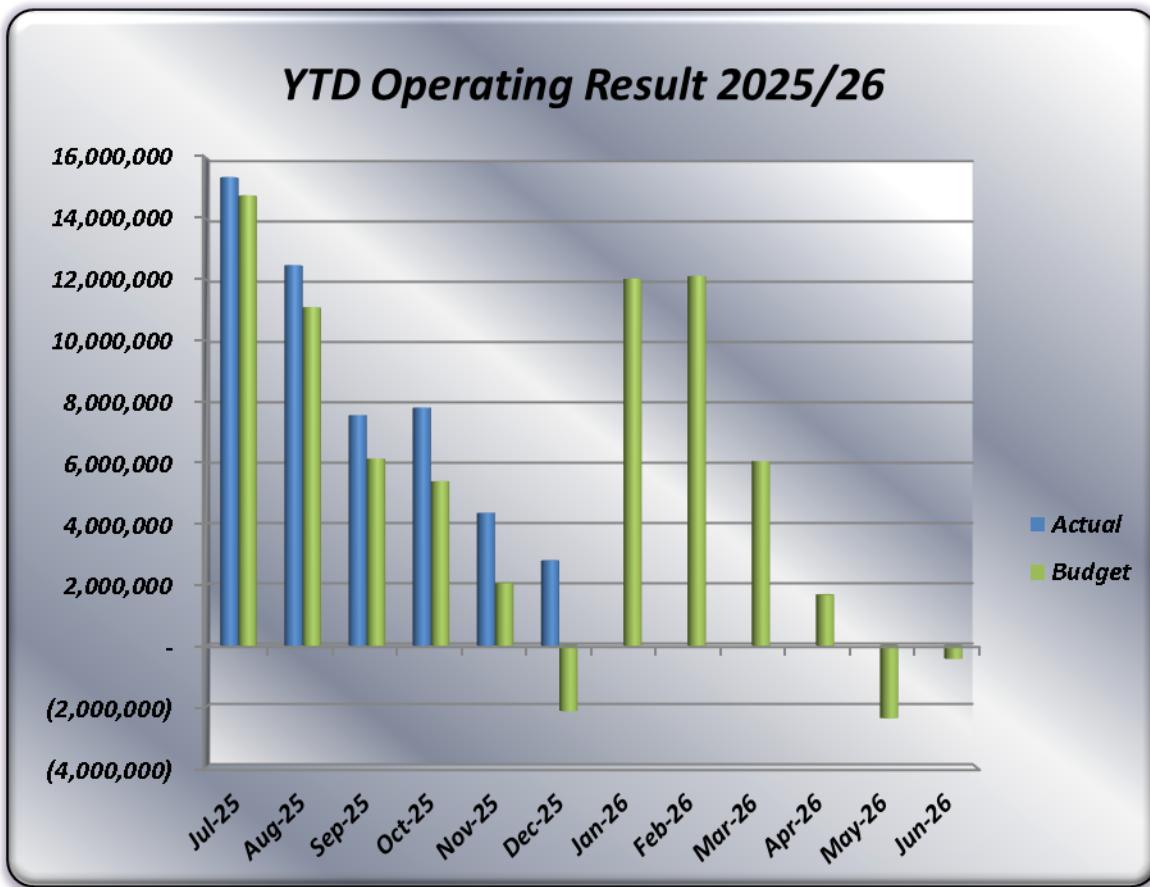


Figure 3.

Capital Revenue and Expenditure

- Council has received \$42.6m in Capital Grants; \$39.2m of this relates to disaster funding. This includes \$15m for Water Security projects. Council has also received \$899k in developer contributions.
- Capital works income and expenditure budgets include projects that may be completed across multiple financial years.
- Year-to-date capital expenditure is \$44.6m and a further \$49.1m has been committed for capital expenditure at the end of December 2025.

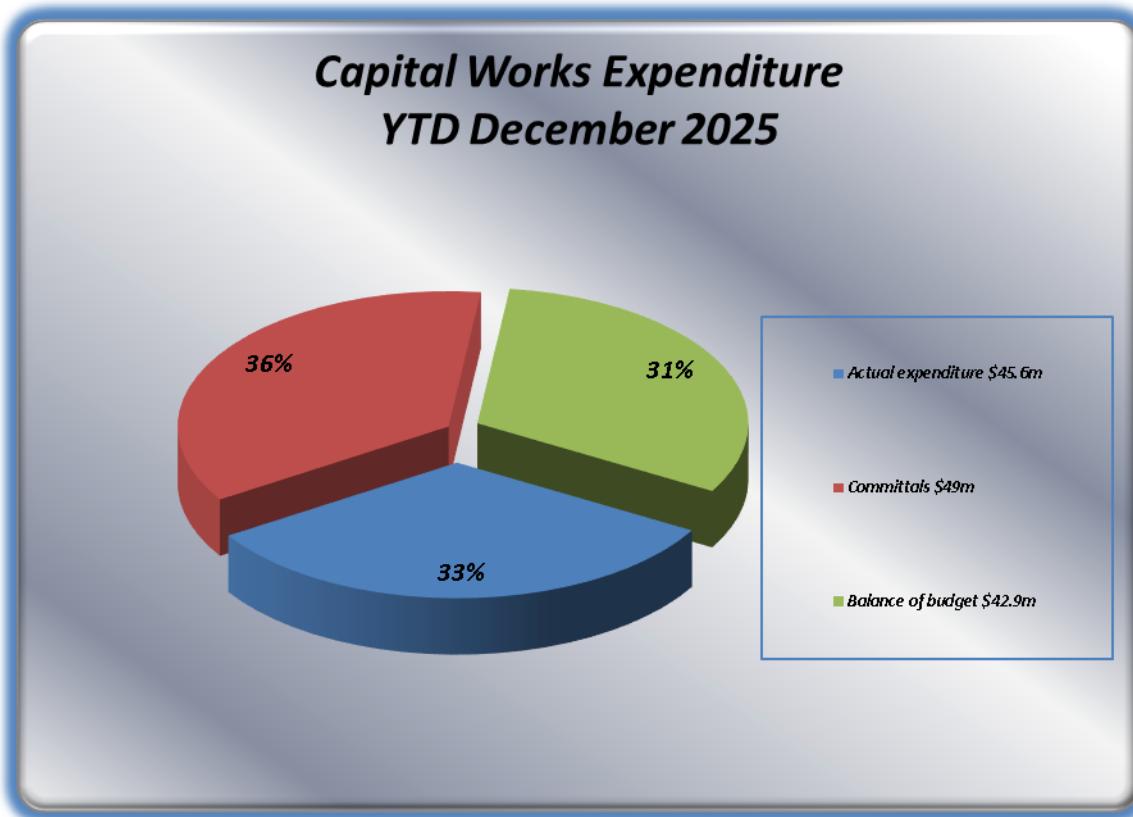


Figure 4.

Statement of Financial Position

- The Statement of Financial Position as at 31 December 2025, reflects net community assets of \$642.3m.
- All of Council cash holdings are currently held in interest bearing accounts earning an average return of approximately 4%

Statement of Cash Flows

- The Statement of Cash Flows reports how income received, and expenses paid impacts on Council's cash balances.

FINANCIAL/RESOURCE IMPLICATIONS

The receipt of unbudgeted grant funding for Disaster related claims, will have a significant positive impact on the 2025-2026 operational budget. This will be assessed fully in the upcoming Budget review.

The timing of expenditure and subsequent reimbursement of recovery and restoration works will be closely monitored as they impact on Council's liquidity position.

RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting informs Council of progress in relation to the budget and allows for timely corrective action if required. It will be imperative that Council monitor the expenditure

on finalisation of recovery projects and ensure that claims for funding are submitted in a timely manner.

SUSTAINABILITY IMPLICATIONS

Economic:	The aim of the long-term financial forecast is to meet all the 'measures of financial sustainability'.
Environmental:	Nil
Social:	Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2025-2030 Initiatives:

Theme 3 - Service Delivery

We deliver Council services effectively and efficiently to meet community expectations, focusing on the wellbeing of both the community and our employees.

3.1 - Deliver the Corporate Plan, Operational Plan and Budget.

Operational Plan 2025-2026 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.
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ATTACHMENTS

1. 2025 December Statement of Comprehensive Income [7.3.1 - 1 page]
2. 2025 December Statement of Financial Position [7.3.2 - 1 page]
3. 2025 December Statement of Cash Flows [7.3.3 - 1 page]

Douglas Shire Council Statement of Comprehensive Income Financial Report December 2025	Business As Usual			Disaster			Consolidated				
	Actual YTD	Budget YTD	Variance YTD	Actual YTD	Budget YTD	Variance YTD	ACTUAL	Budget	Variance	Annual Budget	Actual as % of Annual Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Operating Revenue											
Rates and utility charges	22,802,947	22,490,318	312,629			-	22,802,947	22,490,318	312,629	48,362,313	47%
less: Financial Assistance, Remissions (incl. Pensioners)	(359,120)	(361,511)	2,391			-	(359,120)	(361,511)	2,391	(722,714)	50%
Net rates and utility charges	22,440,441	22,128,807	311,634			-	22,440,441	22,128,807	311,634	47,639,600	47%
Fees and charges	4,919,435	5,022,258	(102,823)			-	4,919,435	5,022,258	(102,823)	8,904,306	55%
Grants and subsidies	2,960,754	2,839,160	121,594			-	5,631,387	2,690,387	2,941,000	10,218,904	55%
Interest received	838,318	740,980	97,338			-	1,565,085	1,467,747	97,338	2,439,133	64%
Other recurrent income	645,065	567,399	77,666			-	663,376	585,725	77,651	1,414,514	47%
Total Operating Revenue	31,804,014	31,298,604	505,410				35,219,725	31,894,924	3,324,801	70,616,456	50%
Operating Expenses											
Employee benefits	9,868,744	10,004,338	(135,594)			-	10,192,317	10,393,262	200,945	22,098,426	46%
Materials and services	13,398,787	14,520,908	(1,122,121)			-	13,533,528	15,051,954	1,518,426	30,804,313	44%
Depreciation	8,666,213	8,559,701	106,512			-	8,666,213	8,559,701	(106,512)	18,037,418	48%
Finance costs	40,648	32,936	(73,584)			-	40,648	32,936	(7,712)	98,599	41%
Total Recurrent Expenses	31,974,392	33,117,883	(1,143,491)				32,432,705	34,037,853	1,605,148	71,038,756	46%
Operating Result	(170,378)	(1,819,279)	1,648,901				2,787,020	(2,142,929)	4,929,949	(422,300)	(660%)
Capital Revenue											
Capital grants and subsidies	3,379,825	2,322,126	1,057,699			-	42,622,710	48,142,847	(5,520,137)	115,542,833	37%
Contributions from developers	899,727	250,000	649,727			-	899,727	250,000	649,727	250,000	360%
Gain/(Loss) non current assets & Insurance Proceeds	(20,127)	-	(20,127)			-	(20,127)	-	20,127	-	
Total capital revenue	4,259,425	2,572,126	1,687,299				43,502,310	48,392,847	(4,890,537)	115,792,833	38%
Net Result	4,089,046	752,847	3,336,200				46,289,329	46,249,918	39,411	115,370,533	40%
Capital Works Program											
Capital additions	8,095,852	3,723,390	(4,372,462)			-	44,569,310	56,919,755	12,350,445	136,619,412	33%
Total capital additions	8,095,852	3,723,390	4,372,462				44,569,310	56,919,755	12,350,445	136,619,412	33%

Douglas Shire Council
Statement of Financial Position
December 2025

	2026	2025
	\$	\$
Current assets		
Cash and cash equivalents	66,842,673	63,701,155
Investments	-	-
Trade and other receivables, Contract Assets, Prepayments	6,622,735	15,770,226
Inventories	123,248	139,492
Total current assets	73,588,655	79,610,873
Non-current assets		
Property, plant and equipment	609,077,985	572,595,985
Right of use assets	222,540	222,540
Intangible assets	32,876	32,876
Total non-current assets	609,333,401	572,851,402
Total assets	682,922,056	652,462,274
Current liabilities		
Trade and other payables, Contract Liabilities	30,186,325	47,303,632
Lease Liabilities	163,037	163,037
Provisions	5,892,642	5,224,303
Total current liabilities	36,242,004	52,690,972
Non-current liabilities		
Borrowings	-	-
Provisions	4,163,170	4,163,171
Unearned Revenue	195,897	195,896
Total non-current liabilities	4,359,067	4,359,067
Total liabilities	40,601,072	57,050,039
Net community assets	642,320,984	595,412,235

** 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 Cash Flows
December 2025

	YTD 2026	2025
	\$	\$
Cash flows from operating activities		
Receipts from customers	40,916,715	51,247,296
Payments to suppliers and employees	(40,843,152)	(53,420,487)
	<hr/> 73,564	<hr/> (2,173,191)
Interest received	1,565,085	2,704,324
Rental income	169,346	341,102
Non capital grants and contributions	5,631,387	11,503,170
Borrowing costs/Bank Charges	(40,648)	(84,152)
Net cash inflow from operating activities	<hr/> 7,398,734	<hr/> 12,291,253
Cash flows from investing activities		
Payments for property, plant and equipment	(43,300,827)	(58,581,882)
Payments for intangible assets	-	-
Payments for assets donated	-	(78,960)
Proceeds from sale of property plant and equipment	169,184	55,354
Net Movement in Investments	-	5,000,000
Grants, subsidies, contributions and donations	38,874,425	75,941,971
Capital insurance proceeds	-	-
Net cash used in investing activities	<hr/> (4,257,217)	<hr/> 22,336,483
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash inflow (outflow) from financing activities	<hr/> -	<hr/> -
Net (decrease)/increase in cash and cash equivalent held	<hr/> 3,141,517	<hr/> 34,627,736
Cash and cash equivalents at the beginning of the financial year	63,701,156	29,073,420
Cash and cash equivalents at the end of the Reporting Month	<hr/> 66,842,673	<hr/> 63,701,156

** Statement of Cash Flow is a representation of Council's cashflow 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.