7.9. 2026 MAY FINANCIAL REPORTS

REPORT AUTHOR	Team Leader Financial Accounting
MANAGER	General Manager Corporate and Communities
DEPARTMENT	Corporate and Communities
TEAM	Financial Services
DATE	27 July 2026

RECOMMENDATION

That Council note the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cashflows for May 2026.

EXECUTIVE SUMMARY

The Statement of Comprehensive Income, Statement of Financial Position, and Statement of Cashflows detail progress against the 2025/26 budget for the period ended 31 May 2026.

Key points to note include the following:

- Operating revenue is above budget expectations by **$1.0m,** due to **$0.9m** Business As Usual and **$0.1m** Disaster operations.
- Operating expenditure is below budget expectations by **$3.5m** due to **$3.3m** from Business As Usual and **$0.5m** from Disaster operations, offset by above budget expectations from Weather event 29U of **($0.3m)**.
    - 29U expenditure will continue to be recognised this financial year as outstanding invoices are received for Counter Disaster Operations and Emergent Work is completed on essential public assets.
    - Most expenditure will be funded by the Queensland Reconstruction Authority (QRA) under the Disaster Recovery Funding Arrangements (DRFA).
- The operating position is above budget expectations by **$4.5m,** due to **$4.2m** from Business as Usual and **$0.6m** from disaster operations, offset by below budget expectations of **($0.3m)** from Weather event 29U.

PREVIOUS COUNCIL CONSIDERATIONS / RESOLUTIONS

Not applicable

REPORT/BACKGROUND

In accordance with Section 204 of the *Local Government Regulation 2012* the Chief Executive Officer (or delegate) 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 monthly and cover the period up to a day as near as practicable to the end of the preceding month.

The 2025/26 annual budget was adopted on 1 July 2025, revised on 25 November 2025 and 31 March 2026. The attached financial report details progress against the revised budget for the period ended 31 May 2026.

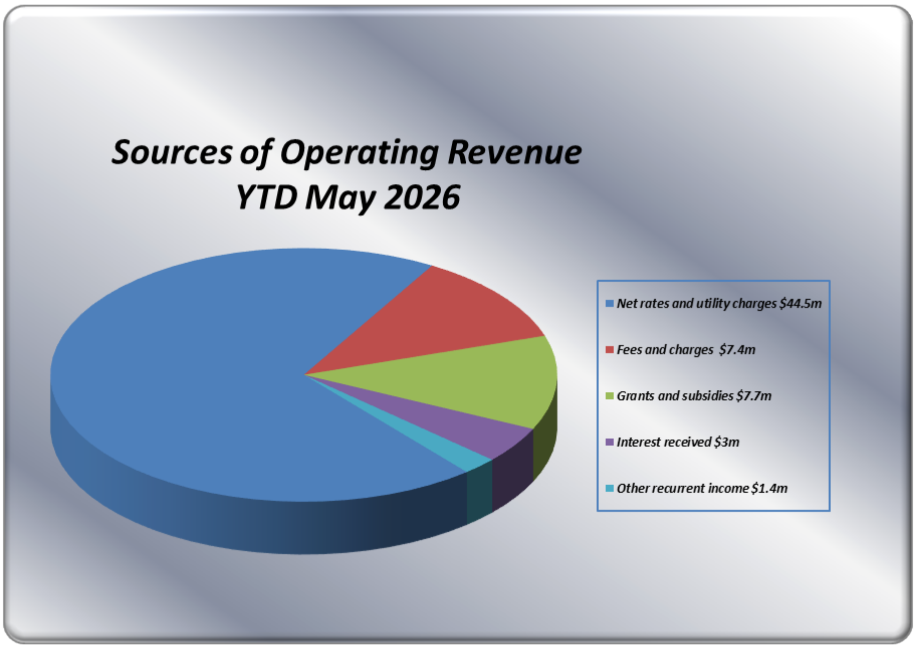
Statement of Comprehensive Income

Operating Revenue

Operating revenue is above budget expectations by **$1.0m** mainly due to **$0.9m** above budget in Business As Usual, for the following reasons.

- **$0.26m** in Other recurrent income mainly due to higher-than-expected revenue from recycling and works completed for other government agencies.
- **$0.24m** in Rates and utility charges **$0.13m** due to timing of water billing expected to meet revenue targets, **$0.10m** in General rates and other utility charges primarily attributed to higher than anticipated property growth with new developments.
- **$0.37m** in Interest received due to higher-than-expected interest rates from the Reserve Bank.
- **$0.24m** in Grants primarily due to timing.
- **($0.17m)** in Fees and charges, primarily due to some revenue streams impacted by the recent weather events, including Daintree Ferry, Caravan Park Fees and Port Douglas Markets.

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

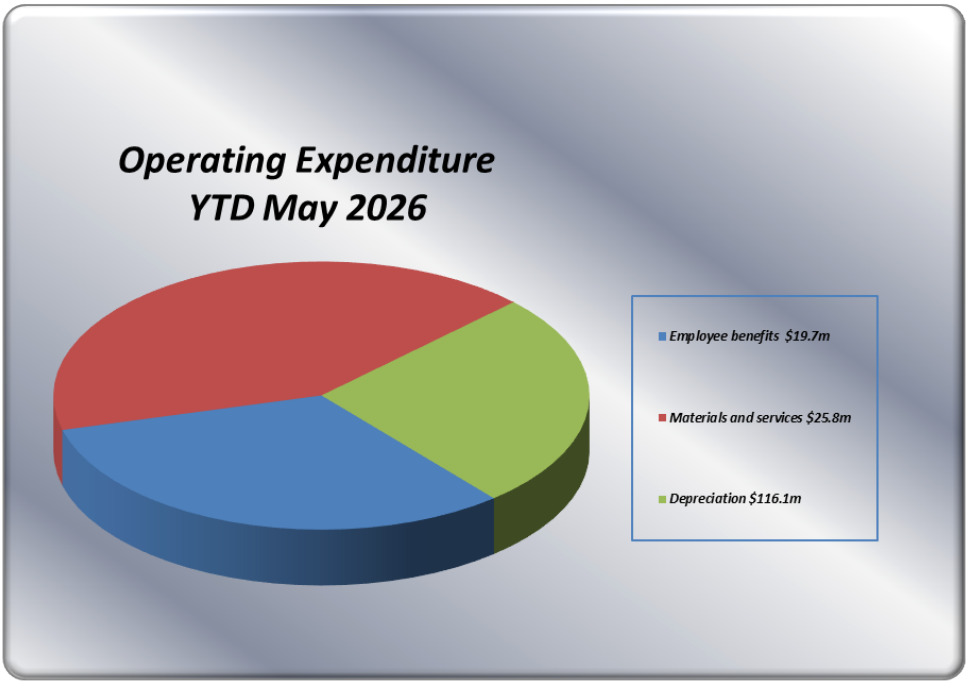


Operating Expenditure

Operating expenditure is below budget expectations by **$3.5m** mainly due to the following reasons:

- **$3.3m** below budget in Business as Usual.
    - **$0.4m** in employee benefits. This can be subject to the timing of various unfilled vacancies but is partly offset by the increase in temporary and contract staff expenditure. Allocation of staff to disaster works will also impact this result.
    - **$2.6m** in materials and services due to the timing of completion of works and the receipt of invoices. For Grant funded projects that are not fully completed in 2025/26, both the expenditure and revenues will carry forward to 2026/27.
    - **$0.3m** in depreciation due to timing with projects still being finalised prior to capitalisation.
- **$0.5m** below budget in Disaster due to recovery projects yet to be completed offset by excess employee benefits and materials and services incurred that relate to disaster responses for other weather events (ie. Koji & Narelle, not 29U).
- **($0.3m)** above budget in Weather event 29U.
    - Estimated budgets for Weather event 29U were set at revised budget 2 and these estimates have now been exceeded.
    - *29U expenditure will continue to be recognised this financial year as outstanding invoices are received for Counter Disaster Operations and Emergent Work is completed on essential public assets.*
    - *Most expenditure will be funded by the Queensland Reconstruction Authority (QRA) under the Disaster Recovery Funding Arrangements (DRFA).*

The Operating Expenditure graph below depicts the spread of Council expenditure.



Operating Result

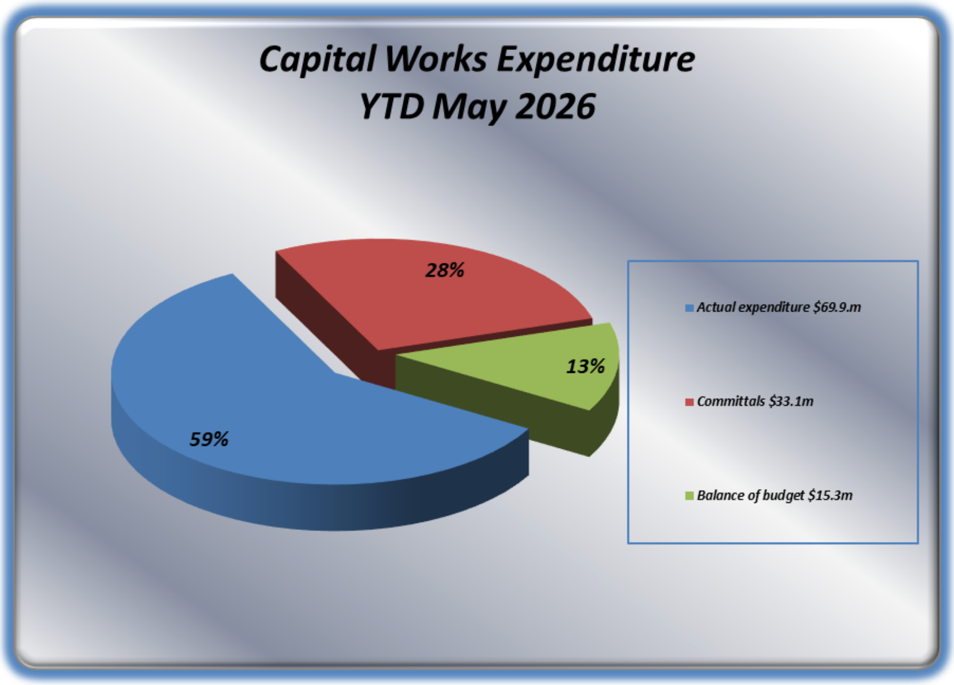
- The operating result is above budget expectations by **$4.5m,** due to **$4.2m** from Business as Usual and **$0.6m** from disaster operations. Weather event 29U is **($0.3m)** below budget.

Capital Revenue and Expenditure

- Council has received **$85m** in Capital Grants; **$82m** of this relates to disaster funding, which includes **$15m** for Water Security projects. Council has also received **$1.1m** in developer contributions, which is **$0.9m** above budget expectations.

- Capital works income and expenditure budgets include projects that may be completed across multiple financial years.

- Year-to-date capital expenditure is **$70m**.



Statement of Financial Position

- The Statement of Financial Position as at 31 May 2026 reflects net community assets of **$693m.**

- All of Council cash holdings are currently held in interest bearing accounts, currently earning interest at **4.85%.**

Statement of Cash Flows

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

FINANCIAL AND RESOURCE IMPLICATIONS

Weather Event 29U

- The Weather Event 29U has had a negative impact on Council's budget with the full extent not yet fully realised due to outstanding invoices.

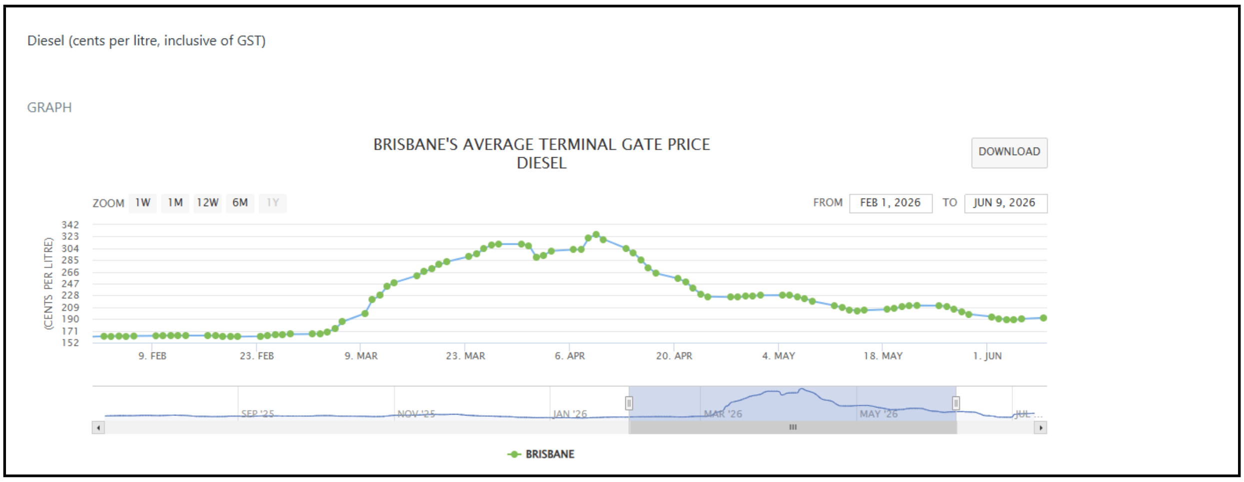
- Reimbursement for this expenditure will be claimed under the Disaster Recovery Funding Arrangements (DRFA) via the Queensland Reconstruction Authority (QRA).

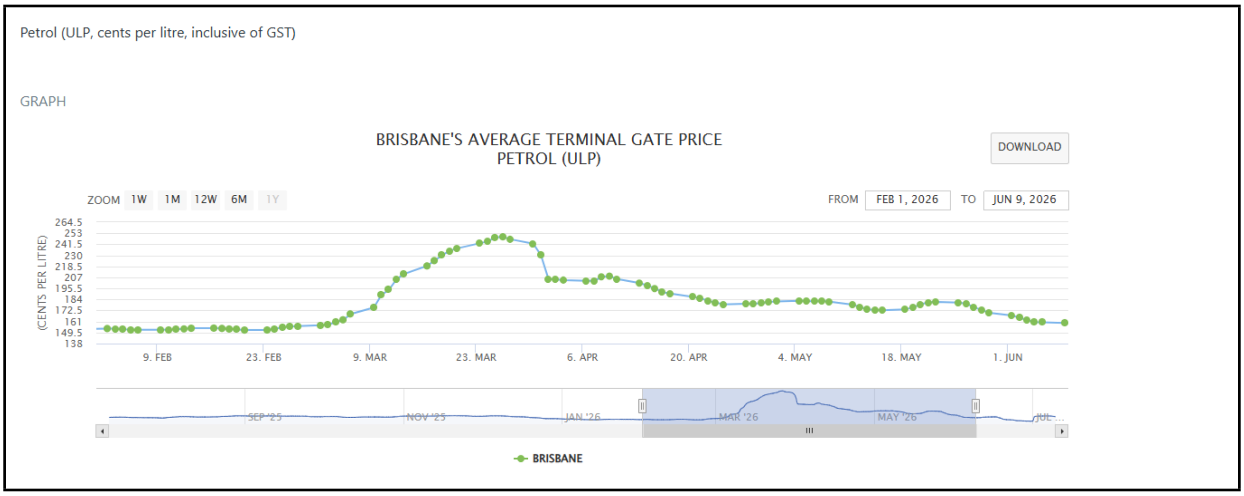
Fuel Crisis

- Council made provision for higher fuel costs as part of revised budget 2.

- Although it is uncertain how long fuel prices will remain escalated, management are actively taking measures to mitigate Council's risk exposure.

- Below are graphs from the Australian Institute of Petroleum for Brisbane Terminal Gate Prices showing the elevation of Diesel and ULP since 1 February 2026.





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.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

SOCIAL IMPLICATIONS

There are no social implications associated with this report.

CORPORATE AND OPERATIONAL PLAN

This report has been prepared in accordance with the following:

Corporate Plan 2025-2030 Initiatives:

Theme 1 - Liveability
To deliver community activities to promote safe, healthy, inclusive and socially engaged communities with an environmental conscious.
1.1 - *Deliver community initiatives that support healthy, inclusive and socially engaged communities.*

Theme 2 - Prosperity
Council plans, builds and maintains the infrastructure required to improve our lifestyle and promote economic growth, working actively to support local businesses.
2.2 - *Support local business through local procurement.*

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 2026-2027 Actions:

Legislative requirement.

LEGISLATION AND POLICY

Local Government Act 2009
Local Government Regulation 2012

CONSULTATION

Internal Consultation:

- Financial Services

CONCLUSION

That Council note the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cashflows for May 2026.

ATTACHMENTS

1. 2026 May Statement of Comprehensive Income [**7.9.1** - 1 page]
2. 2026 May Statement of Financial Position [**7.9.2** - 1 page]
3. 2026 May Statement of Cash Flows [**7.9.3** - 1 page]

Douglas Shire Council

Statement of Comprehensive Income

Financial Report May 2026

	Business As Usual			Disaster			Weather Event 29U			Consolidated				
	Actual YTD $	Budget YTD $	Variance YTD $	Actual YTD $	Budget YTD $	Variance YTD $	Actual YTD $	Budget YTD $	Variance YTD $	ACTUAL YTD $	Budget YTD $	Variance $	Annual Budget 25/26 $	Actual as % of Annual Budget
Operating Revenue														
Rates and utility charges	45,299,046	45,058,441	240,605			-			-	45,299,046	45,058,441	240,605	48,362,313	94%
less: Financial Assistance, Remissions (incl. Pensioners)	(725,749)	(722,712)	(3,037)			-			-	(725,749)	(722,712)	(3,037)	(722,714)	100%
Net rates and utility charges	44,573,297	44,335,729	237,568			-			-	44,573,297	44,335,729	237,568	47,639,600	94%
Fees and charges	7,401,997	7,568,857	(166,860)			-	-	-	-	7,401,997	7,568,857	(166,860)	8,401,917	88%
Grants and subsidies	4,832,841	4,591,280	241,561	2,864,094	2,769,660	94,434	-	-	-	7,696,936	7,360,940	335,996	11,697,806	66%
Interest received	1,277,991	905,419	372,572	1,705,151	1,705,151	-	-	-	-	2,983,142	2,610,570	372,572	2,731,439	109%
Other recurrent income	1,383,115	1,124,700	258,415	36,622	36,648	(26)	-	-	-	1,419,737	1,161,348	258,389	1,409,012	101%
Total Operating Revenue	**59,469,241**	**58,525,985**	**943,256**	**4,605,867**	**4,511,459**	**94,408**	**-**	**-**	**-**	**64,075,108**	**63,037,444**	**1,037,664**	**71,879,773**	**89%**
Operating Expenses														
Employee benefits	18,736,202	19,145,360	409,158	819,014	689,846	(129,168)	179,030	-	(179,030)	19,734,246	19,835,206	100,960	21,842,794	90%
Materials and services	23,902,794	26,477,134	2,574,340	487,240	1,131,803	644,564	1,465,967	1,334,749	(131,218)	25,856,001	28,943,686	3,087,685	32,308,212	80%
Depreciation	16,147,135	16,457,791	310,656			-			-	16,147,135	16,457,791	310,656	18,037,418	90%
Finance costs	78,045	73,822	(4,223)			-			-	78,045	73,822	(4,223)	112,555	73%
Total Recurrent Expenses	**58,864,176**	**62,154,107**	**3,289,930**	**1,306,254**	**1,821,649**	**515,395**	**1,644,997**	**1,334,749**	**(310,248)**	**61,815,427**	**65,310,505**	**3,495,078**	**72,300,979**	**85%**
Operating Result	**605,064**	**(3,628,121)**	**4,233,186**	**3,299,613**	**2,689,809**	**609,804**	**(1,644,997)**	**(1,334,749)**	**(310,248)**	**2,259,681**	**(2,273,061)**	**4,532,742**	**(421,206)**	**(536%)**
Capital Revenue														
Capital grants and subsidies	3,676,178	3,381,971	294,207	81,522,823	86,674,974	(5,152,151)			-	85,199,001	90,056,945	(4,857,944)	98,243,939	87%
Contributions from developers	1,127,924	250,000	877,924			-			-	1,127,924	250,000	877,924	250,000	451%
Gain/(Loss) non current assets & Insurance Proceeds	(400,896)	-	(400,896)			-			-	(400,896)	-	(400,896)	-	
Total capital revenue	**4,403,207**	**3,631,971**	**771,236**	**81,522,823**	**86,674,974**	**(5,152,151)**	**-**	**-**	**-**	**85,926,029**	**90,306,945**	**(4,380,916)**	**98,493,939**	**87%**
Net Result	**5,008,271**	**3,850**	**5,004,421**	**84,822,436**	**89,364,783**	**(4,542,347)**	**(1,644,997)**	**(1,334,749)**	**(310,248)**	**88,185,710**	**88,033,884**	**151,826**	**98,072,733**	**90%**
Capital Works Program														
Capital additions	13,504,617	22,819,840	9,315,223	56,407,807	84,491,930	28,084,123	-	1,146,741	(1,146,741)	69,912,424	108,458,510	38,546,087	118,318,370	59%
Total capital additions	**13,504,617**	**22,819,840**	**9,315,223**	**56,407,807**	**84,491,930**	**28,084,123**	**-**	**1,146,741**	**1,146,741**	**69,912,424**	**108,458,510**	**38,546,087**	**118,318,370**	**59%**

Douglas Shire Council
Statement of Financial Position
May 2026

	2026 $	2025 $
Current assets		
Cash and cash equivalents	68,508,884	63,701,155
Investments	-	-
Trade and other receivables, Contract Assets, Prepayments	9,517,718	15,770,226
Inventories	126,303	139,492
Total current assets	78,152,906	79,610,873
Non-current assets		
Property, plant and equipment	636,755,495	572,595,985
Right of use assets	222,540	222,540
Intangible assets	32,876	32,876
Total non-current assets	637,010,911	572,851,402
Total assets	715,163,817	652,462,274
Current liabilities		
Trade and other payables, Contract Liabilities	11,681,881	47,303,632
Lease Liabilities	163,037	163,037
Provisions	5,457,017	5,224,303
Total current liabilities	17,301,935	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	21,661,002	57,050,039
Net community assets	693,502,814	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
May 2026

	YTD 2026	2025
	$	$
Cash flows from operating activities		
Receipts from customers	63,212,862	51,247,296
Payments to suppliers and employees	(75,211,998)	(53,420,487)
	(11,999,136)	(2,173,191)
Interest received	2,983,142	2,704,324
Rental income	297,303	341,102
Non capital grants and contributions	7,696,936	11,503,170
Borrowing costs/Bank Charges	(78,045)	(84,152)
Net cash inflow from operating activities	(1,099,801)	12,291,253
Cash flows from investing activities		
Payments for property, plant and equipment	(75,912,424)	(58,581,882)
Payments for intangible assets	-	-
Payments for assets donated	-	(78,960)
Proceeds from sale of property plant and equipment	193,729	55,354
Net Movement in Investments	-	5,000,000
Grants, subsidies, contributions and donations	81,626,223	75,941,971
Capital insurance proceeds	-	-
Net cash used in investing activities	5,907,529	22,336,483
Cash flows from financing activities		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net cash inflow (outflow) from financing activities	-	-
Net (decrease)/increase in cash and cash equivalent held	4,807,728	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	68,508,884	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.*