

ORDINARY MEETING 22 NOVEMBER 2023	4
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FINANCIAL PERFORMANCE REPORT FOR THE PERIOD ENDED 27 OCTOBER 2023

63/17/2-01 | #7289447

RECOMMENDATION:

That Council notes the financial performance report for the period ended 27 October 2023.

INTERESTED PARTIES:

Not applicable

EXECUTIVE SUMMARY:

This report contains the financial performance report for the period ended 27 October 2023.

OCTOBER FINANCIALS AT A GLANCE				
Comprehensive Income	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Budget \$000
Total operating revenue	125,557	124,846	711	377,916
Total operating expenses	(121,299)	(123,882)	2,583	(377,666)
Net Operating Result	4,258	964	3,294	250
Capital revenue	2,310	2,034	276	42,319
Net Result	6,568	2,998	3,570	42,569
Treasury Performance	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Budget \$000
Operating result - (ex depreciation)	39,116	35,448	3,668	106,239
Infrastructure charges revenue	3,841	4,567	(726)	15,200
Grants & other capital revenue	3,757	3,837	(80)	20,536
Net Capital Funding	46,714	43,852	2,862	141,975
Capital expenditure	(37,404)	(44,958)	7,554	(166,209)
Net Funding Surplus/(Deficit)	9,310	(1,106)	10,416	(24,234)

The operating result is favourable to budget by \$3.3M driven by a favourable variance in materials and services (\$2.7M), which is made up of timing variances in Council's operational areas (\$1.8M), consultants (\$688K) and software (\$233K). This has been offset by less than anticipated grants, subsidies, contributions and donations (\$702K), being primarily the unexpected early receipt of the majority of the 2023/24 Financial Assistance Grant in June 2023. It is unclear if the Financial Assistance Grant will be paid early again in June 2024 and there is a high chance that this will result in a permanent negative variance for 2023/24.

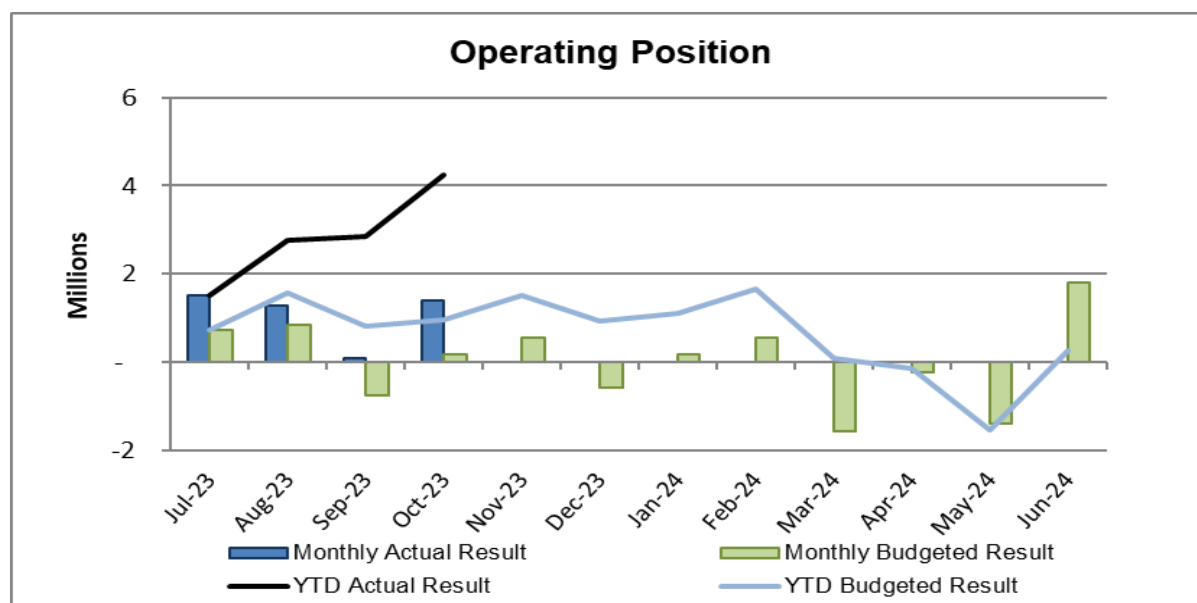
The net capital funding available is \$46.7M which is \$2.9M favourable to budget. This is due to a combination of the favourable operating result (\$3.7M), slightly offset by unfavourable infrastructure charges revenue (\$726K).

Capital expenditure is \$37.4M year to date resulting in a \$7.6M timing variance to budget.

BACKGROUND:

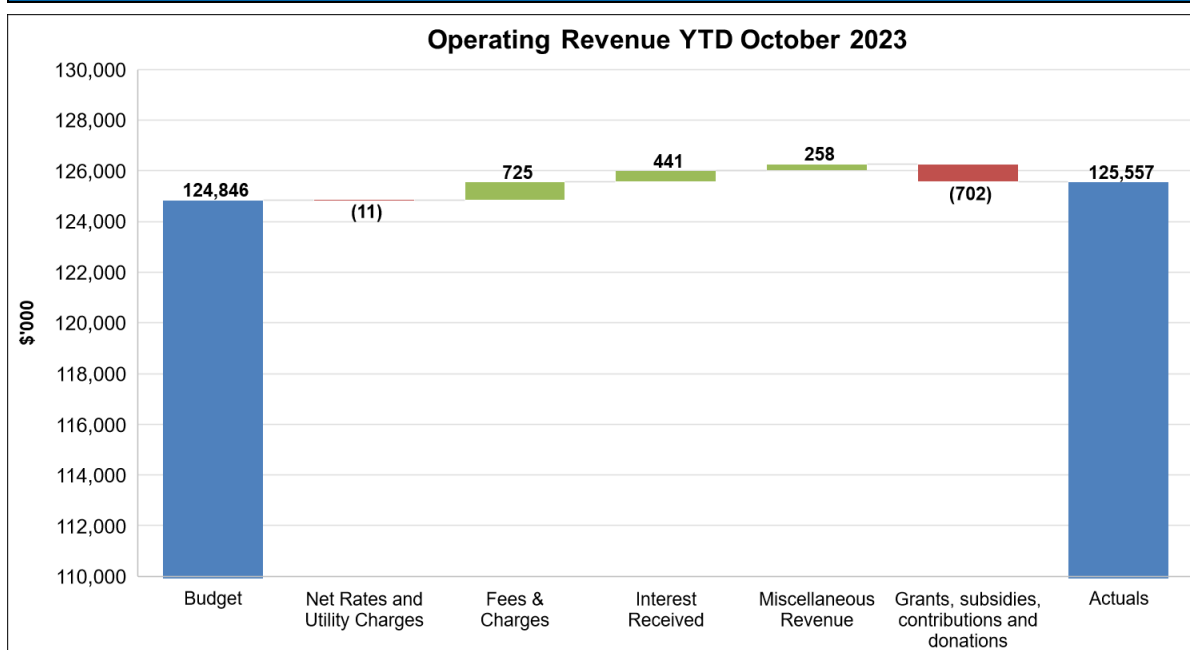
Each month, year to date financial statements are prepared in order to monitor actual performance against budget. Attached are the financial statements for the period ended 27 October 2023. Actual amounts are compared against year to date Budget 2023/24 figures. See Appendix one for detailed financial statements and Appendix two for statements of comprehensive income by directorate.

OPERATING POSITION



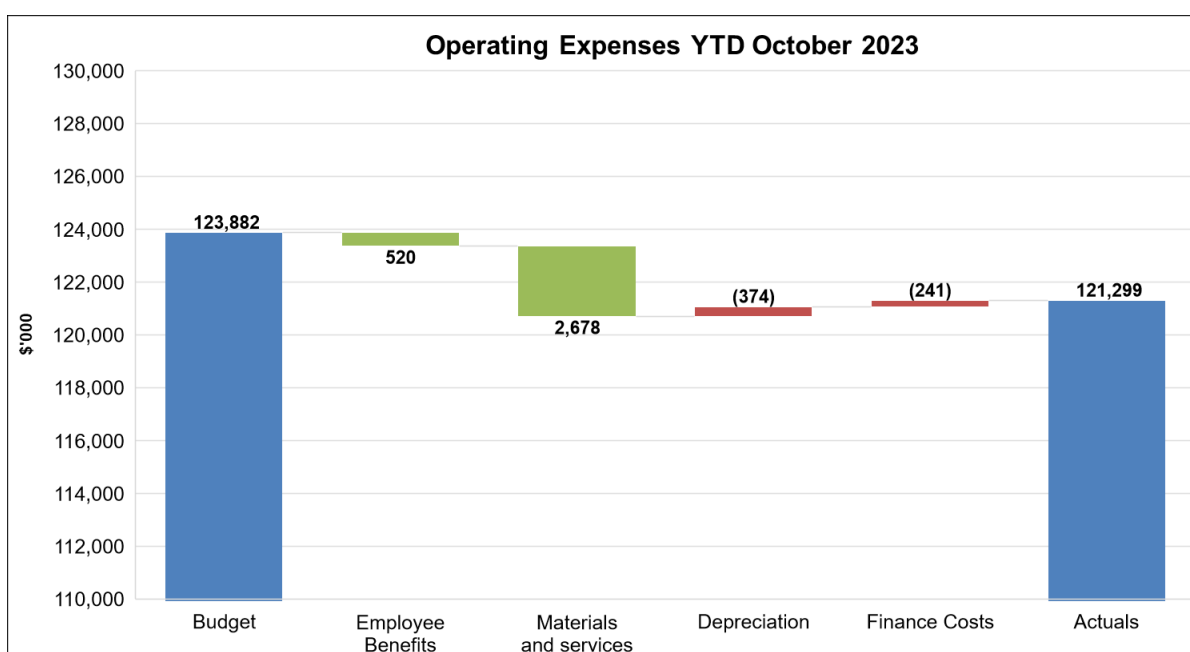
Council's operating position at the end of October was a surplus of \$4.3M, \$3.3M favourable to budget. This result is mainly due to lower than anticipated materials and services (\$2.7M), which is made up of timing variances in Council's operational (\$1.8M), consultants (\$688K) and software (\$233K). This has been slightly offset by less than anticipated grants, subsidies, contributions and donations (\$702K), being primarily the unexpected early receipt of the majority of the 2023/24 Financial Assistance Grant in June 2023 resulting in lower than budgeted receipts during the year to date.

OPERATING REVENUE



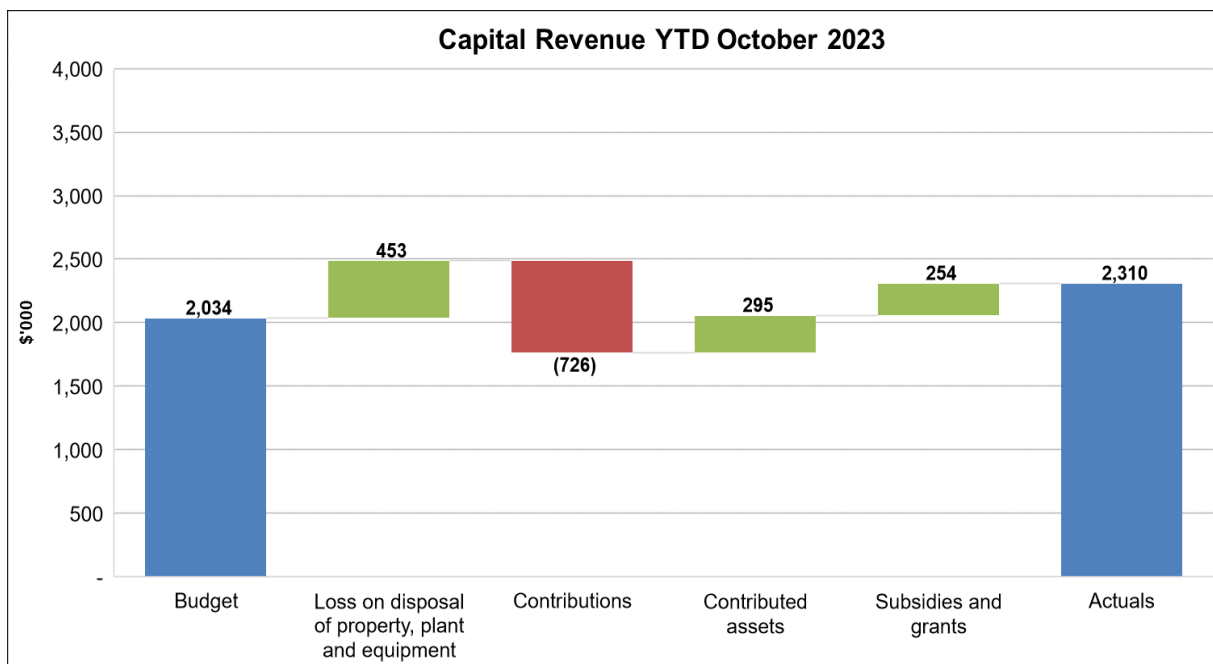
Operating revenue is favourable to budget by \$711K driven by greater than anticipated fees and charges (\$725K), mainly parking and animal management fees, and interest received (\$441K). This has been slightly offset by less than anticipated grants, subsidies, contributions and donations (\$702K), being primarily the unexpected early receipt of the majority of the 2023/24 Financial Assistance Grant in June 2023 resulting in lower than budgeted receipts during the year to date.

OPERATING EXPENDITURE



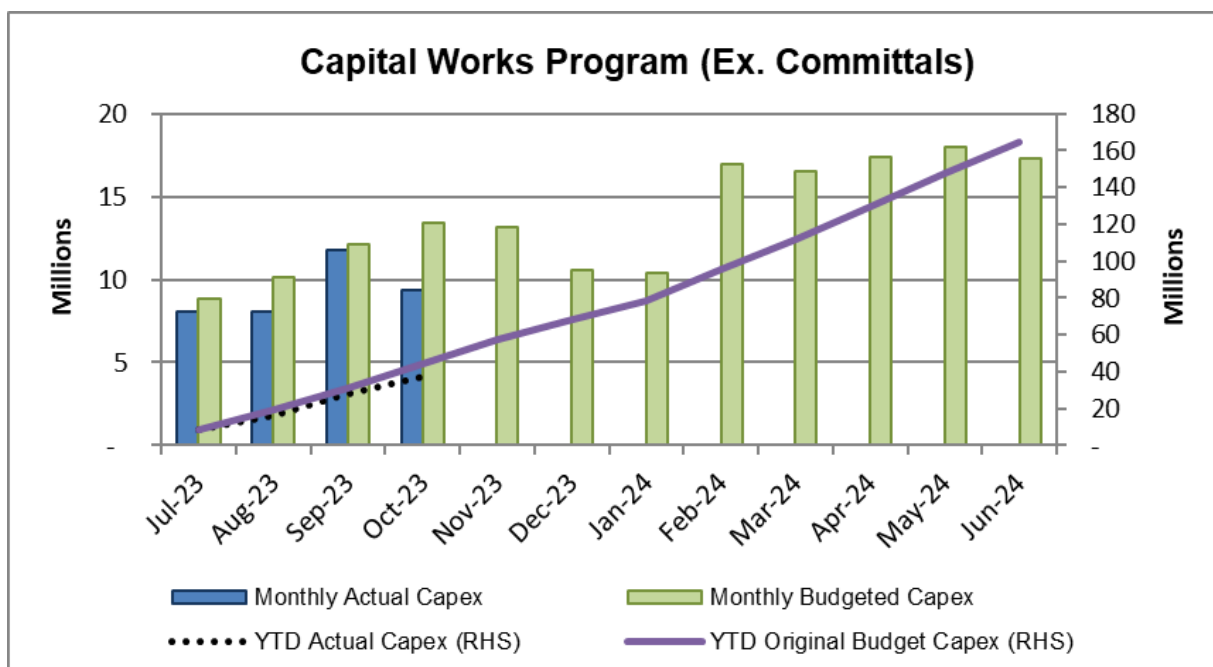
Operating expenditure is \$2.6M favourable to budget. This is largely driven by less than anticipated materials and services (\$2.7M) which is made up of timing variances in Council's operational areas (\$1.8M), consultants (\$688K) and software (\$233K).

CAPITAL REVENUE



Capital revenue is \$276K favourable to budget mainly due to less than anticipated loss on disposal of property, plant and equipment (\$453K) and greater than anticipated contributed assets (\$295K) and subsidies and grants (\$254K). This has been slightly offset by less than anticipated contributions (\$726K).

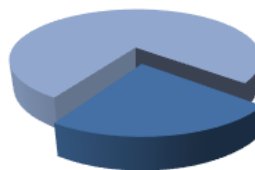
CAPITAL EXPENDITURE



Actual capital works expenditure year to date is \$37.3M, compared to a budget of \$44.5M.

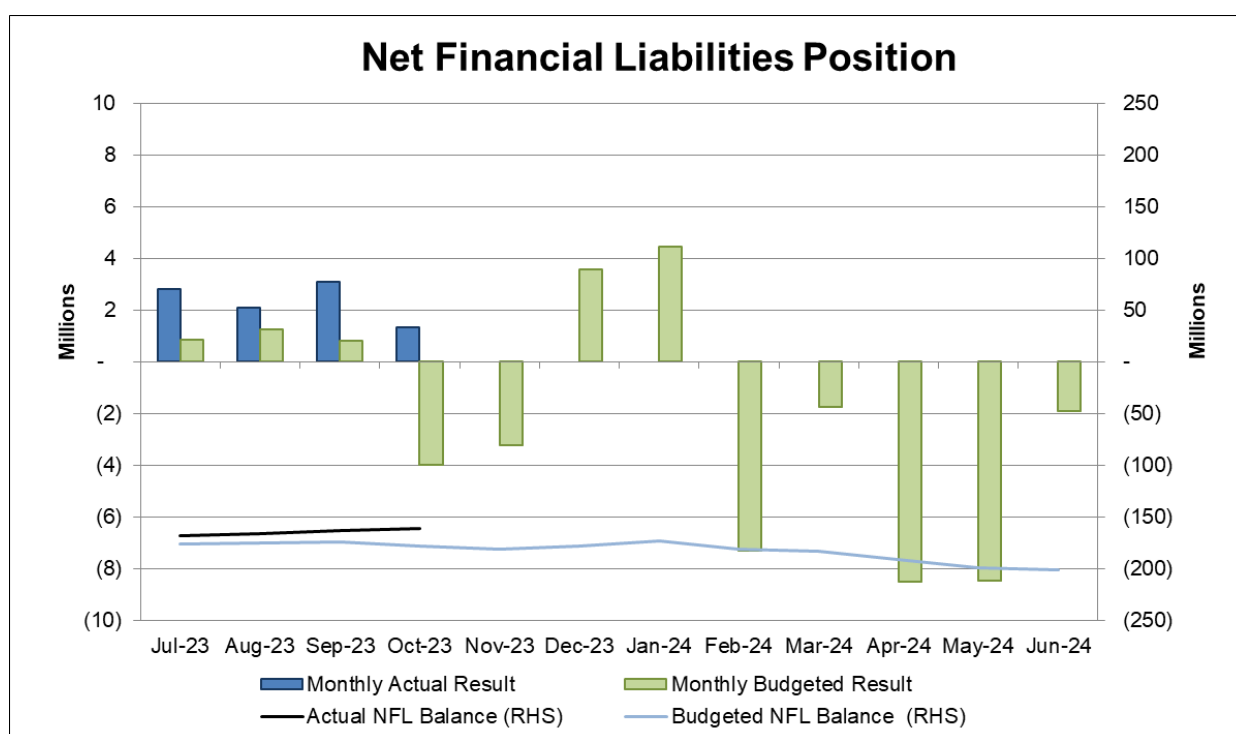
The following table illustrates year to date 2023/24 capital works program against the full year budget.

Directorate	Year to Date Actual \$000	Year to Date Budget \$000	Year to Date Variance \$000	Full Year Budget \$000
Finance & Business Services	191	100	(91)	2,950
Lifestyle & Community	8,313	13,099	4,786	38,867
CIA – Engineering Services	11,547	9,988	(1,559)	27,898
CIA – Service Delivery	17,266	21,299	4,033	95,077
CAPITAL WORKS TOTAL	37,317	44,486	7,169	164,792
Capitalised Interest	87	472	385	1,417
CAPITAL EXPENDITURE	37,404	44,958	7,554	166,209

YTD actual expenditure	\$37,317	
Unspent capital expenditure	\$127,475	
Full year budget capital expenditure	\$164,792	

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 October, Council's NFL is \$17.1M favourable to budget. This is driven by a favourable \$6.6M carry forward position from the previous financial year combined with a \$10.4M 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	125,557	124,846	711	377,916
Operating Expenses (ex Dep)	(86,441)	(89,399)	2,958	(271,677)
Capital Revenue - Infra Charges	3,841	4,567	(726)	15,200
Capital Revenue - Grants & Other	3,757	3,837	(80)	20,536
Net Capital Funding	46,714	43,852	2,862	141,975
Capital Expenditure	(37,404)	(44,958)	7,554	(166,209)
Net Funding Surplus/(Deficit)	9,310	(1,106)	10,416	(24,234)

Year to date net capital funding totals \$46.7M which is \$2.9M favourable to budget, mainly due to less than anticipated materials and services (\$2.7M), slightly offset by less than anticipated infrastructure charges revenue (\$726K).

Capital expenditure at the end of October is \$7.6M favourable to budget. Combined with a favourable net capital funding variance (\$2.9M), this results in a favourable \$10.4M net funding surplus year to date.

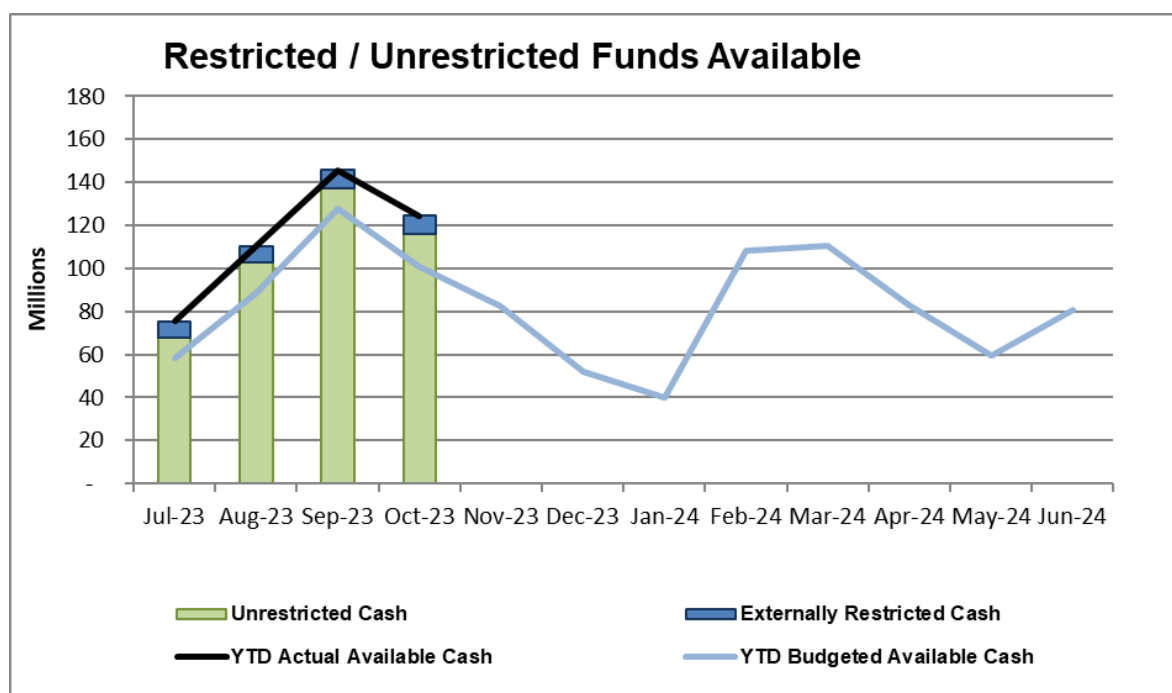
LIQUIDITY

	Actual \$000	Budget \$000	Variance \$000
Cash and cash equivalents	64,311	40,594	23,717
Working capital facility	-	-	-
Long term loans	(147,222)	(147,023)	(199)
NET DEBT POSITION	(82,911)	(106,429)	23,518

Council's net debt position is \$23.5M favourable to budget due to the favourable \$13.5M position carried forward from the 2022/23 financial year and a favourable net funding surplus position of \$10.4M.

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. A summary of Council's restricted funds position is provided below.



Including the working capital facility, the total funds available is \$124.3M. Excluding funds subject to external restrictions of \$8.5M, the unconstrained funds available to meet ongoing operational expenses is \$115.8M.

DEPARTMENT OF STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING (DSDILGP) FINANCIAL SUSTAINABILITY RATIOS

In accordance with s169 (6) of the *Local Government Regulation 2012*, the DSDILGP 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.

Type	Measure	Rationale	Actual Result	Benchmark	Within limits	FY Budget
Operating Performance	Operating Surplus Ratio	Holistic overview of Council operating performance	3.4%	> 0%	☑	0.4%
	Operating Cash Ratio	Cash operating performance (less depreciation and other non-cash items)	32.3%	> 0%	☑	29.4%
Liquidity	Unrestricted Cash Expense Cover Ratio	Unconstrained liquidity available to Council	5.2	> 2 months	☑	4.7

Type	Measure	Rationale	Actual Result	Benchmark	Within limits	FY Budget
Debt Servicing Capacity	Leverage Ratio	Ability to repay existing debt	N/A	0 - 4 times	N/A	1.6
Asset Management	Asset Sustainability Ratio	Capital renewals program performance	N/A	> 60%	N/A	68.4%
	Asset Consumption Ratio	Extent to which assets are being consumed	68.5%	> 60%	<input checked="" type="checkbox"/>	68.1%
	Asset Renewal Funding Ratio	Asset replacement program performance	Contextual purposes only and not audited by QAO.			
Financial Capacity	Council Controlled Revenue	Capacity to generate revenue internally	Contextual purposes only and not audited by QAO.			
	Population Growth	Population growth/decline pressures on Council	Contextual purposes only and not audited by QAO.			

CONSIDERATIONS:

Risk Management:

Financial statements report on a historical basis, therefore there are no financial implications or risk on decisions or options. DSDILGP 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

A handwritten signature in black ink, appearing to read 'L Whitton', written in a cursive style.

Lisa Whitton
Director Finance & Business Services

Attachment 1: Financial Statements

Attached are the financial statements for the period ended 27 October 2023. 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 27 October 2023			
	Actual	Original Budget	Variance
	\$000	\$000	\$000
Income			
Revenue			
Operating Revenue			
Net rates and utility charges	105,038	105,049	(11)
Fees and charges	11,398	10,673	725
Interest received	1,954	1,513	441
Miscellaneous Revenue	6,432	6,174	258
Grants, subsidies, contributions and donations	735	1,437	(702)
Total Operating revenue	125,557	124,846	711
Expenses			
Operating Expenses			
Employee benefits	42,560	43,080	520
Materials and services	42,432	45,110	2,678
Depreciation	34,858	34,484	(374)
Finance costs	1,449	1,208	(241)
Total Operating Expenses	121,299	123,882	2,583
Capital Revenue			
Loss on disposal of property, plant and equipment	(5,417)	(5,870)	453
Contributions	3,841	4,567	(726)
Contributed assets	295	-	295
Subsidies and grants	3,591	3,337	254
Net Capital Revenue	2,310	2,034	276
Net result attributable to Council in period	6,568	2,998	3,570
Council's net result for October 2023 is a surplus of \$6.6M, \$3.6M more than budgeted.			
Operating revenue is \$711K favourable to budget driven mainly by greater than anticipated fees and charges (\$725K), interest received (\$441K) and miscellaneous revenue (\$258K). This has been slightly offset by less than anticipated grants, subsidies, contributions and donations (\$702K).			
Operating expenses are \$2.6M favourable to budget due to less than anticipated materials and services (\$2.7M). This has been slightly offset by greater than anticipated depreciation (\$374K) and finance costs (\$241K).			
Capital revenue is \$276K favourable to budget mainly due to less than anticipated loss on disposal of property, plant and equipment (\$453K) and greater than anticipated contributed assets (\$295K) and subsidies and grants (\$254K). This has been slightly offset by less than anticipated contributions (\$726K).			

Statement of Financial Position				
For the Period Ended 27 October 2023				
	Note	Actual	Original Budget	Variance
		\$000	\$000	\$000
Assets				
Current Assets				
Cash and cash equivalents	1	64,311	40,594	23,717
Receivables		65,479	61,871	3,608
Inventories		5,399	3,491	1,908
		135,189	105,956	29,233
Non-Current Assets				
Property, plant and equipment	2	4,663,628	4,686,679	(23,051)
		4,663,628	4,686,679	(23,051)
Total Assets		4,798,817	4,792,635	6,182
Liabilities				
Current Liabilities				
Trade and other payables		39,707	36,301	(3,406)
Borrowings		25,441	22,611	(2,830)
Provisions	3	17,477	13,277	(4,200)
Other liabilities		72,825	72,266	(559)
		155,450	144,455	(10,995)
Non-Current Liabilities				
Borrowings		121,781	124,412	2,631
Provisions		13,364	13,741	377
Other liabilities	4	5,944	1,747	(4,197)
		141,089	139,900	(1,189)
Total Liabilities		296,539	284,355	(12,184)
NET COMMUNITY ASSETS		4,502,278	4,508,280	(6,002)
Community Equity				
Retained surplus/deficit		2,736,820	2,743,023	(6,203)
Asset revaluation surplus		1,765,458	1,765,257	201
TOTAL COMMUNITY EQUITY		4,502,278	4,508,280	(6,002)
<p>1 The cash and cash equivalents variance is largely due the favourable opening cash balance as at 1 July, as well as timing of cash receipts and payments.</p> <p>2 Property, plant and equipment is unfavourable to budget due to lower than anticipated capital additions in 2022/23 and 2023/24.</p> <p>3 Current provisions are unfavourable to budget due to a higher than anticipated provision for developer contribution credits, which is dependant upon development activity.</p> <p>4 Other liabilities are unfavourable to budget due to Council's lease liabilities being brought to account in 2022/23 which has resulted in a \$4.4M variance to budget.</p>				

Statement of Cash Flows				
For the Period Ended 27 October 2023				
	Note	Actual	Original Budget	Variance
		\$000	\$000	\$000
Cash Flows from Operating Activities:				
Receipts from customers	1	159,732	167,802	(8,070)
Payments to suppliers and employees	2	(97,075)	(104,259)	7,184
Interest received		1,954	835	1,119
Borrowing costs		(851)	(1,046)	195
Net cash inflow (outflow) from operating activities		63,760	63,332	428
Cash Flows from Investing Activities				
Grants, subsidies and contributions for capital acquisitions	3	10,616	6,203	4,413
Proceeds from disposal of property, plant and equipment		210	500	(290)
Payments for property, plant, equipment and CWIP	4	(36,919)	(49,420)	12,501
Net cash inflow (outflow) from investing activities		(26,093)	(42,717)	16,624
Cash Flows from Financing Activities:				
Repayment of borrowings		(9,179)	(10,273)	1,094
Repayment of working capital facility		-	693	(693)
Net cash inflow (outflow) from financing activities		(9,179)	(9,580)	401
NET INCREASE/(DECREASE) IN CASH HELD		28,488	11,035	17,453
Cash at beginning of year		35,823	29,559	6,264
CASH AT END OF PERIOD		64,311	40,594	23,717
<p>1 A higher than anticipated balance in receivables has resulted in lower than anticipated receipts from customers. This is largely due to timing and is expected to reduce over the remainder of the financial year.</p> <p>2 Timing of expenditure and a higher than anticipated balance in trade and other payables has resulted in lower than anticipated payments to suppliers and employees.</p> <p>3 Grants, subsidies and contributions for capital acquisition are favourable to budget, mainly due to capital contributions which were budgeted to be received in 2022/23 but were received in 2023/24 (\$3.1M). The remaining variance is due to timing of receipt of capital grants.</p> <p>4 The timing of delivery of the capital works program has caused lower than anticipated payments for property, plant and equipment.</p>				

Attachment 2: Directorate Reports

Directorate operating statements provide information on the performance of each directorate for the period ended 27 October 2023.

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 27 October 2023				
Office of the CEO				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Other income	270	254	16	6 %
Total Operating Revenue	270	254	16	6 %
Operating Expenditure				
Employee Benefits	1,059	1,045	(14)	(1)%
Materials and services	180	200	20	10 %
Total Expenses	1,239	1,245	6	0 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(969)	(991)	22	2 %
Office of the CEO is \$22K favourable to budget YTD, due to timing of materials and services.				

Appendix B – Finance & Business Services

Operating Statement				
For the Period Ended 27 October 2023				
Finance & Business Services				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Net rates and utility charges	44,145	44,229	(84)	(0) %
Fees and charges	229	243	(14)	(6) %
Interest	1,432	1,037	395	38 %
Other income	139	98	41	42 %
Grants, Subsidies and Contributions	69	753	(684)	(91) %
Total Operating Revenue	46,014	46,360	(346)	(1) %
Operating Expenditure				
Employee benefits	6,150	6,871	721	10 %
Materials and services	6	655	649	99 %
Depreciation and amortisation expenses	1,061	1,088	27	2 %
Finance Costs	1,021	991	(30)	(3) %
Total Expenses	8,238	9,605	1,367	14 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	37,776	36,755	1,021	3 %
<p>The Finance & Business Services directorate is \$1.0M favourable to budget with favourable variances in employee benefits and materials and services offsetting unfavourable grant revenue which is due to the early bring forward of the Financial Assistance Grant in 2022/23.</p>				

Appendix C – People & Organisational Performance

Operating Statement				
For the Period Ended 27 October 2023				
People & Organisational Performance				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	-	1	(1)	(100) %
Other income	14	-	14	100 %
Grants, Subsidies and Contributions	97	164	(67)	(41) %
Total Operating Revenue	111	165	(54)	(33) %
Operating Expenditure				
Employee benefits	3,007	2,974	(33)	(1) %
Materials and services	1,908	2,197	289	13 %
Total Expenses	4,915	5,171	256	5 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(4,804)	(5,006)	202	4 %
The People & Organisational Performance directorate is \$202K favourable to budget largely in materials and services.				

Appendix D – Planning, Growth & Sustainability

Operating Statement				
For the Period Ended 27 October 2023				
Planning, Growth & Sustainability				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	2,056	2,012	44	2 %
Other income	411	309	102	33 %
Grants, subsidies, contributions and donations	-	12	(12)	(100) %
Total Operating Revenue	2,467	2,333	134	6 %
Operating Expenditure				
Employee Benefits	2,736	2,967	231	8 %
Materials and services	877	1,382	505	37 %
Finance Costs	2	13	11	85 %
Total Expenses	3,615	4,362	747	17 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(1,148)	(2,029)	881	43 %
Planning, Growth and Sustainability is \$881K favourable to budget due to lower than budgeted materials and services and employee vacancies.				

Appendix E – Lifestyle & Community

Operating Statement				
For the Period Ended 27 October 2023				
Lifestyle & Community				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	6,021	5,229	792	15 %
Other income	1,868	2,042	(174)	(9) %
Grants, subsidies, contributions and donations	534	461	73	16 %
Total Operating Revenue	8,423	7,732	691	9 %
Operating Expenditure				
Employee benefits	11,634	11,247	(387)	(3) %
Materials and services	13,446	13,649	203	1 %
Depreciation and amortisation expenses	4,515	4,522	7	0 %
Finance Costs	413	204	(209)	(102) %
Total Expenses	30,008	29,622	(386)	(1) %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(21,585)	(21,890)	305	1 %
<p>Lifestyle & Community is \$305K favourable to budget. Fees & charges revenue is up due to parking and animal management exceeding expectations. Employee costs exceed budget largely in the Creative Life space due to a significant number of events in the first part of the year.</p>				

Appendix F – Cairns Infrastructure and Assets – Engineering Services

Operating Statement				
For the Period Ended 27 October 2023				
Cairns Infrastructure and Assets - Engineering Services				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	64	17	47	276 %
Grants, Subsidies and Contributions	20	7	13	186 %
Total Operating Revenue	84	24	60	250 %
Operating Expenditure				
Employee benefits	2,971	3,184	213	7 %
Materials and services	1,089	1,098	9	1 %
Depreciation and amortisation expenses	12,816	12,544	(272)	(2)%
Total Expenses	16,876	16,826	(50)	(0)%
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(16,792)	(16,802)	10	0 %
Engineering Services is on budget. Unfavourable depreciation is offset by employee vacancies.				

Appendix G – Cairns Infrastructure and Assets – Service Delivery

Operating Statement				
For the Period Ended 27 October 2023				
Cairns Infrastructure and Assets - Service Delivery				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Net rates and utility charges	60,892	60,820	72	0 %
Fees and charges	3,027	3,172	(145)	(5)%
Interest revenue	522	475	47	10 %
Other income	3,730	3,470	260	7 %
Grants, Subsidies and Contributions	15	41	(26)	(63)%
Total Operating Revenue	68,186	67,978	208	0 %
Operating Expenditure				
Employee benefits	14,611	14,390	(221)	(2)%
Materials and services	23,179	23,949	770	3 %
Depreciation and amortisation expenses	16,466	16,330	(136)	(1)%
Finance costs	13	-	(13)	(100)%
Total Expenses	54,269	54,669	400	1 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	13,917	13,309	608	5 %
Service Delivery is \$608K favourable to budget due favourable Water Utilities electricity pricing compared to budget and stock adjustments.				

Appendix H – Economic Development & Advocacy

Operating Statement				
For the Period Ended 27 October 2023				
Economic Development & Advocacy				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Other income	-	-	-	0 %
Total Operating Revenue	-	-	-	0 %
Operating Expenditure				
Employee benefits	390	401	11	3 %
Materials and services	1,749	1,981	232	12 %
Total Expenses	2,139	2,382	243	10 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(2,139)	(2,382)	243	10 %
<p>The Economic Development & Advocacy directorate is \$243K favourable to budget, due to the timing of consultancies and outgoing contributions and events.</p>				

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.