

STATEMENT OF ESTIMATED FINANCIAL POSITION

F&BS | 63/17/2-01 | #7847533

RECOMMENDATION:

That Council notes the Statement of Estimated Financial Position in accordance with section 205 of the *Local Government Regulation 2012*.

INTERESTED PARTIES:

Not applicable

EXECUTIVE SUMMARY:

This report provides a comparison of Council's financial operations and financial position between the 2025/26 budget and the 2025/26 forecast. The report is comprised of a Budgeted Statement of Income and Expenditure, Budgeted Financial Position and Budgeted Statement of Cash Flows.

BACKGROUND:

In accordance with section 205 of the *Local Government Regulation 2012* Council is required to present a Statement of Estimated Financial Position during the budget meeting to enable a review of the previous year.

This report provides a comparison of Council's financial operations and financial position between the 2025/26 budget adopted in June 2025 and the 2025/26 forecast. The 2025/26 forecast is based upon Council's actual results for the period 1 July 2025 up to 27 February 2026 and an estimated forecast for the remainder of the period.

The report is comprised of a Budgeted Statement of Income and Expenditure, Budgeted Financial Position and Budgeted Statement of Cash Flows (refer to attachments).

COMMENT:

Council's 2025/26 Net Result is anticipated to be \$12.6M unfavourable to budget, driven largely by an unfavourable variance in capital grants and subsidies (\$29.4M) due to the timing of delivery of the relevant capital works projects, as revenue is recognised in line with expenditure. It is anticipated that this grant revenue will now be recognised in the 2026/27 financial year. Offsetting this is a favourable variance in operating expenditure, particularly within materials and services (\$7.3M) and finance costs (\$4.4M).

Council's Net Community Assets are expected to be \$161.0M favourable to budget. This is due to a combination of a higher than anticipated result from the annual asset revaluations in 2025/26 (\$175.8M) and operating surplus (\$19.1M). This has been partially offset by a lower than expected capital grants revenue (\$29.4M) due to timing of delivery of the relevant capital works projects.

Council's actual results are compared against year-to-date budgeted results on a monthly basis and reported each month to Council. This analysis includes commentary on variances.

CONSIDERATIONS:

Statutory:

This report has been prepared in accordance with section 205 of the *Local Government Regulation 2012*.

ATTACHMENTS:

Budgeted Financial Statements:

- Budgeted Statement of Income and Expenditure;
- Budgeted Financial Position; and
- Budgeted Statement of Cash Flows.



Jason Ritchie
Executive Manger Finance



Lisa Whitton
Chief Financial Officer

BUDGETED FINANCIAL STATEMENTS

Cairns Regional Council - Budgeted Statement of Income and Expenditure

	2025/26 Budget \$'000	2025/26 Forecast \$'000	Variance \$'000	Variance %
Operating Revenue				
Rates and utility charges	379,643	379,659	16	0.00%
Less: rebates	(6,293)	(6,220)	73	1.16%
Net rates and utility charges	373,350	373,439	89	0.02%
Fees and charges	33,041	34,528	1,487	4.50%
Interest revenue	4,568	6,979	2,411	52.78%
Grants, subsidies and contributions	8,506	11,548	3,042	35.76%
Miscellaneous revenue	19,512	21,312	1,800	9.23%
	438,977	447,806	8,829	2.01%
Capital Revenue				
Capital grants and subsidies	265,322	235,938	(29,384)	(11.07%)
Contributions from developers	18,673	13,497	(5,176)	(27.72%)
Contributed assets	22,178	25,087	2,909	13.12%
	306,173	274,522	(31,651)	(10.34%)
TOTAL REVENUE	745,150	722,328	(22,822)	(3.06%)
Operating Expenses				
Employee benefits	141,389	142,121	(732)	(0.52%)
Materials and services	160,549	153,229	7,320	4.56%
Depreciation	111,257	111,964	(707)	(0.64%)
Finance costs	7,963	3,609	4,354	54.68%
	421,158	410,923	10,235	2.43%
Capital Expenses				
Gain/(loss) on sale of non-current assets	14,000	14,000	-	0.00%
TOTAL EXPENSES	435,158	424,923	10,235	2.35%
NET RESULT	309,992	297,405	(12,587)	(4.06%)
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus	133,670	313,317	179,647	134.40%
TOTAL COMPREHENSIVE INCOME	443,662	610,722	167,060	37.65%

Cairns Regional Council - Budgeted Financial Position

	2025/26 Budget \$'000	2025/26 Forecast \$'000	Variance \$'000	Variance %
Current Assets				
Cash assets and equivalents	18,450	-	(18,450)	(100.00%)
Receivables	113,712	152,132	38,420	33.79%
Inventories	5,096	4,185	(911)	(17.88%)
	<u>137,258</u>	<u>156,317</u>	<u>19,059</u>	<u>13.89%</u>
Non-Current Assets				
Property, plant and equipment	5,802,093	5,869,723	67,630	1.17%
	<u>5,802,093</u>	<u>5,869,723</u>	<u>67,630</u>	<u>1.17%</u>
TOTAL ASSETS	<u>5,939,351</u>	<u>6,026,040</u>	<u>86,689</u>	<u>1.46%</u>
Current Liabilities				
Working capital facility	-	5,675	(5,675)	(100.00%)
Trade and other payables	69,252	71,779	(2,527)	(3.65%)
Borrowings	24,258	19,124	5,134	21.16%
Other liabilities	5,399	9,418	(4,019)	(74.44%)
Provisions	26,527	27,098	(571)	(2.15%)
	<u>125,436</u>	<u>133,094</u>	<u>(7,658)</u>	<u>(6.11%)</u>
Non-Current Liabilities				
Borrowings	136,759	54,027	82,732	60.49%
Other liabilities	3,071	3,263	(192)	(6.25%)
Provisions	15,168	15,779	(611)	(4.03%)
	<u>154,998</u>	<u>73,069</u>	<u>81,929</u>	<u>52.86%</u>
TOTAL LIABILITIES	<u>280,434</u>	<u>206,163</u>	<u>74,271</u>	<u>26.48%</u>
NET COMMUNITY ASSETS	<u>5,658,917</u>	<u>5,819,877</u>	<u>160,960</u>	<u>2.84%</u>
Community Equity				
Asset revaluation surplus	2,326,234	2,502,008	175,774	7.56%
Retained surplus / (deficit)	3,332,683	3,317,869	(14,814)	(0.44%)
TOTAL COMMUNITY EQUITY	<u>5,658,917</u>	<u>5,819,877</u>	<u>160,960</u>	<u>2.84%</u>

Cairns Regional Council - Budgeted Statement of Cash Flows

	2025/26 Budget \$'000	2025/26 Forecast \$'000	Variance \$'000	Variance %
Cash flows from operating activities				
Receipts				
Receipts from customers	424,363	431,517	7,154	1.69%
Interest revenue	4,568	3,697	(871)	(19.07%)
Operating grants and contributions	9,852	11,225	1,373	13.94%
	<u>438,783</u>	<u>446,439</u>	<u>7,656</u>	<u>1.74%</u>
Payments				
Payments to suppliers and employees	(304,378)	(303,907)	471	0.15%
Finance costs	(3,508)	(1,301)	2,207	62.91%
	<u>(307,886)</u>	<u>(305,208)</u>	<u>2,678</u>	<u>0.87%</u>
Cash provided by / (used in) operational activities	<u>130,897</u>	<u>141,231</u>	<u>10,334</u>	<u>7.89%</u>
Cash flows from investing activities				
Receipts				
Proceeds/ (loss) from the sale of non-current assets	1,000	1,297	297	29.70%
Proceeds from developer contributions and government grants and subsidies	238,877	153,586	(85,291)	(35.70%)
	<u>239,877</u>	<u>154,883</u>	<u>(84,994)</u>	<u>(35.43%)</u>
Payments				
Payments for property, plant and equipment	(421,848)	(341,288)	80,560	19.10%
	<u>(421,848)</u>	<u>(341,288)</u>	<u>80,560</u>	<u>19.10%</u>
Cash provided by / (used in) investing activities	<u>(181,971)</u>	<u>(186,405)</u>	<u>(4,434)</u>	<u>(2.44%)</u>
Cash flows provided from financing activities				
Receipts				
Proceeds from borrowings	51,000	-	(51,000)	(100.00%)
Net proceeds from working capital facility	-	5,675	5,675	100.00%
Payments				
Repayment of borrowings	(31,424)	(28,907)	2,517	8.01%
Cash provided by / (used in) financing activities	<u>19,576</u>	<u>(23,232)</u>	<u>(42,808)</u>	<u>(218.68%)</u>
Net increase / (decrease) in cash held	<u>(31,498)</u>	<u>(68,406)</u>	<u>(36,908)</u>	<u>(117.18%)</u>
Cash at beginning of reporting period	49,948	68,406	18,458	36.95%
Cash at end of reporting period	<u>18,450</u>	<u>-</u>	<u>(18,450)</u>	<u>(100.00%)</u>