

STATEMENT OF ESTIMATED FINANCIAL POSITION

63/17/2-01 | #7402469

RECOMMENDATION:

That Council note 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 2023/24 budget and the 2023/24 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 2023/24 budget adopted in June 2023 and the 2023/24 forecast. The 2023/24 forecast is based upon Council's actual results for the period 1 July 2023 up to 29 March 2024 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 2023/24 Net Result is anticipated to be \$2.2M unfavourable to budget, driven largely by the unbudgeted net cost of \$3.8M related to Tropical Cyclone Jasper recovery works (\$15.2M in expenses across employee benefits and materials and services, offset by \$11.4M in funding).

In addition, miscellaneous revenue (\$2.5M) and interest revenue (\$1.3M) are greater than anticipated which has been slightly offset by lower than anticipated net rates and utility charges (\$2.9M) and higher depreciation (\$1.5M) and finance costs (\$1.1M).

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
Director Finance and Business Services

BUDGETED FINANCIAL STATEMENTS

Cairns Regional Council - Budgeted Statement of Income and Expenditure

	2023/24 Budget \$'000	2023/24 Forecast \$'000	Variance \$'000	Variance %
Operating Revenue				
Rates and utility charges	323,981	321,160	(2,821)	(0.87%)
Less: rebates	(5,290)	(5,361)	(71)	(1.34%)
Net rates and utility charges	318,691	315,799	(2,892)	(0.91%)
Fees and charges	28,188	29,212	1,024	3.63%
Interest revenue	4,611	5,877	1,266	27.46%
Grants, subsidies and contributions	8,028	16,662	8,634	107.55%
Miscellaneous revenue	18,397	20,897	2,500	13.59%
	377,915	388,447	10,532	2.79%
Capital Revenue				
Capital grants and subsidies	19,036	20,574	1,538	8.08%
Contributions from developers	15,200	14,240	(960)	(6.32%)
Contributed assets	22,083	22,375	292	1.32%
	56,319	57,189	870	1.54%
TOTAL REVENUE	434,234	445,636	11,402	2.63%
Operating Expenses				
Employee benefits	128,933	131,670	(2,737)	(2.12%)
Materials and services	139,766	148,000	(8,234)	(5.89%)
Depreciation	105,989	107,501	(1,512)	(1.43%)
Finance costs	2,978	4,116	(1,138)	(38.21%)
	377,666	391,287	(13,621)	(3.61%)
Capital Expenses				
Gain/(loss) on sale of non-current assets	14,000	14,000	-	0.00%
TOTAL EXPENSES	391,666	405,287	(13,621)	(3.48%)
NET RESULT	42,568	40,349	(2,219)	(5.21%)
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus	112,627	17,100	(95,527)	(84.82%)
TOTAL COMPREHENSIVE INCOME	155,195	57,449	(97,746)	(62.98%)

Cairns Regional Council - Budgeted Financial Position

	2023/24 Budget \$'000	2023/24 Forecast \$'000	Variance \$'000	Variance %
Current Assets				
Cash assets and equivalents	20,906	28,339	7,433	35.55%
Receivables	45,898	60,975	15,077	32.85%
Inventories	3,612	4,764	1,152	31.89%
	<u>70,416</u>	<u>94,078</u>	<u>23,662</u>	<u>33.60%</u>
Non-Current Assets				
Property, plant and equipment	4,862,007	4,722,696	(139,311)	(2.87%)
	<u>4,862,007</u>	<u>4,722,696</u>	<u>(139,311)</u>	<u>(2.87%)</u>
TOTAL ASSETS	<u>4,932,423</u>	<u>4,816,774</u>	<u>(115,649)</u>	<u>(2.34%)</u>
Current Liabilities				
Trade and other payables	50,062	55,778	(5,716)	(11.42%)
Borrowings	30,088	29,549	539	1.79%
Other liabilities	21,099	12,226	8,873	42.05%
Provisions	11,947	27,511	(15,564)	(130.28%)
	<u>113,196</u>	<u>125,064</u>	<u>(11,868)</u>	<u>(10.48%)</u>
Non-Current Liabilities				
Borrowings	144,024	119,691	24,333	16.90%
Other liabilities	807	5,507	(4,700)	(582.40%)
Provisions	13,919	13,354	565	4.06%
	<u>158,750</u>	<u>138,552</u>	<u>20,198</u>	<u>12.72%</u>
TOTAL LIABILITIES	<u>271,946</u>	<u>263,616</u>	<u>8,330</u>	<u>3.06%</u>
NET COMMUNITY ASSETS	<u>4,660,477</u>	<u>4,553,158</u>	<u>(107,319)</u>	<u>(2.30%)</u>
Community Equity				
Asset revaluation surplus	1,877,883	1,782,558	(95,325)	(5.08%)
Retained surplus / (deficit)	2,782,594	2,770,600	(11,994)	(0.43%)
TOTAL COMMUNITY EQUITY	<u>4,660,477</u>	<u>4,553,158</u>	<u>(107,319)</u>	<u>(2.30%)</u>

Cairns Regional Council - Budgeted Statement of Cash Flows

	2023/24 Budget \$'000	2023/24 Forecast \$'000	Variance \$'000	Variance %
Cash flows from operating activities				
Receipts				
Receipts from customers	365,673	388,612	22,939	6.27%
Interest revenue	4,611	3,326	(1,285)	(27.87%)
Operating grants and contributions	9,054	16,662	7,608	84.03%
	<u>379,338</u>	<u>408,600</u>	<u>29,262</u>	<u>7.71%</u>
Payments				
Payments to suppliers and employees	(268,407)	(299,781)	(31,374)	(11.69%)
Finance costs	(3,137)	(2,612)	525	16.74%
	<u>(271,544)</u>	<u>(302,393)</u>	<u>(30,849)</u>	<u>(11.36%)</u>
Cash provided by / (used in) operational activities	<u>107,794</u>	<u>106,207</u>	<u>(1,587)</u>	<u>(1.47%)</u>
Cash flows from investing activities				
Receipts				
Proceeds/ (loss) from the sale of non-current assets	1,500	795	(705)	(47.00%)
Proceeds from developer contributions and government grants and subsidies	30,407	32,243	1,836	6.04%
	<u>31,907</u>	<u>33,038</u>	<u>1,131</u>	<u>3.54%</u>
Payments				
Payments for property, plant and equipment	(166,209)	(139,568)	26,641	16.03%
	<u>(166,209)</u>	<u>(139,568)</u>	<u>26,641</u>	<u>16.03%</u>
Cash provided by / (used in) investing activities	<u>(134,302)</u>	<u>(106,530)</u>	<u>27,772</u>	<u>20.68%</u>
Cash flows provided from financing activities				
Receipts				
Proceeds from borrowings	45,000	20,000	(25,000)	(55.56%)
Payments				
Repayment of borrowings	(27,149)	(27,161)	(12)	(0.04%)
Cash provided by / (used in) financing activities	<u>17,851</u>	<u>(7,161)</u>	<u>(25,012)</u>	<u>(140.12%)</u>
Net increase / (decrease) in cash held	<u>(8,657)</u>	<u>(7,484)</u>	<u>1,173</u>	<u>(13.55%)</u>
Cash at beginning of reporting period	29,563	35,823	6,260	(21.18%)
Cash at end of reporting period	<u>20,906</u>	<u>28,339</u>	<u>7,433</u>	<u>(35.55%)</u>