

**FINANCE AND ADMINISTRATION COMMITTEE****21 APRIL 2010****12****FINANCIAL STATEMENTS FOR PERIOD ENDED 26 MARCH 2010**

Lisa Whitton: 17/49/9-06: #2513674 v1

**RECOMMENDATION:**

**That the Financial Statements for the period ended 26 March 2010 be adopted by Council.**

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**INTRODUCTION:**

Attached are the Financial Statements for the period ended 26 March 2010. Actual amounts are compared against the year to date 2<sup>nd</sup> Review 2009/10 Budget figures.

These financial statements include:

- **Income Statement** – displays the Council year to date profit and loss up to the end of the reporting period.
- **Statement of Appropriations** – presents how the profit from the Income Statement is distributed or constrained for future use.
- **Balance Sheet** – displays the Assets (what we own), Liabilities (what we owe) and Community Equity (our net worth).
- **Statement of Cash Flows** – Reports how income received and expenses paid impacts on Council's cash balances.
- **Capital Funding Statement** – Shows how the spending on capital works year to date has been funded.

Departmental statements are also included in this report to provide information on the performance of each Department for the period ended 26 March 2010.

MARCH 2010 AT A GLANCE			
Overall, Council has a net surplus of \$51,937,548 compared to a budgeted net surplus of \$62,294,816. Actual YTD figures are compared to the 2 <sup>nd</sup> Review 2009/10 Budget figures.			
Total Income		Expenses	
- Total Income under	\$19,513,409	- Total Expenses under	\$9,156,141
- Operating Revenue over	\$494,378	- Capitalised Wages under	\$551,040
- Capital Revenue under	\$20,007,787		
Borrowings per Assessment		YTD v's Full Year Capital Expenditure	
Now sit at \$1,181 which has decreased from \$1,185 in February 2010.		Capital works program \$75.4m of \$192m Donated Assets \$20.3m of \$24m Loan Repayments \$8.9m of \$9.3m	

**BACKGROUND:**

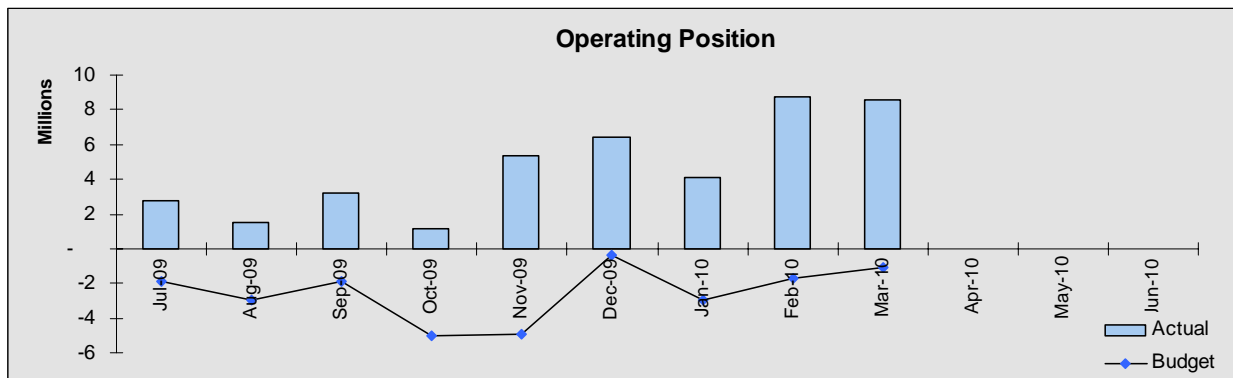
Each month year to date financial statements are prepared in order to monitor actual performance against the latest adopted budget.

**COMMENT:**

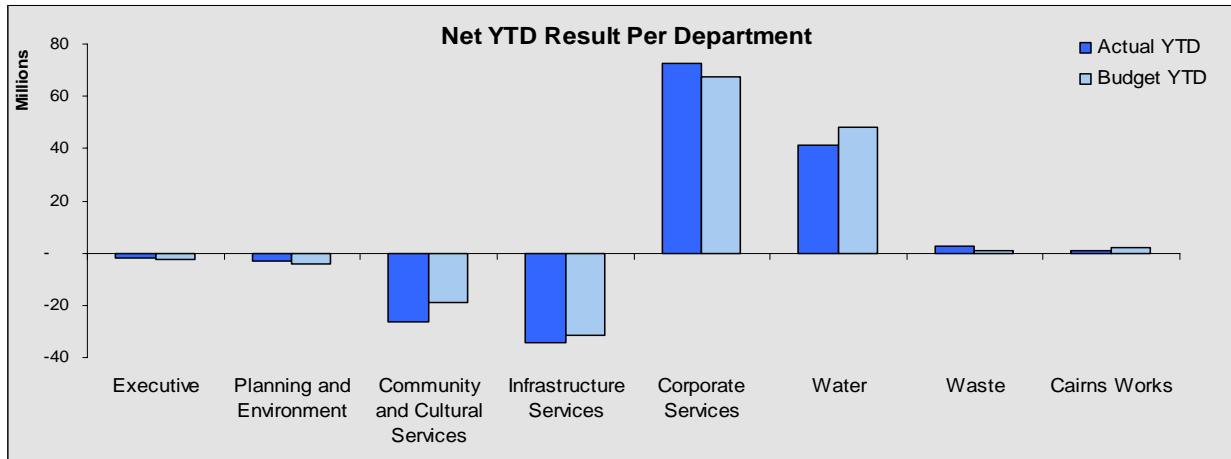
**CORPORATE FINANCIAL REPORTS**

**Income Statement**

Council's operating position at the end of March is an operating surplus of \$8,527,490 compared to a year to date budgeted operating deficit of \$1,123,029. The favourable operating position is predominantly due to year to date materials and services being significantly lower than budgeted.



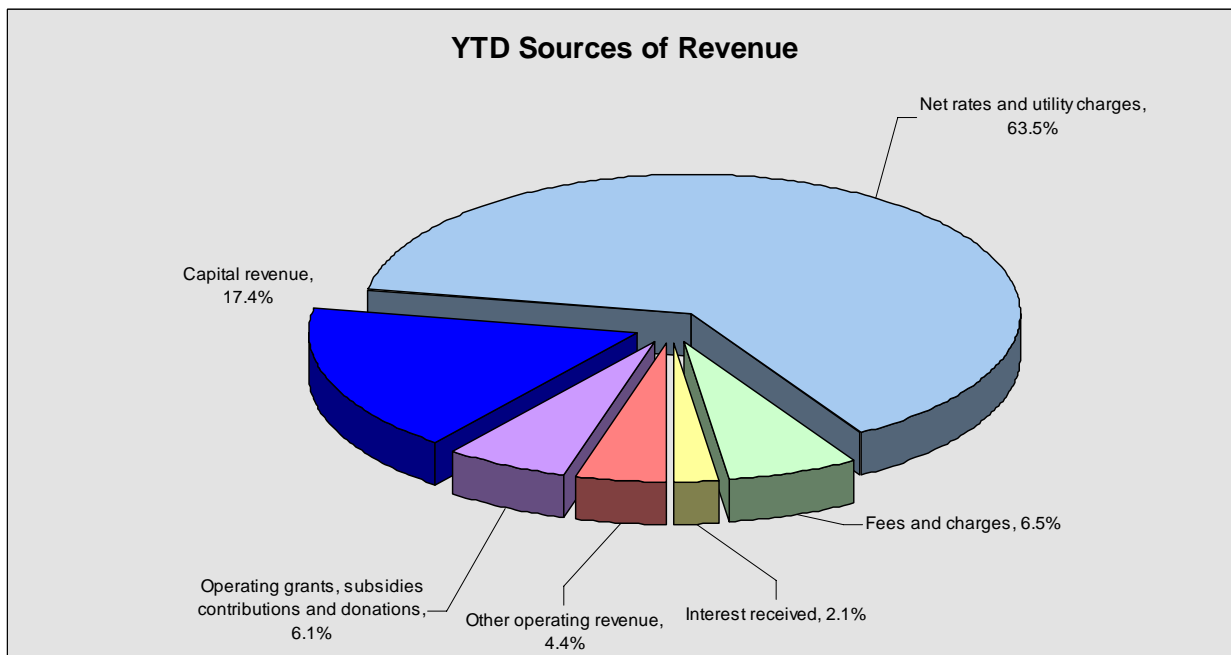
Council's net result at the end of March is a surplus of \$51,937,548 compared to a budgeted surplus of \$62,294,816. This variance is due primarily to operating performance as well as timing in the recognition of contributed assets (\$2.2m), developer contributions (\$349k) and capital subsidies and grants (-\$22.2m). The achievement of the capital grant budget is solely dependant on the delivery of the budgeted capital works program. The following graph illustrates the break up of this position by Department. Year to date figures for each of the Departments are held in the Departmental Operating Statements (attached).



Further explanations on Income and Expenditure for the February period are as follows:

- A. Income
- B. Expenditure

**A. Income**



Total income (including capital revenue) year to date is \$250,043,546 compared to a budget year to date of \$268,433,926. This \$18,390,380 variance is mostly due to the following:

Major Variances Explanations - Income						
Description	Actual YTD	2nd Review Budget 2009/10	Variance of Actual against Budget YTD			Note
Net rate and utility charges	158,825,884	157,494,853	1,331,031	Favourable	1%	1A
Fees and charges	16,215,610	17,040,892	( 825,282)	Unfavourable	-5%	2A
Interest received	5,345,831	4,071,836	1,273,995	Favourable	31%	3A
Other operating income	10,998,190	10,229,574	768,616	Favourable	8%	4A
Operating – Grants, subsidies, contributions and donations	15,247,973	17,301,955	( 2,053,982)	Unfavourable	-12%	5A
Capital – Grants, subsidies, contributions and donations	44,558,720	64,068,211	( 19,509,491)	Unfavourable	-30%	6A
Capital Income	( 1,148,662)	( 650,366)	( 498,296)	Unfavourable	77%	7A

**1A** Net rate and utility charges are higher than budget due mainly to an increase in residential water usage charges (\$845k) and general rates (\$625k). This favourable position has been offset by special charges (-\$183k).

**2A** Fees and charges income is less than anticipated predominantly due to lower than anticipated income from sale of recyclables (-\$205k), infringement fines and penalties (-\$61k), collections from parking meters (-\$166k), sale of water from hydrants (-\$176k), Daintree Ferry connections (-\$106k) and water connection fees (-\$166k). These have been offset by higher than anticipated income from plan endorsement fees (\$38k), parking station fees (\$36k), discretionary assessment fees (\$34k) and Council funded shows (\$46k).

**3A** Interest received is higher than expected for interest on investments (\$966k) and interest on overdue rates and charges (\$294k). The variance in interest on investments is due to a higher than forecast cash balance, due primarily to timing of capital works.

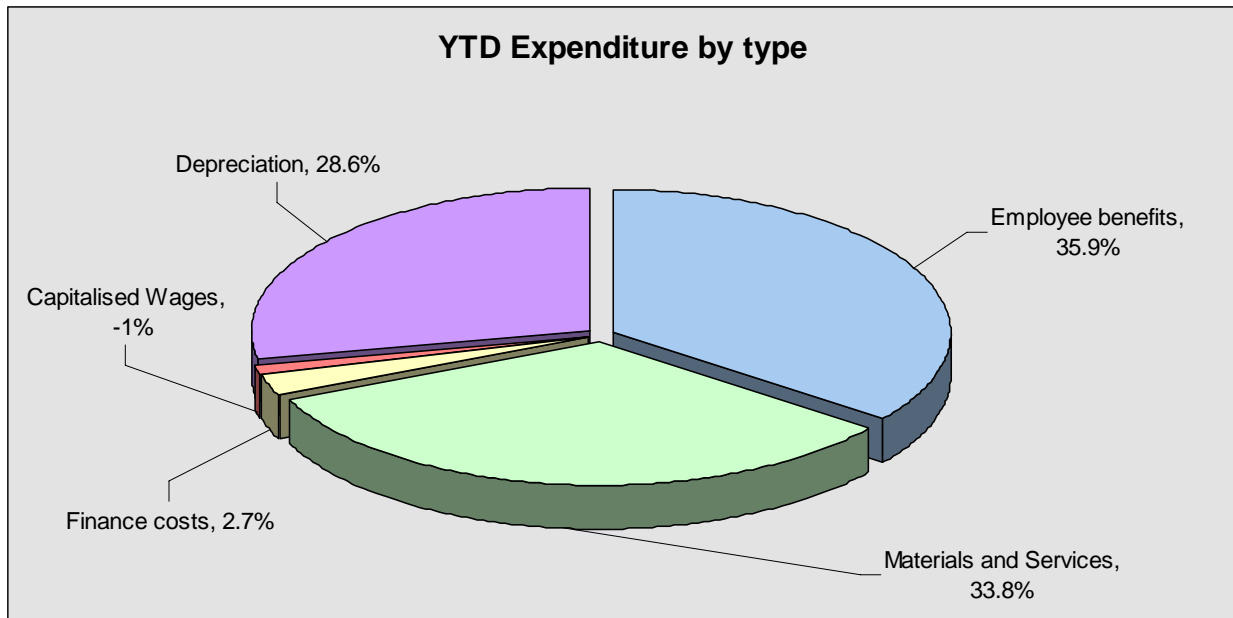
**4A** Other operating revenue is favourable predominately due to higher than expected private works revenue (\$1.2m) and prior year unexpended grants (\$197k). This favourable variance has been offset by lower than anticipated revenue from kerbside collections (-\$368k), construction works (-\$194k), and combined rents and leases (-\$112k).

**5A** Unfavourable variance relates to less than anticipated income from developer contributions (-\$501k), grants (-\$1.2m), and donations (-\$399k). Variances are being investigated as part of 3rd Budget Review.

**6A** Variance is due to the timing in the receipt and processing of contributed assets (\$2.2m), developer contributions (\$205k) and subsidies and grants (-\$22.2m) which are accrued in line with the progress of subsidised capital works expenditure.

**7A** Variance is due to higher than budgeted losses on waste and water reticulation assets (-\$260k), other sports facilities (-\$74k), refuse assets (-\$130k), underground drains (-\$44k) and other assets (-\$22k). The unfavourable variance is partly offset by a gain on fleet assets (\$36k).

**B. Expenditure**



Total expenses for the period are \$198,105,998 which is \$9,156,141 lower than the year to date budget of \$207,262,139. The majority of this variance is due to:

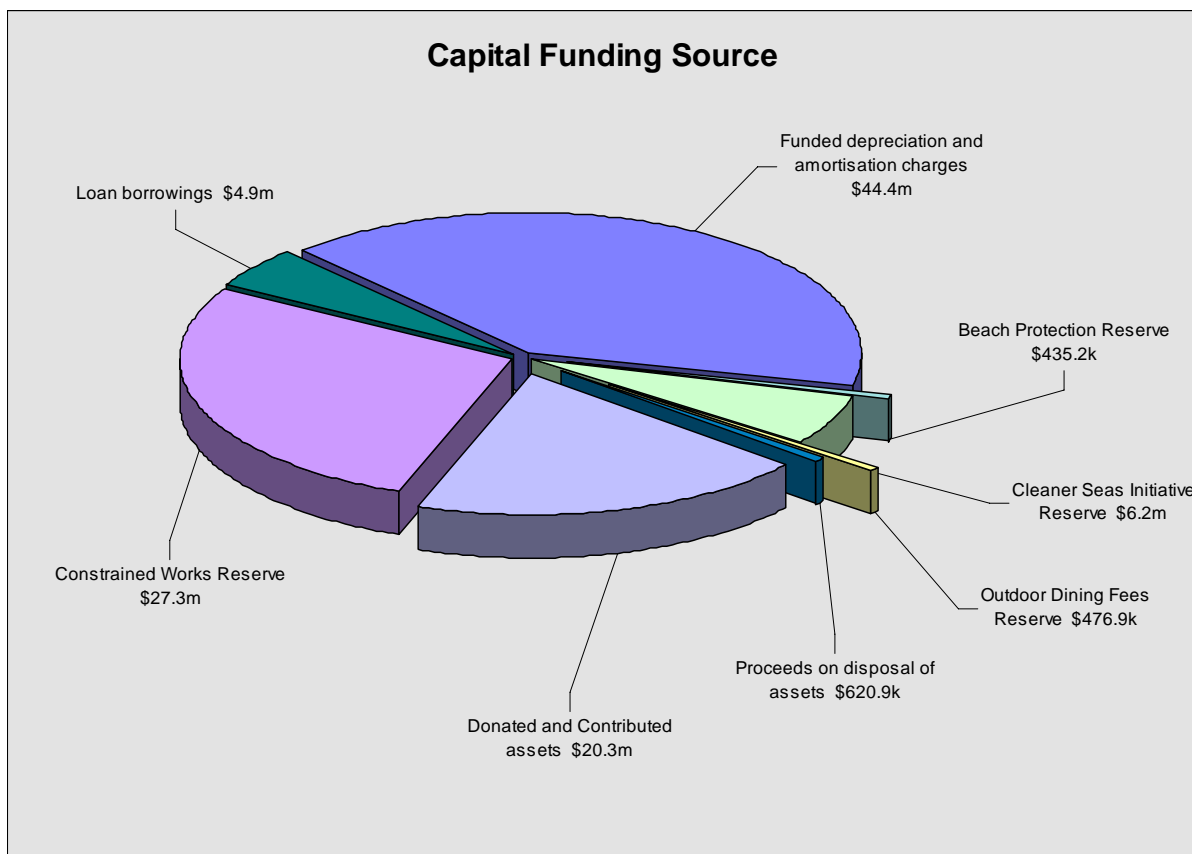
Major Variances Explanations – Expenditure						
Description	Actual YTD	2nd Review Budget 2009/10	Variance of Actual against Budget YTD			Note
Employee benefits	71,110,694	72,639,979	1,529,285	Favourable	2%	1B
Materials and services	67,059,032	75,489,049	8,430,017	Favourable	11%	2B
Finance Costs	5,318,382	5,492,872	174,490	Favourable	3%	3B
Capitalised Wages	( 2,097,115)	( 2,648,155)	( 551,040)	Unfavourable	21%	4B

- 1B
Employee costs are lower than anticipated in Water (\$560k), Planning and Environment (\$212k), Corporate Services (\$1.2m), Executive (\$16k) and Community, Sport and Cultural Services (\$100k) which has been offset by higher than anticipated employee costs in Cairns Works (-\$441k), Infrastructure Services (-\$127k) and Waste (-\$31k).
- 2B
Materials and services are less than budget across all departments within materials (\$1.96m), legal services costs (\$353k), consultancy services (\$1.35m), travel expenditure (\$143k), internal charges (\$3.78m), internal revenue (\$932k), other expenses (\$280k), contributions and donations (\$205k) and other materials and services (\$1.60m). This has been offset by higher than anticipated agency/temp staff costs (-\$1.23m) and external services (-\$957k). These variances are being reviewed as part of the 3rd budget review.
- 3B
Variance relates to lower than anticipated bank fees and charges (\$147k) and borrowing costs for Water and Waste (\$91k), these favourable variances are slightly offset by higher than anticipated water leakage write offs (-\$33k) and other bad debts expense (-\$31k).
- 4B
Variance relates to timing of capital works and associated recovery of labour costs.

**Capital Funding Statement**

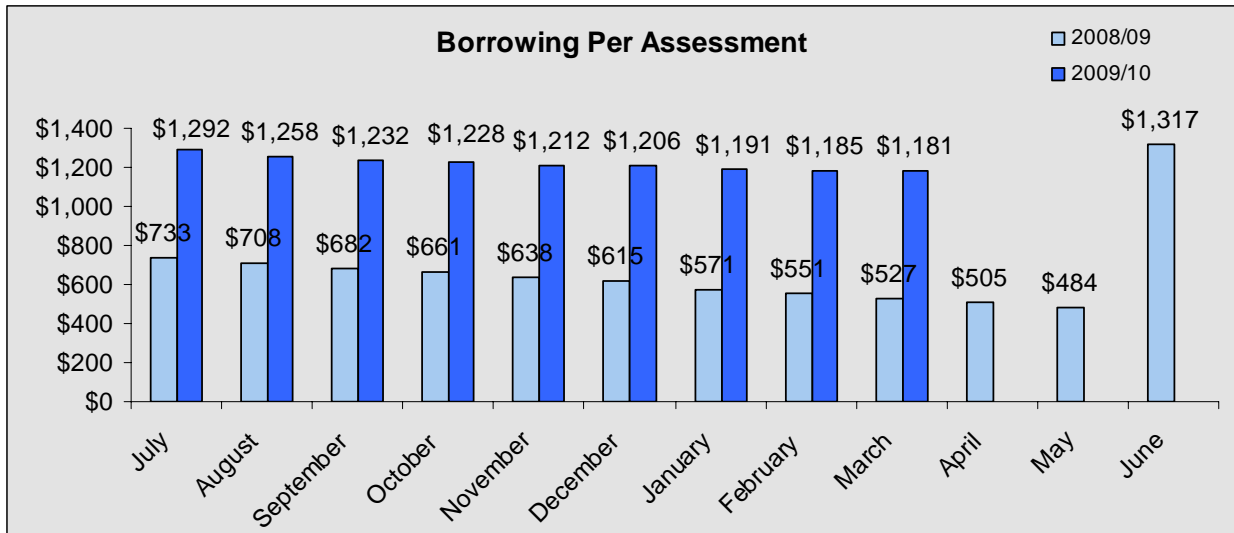
Capital expenditure to date totals \$104.7m plus \$53.5m of committals. The total approved capital expenditure in the 2<sup>nd</sup> Review 2009/10 Budget is \$225.4m.

As at 26 March 2010, capital expenditure has been funded by the following:



## Loan Borrowings

The QTC Loan balance at the end of the period is \$92.9m, based on the latest assessments issued; the borrowing per assessment is \$1,181. The QTC loan borrowing application for 2009/10 was submitted in December. Latest advice from DIP is that approval will be received by the end of the month with the first drawdown available in May 2010.



## DEPARTMENT OF INFRASTRUCTURE AND PLANNING (DIP) SUSTAINABILITY RATIOS

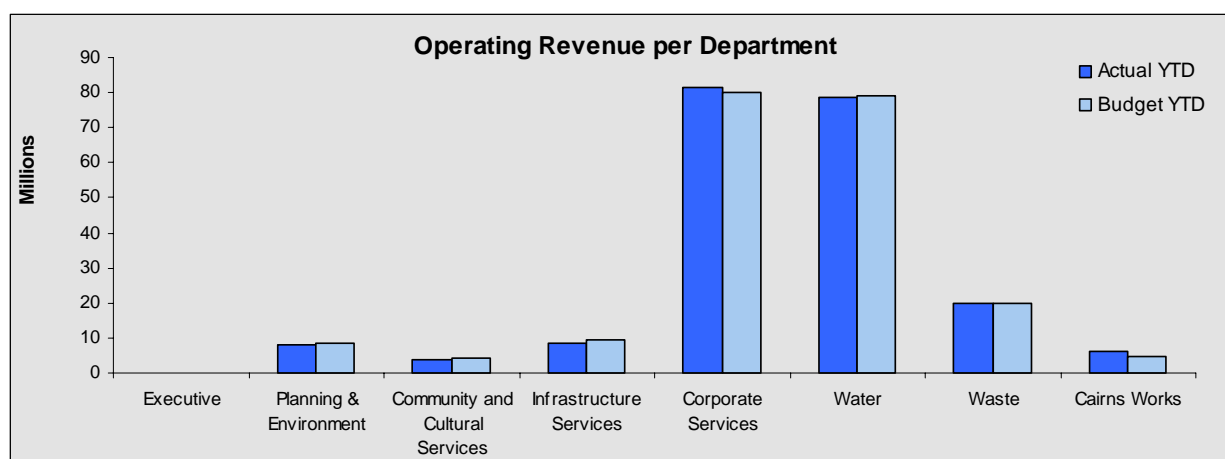
In preparation for the implementation of the new Local Government (Finance, Plans and Reporting) Regulation 2009 which is currently in draft form, performance against the DIP sustainability financial ratios has been provided.

These ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which must be met to ensure the prudent management of financial risks.

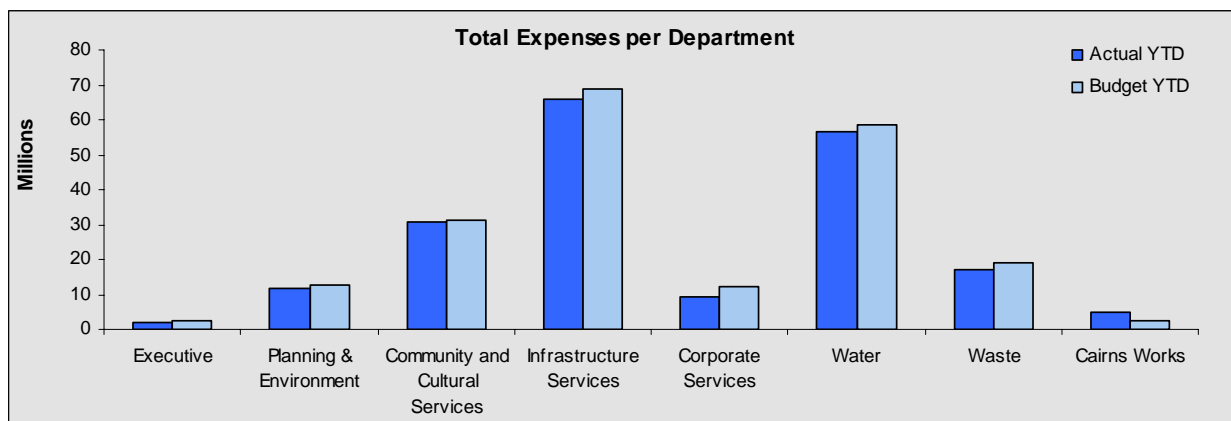
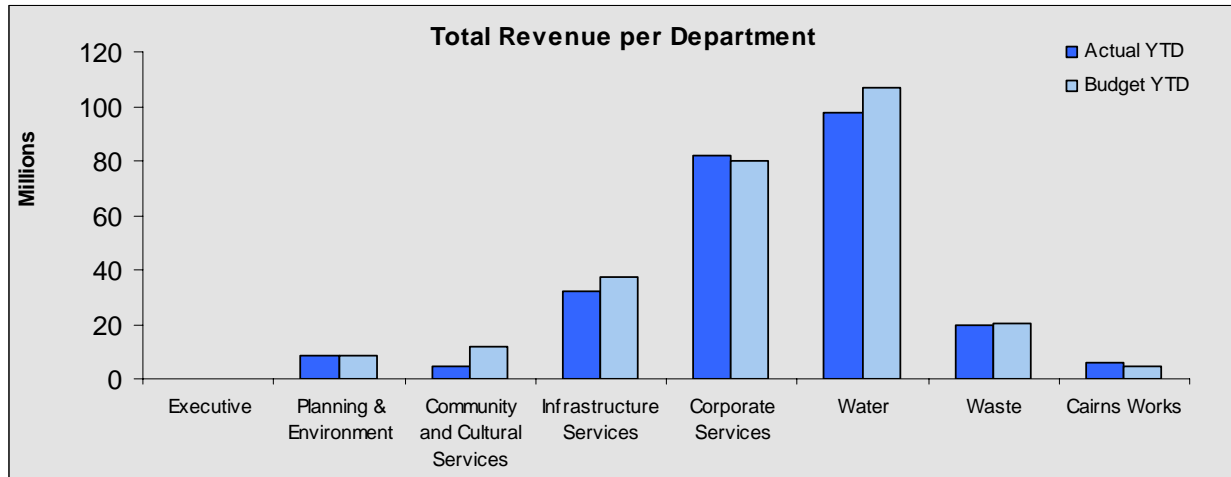
DIP sustainability Ratios					
Ratio	Description	Formula	YTD Actual Result	Benchmark	Within Limits?
Financial Capital Indicators					
Working capital ratio	Measures the extent to which Council has liquid assets available to meet short term financial obligations	Current Assets	2.4	>1	<input checked="" type="checkbox"/>
		Current Liabilities			
Operating Surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	Net Operating Surplus	4.13%	0-15%	<input checked="" type="checkbox"/>
		Total Operating Revenue			
Net Financial Liabilities ratio	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues. A ratio < 60% indicates Council has the capacity to increase its loan borrowings.	Total Liabilities less Current Assets	-0.48%	<=60%	<input checked="" type="checkbox"/>
		Total Operating Revenue			
Interest coverage ratio	This ratio indicates the extent to which Council's operating revenues are committed to interest expenses	Net interest expense on debt service	2.25%	0-10%	<input checked="" type="checkbox"/>
		Total Operating Revenue			

## DEPARTMENTAL REPORTS

Departmental reports display the breakdown of the Income Statement per Department. Details on the year to date variances are held in the Departmental Operating Statements (attached).







### **CONCLUSION:**

March figures show that Council has an operating surplus of \$8,527,490 compared to a year to date budgeted operating deficit of \$1,123,029. The favourable operating position is predominantly due to materials and services being lower than anticipated.

Council's net position is a surplus of \$51,937,548 which is \$10,357,268 under budget. This unfavourable variance is due primarily to the timing in recognition of contributed assets, capital grants and developer contributions.

Unfunded depreciation is currently \$1,141,755, which has been wholly sustained by balance of Council. Forecast unfunded depreciation as per 2<sup>nd</sup> budget review is \$12,332,119. This favourable variance is a direct result of Council's operating performance.

Council's retained position is a surplus of \$423,213. Cairns Water achieved a surplus of \$1,897,672, which is anticipated to balance out by year end, Cairns Waste sustained a deficit of (\$1,731,168) and Cairns Works achieved a surplus of \$256,709 which is expected to balance out by year end. Balance of Council achieved a balanced position.

**CONSIDERATIONS:**

All other considerations were reviewed and deemed not applicable.

**CONSULTATION:**

Variance explanations for the Departmental Variance reports are included in the relevant departments' monthly reports submitted to the respective committee meetings.

**ATTACHMENTS:**

- Attachment A: Financial Statements
- Attachment B: Departmental Reports

Lisa Whitton

**Senior Co-ordinator Financial Accounting**

Juli-Ann Brozek

**Manager Financial Services**

Linda Kirchner

**Acting General Manager Corporate Services**

**Attachment A**

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CAIRNS REGIONAL COUNCIL  
FINANCIAL STATEMENTS

Appendix A:  
Income Statement  
For the Period Ended 26 March 2010

	Notes	Actual YTD	Second Review Budget YTD 2009/10	Variance
		\$	\$	\$
<b>Revenue</b>				
<b>Operating Revenue</b>				
Net rate and utility charges	1	158,825,884	157,494,853	1,331,031
Fees and charges	2	16,215,610	17,040,892	(825,282)
Interest received	3	5,345,831	4,071,836	1,273,995
Other operating revenue	4	10,998,190	10,229,574	768,616
Grants, subsidies, contributions and donations	5	15,247,973	17,301,955	(2,053,982)
<b>Total operating revenue</b>		<b>206,633,488</b>	<b>206,139,110</b>	<b>494,378</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Employee benefits	6	71,110,694	72,639,979	1,529,285
Materials and services	7	67,059,032	75,489,049	8,430,017
Finance costs	8	5,318,382	5,492,872	174,490
Depreciation		56,715,005	56,288,394	(426,611)
		<b>200,203,113</b>	<b>209,910,294</b>	<b>9,707,181</b>
Less capitalised wages	9	(2,097,115)	(2,648,155)	(551,040)
<b>Total operating expenses</b>		<b>198,105,998</b>	<b>207,262,139</b>	<b>9,156,141</b>
<b>Operating Position Before Capital Items</b>		<b>8,527,490</b>	<b>(1,123,029)</b>	<b>9,650,519</b>
<b>Capital Revenue</b>				
(Loss)/Gain on Disposal of Property, Plant and Equipment	10	(1,148,662)	(650,366)	(498,296)
Grants, subsidies, contributions and donations	11	44,558,720	64,068,211	(19,509,491)
		<b>43,410,058</b>	<b>63,417,845</b>	<b>(20,007,787)</b>
<b>Net result attributable to council in period</b>		<b>51,937,548</b>	<b>62,294,816</b>	<b>(10,357,268)</b>

The above statement should be read in conjunction with the accompanying Departmental Reports and notes.

**Notes**

- Net rate and utility charges are higher than budget due mainly to an increase in residential water usage charges (\$845k) and general rates (\$625k). This favourable position has been offset by special charges (-\$183k).
- Fees and charges income is less than anticipated predominantly due to lower than anticipated income from sale of recyclables (-\$205k), infringement fines and penalties (-\$61k), collections from parking meters (-\$166k), sale of water from hydrants (-\$176k), Daintree Ferry connections (-\$106k) and water connection fees (-\$166k). These have been offset by higher than anticipated income from plan endorsement fees (\$38k), parking station fees (\$36k), discretionary assessment fees (\$34k) and Council funded shows (\$46k).
- Interest received is higher than expected for interest on investments (\$966k) and interest on overdue rates and charges (\$294k). The variance in interest on investments is due to a higher than forecast cash balance, due primarily to timing of capital works.
- Other operating revenue is favourable predominately due to higher than expected private works revenue (\$1.2m) and prior year unexpended grants (\$197k). This favourable variance has been offset by lower than anticipated revenue from kerbside collections (-\$368k), construction works (-\$194k), and combined rents and leases (-\$112k).
- Unfavourable variance relates to less than anticipated income from developer contributions (-\$501k), grants (-\$1.2m), and donations (-\$399k). Variances are being investigated as part of 3rd Budget Review.
- Employee costs are lower than anticipated in Water (\$560k), Planning and Environment (\$212k), Corporate Services (\$1.2m), Executive (\$16k) and Community, Sport and Cultural Services (\$100k) which has been offset by higher than anticipated employee costs in Cairns Works (-\$441k), Infrastructure Services (\$127k) and Waste (-\$31k).
- Materials and services are less than budget across all departments within materials (\$1.96m), legal services costs (\$353k), consultancy services (\$1.35m), travel expenditure (\$143k), internal charges (\$3.78m), internal revenue (\$932), other expenses (\$280k), contributions & donations (\$205k) and other materials and services (\$1.60m). This has been offset by higher than anticipated agency/temp staff costs (-\$1.23m) and external services (-\$957k). These variances are being reviewed as part of the 3rd budget review.
- Variance relates to lower than anticipated bank fees and charges (\$147k) and borrowing costs for Water and Waste (\$91k), these favourable variances are slightly offset by higher than anticipated water leakage write offs (-\$33k) and other bad debts expense (-\$31k).
- Variance relates to timing of capital works and associated recovery of labour costs.
- Variance is due to higher than budgeted losses on waste and water reticulation assets (-\$260k), other sports facilities (-\$74k), refuse assets (-\$130k), underground drains (-\$44k) and other assets (-\$22k). The unfavourable variance is partly offset by a gain on fleet assets (\$36k).
- Variance is due to the timing in the receipt and processing of contributed assets (\$2.2m), developer contributions (\$205k) and subsidies and grants (-\$22.2m) which are accrued in line with the progress of subsidised capital works expenditure.

Statement of Appropriations  
For the Period Ended 26 March 2010

	Actual YTD \$	Full Year Second Review Budget 2009/10 \$
Retained surplus (deficiency) from prior years	( 1,976,510)	( 1,976,511)
Net result attributable to council for the period	51,937,547	75,263,552
	49,961,037	73,287,041
<b>Transfers (to) from capital account:</b>		
(Profit) loss on sale of capital assets	-	-
Contributed physical capital assets	( 20,308,253)	( 24,082,762)
General Revenue used for Capital Purposes	-	7,629,042
Adjustment for unfunded depreciation	1,141,755	12,332,119
Transfer of capital (revenue) expenses	1,148,662	656,585
Transfer of gain on market value adjustment to long term debt	-	-
Net capital account transfers	( 18,017,836)	( 3,465,016)
Transfer from (to) the constrained works reserve	( 24,250,467)	( 61,229,021)
Retained Surplus (deficiency) available for transfer to reserves	7,692,734	8,593,004
<b>Transfers (to) from reserves for future capital funding purposes:</b>		
Beach Protection Reserve	-	-
Future Asset Acquisition Reserve	-	( 64,453)
Outdoor Dining Fees Reserve	( 243,575)	-
Cleaner Seas Initiative Reserve	( 6,229,861)	( 8,285,615)
Natural Disaster Reserve	-	-
Cairns Water Augmentation Reserve	-	-
Fleet Acquisition Reserve	-	-
Public Art Reserve	( 48,575)	( 45,000)
Future Operational Expenditure Reserve	( 194,712)	( 256,572)
Blue Water Special Charge Reserve	( 327,298)	( 437,027)
Resources, Waste and Environment Reserve	-	-
Cairns Southern Corridor reserve	( 225,500)	( 440,000)
Daintree Ferry Reserve	-	( 701,959)
Net reserve transfers	( 7,269,521)	( 10,230,627)
<b>RETAINED SURPLUS (DEFICIENCY) AT YEAR END</b>	<b>423,213</b>	<b>( 1,637,623)</b>

Reserve Analysis	Brought Forward	Becoming Available in Year	Utilised in Year	Carried Forward
	\$	\$	\$	\$
Constrained Works Reserve - Government Grants/Subsidies	4,455,543	19,239,513	19,239,513	2,793,175
Constrained Works Reserve - Developer Contributions	51,916,324	5,010,954	8,078,086	48,849,192
Cairns Water Augmentation Reserve	949,038	-	-	949,038
Cleaner Seas Initiative Reserve	7,579,674	6,229,861	6,224,271	7,585,264
Natural Disaster Reserve	550,000	-	-	550,000
Outdoor Dining Fees Reserve	1,492,178	243,575	476,892	1,258,861
Public Art Reserve	67,325	48,575	-	115,900
Beach Protection Reserve	3,488,412	-	435,206	3,053,206
Future Asset Acquisition Reserve	11,080,000	-	-	11,080,000
Future Operational Expenditure Reserve	1,037,644	194,712	-	1,232,356
Blue Water Special Charge Reserve	459,480	327,298	-	786,778
Southern Corridor Reserve	2,654,302	225,500	-	2,879,802
Resources, Waste and Environment Reserve	1,208,461	-	-	1,208,461
Depreciation Charges Funded Reserve	33,465,250	55,573,250	44,395,619	44,642,881

Appendix A:

CAIRNS REGIONAL COUNCIL  
FINANCIAL STATEMENTS

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Balance Sheet  
As at 26 March 2010

	Notes	Actual YTD	Full Year Second Review Budget 2009/10	Variance
		\$	\$	\$
<b>Assets</b>				
<b>Current Assets</b>				
Cash assets and cash equivalents	1	165,691,956	80,661,203	85,030,753
Receivables	2	40,314,335	21,000,000	19,314,335
Inventories	3	1,484,986	1,400,000	84,986
Other financial assets		2,036,726	2,500,000	(463,274)
		209,528,003	105,561,203	103,966,800
Non current assets classified as held for sale		-	-	-
		209,528,003	105,561,203	103,966,800
<b>Non-Current Assets</b>				
Trade and Other receivables		-	-	-
Property, plant & equipment	4	2,570,845,228	2,721,523,563	(150,678,335)
Capital work in progress	4	261,382,976	211,178,243	50,204,733
Intangible Assets	4	271,088	263,793	7,295
		2,832,499,292	2,932,965,599	(100,466,307)
<b>Total Assets</b>		<b>3,042,027,295</b>	<b>3,038,526,802</b>	<b>3,500,493</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and Other Payables		77,841,958	22,000,000	(55,841,958)
Interest bearing liabilities	5	28,052	2,100,000	2,071,948
Employee entitlements		9,308,846	9,400,000	91,154
Other		412,773	3,500,000	3,087,227
		87,591,629	37,000,000	(50,591,629)
<b>Non-Current Liabilities</b>				
Interest bearing liabilities	5	92,925,822	116,562,410	23,636,588
Employee entitlements		13,871,456	14,000,000	128,544
Provisions		14,145,656	11,414,076	(2,731,580)
Other		-	2,731,580	2,731,580
		120,942,934	144,708,066	23,765,132
<b>Total Liabilities</b>		<b>208,534,563</b>	<b>181,708,066</b>	<b>(26,826,497)</b>
<b>NET COMMUNITY ASSETS</b>		<b>2,833,492,732</b>	<b>2,856,818,736</b>	<b>(23,326,004)</b>
<b>Community Equity</b>				
Capital Account		2,697,873,178	2,746,590,378	(48,717,200)
Retained Surplus		423,213	(1,637,622)	2,060,835
Asset Revaluation Reserve		51,191,940	51,191,940	-
Other Reserves		84,004,401	60,674,040	23,330,361
<b>TOTAL COMMUNITY EQUITY</b>		<b>2,833,492,732</b>	<b>2,856,818,736</b>	<b>(23,326,004)</b>

The accompanying notes form part of these financial statements.

**Notes**

- 1 The budgeted cash balance is driven by the projected activity based on the budget. It is representative of the projected position at year end. Therefore, the variance is based on timing of expenditure and income, as well as the drawdown of loan funds.
- 2 Receivables balance is based on a projected year end position.
- 3 Balance represents prepaid expenditure. This balance will reduce each month as amounts are expensed over the appropriate periods.
- 4 Variance relates to timing in completion of 2009/10 Capital Works program as well as recognition of contributed assets.
- 5 Interest bearing liabilities represent QTC loans which will increase throughout the year as budgeted new loans are drawn down. The loan borrowings are used to fund capital works for Water and Waste.

Appendix A:

CAIRNS REGIONAL COUNCIL  
FINANCIAL STATEMENTS

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Statement of Cash Flows  
For the Period Ended 26 March 2010

	Actual YTD	Full Year Second Review Budget 2009/10
	\$	\$
<b>Cash Flows from Operating Activities:</b>		
Receipts from customers	175,945,716	262,548,374
Payments to suppliers and employees	(98,887,172)	(210,888,275)
	77,058,544	51,660,099
Interest received	5,395,401	3,889,506
Borrowing costs	(4,652,114)	(6,441,778)
<b>Net cash inflow (outflow) from operating activities</b>	<b>77,801,831</b>	<b>49,107,827</b>
<b>Cash Flows from Investing Activities</b>		
Grants, subsidies and contributions for capital acquisitions	25,268,146	62,246,700
Proceeds from disposal of property, plant & equipment	620,923	319,120
Net movement in loans and advances	-	-
Payments for property, plant, equipment and CWIP	(75,398,258)	(192,022,795)
Net movement in loans and advances	1,831	4,331
<b>Net cash inflow (outflow) from investing activities</b>	<b>(49,507,359)</b>	<b>(129,452,644)</b>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from borrowings	-	23,949,754
Repayment of borrowings	(8,947,283)	(9,297,968)
Repayments of finance lease borrowings	(28,052)	(18,585)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(8,975,335)</b>	<b>14,633,201</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>19,319,137</b>	<b>(65,711,616)</b>
Cash at beginning of year	146,372,819	146,372,819
<b>CASH AT END OF PERIOD</b>	<b>165,691,956</b>	<b>80,661,203</b>

Appendix A:

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**Capital Funding Statement  
For the Period Ended 26 March 2010**
**CAIRNS REGIONAL COUNCIL  
FINANCIAL STATEMENTS**

	Actual YTD	Full Year Second Review Budget 2009/10	Variance
	\$	\$	\$
<b>Sources of Capital Funding</b>			
Donated and Contributed assets	20,308,253	24,082,762	( 3,774,509)
Constrained Works Reserve	27,317,599	78,162,835	( 50,845,236)
Future Asset Acquisition Reserve	-	-	-
Cairns Water Augmentation/Rehabilitation Reserve	-	-	-
Public Art Reserve	-	-	-
Outdoor Dining Fees Reserve	476,892	765,667	( 288,775)
Cleaner Seas Initiative Reserve	6,224,271	15,865,289	( 9,641,018)
Beach Protection Reserve	435,206	2,730,197	( 2,294,991)
Daintree Ferry Reserve	-	200,000	( 200,000)
General Revenue used for Capital purposes	-	( 7,629,042)	7,629,042
Loan borrowings	4,903,084	28,852,838	( 23,949,754)
Funded depreciation and amortisation charges	44,395,619	82,072,444	( 37,676,825)
Excess capital revenue resulting in write-down of council capital	-	-	-
Proceeds on disposal of assets	620,922	319,120	301,802
	<b>104,681,846</b>	<b>225,422,110</b>	<b>( 120,740,264)</b>
<b>Application of Capital Funding</b>			
<b>Non-current asset acquisitions</b>			
Donated Assets	20,308,253	24,082,762	( 3,774,509)
Non-current assets	75,398,258	192,022,795	( 116,624,537)
<b>Principal Loan Repayments</b>			
Finance Lease	28,052	18,585	9,467
Queensland Treasury Corporation	8,947,283	9,297,968	( 350,685)
	<b>104,681,846</b>	<b>225,422,110</b>	<b>( 120,740,264)</b>

**Attachment B**

Appendix B: Departmental Reports

1 of 8

**Operating Statement**  
For the period ended 26 March 2010

Department Executive	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
<b>Operating Revenue</b>				
Miscellaneous Revenue	109	-	109	100 %
	109	-	109	100 %
Donations	10,364	25,000	( 14,636)	(59)%
	10,364	25,000	( 14,636)	(59)%
<b>Total Operating Revenue</b>	<b>10,473</b>	<b>25,000</b>	<b>( 14,527)</b>	<b>(58)%</b>
<b>Operating Expenditure</b>				
Employee Costs	1,477,077	1,492,831	15,754	1 %
Overtime	6,031	1,814	( 4,217)	(232)%
Agency/Temp Staff Costs	17,014	21,799	4,785	22 %
Materials	57,346	77,234	19,888	26 %
External Services	17,970	67,671	49,701	73 %
Legal Services	( 4,900)	-	4,900	100 %
Consultancy Services	25,200	18,200	( 7,000)	(38)%
Travelling Expenditure	9,601	10,178	577	6 %
Other Services	209,342	254,488	45,146	18 %
Internal Charges	117,031	171,573	54,542	32 %
Internal Revenue	( 5,820)	( 5,820)	-	0 %
Other Expenses	( 149)	-	149	100 %
Contributions and Donations	155,816	335,477	179,661	54 %
	2,081,559	2,445,445	363,886	15 %
Less Expenses Capitalised	-	-	-	0 %
<b>Total Expenses</b>	<b>2,081,559</b>	<b>2,445,445</b>	<b>363,886</b>	<b>15 %</b>
<b>OPERATING CAPABILITIES BEFORE CAPITAL ITEMS</b>	<b>( 2,071,086)</b>	<b>( 2,420,445)</b>	<b>349,359</b>	<b>14 %</b>
<b>Capital Items</b>				
Gain on Disposal of Property, Plant and Equipment	-	-	-	0 %
	-	-	-	0 %
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY</b>	<b>( 2,071,086)</b>	<b>( 2,420,445)</b>	<b>349,359</b>	<b>14 %</b>



**Operating Statement**  
For the period ended 26 March 2010

<b>Department Planning &amp; Environment</b>				
	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
<b>Operating Revenue</b>				
Fees and Charges	7,425,188	7,429,809	( 4,621)	(0)%
Miscellaneous Revenue	446,338	504,312	( 57,975)	(11)%
	<u>7,871,526</u>	<u>7,934,121</u>	<u>( 62,596)</u>	<u>(1)%</u>
Donations	225,500	440,000	( 214,500)	(49)%
Subsidies and Grants	15,000	-	15,000	100 %
	<u>240,500</u>	<u>440,000</u>	<u>( 199,500)</u>	<u>(45)%</u>
<b>Total Operating Revenue</b>	<b><u>8,112,026</u></b>	<b><u>8,374,121</u></b>	<b><u>( 262,096)</u></b>	<b><u>(3)%</u></b>
<b>Operating Expenditure</b>				
Employee Costs	6,608,278	6,767,117	158,839	2 %
Overtime	243,576	296,258	52,682	18 %
Agency/Temp Staff Costs	48,396	65,935	17,539	27 %
Materials	134,598	353,068	218,470	62 %
External Services	254,846	429,589	174,743	41 %
Legal Services	194,794	257,175	62,381	24 %
Consultancy Services	1,530,112	1,680,500	150,388	9 %
Travelling Expenditure	12,312	22,471	10,159	45 %
Other Services	230,464	403,546	173,082	43 %
Internal Charges	753,168	808,921	55,754	7 %
Internal Revenue	( 21,003)	( 18,276)	2,727	15 %
Depreciation and Amortisation Expenses	376,453	323,082	( 53,371)	(17)%
Bank Fees and Charges	847	300	( 547)	(182)%
Bad and Doubtful Debts	59,095	35,100	( 23,995)	(68)%
Other Expenses	47,976	73,523	25,547	35 %
Contributions and Donations	77,716	112,493	34,777	31 %
Competitive Neutrality Charges	954,507	955,746	1,239	0 %
	<u>11,506,135</u>	<u>12,566,548</u>	<u>1,060,413</u>	<u>8 %</u>
<b>Total Expenses</b>	<b><u>11,506,135</u></b>	<b><u>12,566,548</u></b>	<b><u>1,060,413</u></b>	<b><u>8 %</u></b>
<b>OPERATING CAPABILITIES BEFORE CAPITAL ITEMS</b>	<b><u>( 3,394,110)</u></b>	<b><u>( 4,192,427)</u></b>	<b><u>798,318</u></b>	<b><u>19 %</u></b>
<b>Capital Items</b>				
(Loss)/Gain on Disposal of Property, Plant and Equipment	-	-	-	0 %
Contributions	484,460	-	484,460	100 %
Subsidies and Grants	-	83	( 83)	(100)%
	<u>484,460</u>	<u>83</u>	<u>484,377</u>	<u>583,587 %</u>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY</b>	<b><u>( 2,909,650)</u></b>	<b><u>( 4,192,344)</u></b>	<b><u>1,282,695</u></b>	<b><u>31 %</u></b>

*Additional detail can be found in the Planning and Environment Part A report submitted to the Planning and Environment Committee.*

**Operating Statement**  
For the period ended 26 March 2010

<b>Department Community, Sport and Cultural Services</b>				
	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
<b>Operating Revenue</b>				
Rates and Utility Charges	(271)	-	( 271)	(100)%
Fees and Charges	1,168,152	1,230,550	( 62,398)	(5)%
Miscellaneous Revenue	2,002,198	1,841,006	161,192	9 %
	<u>3,170,079</u>	<u>3,071,556</u>	<u>98,523</u>	<u>3 %</u>
Donations	( 131,714)	161,495	( 293,209)	(182)%
Subsidies and Grants	694,611	1,151,112	( 456,501)	(40)%
	<u>562,897</u>	<u>1,312,607</u>	<u>( 749,710)</u>	<u>(57)%</u>
<b>Total Operating Revenue</b>	<b><u>3,732,976</u></b>	<b><u>4,384,163</u></b>	<b><u>( 651,187)</u></b>	<b><u>(15)%</u></b>
<b>Operating Expenditure</b>				
Employee Costs	9,720,335	10,086,580	366,245	4 %
Overtime	673,473	407,169	( 266,305)	(65)%
Agency/Temp Staff Costs	201,960	205,140	3,179	2 %
Materials	1,274,405	1,366,792	92,387	7 %
External Services	4,949,992	5,090,143	140,151	3 %
Legal Services	-	-	-	0 %
Consultancy Services	299,535	376,020	76,485	20 %
Travelling Expenditure	98,907	121,474	22,567	19 %
Other Services	1,104,483	1,227,076	122,593	10 %
Internal Charges	3,018,221	3,175,360	157,139	5 %
Internal Revenue	( 493,519)	( 381,977)	111,542	29 %
Depreciation and Amortisation Expenses	6,166,827	6,069,522	( 97,305)	(2)%
Bank Fees and Charges	16,626	12,743	( 3,883)	(30)%
Other	54,838	161,079	106,241	66 %
Contributions and Donations	3,612,236	3,189,579	( 422,657)	(13)%
Competitive Neutrality Charges	( 22,951)	( 17,245)	5,706	33 %
	<u>30,675,369</u>	<u>31,089,454</u>	<u>414,085</u>	<u>1 %</u>
Less Expenses Capitalised	( 10,446)	-	( 10,446)	100 %
<b>Total Expenses</b>	<b><u>30,664,923</u></b>	<b><u>31,089,454</u></b>	<b><u>424,531</u></b>	<b><u>1 %</u></b>
<b>OPERATING CAPABILITIES BEFORE CAPITAL ITEMS</b>	<b><u>( 26,931,947)</u></b>	<b><u>( 26,705,291)</u></b>	<b><u>( 226,656)</u></b>	<b><u>(1)%</u></b>
<b>Capital Items</b>				
(Loss)/Gain on Disposal of Property, Plant and Equipment	( 114,208)	( 39,753)	( 74,455)	(187)%
Contributions	8,575	33,750	( 25,175)	(75)%
Other Capital Contributions	126,075	-	126,075	100 %
Subsidies and Grants	663,417	7,644,443	( 6,981,026)	(91)%
	<u>683,859</u>	<u>7,638,440</u>	<u>( 6,954,581)</u>	<u>(91)%</u>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY</b>	<b><u>( 26,248,088)</u></b>	<b><u>( 19,066,851)</u></b>	<b><u>( 7,181,237)</u></b>	<b><u>(38)%</u></b>

*Variance explanations are based on those provided to Finance by Business Support, Community and Cultural Services. Additional detail can be found in the Community and Cultural Part A report submitted to the SACCS Committee.*

**Operating Statement**  
For the period ended 26 March 2010

**Department Infrastructure Services (Excluding Cairns Works)**

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
<b>Operating Revenue</b>				
Fees and Charges	1,715,857	1,811,887	( 96,030)	(5)%
Miscellaneous Revenue	995,479	1,182,859	( 187,380)	(16)%
Community Service Obligations	( 120)	-	( 120)	(100)%
	<u>2,711,216</u>	<u>2,994,746</u>	<u>( 283,530)</u>	<u>(9)%</u>
Donations	412,035	288,820	123,215	43 %
Subsidies and Grants	5,512,497	6,206,941	( 694,444)	(11)%
	<u>5,924,532</u>	<u>6,495,761</u>	<u>( 571,229)</u>	<u>(9)%</u>
<b>Total Operating Revenue</b>	<b>8,635,748</b>	<b>9,490,507</b>	<b>( 854,759)</b>	<b>(9)%</b>
<b>Operating Expenditure</b>				
Employee Costs	11,330,495	11,228,127	( 102,368)	(1)%
Overtime	448,144	423,530	( 24,614)	(6)%
Agency/Temp Staff Costs	518,869	486,987	( 31,882)	(7)%
Materials	3,588,219	3,540,213	( 48,006)	(1)%
External Services	11,825,821	10,626,428	( 1,199,393)	(11)%
Consultancy Services	627,262	785,293	158,031	20 %
Travelling Expenditure	7,578	11,062	3,484	31 %
Other Services	3,117,905	3,915,949	798,044	20 %
Internal Charges	45,174,131	47,664,277	2,490,146	5 %
Internal Revenue	( 38,219,267)	( 37,594,205)	625,062	2 %
Depreciation and Amortisation Expenses	26,671,795	26,349,300	( 322,495)	(1)%
Other Expenses	106,267	100,000	( 6,267)	(6)%
Contributions and Donations	305,185	619,414	314,229	51 %
Competitive Neutrality Charges	1,160,153	1,155,107	( 5,046)	(0)%
	<u>66,662,557</u>	<u>69,311,482</u>	<u>2,648,925</u>	<u>4 %</u>
Less Expenses Capitalised	( 653,167)	( 759,205)	( 106,038)	(14)%
<b>Total Expenses</b>	<b>66,009,390</b>	<b>68,552,277</b>	<b>2,542,887</b>	<b>4 %</b>
<b>OPERATING CAPABILITIES BEFORE CAPITAL ITEMS</b>	<b>( 57,373,642)</b>	<b>( 59,061,770)</b>	<b>1,688,128</b>	<b>3 %</b>
<b>Capital Items</b>				
(Loss)/Gain on Disposal of Property, Plant and Equipment	( 236,919)	( 209,683)	( 27,236)	(13)%
Contributions	2,982,043	2,516,248	465,795	19 %
Contributed Assets	12,971,894	11,416,779	1,555,115	14 %
Subsidies and Grants	7,502,221	13,883,803	( 6,381,582)	(46)%
	<u>23,219,239</u>	<u>27,607,147</u>	<u>( 4,387,908)</u>	<u>(16)%</u>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY</b>	<b>( 34,154,403)</b>	<b>( 31,454,623)</b>	<b>( 2,699,780)</b>	<b>(9)%</b>

*Variance explanations are based on those provided to Finance by Business Support, Works and Services.*

**Operating Statement**  
For the period ended 26 March 2010

**Department Corporate Services**

	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
<b>Operating Revenue</b>				
Rates and Utility Charges	72,736,074	72,138,519	597,555	1 %
Less Pensioner Remissions	(1,318,526)	(1,135,512)	(183,014)	(16)%
	<u>71,417,548</u>	<u>71,003,007</u>	<u>414,541</u>	<u>1 %</u>
Fees and Charges	301,064	288,814	12,250	4 %
Interest	4,807,892	3,696,326	1,111,566	30 %
Miscellaneous Revenue	349,841	311,209	38,632	12 %
	<u>5,458,796</u>	<u>4,296,349</u>	<u>1,162,447</u>	<u>27 %</u>
Subsidies and Grants	4,756,354	4,728,054	28,300	1 %
	<u>4,756,354</u>	<u>4,728,054</u>	<u>28,300</u>	<u>1 %</u>
<b>Total Operating Revenue</b>	<b>81,632,698</b>	<b>80,027,410</b>	<b>1,605,288</b>	<b>2 %</b>
<b>Operating Expenditure</b>				
Employee Costs	8,859,239	10,106,615	1,247,376	12 %
Overtime	34,243	31,548	(2,695)	(9)%
Agency/Temp Staff Costs	5,698	8,207	2,509	31 %
Materials	277,936	586,465	308,529	53 %
External Services	1,206,635	1,825,668	619,033	34 %
Legal Services	1,430,304	1,710,133	279,829	16 %
Consultancy Services	26,951	481,999	455,048	94 %
Travelling Expenditure	75,511	172,954	97,443	56 %
Other Services	3,749,571	3,759,955	10,384	0 %
Internal Charges	922,881	799,325	(123,556)	(15)%
Internal Revenue	(1,260,468)	(1,262,258)	(1,790)	(0)%
Depreciation and Amortisation Expenses	2,124,922	1,976,066	(148,856)	(8)%
Bank Fees and Charges	475,006	617,500	142,494	23 %
Borrowing Costs	41,852	41,787	(65)	(0)%
Bad and Doubtful Debts	7,085	-	(7,085)	(100)%
Other Expenses	105,013	260,411	155,398	60 %
Contributions and Donations	856,565	959,497	102,932	11 %
Competitive Neutrality Charges	(9,747,603)	(9,695,867)	51,736	1 %
	<u>9,191,341</u>	<u>12,380,005</u>	<u>3,188,665</u>	<u>26 %</u>
Less Expenses Capitalised	(5,539)	-	5,539	100
<b>Total Expenses</b>	<b>9,185,802</b>	<b>12,380,005</b>	<b>3,194,204</b>	<b>26 %</b>
<b>OPERATING CAPABILITIES BEFORE CAPITAL ITEMS</b>	<b>72,446,897</b>	<b>67,647,405</b>	<b>4,799,492</b>	<b>7 %</b>
<b>Capital Items</b>				
(Loss)/Gain on Disposal of Property, Plant and Equipment	14,897	37	14,860	40,162 %
Subsidies and Grants	-	-	-	0 %
	<u>14,897</u>	<u>37</u>	<u>14,860</u>	<u>40,162 %</u>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX</b>	<b>72,461,794</b>	<b>67,647,442</b>	<b>4,814,352</b>	<b>7 %</b>
Income Tax Benefit/(Expense)	10,771,804	13,549,668	(2,777,864)	(21)%
Dividend Income/(Expense)	6,420,671	3,473,997	2,946,674	85 %
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX</b>	<b>89,654,269</b>	<b>84,671,107</b>	<b>4,983,162</b>	<b>6 %</b>

**Operating Statement**  
For the period ended 26 March 2010

<b>Business Unit Water</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>	<b>Variance</b>
	\$	\$	\$	%
<b>Operating Revenue</b>				
Rates and Utility Charges	71,199,474	70,355,851	843,623	1 %
Less Discount and Pensioner Remissions	( 1,384)	( 5,020)	3,636	72 %
	<u>71,198,090</u>	<u>70,350,831</u>	<u>847,259</u>	<u>1 %</u>
Fees and Charges	3,005,042	3,427,882	( 422,840)	(12)%
Interest	425,383	295,052	130,331	44 %
Miscellaneous Revenue	524,302	655,686	( 131,384)	(20)%
	<u>3,954,727</u>	<u>4,378,620</u>	<u>( 423,893)</u>	<u>(10)%</u>
Donations	21,804	21,804	-	0 %
Contributions	3,510,973	4,011,579	( 500,606)	(12)%
Subsidies and Grants	148,800	192,400	( 43,600)	(23)%
	<u>3,681,577</u>	<u>4,225,783</u>	<u>( 544,206)</u>	<u>(13)%</u>
<b>Total Operating Revenue</b>	<u><b>78,834,394</b></u>	<u><b>78,955,234</b></u>	<u><b>( 120,840)</b></u>	<u><b>(0)%</b></u>
<b>Operating Expenditure</b>				
Employee Costs	14,153,406	14,791,596	638,190	4 %
Overtime	1,096,804	1,018,516	( 78,288)	(8)%
Agency/Temp Staff Costs	1,052,894	876,574	( 176,320)	(20)%
Materials	4,192,600	4,647,122	454,522	10 %
External Services	2,738,089	2,991,760	253,671	8 %
Legal Services	14,424	7,823	( 6,601)	(84)%
Consultancy Services	124,918	430,742	305,824	71 %
Travelling Expenditure	40,301	48,082	7,781	16 %
Other Services	3,563,712	4,148,074	584,362	14 %
Internal Charges	7,885,592	8,689,128	803,536	9 %
Internal Revenue	( 5,146,198)	( 5,821,592)	( 675,394)	(12)%
Depreciation and Amortisation Expenses	20,907,919	21,101,866	193,947	1 %
Bank Fees and Charges	-	9,243	9,243	100 %
Finance and Borrowing Costs	4,497,607	4,584,304	86,697	2 %
Bad and Doubtful Debts	107,609	74,638	( 32,971)	(44)%
Other	1,510	-	( 1,510)	(100)%
Contributions and Donations	3,448	-	( 3,448)	(100)%
Competitive Neutrality Charges	2,907,171	2,937,107	29,936	1 %
	<u>58,141,805</u>	<u>60,534,983</u>	<u>2,393,178</u>	<u>4 %</u>
Less Expenses Capitalised	( 1,426,320)	( 1,888,950)	( 462,630)	(24)%
<b>Total Expenses</b>	<u><b>56,715,485</b></u>	<u><b>58,646,033</b></u>	<u><b>1,930,548</b></u>	<u><b>3 %</b></u>
<b>OPERATING CAPABILITIES BEFORE CAPITAL ITEMS</b>	<u><b>22,118,909</b></u>	<u><b>20,309,201</b></u>	<u><b>1,809,708</b></u>	<u><b>9 %</b></u>
<b>Capital Items</b>				
(Loss)/Gain on Disposal of Property, Plant and Equipment	( 653,115)	( 400,967)	( 252,148)	(63)%
Contributions	1,409,801	1,986,165	( 576,364)	(29)%
Contributed Assets	7,336,359	6,645,289	691,070	10 %
Subsidies and Grants	11,036,275	19,822,651	( 8,786,376)	(44)%
	<u>19,129,320</u>	<u>28,053,138</u>	<u>( 8,923,818)</u>	<u>(32)%</u>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX</b>	<u><b>41,248,229</b></u>	<u><b>48,362,339</b></u>	<u><b>( 7,114,110)</b></u>	<u><b>(15)%</b></u>
Income Tax Benefit/(Expense)	( 9,800,194)	( 12,533,426)	2,733,232	22 %
Dividend Income/(Expense)	( 4,191,182)	( 1,221,765)	( 2,969,417)	(243)%
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX</b>	<u><b>27,256,853</b></u>	<u><b>34,607,148</b></u>	<u><b>( 7,350,295)</b></u>	<u><b>(21)%</b></u>

**Notes**

Variance explanations are based on those provided to Finance by Business Services Water and Waste. Additional details can be found in the Water part A reported presented to the Water and Waste Committee.

**Operating Statement**  
For the period ended 26 March 2010

<b>Business Unit Waste</b>	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
<b>Operating Revenue</b>				
Rates and Utility Charges	16,211,659	16,141,015	70,644	0 %
Less Discount and Pensioner Remissions	( 1,143)	-	( 1,143)	(100)%
	<u>16,210,516</u>	<u>16,141,015</u>	<u>69,501</u>	<u>0 %</u>
Fees and Charges	2,600,319	2,851,950	( 251,631)	(9)%
Interest	112,558	80,458	32,100	40 %
Miscellaneous Revenue	726,496	931,898	( 205,402)	(22)%
	<u>3,439,373</u>	<u>3,864,306</u>	<u>( 424,933)</u>	<u>(11)%</u>
Subsidies and Grants	69,750	69,750	-	0 %
	<u>69,750</u>	<u>69,750</u>	<u>-</u>	<u>0 %</u>
<b>Total Operating Revenue</b>	<u><b>19,719,639</b></u>	<u><b>20,075,071</b></u>	<u><b>( 355,432)</b></u>	<u><b>(2)%</b></u>
<b>Operating Expenditure</b>				
Employee Costs	1,475,014	1,508,162	33,148	2 %
Overtime	164,462	100,575	( 63,887)	(64)%
Agency/Temp Staff Costs	691,245	625,681	( 65,564)	(10)%
Materials	158,199	321,497	163,298	51 %
External Services	11,429,682	13,325,299	1,895,617	14 %
Legal Services	7,935	20,250	12,315	61 %
Consultancy Services	23,422	234,174	210,752	90 %
Travelling Expenditure	5,897	5,389	( 508)	(9)%
Other Services	419,560	405,608	( 13,952)	(3)%
Internal Charges	1,333,301	1,615,462	282,161	17 %
Internal Revenue	( 778,288)	( 1,112,146)	( 333,858)	(30)%
Depreciation and Amortisation Expenses	467,089	468,558	1,469	0 %
Borrowing Costs	112,654	117,257	4,603	4 %
Competitive Neutrality Charges	1,406,292	1,363,810	( 42,482)	(3)%
	<u>16,916,464</u>	<u>18,999,576</u>	<u>2,083,113</u>	<u>11 %</u>
Less Expenses Capitalised	-	-	-	0 %
<b>Total Expenses</b>	<u><b>16,916,464</b></u>	<u><b>18,999,576</b></u>	<u><b>1,372,249</b></u>	<u><b>7 %</b></u>
<b>OPERATING CAPABILITIES BEFORE CAPITAL ITEMS</b>	<u><b>2,803,176</b></u>	<u><b>1,075,495</b></u>	<u><b>1,727,681</b></u>	<u><b>161 %</b></u>
<b>Capital Items</b>				
(Loss)/Gain on Disposal of Property, Plant and Equipment	( 129,997)	-	( 129,997)	(100)%
Subsidies and Grants	37,600	119,000	( 81,400)	(68)%
	<u>( 92,397)</u>	<u>119,000</u>	<u>( 211,397)</u>	<u>(178)%</u>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX</b>	<u><b>2,710,779</b></u>	<u><b>1,194,495</b></u>	<u><b>1,516,284</b></u>	<u><b>127 %</b></u>
Income Tax Benefit/(Expense)	( 778,630)	( 348,803)	( 429,827)	(123)%
Dividend Income/(Expense)	( 1,779,204)	( 694,872)	( 1,084,332)	(156)%
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX</b>	<u><b>152,945</b></u>	<u><b>150,820</b></u>	<u><b>2,125</b></u>	<u><b>1 %</b></u>

**Notes**

*Variance explanations are based on those provided to Finance by Business Services Water and Waste. Additional details can be found in the Waste part A reported presented to the Water and Waste Committee.*

**Operating Statement**  
For the period ended 26 March 2010

<b>Business Unit Cairns Works</b>	YTD Actual	YTD Budget	Variance	Variance
	\$	\$	\$	%
<b>Operating Revenue</b>				
Fees and Charges	(10)	-	( 10)	0 %
Miscellaneous Revenue	5,924,108	4,802,603	1,121,505	23 %
Subsidies and Grants	2,000	5,000	( 3,000)	(60)%
	<u>5,926,098</u>	<u>4,807,603</u>	<u>1,118,495</u>	<u>23 %</u>
<b>Total Operating Revenue</b>	<b>5,926,098</b>	<b>4,807,603</b>	<b>1,118,495</b>	<b>23 %</b>
<b>Operating Expenditure</b>				
Employee Costs	13,164,936	13,267,971	103,035	1 %
Overtime	1,655,182	1,111,570	( 543,612)	(49)%
Agency/Temp Staff Costs	2,833,554	1,849,602	( 983,952)	(53)%
Materials	9,992,919	10,748,204	755,285	7 %
External Services	9,815,962	6,925,650	( 2,890,312)	(42)%
Travelling Expenditure	245	1,800	1,556	86 %
Other Services	363,049	248,258	( 114,791)	(46)%
Internal Charges	23,130,582	23,195,180	64,599	0 %
Internal Revenue	( 59,271,092)	( 58,066,773)	1,204,319	2 %
Competitive Neutrality Charges	3,342,430	3,301,343	( 41,087)	(1)%
	<u>5,027,765</u>	<u>2,582,804</u>	<u>( 2,444,961)</u>	<u>(95)%</u>
Less Expenses Capitalised	( 1,643)	-	1,643	100 %
<b>Total Expenses</b>	<b>5,026,122</b>	<b>2,582,804</b>	<b>( 2,443,318)</b>	<b>(95)%</b>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX</b>	<b>899,976</b>	<b>2,224,799</b>	<b>( 1,324,823)</b>	<b>(60)%</b>
Income Tax Benefit/(Expense)	( 192,980)	( 667,440)	474,460	71 %
Dividend Income/(Expense)	( 450,286)	( 1,557,359)	1,107,073	71 %
	<u>( 643,266)</u>	<u>( 2,224,799)</u>	<u>1,581,533</u>	<u>71 %</u>
<b>INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX</b>	<b>256,710</b>	<b>-</b>	<b>256,710</b>	<b>100 %</b>

**Notes**

Variance explanations are based on those provided to Finance by Business Support, Works and Services.