ORDINARY MEETING 26 AUGUST 2026	5.3

FINANCIAL PERFORMANCE REPORT FOR THE PERIOD ENDED 31 JULY 2026

F&BS | 63/17/2-01 | #7916948

RECOMMENDATION:

That Council notes the financial performance report for the period ended 31 July 2026.

INTERESTED PARTIES:

Not applicable

EXECUTIVE SUMMARY:

This report contains the financial performance report for the period ended 31 July 2026.

JULY FINANCIALS AT A GLANCE				
Comprehensive Income	**YTD Actual $000**	**YTD Budget $000**	**YTD Variance $000**	**Full Year Budget $000**
Total operating revenue	43,973	43,330	643	484,952
Total operating expenses	(38,332)	(38,232)	(100)	(463,613)
Net Operating Result	**5,641**	**5,098**	**543**	**21,339**
Capital revenue	14,194	10,242	3,952	124,262
Net Result	**19,835**	**15,340**	**4,495**	**145,601**
Capital Expenditure				
Capital Works Program	26,651	33,745	7,094	289,649

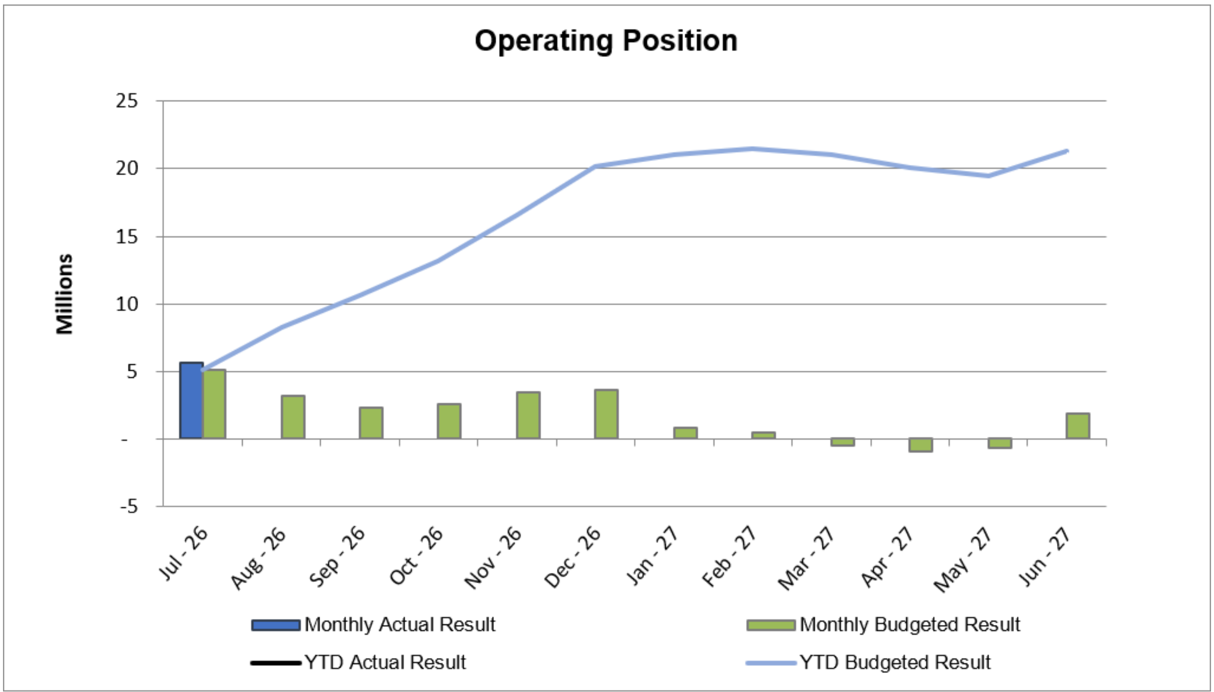
The operating result is favourable to budget by $543K driven mainly by favourable variances in fees and charges ($301K), grants and subsidies ($281K), depreciation ($280K), employee benefits ($251K), miscellaneous revenue ($108K) and finance costs ($94K). This has been partially offset higher than anticipated materials and services ($725K).

Capital expenditure is $26.7M resulting in a favourable $7.1M timing variance to budget.

COMMENT:

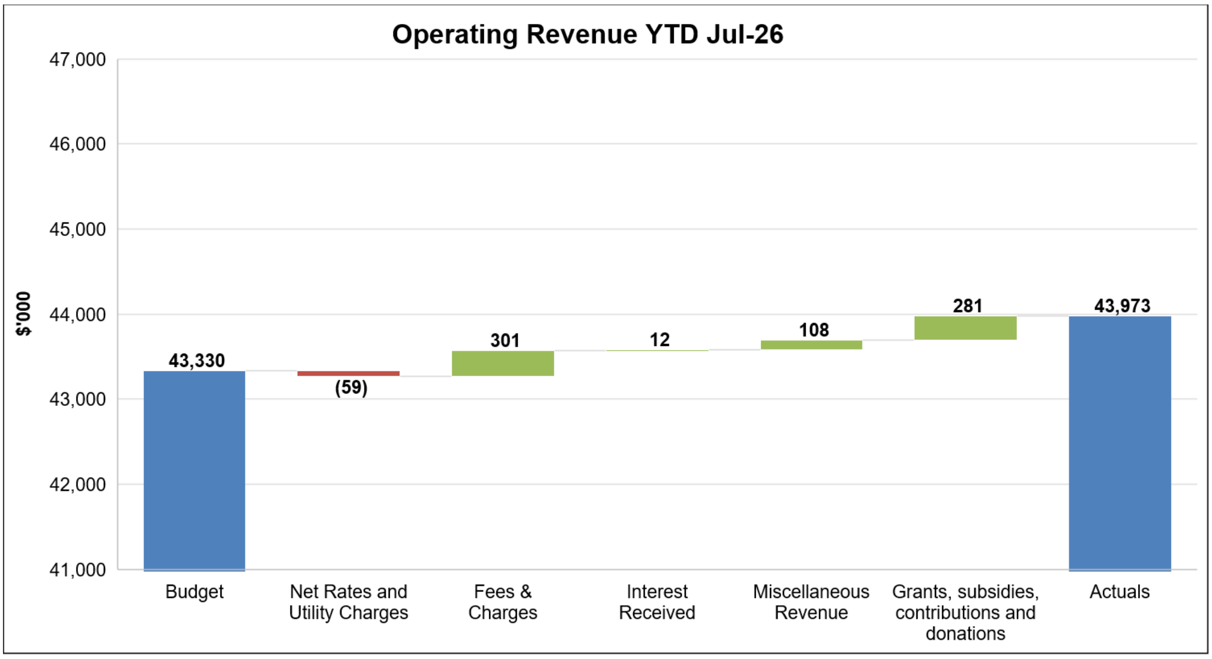
Each month, year to date financial statements are prepared in order to monitor actual performance against budget. Attached are the financial statements for the period ended 31 July 2026. Actual amounts are compared against year to date Budget 2026/27 figures. See Appendix one for detailed financial statements and Appendix two for statements of comprehensive income by directorate.

OPERATING POSITION



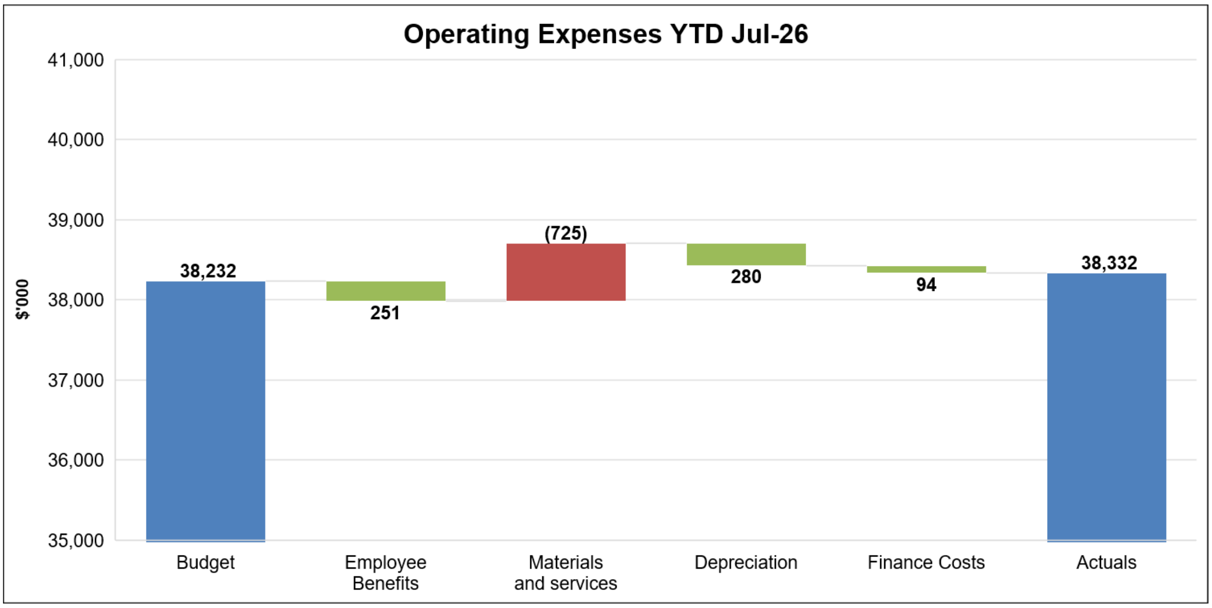
Council's operating position at the end of July was a surplus of $5.6M, compared to a budget of $5.1M. The operating result is favourable to budget by $543K driven mainly by favourable variances in fees and charges ($301K), grants and subsidies ($281K), depreciation ($280K), employee benefits ($251K), miscellaneous revenue ($108K) and finance costs ($94K). This has been partially offset higher than anticipated materials and services ($725K).

OPERATING REVENUE



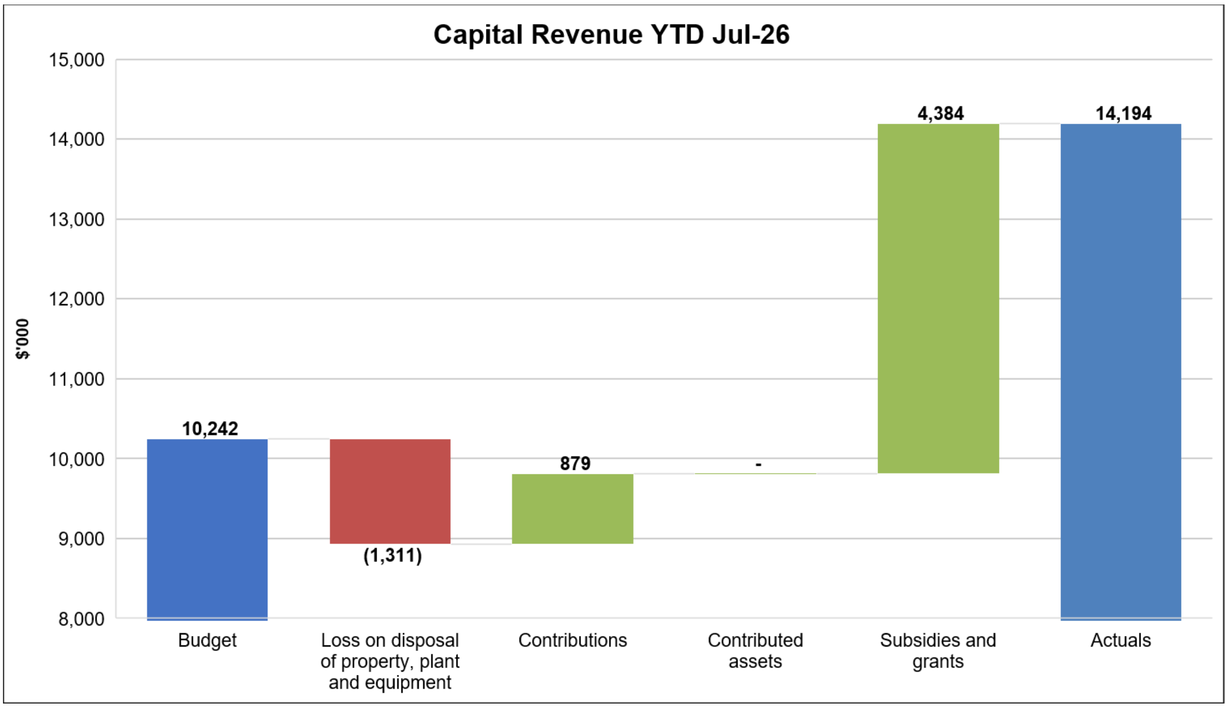
Operating revenue is favourable to budget by $643K driven by the timing of animal registration fees and charges renewals and the timing of grant reciepts.

OPERATING EXPENDITURE



Operating expenditure is $100K unfavourable to budget, largely driven by the timing of operational spend in materials and services expenditure.

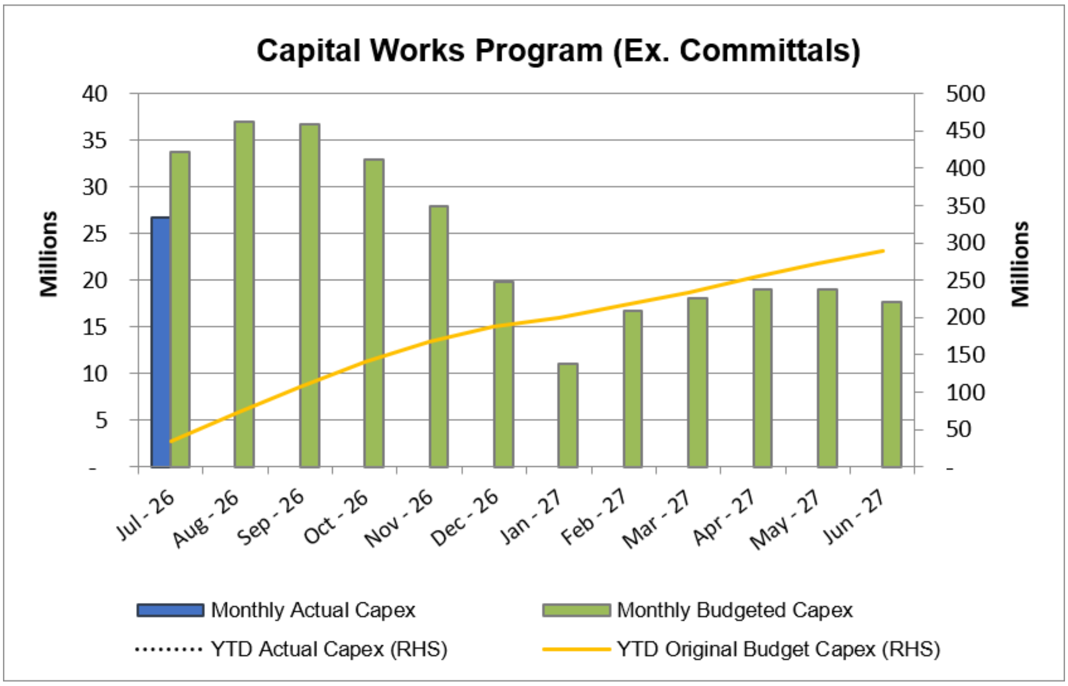
CAPITAL REVENUE



Capital revenue is $4.0M favourable to budget, mainly within subsidies and grants. This is due to the timing of delivery of the relevant capital works projects, as revenue is recognised in line with expenditure ($4.4M). In addition, contributions are higher than anticipated ($879K) as receipt timing can vary depending on development activity.

This has been partially offset by higher than anticipated loss on disposal of property, plant and equipment due to the timing of processing asset disposals and capitalisations ($1.3M).

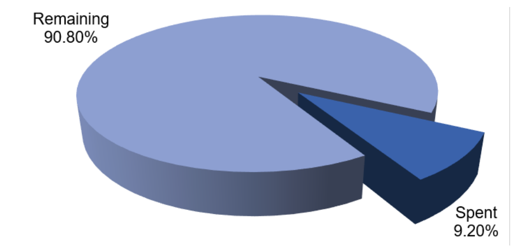
CAPITAL EXPENDITURE



Actual capital works expenditure year to date is $26.7M, compared to a budget of $33.7M. The following table illustrates year to date 2026/27 capital works program against the full year budget.

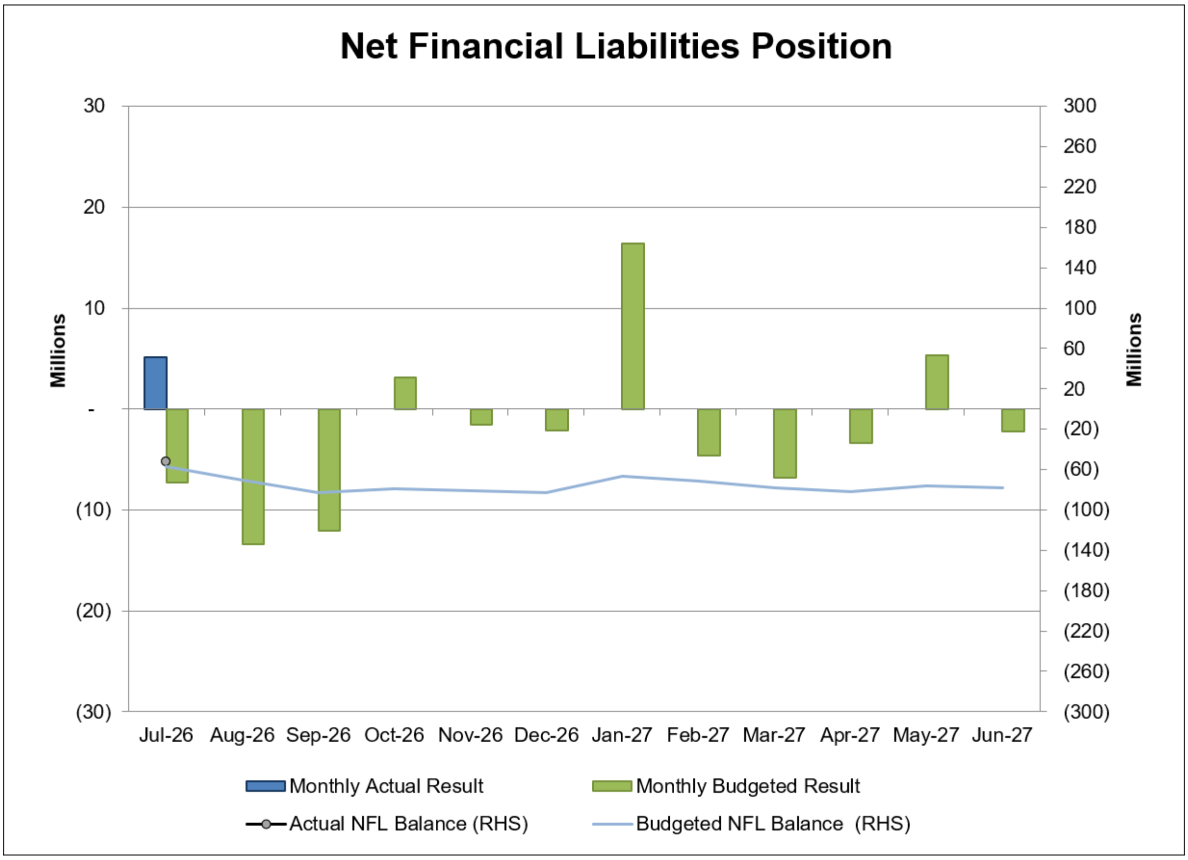
Portfolio	Year to Date Actual $000	Year to Date Budget $000	Year to Date Variance $000	Full Year Budget $000
Buildings & Fleet	341	804	463	14,228
Community Life	354	236	(118)	1,498
Community Spaces	1,540	2,207	667	30,307
Creative Life	36	413	377	2,045
Drainage	401	294	(107)	3,663
Finance & Business Services	13	103	90	3,300
Resource Recovery	561	-	(561)	2,795
Transport	2,630	3,267	637	34,468
Wastewater	1,335	2,224	889	32,992
Water	1,415	2,273	858	25,862
Major Projects	16,140	17,677	1,537	118,708
Councillor Discretionary Funds	161	-	(161)	1,000
Disaster Recovery	1,724	4,247	2,523	18,783
CAPITAL WORKS TOTAL	**26,651**	**33,745**	**7,094**	**289,649**
Capitalised Interest	108	-	(108)	-
CAPITAL EXPENDITURE	**26,759**	**33,745**	**6,986**	**289,649**

YTD actual expenditure	$26,651
Unspent capital expenditure	$262,998
Full year budget capital expenditure	$289,649



TREASURY PERFORMANCE

The following graph has been developed to provide an indication of Council's net financial liabilities monthly variance to budget.



Net financial liabilities (NFL) is a broader measure of indebtedness than the level of borrowings. It includes items such as trade payables, employee long-service leave entitlements and other amounts payable as well as taking account of Council's cash holdings. An increase in net financial liabilities will increase interest associated with borrowings and will impact negatively on Council's operating result.

As at the end of July, Council's NFL is $4.7M favourable to budget. This is driven by an unfavourable $7.7M carry forward position from the previous financial year combined with a $12.4M favourable net funding year to date variance.

Net Funding Result – Year to Date

Financial Items	Actuals YTD $'000	Budget YTD $'000	Variance YTD $'000	Budget Full Year $'000
Operating Revenue	43,973	43,330	643	484,953
Operating Expenses (ex Dep)	(28,468)	(28,088)	(380)	(341,456)
Capital Revenue - Infra Charges	2,028	1,149	879	17,239
Capital Revenue - Grants & Other	14,405	10,084	4,321	100,523
Net Capital Funding	**31,938**	**26,475**	**5,463**	**261,259**
Capital Expenditure	(26,759)	(33,745)	6,986	(289,649)
Net Funding Surplus/(Deficit)	**5,179**	**(7,270)**	**12,449**	**(28,390)**

Year to date net capital funding totals $31.9M which is $5.5M favourable to budget, mainly due to the favourable variance in grants capital revenue of $5.2M.

Capital expenditure at the end of July is $7.0M favourable to budget. Combined with a favourable net capital funding variance of $5.5M, this results in a favourable $12.4M net funding surplus variance year to date.

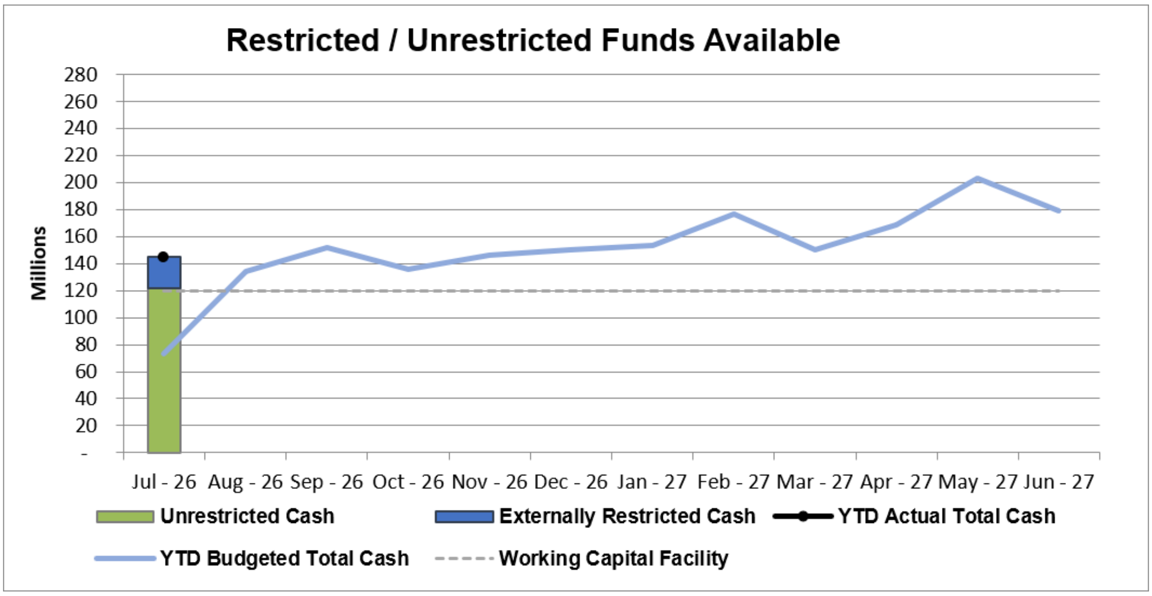
LIQUIDITY

	Actual $000	Budget $000	Variance $000
Cash and cash equivalents	24,629	-	24,629
Working capital facility	-	(46,484)	46,484
Long term loans	(71,673)	(71,643)	(30)
NET DEBT POSITION	**(47,044)**	**(118,127)**	**71,083**

Council's net debt position is $71.1M favourable, mainly due to delays in delivery of the prior year capital works program ($34.0M). Also contributing is a lower than anticipated rates receivables balance ($13.6M) and a higher than anticipated balance in other liabilities ($19.6M) for Disaster Recovery Funding Arrangements and State Waste Levy refunds.

UNRESTRICTED FUNDS POSITION

Restricted cash represents cash and cash equivalents that are subject to a number of external restrictions that limit amounts available for discretionary or future use. It is comprised of unspent government grants and developer contributions set aside for specific capital works.



Including the working capital facility, the total funds available is $144.6M. Excluding funds subject to external restrictions of $22.9M, the unconstrained funds available to meet ongoing operational expenses is $121.7M.

DEPARTMENT OF LOCAL GOVERNMENT, WATER AND VOLUNTEERS (DLGWV) FINANCIAL SUSTAINABILITY RATIOS

In accordance with s169 (6) of the *Local Government Regulation 2012*, the DLGWV financial sustainability ratios have been provided. The 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.

As the information required for the leverage ratio and asset sustainability ratio is based on full year results, it is not feasible to report these ratios on a monthly basis. These ratios will be provided in the budget and annual financial statements as regulated.

<table>
<tr><th>Type</th><th>Measure</th><th>Rationale</th><th>Actual Result</th><th>Benchmark</th><th>Within limits</th><th>FY Budget</th></tr>
<tr><td rowspan="2">Operating Performance</td><td>Operating Surplus Ratio</td><td>Holistic overview of Council operating performance</td><td>12.8%</td><td>> 0%</td><td>☑</td><td>4.4%</td></tr>
<tr><td>Operating Cash Ratio</td><td>Cash operating performance (less depreciation and other non-cash items)</td><td>35.8%</td><td>> 0%</td><td>☑</td><td>29.9%</td></tr>
<tr><td>Liquidity</td><td>Unrestricted Cash Expense Cover Ratio</td><td>Unconstrained liquidity available to Council</td><td>4.3</td><td>> 2 months</td><td>☑</td><td>4.2</td></tr>
<tr><td>Debt Servicing Capacity</td><td>Leverage Ratio</td><td>Ability to repay existing debt</td><td>N/A</td><td>0 - 4 times</td><td>N/A</td><td>0.5</td></tr>
<tr><td rowspan="3">Asset Management</td><td>Asset Sustainability Ratio</td><td>Capital renewals program performance</td><td>N/A</td><td>> 60%</td><td>N/A</td><td>97.5%</td></tr>
<tr><td>Asset Consumption Ratio</td><td>Extent to which assets are being consumed</td><td>68.4%</td><td>> 60%</td><td>☑</td><td>69.4%</td></tr>
<tr><td>Asset Renewal Funding Ratio</td><td>Asset replacement program performance</td><td colspan="4">Contextual purposes only and not audited by QAO.</td></tr>
<tr><td rowspan="2">Financial Capacity</td><td>Council Controlled Revenue</td><td>Capacity to generate revenue internally</td><td colspan="4">Contextual purposes only and not audited by QAO.</td></tr>
<tr><td>Population Growth</td><td>Population growth/decline pressures on Council</td><td colspan="4">Contextual purposes only and not audited by QAO.</td></tr>
</table>

OPTIONS

Option 1 (recommended):
That Council **notes** the financial performance report for the period ended 31 July 2026.

Option 2:
That Council **does not** note the financial performance report for the period ended 31 July 2026 and requests further information from Council Officers.

CONSIDERATIONS:

Risk Management:

Financial statements report on a historical basis, therefore there are no financial implications or risk on decisions or options. DLGWV ratios are submitted with financial statements which provide an indication of the performance of Council to ensure prudent management of financial risks.

In terms of financial performance and risk, the approach taken sees the Finance Team working with the various business directorates to understand and report on financial outcomes whilst also considering what those outcomes indicate for the future, particularly the requirement to deliver within budget. It is expected this forward-looking approach will allow the management team to implement timely rectification actions to emerging trends.

ATTACHMENTS:

Attachment 1: Financial Statements
Attachment 2: Directorate Reports
Attachment 3: Explanation of Financial Statement Items

Jason Ritchie
Executive Manager Finance

Lisa Whitton
Chief Financial Officer

Attachment 1: Financial Statements

Attached are the financial statements for the period ended 31 July 2026. Actual amounts are compared against the year-to-date Budget figures.

Financial statements included:

- **Statement of Comprehensive Income** – Displays Council's year to date profit and loss up to the period end.

- **Statement of Financial Position** – 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.

Statement of Comprehensive Income
For the Period Ended 31 July 2026

	Actual $000	Original Budget $000	Variance $000
Income			
Revenue			
Operating Revenue			
Net rates and utility charges	36,166	36,225	(59)
Fees and charges	4,743	4,442	301
Interest received	340	328	12
Miscellaneous Revenue	2,281	2,173	108
Grants, subsidies, contributions and donations	443	162	281
Total Operating revenue	**43,973**	**43,330**	**643**
Expenses			
Operating Expenses			
Employee benefits	13,515	13,766	251
Materials and services	14,697	13,972	(725)
Depreciation	9,864	10,144	280
Finance costs	256	350	94
Total Operating Expenses	**38,332**	**38,232**	**(100)**
Capital Revenue			
Loss on disposal of property, plant and equipment	(2,177)	(866)	(1,311)
Contributions	2,028	1,149	879
Subsidies and grants	14,343	9,959	4,384
Net Capital Revenue	**14,194**	**10,242**	**3,952**
Net result attributable to Council in period	**19,835**	**15,340**	**4,495**

Council's net result for July 2026 is a surplus of $19.8M, $4.5M higher than budgeted.

Operating revenue is $643K favourable to budget driven by greater than anticipated fees and charges ($301K), grants and subsidies ($281K) and miscellaneous revenue ($108K).

Operating expenses are $100K unfavourable to budget due to higher than anticipated materials and services ($725K). This has been partially offset by favourable variances in depreciation ($280K), employee benefits ($251K) and finance costs ($94K).

Capital revenue is $4.0M favourable to budget mainly due to higher than anticipated subsidies and grants ($4.4M) and contributions ($879K), offset by the unfavourable variance in loss on disposal of property, plant and equipment ($1.3M).

Statement of Financial Position
For the Period Ended 31 July 2026

	Note	Actual	Original Budget	Variance
		$000	$000	$000
Assets				
Current Assets				
Cash and cash equivalents	**1**	24,629	-	24,629
Trade and other receivables	**2**	301,871	342,147	(40,276)
Inventories		4,395	4,200	195
		330,895	**346,347**	**(15,452)**
Non-Current Assets				
Property, plant and equipment	**3**	5,910,840	5,892,333	18,507
		5,910,840	**5,892,333**	**18,507**
Total Assets		**6,241,735**	**6,238,680**	**3,055**
Liabilities				
Current Liabilities				
Trade and other payables		87,483	82,945	(4,538)
Borrowings		17,816	19,124	1,308
Working capital facility	**1**	-	46,484	46,484
Provisions		31,683	29,847	(1,836)
Other liabilities	**4**	163,104	153,440	(9,664)
		300,086	**331,840**	**31,754**
Non-Current Liabilities				
Borrowings		53,857	52,519	(1,338)
Provisions		16,106	15,825	(281)
Other liabilities	**5**	13,223	3,263	(9,960)
		83,186	**71,607**	**(11,579)**
Total Liabilities		**383,272**	**403,447**	**20,175**
NET COMMUNITY ASSETS		**5,858,463**	**5,835,233**	**23,230**
Community Equity				
Retained surplus/deficit		3,306,198	3,333,225	(27,027)
Asset revaluation surplus		2,552,265	2,502,008	50,257
TOTAL COMMUNITY EQUITY		**5,858,463**	**5,835,233**	**23,230**

1 The net variance in cash and the working capital facility is favourable largely as a result of delays in delivering the prior year capital works program, meaning that utilisation of the working capital facility was not required.

2 Trade and other receivables are unfavourable to budget mainly due to a lower than anticipated accrual of capital grant revenue, which was due to timing delays in delivery of the relevant capital works projects.

3 Property, plant and equipment is favourable to budget due to the higher than anticipated result of annual asset valuations in 2025/26 ($50.3M), offset by delays in delivering the capital works program ($33.7M).

4 The variance in other current liabilities is due to timing of recognition of capital grant payments versus associated capital expenditure, mainly related to various Disaster Recovery Funding Arrangement grants.

5 The variance in other non-current liabilities is due to the unanticipated advance payment of State Waste Levy refunds ($9.5M).

Statement of Cash Flows
For the Period Ended 31 July 2026

	Note	Actual	Original Budget	Variance
		$000	$000	$000
Cash Flows from Operating Activities:				
Receipts from customers	**1**	27,213	17,440	9,773
Payments to suppliers and employees		(31,686)	(28,456)	(3,230)
Interest received		340	311	29
Borrowing costs		(129)	(128)	(1)
Net cash inflow (outflow) from operating activities		**(4,262)**	**(10,833)**	**6,571**
Cash Flows from Investing Activities				
Grants, subsidies and contributions for capital acquisitions		2,801	1,553	1,248
Proceeds from disposal of property, plant and equipment		153	125	28
Payments for property, plant and equipment		(27,304)	(30,168)	2,864
Net cash inflow (outflow) from investing activities		**(24,350)**	**(28,490)**	**4,140**
Cash Flows from Financing Activities:				
Repayment of borrowings		(1,465)	(1,486)	21
Proceeds from working capital facility	**2**	-	46,484	(46,484)
Repayment of working capital facility	**2**	-	(5,675)	5,675
Net cash inflow (outflow) from financing activities		**(1,465)**	**39,323**	**(40,788)**
NET INCREASE/(DECREASE) IN CASH HELD		**(30,077)**	**-**	**(30,077)**
Cash at beginning of year		54,706	-	54,706
CASH AT END OF PERIOD		**24,629**	**-**	**24,629**

1 Receipts from customers are higher than anticipated due to the timing of rates receipts.

2 Delays in delivering the prior year capital works program has resulted in higher than anticipated cash balances, leading to the non-utilisation of the working capital facility.

Attachment 2: Directorate Reports

Directorate operating statements provide information on the performance of each directorate for the period ended 31 July 2026.

The following are the directorate operating statements included in this report (in order):

Appendix:

A. Office of the CEO
B. Finance & Business Services
C. People & Organisational Performance
D. Planning, Growth & Sustainability
E. Lifestyle & Community
F. Cairns Infrastructure and Assets – Engineering Services
G. Cairns Infrastructure and Assets – Service Delivery
H. Economic Development & Advocacy

Appendix A – Office of the CEO

Operating Statement
For the Period Ended 31 July 2026

Office of the CEO

	YTD Actual	YTD Budget	Variance	Variance
	$000	$000	$000	%
Operating Revenue				
Other income	92	99	(7)	(7)%
Total Operating Revenue	**92**	**99**	**(7)**	**(7)%**
Operating Expenditure				
Employee Benefits	337	345	8	2 %
Materials and services	45	66	21	32 %
Total Expenses	**382**	**411**	**29**	**7 %**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**(290)**	**(312)**	**22**	**7 %**

Office of the CEO is $22K favourable to budget YTD, across various materials & services.

Appendix B – Finance & Business Services

Operating Statement
For the Period Ended 31 July 2026

Finance & Business Services

	YTD Actual $000	YTD Budget $000	Variance $000	Variance %
Operating Revenue				
Net rates and utility charges	14,785	14,813	(28)	(0)%
Fees & charges	92	105	(13)	(12)%
Interest revenue	246	160	86	54 %
Other income	55	31	24	77 %
Total Operating Revenue	**15,178**	**15,109**	**69**	**0 %**
Operating Expenditure				
Employee Benefits	1,614	1,626	12	1 %
Materials and services	(44)	(270)	(226)	(84)%
Depreciation and Amortisation	203	243	40	16 %
Finance Costs	48	198	150	76 %
Total Expenses	**1,821**	**1,797**	**(24)**	**(1)%**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**13,357**	**13,312**	**45**	**0 %**

The Finance & Business Services directorate is $45K favourable to budget YTD, largely due to favourable interest revenue & expense offset by the timing of material purchases.

Appendix C – People & Organisational Performance

Operating Statement
For the Period Ended 31 July 2026

People & Organisational Performance

	YTD Actual $000	YTD Budget $000	Variance $000	Variance %
Operating Revenue				
Fees & charges	1	-	1	100 %
Other income	34	-	34	100 %
Grants, Subsidies and Contributions	345	61	284	466 %
Total Operating Revenue	**380**	**61**	**319**	**523 %**
Operating Expenditure				
Employee Benefits	1,146	1,238	92	7 %
Materials and services	601	741	140	19 %
Depreciation and Amortisation	28	30	2	7 %
Total Expenses	**1,775**	**2,009**	**234**	**12 %**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**(1,395)**	**(1,948)**	**553**	**28 %**

The People & Organisational Performance directorate is $553K favourable to budget largely due to timing of grant revenue received & various materials and services expenses.

Appendix D – Planning, Growth & Sustainability

Operating Statement
For the Period Ended 31 July 2026

Planning, Growth & Sustainability

	YTD Actual $000	YTD Budget $000	Variance $000	Variance %
Operating Revenue				
Fees & charges	1,319	1,287	32	2 %
Other income	255	337	(82)	(24)%
Grants, Subsidies and Contributions	88	44	44	100 %
Total Operating Revenue	**1,662**	**1,668**	**(6)**	**(0)%**
Operating Expenditure				
Employee Benefits	924	971	47	5 %
Materials and services	231	266	35	13 %
Finance Costs	-	4	4	100 %
Total Expenses	**1,155**	**1,241**	**86**	**7 %**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**507**	**427**	**80**	**19 %**

Planning, Growth and Sustainability is $80K favourable to budget due to unbudgeted grant income and lower than anticipated employee costs.

Appendix E – Lifestyle & Community

Operating Statement
For the Period Ended 31 July 2026

Lifestyle & Community

	YTD Actual $000	YTD Budget $000	Variance $000	Variance %
Operating Revenue				
Fees & charges	2,237	2,094	143	7 %
Other income	596	553	43	8 %
Grants, Subsidies and Contributions	10	12	(2)	(17)%
Total Operating Revenue	**2,843**	**2,659**	**184**	**7 %**
Operating Expenditure				
Employee Benefits	3,697	3,658	(39)	(1)%
Materials and services	4,756	4,494	(262)	(6)%
Depreciation and Amortisation	1,252	1,477	225	15 %
Finance Costs	208	148	(60)	(41)%
Total Expenses	**9,913**	**9,777**	**(136)**	**(1)%**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**(7,070)**	**(7,118)**	**48**	**1 %**

Lifestyle & Community is $48K favourable to budget. Materials & services are unfavourable in the timing of external services, this is offset by fees & charges (favourable in animal registrations) and depreciation.

Appendix F – Cairns Infrastructure and Assets – Engineering Services

Operating Statement
For the Period Ended 31 July 2026

Cairns Infrastructure and Assets - Engineering Services

	YTD Actual $000	YTD Budget $000	Variance $000	Variance %
Operating Revenue				
Fees & charges	5	6	(1)	(17)%
Other income	1	-	1	100 %
Grants, Subsidies and Contributions	-	9	(9)	(100)%
Total Operating Revenue	**6**	**15**	**(9)**	**(60)%**
Operating Expenditure				
Employee Benefits	861	1,071	210	20 %
Materials and services	296	448	152	34 %
Depreciation and Amortisation	3,493	3,480	(13)	(0)%
Total Expenses	**4,650**	**4,999**	**349**	**7 %**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**(4,644)**	**(4,984)**	**340**	**7 %**

Engineering Services is $340K favourable to budget due to lower than anticipated employee costs and timing of external services.

Appendix G – Cairns Infrastructure and Assets – Service Delivery

Operating Statement
For the Period Ended 31 July 2026

Cairns Infrastructure and Assets - Service Delivery

	YTD Actual $000	YTD Budget $000	Variance $000	Variance %
Operating Revenue				
Net rates and utility charges	21,381	21,412	(31)	(0)%
Fees & charges	1,088	951	137	14 %
Interest revenue	93	168	(75)	(45)%
Other income	1,247	1,154	93	8 %
Grants, Subsidies and Contributions	-	37	(37)	(100)%
Total Operating Revenue	**23,809**	**23,722**	**87**	**0 %**
Operating Expenditure				
Employee Benefits	4,792	4,696	(96)	(2)%
Materials and services	8,492	7,648	(844)	(11)%
Depreciation and Amortisation	4,888	4,915	27	1 %
Total Expenses	**18,172**	**17,259**	**(913)**	**(5)%**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**5,637**	**6,463**	**(826)**	**(13)%**

Service Delivery is $826K unfavourable to budget. Major variances include timing of Works Maintenance annual programs and Facilities Maintenance

Appendix H – Economic Development & Advocacy

Operating Statement
For the Period Ended 31 July 2026

Economic Development & Advocacy

	YTD Actual $000	YTD Budget $000	Variance $000	Variance %
Operating Revenue				
Other income	-	-	-	0 %
Total Operating Revenue	**-**	**-**	**-**	**0 %**
Operating Expenditure				
Employee Benefits	143	160	17	11 %
Materials and services	320	579	259	45 %
Total Expenses	**463**	**739**	**276**	**37 %**
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	**(463)**	**(739)**	**276**	**37 %**

The Economic Development & Advocacy directorate is $276K favourable to budget, largely due to timing of event contributions.

Attachment 3: Explanation of Financial Statement Items

This appendix is a general explanation of Council's revenues, costs, assets and liabilities to aid in understanding the budget to actual comparison in the monthly financial report.

STATEMENT OF COMPREHENSIVE INCOME	
OPERATING REVENUE	
Net Rates and Utility Charges	Rates are the taxes levied on ratepayers within Council. Whilst the rates notices are mainly issued in July and January, revenue is accounted for on an accrual basis throughout the year.
Fees and Charges	Revenue includes a mixture of regulated fees and user fees. Regulated fees are levied by Council and the amount of the fee or fine is often set externally and the payment is compulsory. User fees are charged for the use of goods and services and are entered into at the election of the user. The pattern of revenue for fees and charges reflects a mixture of billing cycles and seasonal variations.
Interest Received	Interest is earned on surplus cash fund balances and is also charged on overdue rates. The interest earned fluctuates throughout the year due to the timing of rates collections.
Miscellaneous Revenue	Miscellaneous revenue comprises of items that don't meet the definition for other categories. It includes reimbursements and recoveries, rentals and external contract works.
Grants, Subsidies, Contributions & Donations	Council receives support to fund and assist in the delivery of services. Financial assistance grants are federally funded and allocated via state and territory-based Grant Commissions, whilst tiered grants are generally linked to the delivery of specific programs.
OPERATING EXPENSES	
Employee Benefits	Represents the total cost of staff employed in the delivery of Council services. Costs include wages, superannuation, employee leave entitlements and other on costs. They will not include the costs of engaging contractors providing services to the Council on an outsourced basis.
Materials and Services	Costs incurred in the purchase of material or other services necessary to deliver Council services.
Depreciation	Represents the consumption of property, plant and equipment and the reduction of the future value of the assets is recognised as a cost to Council. While this is a significant cost, it does not represent a cash outflow to Council.
Finance Costs	Interest on loans, bank charges and doubtful debts expense.
CAPITAL ITEMS	
Loss on Disposal of Property, Plant and Equipment	Loss on disposal of property, plant and equipment represents the accounting value of an asset when it is retired. As it is an accounting entry only, it does not have a cash impact for Council.
Contributions	Contributions are comprised of both cash and offset infrastructure charges which are to be used for the construction of trunk community assets.
Subsidies and Grants	Capital subsidies and grants are used by Council for the construction of specific assets and are recognised over time in line with completion of the construction works.
Contributed Assets	Assets acquired by Council at nominal or no cost usually by way of agreement with property developers or other government entities. They are valued at their estimated cost of construction utilising appropriate valuation unit rates.

TREASURY PERFORMANCE	
Net Capital Funding	Net capital funding represents the cash available to fund Council's capital works program. The funding available is represented by the net result from the statement of comprehensive income adjusted for non-cash items including depreciation, contributed assets and loss on disposal.
Capital Expenditure	Capital expenditure reflects the money spent on the capital works program to maintain, improve and expand Council's community assets.
Net Funding Surplus/(Deficit)	The net funding result impacts Council's net financial liabilities which is also a measure of indebtedness. A surplus will improve Council's net financial liabilities position whilst a deficit will deteriorate the financial position and likely result in additional long-term loan borrowings.
Net Financial Liabilities	Net financial liabilities is a broader and more appropriate measure of indebtedness than the level of borrowings, because it includes items such as employee long-service leave entitlements and other amounts payable in future as well as taking account of Council's cash holdings and invested monies. An increase in indebtedness will increase interest associated with borrowings and will impact negatively on Council's operating result.
STATEMENT OF FINANCIAL POSITION	
Current Assets	Cash and other assets, like trade receivables, that are easily converted into cash. The actual cash balance will vary significantly throughout the year as rate receipts, loans and major payments are processed. Cash investment is managed by Council's Treasury Section.
Non-Current Assets	The value of property, plant and equipment and infrastructure assets including land, transport, drainage, water and sewerage infrastructure after depreciation, renewals, new capital works, contributed assets and revaluations are accounted for.
Current Liabilities	Obligations that Council has to make payments for within the next financial year. This includes accounts payable and provisions for employee entitlements to annual and long service leave. It also includes the expected loan payment due in the next financial year.
Non-Current Liabilities	The financial obligations relating to provisions for employee entitlements and debt that is not required to be paid within the next financial year.
Community Equity	Equity includes accumulated retained surpluses and asset revaluation reserves which record the valuation adjustments to Council's existing non-current assets.