

ORDINARY MEETING	3
11 SEPTEMBER 2024	

FINANCIAL PERFORMANCE REPORT FOR THE PERIOD ENDED 30 AUGUST 2024

F&BS | 63/17/2-01 | #7489458

RECOMMENDATION:

That Council note the financial performance report for the period ended 30 August 2024.

INTERESTED PARTIES:

Not applicable

EXECUTIVE SUMMARY:

This report contains the financial performance report for the period ended 30 August 2024.

AUGUST FINANCIALS AT A GLANCE				
Comprehensive Income	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Budget \$000
Total operating revenue	74,072	74,211	(139)	406,288
Total operating expenses	(66,458)	(66,763)	305	(394,822)
Net Operating Result	7,614	7,448	166	11,466
Capital revenue	19,722	20,689	(967)	156,581
Net Result	27,336	28,137	(801)	168,047
Treasury Performance	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Budget \$000
Operating result - (ex depreciation)	25,415	25,648	(233)	120,298
Infrastructure charges revenue	999	1,652	(653)	16,042
Grants & other capital revenue	19,197	20,603	(1,406)	136,878
Net Capital Funding	45,611	47,903	(2,292)	273,218
Capital expenditure	(38,843)	(37,325)	(1,518)	(383,254)
Net Funding Surplus/(Deficit)	6,768	10,578	(3,810)	(110,036)

The operating result is favourable to budget by \$166K driven by favourable variances in finance costs (\$438K), depreciation (\$398K), fees and charges (\$336K) and materials and services (\$308K). This has been slightly offset by unfavourable variances in employee benefits (\$839K) and net rates and utility charges (\$410K).

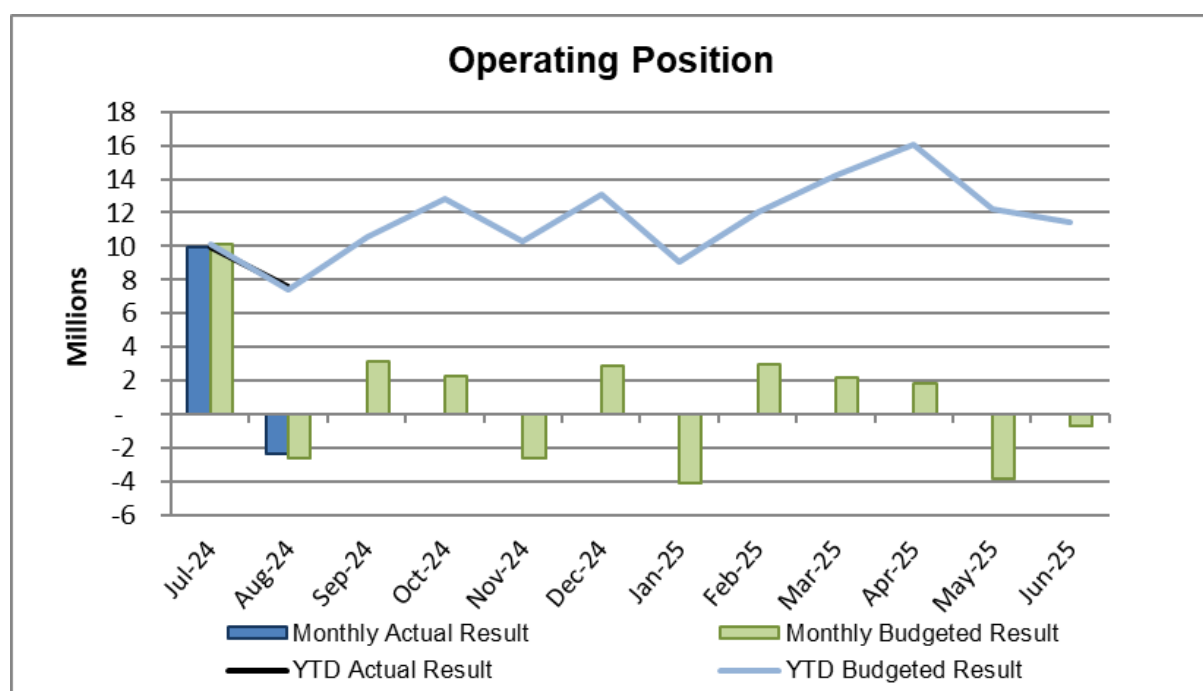
The net capital funding available is \$45.6M which is \$2.3M unfavourable to budget. This is due to a combination of unfavourable grants and other capital revenue (\$1.4M), and infrastructure charges revenue (\$653K).

Capital works expenditure is \$38.6M resulting in a \$1.3M timing variance to budget.

COMMENT:

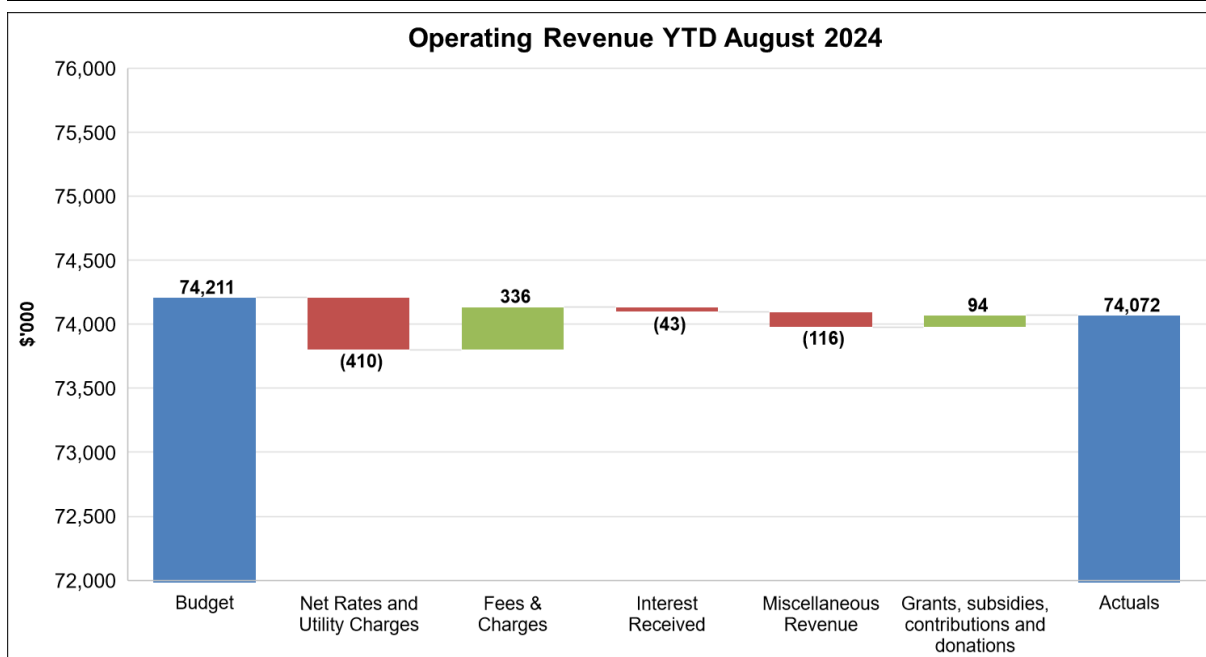
Each month, year to date financial statements are prepared in order to monitor actual performance against budget. Attached are the financial statements for the period ended 30 August 2024. Actual amounts are compared against year to date Budget 2024/25 figures. See Appendix one for detailed financial statements and Appendix two for statements of comprehensive income by directorate.

OPERATING POSITION



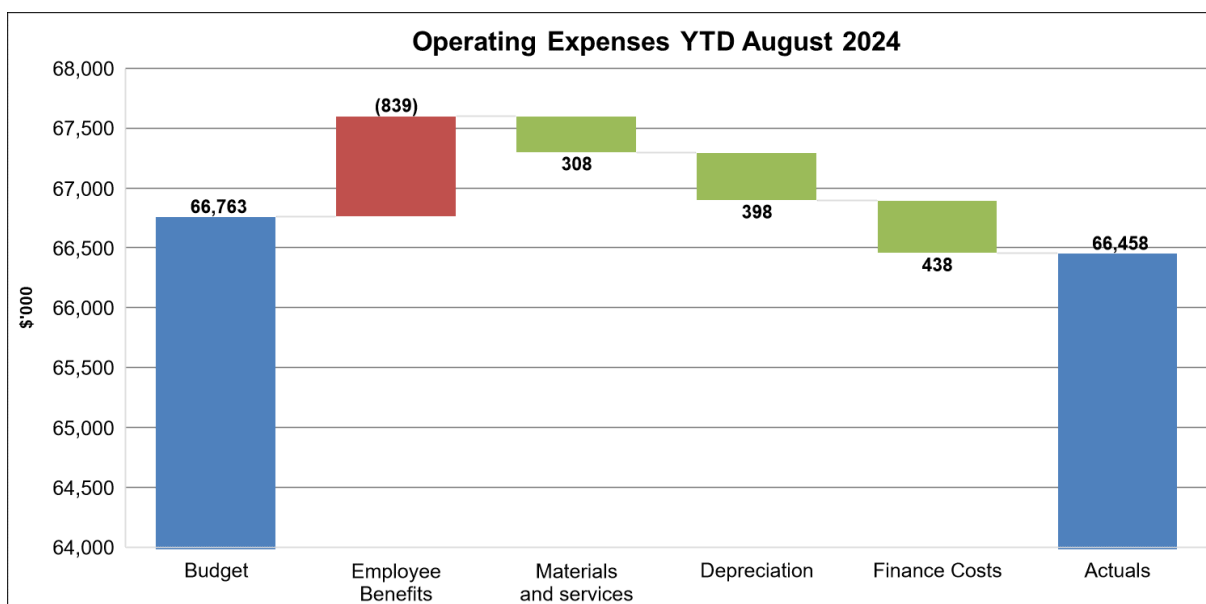
Council’s operating position at the end of August was a surplus of \$7.6M, \$166K favourable to budget. This result is mainly due to favourable variances in finance costs (\$438K), depreciation (\$398K), fees and charges (\$336K) and materials and services (\$308K). This has been slightly offset by unfavourable variances in employee benefits (\$839K) and net rates and utility charges (\$410K).

OPERATING REVENUE



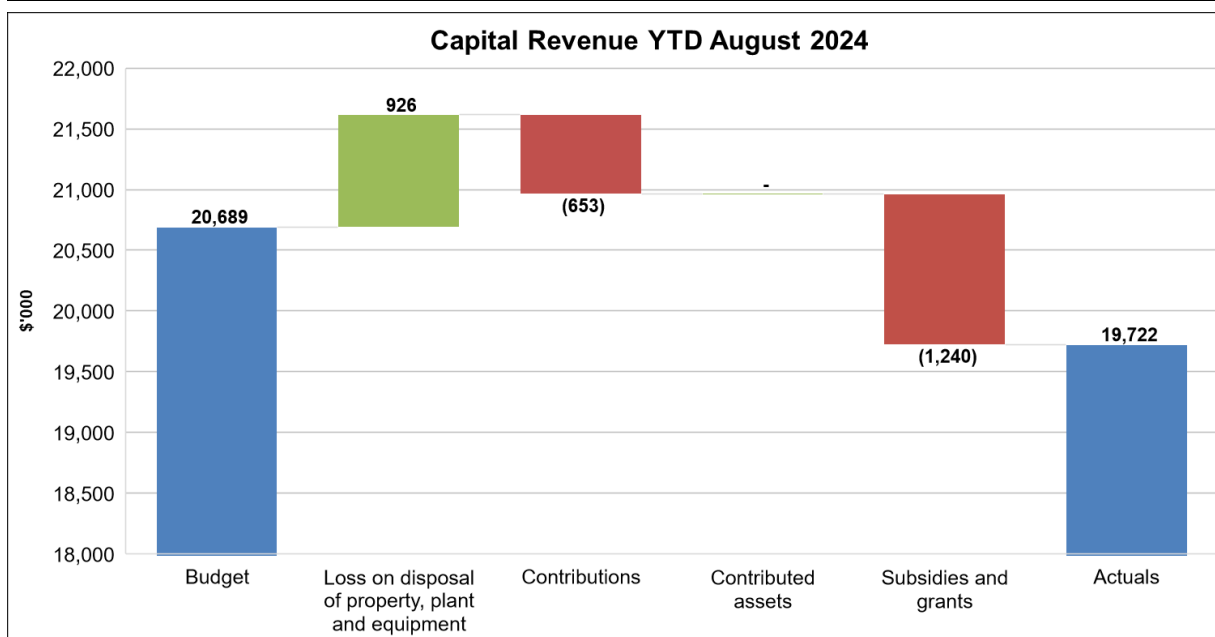
Operating revenue is unfavourable to budget by \$139K driven by less than anticipated net rates and utility charges (\$410K) and miscellaneous revenue (\$116K). This has been slightly offset by greater than anticipated fees and charges (\$336K) and grants, subsidies, contributions and donations (\$94K).

OPERATING EXPENDITURE



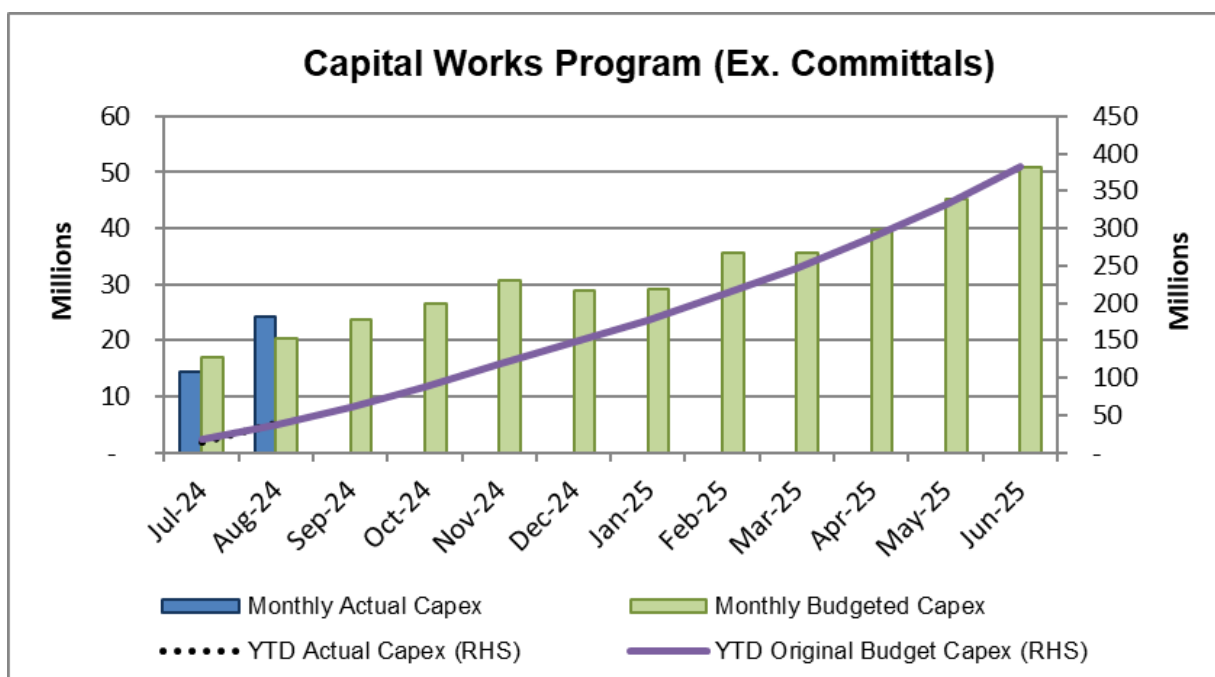
Operating expenditure is \$305K favourable to budget. This is largely driven by less than anticipated finance costs (\$438K), depreciation (\$398K) and materials and services (\$308K). This has been offset by greater than anticipated employee benefits (\$839K).

CAPITAL REVENUE



Capital revenue is \$967K unfavourable to budget mainly due to less than anticipated subsidies and grants (\$1.2M) and contributions (\$653K), offset by lower than anticipated loss on disposal (\$926K). The unfavourable variance in capital grants is due largely to the timing of delivery of the relevant capital works projects, as revenue is recognised in line with expenditure.

CAPITAL EXPENDITURE



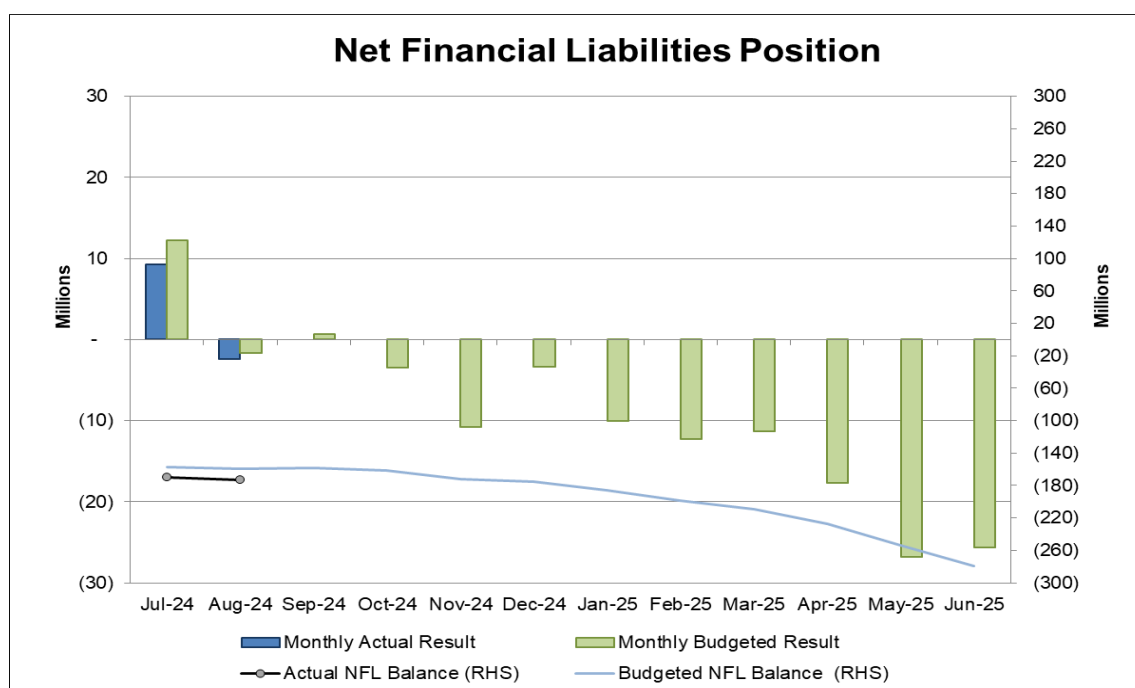
Actual capital works expenditure year to date is \$38.6M, compared to a budget of \$37.3M. The following table illustrates year to date 2024/25 capital works program against the full year budget.

Portfolio	Year to Date Actual \$000	Year to Date Budget \$000	Year to Date Variance \$000	Full Year Budget \$000
Buildings & Fleet	1,748	1,095	(653)	9,629
Community Life	92	78	(14)	1,019
Community Spaces	3,375	4,206	831	16,978
Creative Life	367	1,367	1,000	3,440
Drainage	1,073	1,379	306	8,525
Finance & Business Services	32	376	344	3,850
Resource Recovery	264	120	(144)	1,275
Transport	6,203	8,065	1,862	43,495
Wastewater	4,727	1,652	(3,075)	32,474
Water	4,522	5,804	1,282	43,832
Major Projects	16,174	13,023	(3,151)	217,737
Councillor	-	160	160	1,000
CAPITAL WORKS TOTAL	38,577	37,325	(1,252)	383,254
Capitalised Interest	266	-	(266)	-
CAPITAL EXPENDITURE	38,843	37,325	(1,518)	383,254

YTD actual expenditure	\$ 38,577	<p>Remaining 89.93%</p> <p>Spent 10.07%</p>
Unspent capital expenditure	\$ 344,677	
Full year budget capital expenditure	\$ 383,254	

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 August, Council's NFL is \$13.9M unfavourable to budget. This is driven by an unfavourable \$10.1M carry forward position from the previous financial year combined with a \$3.8M unfavourable 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	74,072	74,211	(139)	406,288
Operating Expenses (ex Dep)	(48,657)	(48,563)	(94)	(285,990)
Capital Revenue - Infra Charges	999	1,652	(653)	16,042
Capital Revenue - Grants & Other	19,197	20,603	(1,406)	136,878
Net Capital Funding	45,611	47,903	(2,292)	273,218
Capital Expenditure	(38,843)	(37,325)	(1,518)	(383,254)
Net Funding Surplus/(Deficit)	6,768	10,578	(3,810)	(110,036)

Year to date net capital funding totals \$45.6M which is \$2.3M unfavourable to budget, mainly due to less than anticipated grants and other capital revenue (\$1.4M) and infrastructure charges revenue (\$653K).

Capital expenditure at the end of August is \$1.5M unfavourable to budget. Combined with an unfavourable net capital funding variance (\$2.3M), this results in an unfavourable \$3.8M net funding surplus variance year to date.

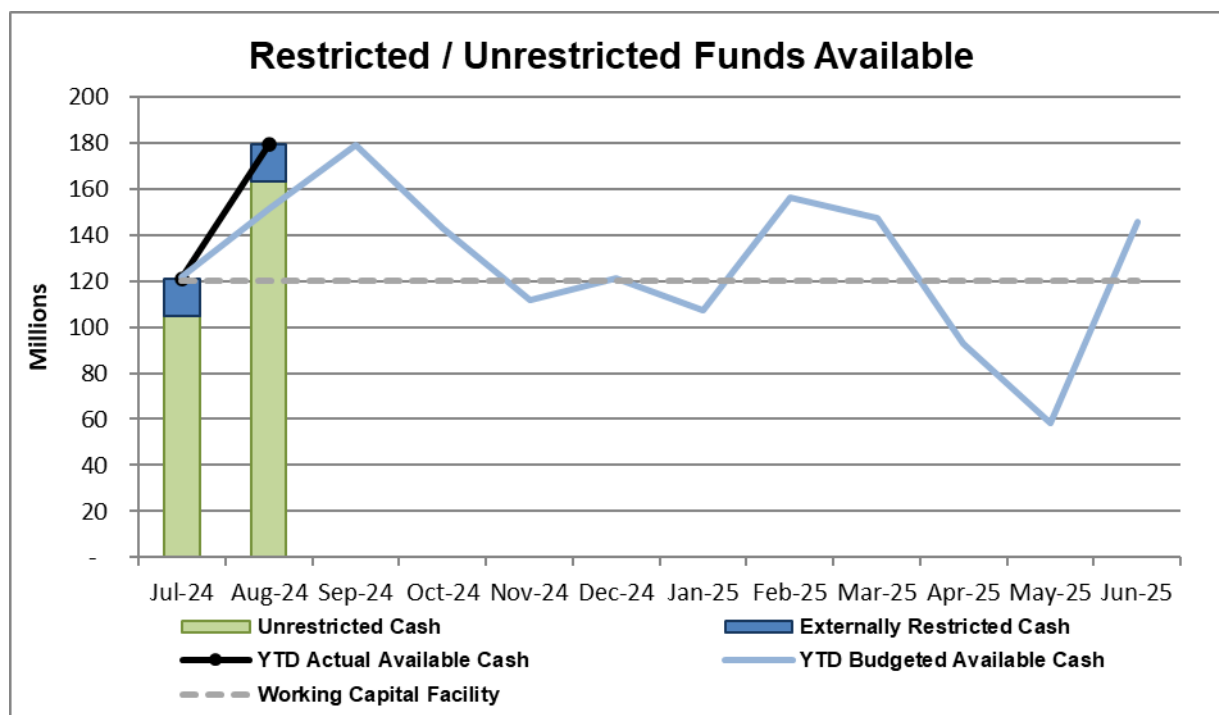
LIQUIDITY

	Actual \$000	Budget \$000	Variance \$000
Cash and cash equivalents	59,169	31,260	27,909
Working capital facility	(27)	-	(27)
Long term loans	(124,697)	(144,337)	19,640
NET DEBT POSITION	(65,555)	(113,077)	47,522

Council's net debt position is \$47.5M favourable to budget due to a lower than expected receivables balance (\$52.5M) resulting in higher cash receipts, as well as a higher than expected other liabilities (\$6.2M) and trade and other payables balance (\$3.0M). This has been partially offset by the unfavourable \$10.1M position carried forward from the 2023/24 financial year and the unfavourable year to date net funding surplus position of \$3.8M.

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 \$179.1M. Excluding funds subject to external restrictions of \$16.1M, the unconstrained funds available to meet ongoing operational expenses is \$163.0M.

DEPARTMENT OF HOUSING, LOCAL GOVERNMENT, PLANNING AND PUBLIC WORKS (DHLGPPW) FINANCIAL SUSTAINABILITY RATIOS

In accordance with s169 (6) of the *Local Government Regulation 2012*, the DHLGPPW 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	10.3%	> 0%	<input checked="" type="checkbox"/>	2.8%
	Operating Cash Ratio	Cash operating performance (less depreciation and other non-cash items)	34.9%	> 0%	<input checked="" type="checkbox"/>	30.5%
Liquidity	Unrestricted Cash Expense Cover Ratio	Unconstrained liquidity available to Council	7.0	> 2 months	<input checked="" type="checkbox"/>	3.6
Debt Servicing Capacity	Leverage Ratio	Ability to repay existing debt	N/A	0 - 4 times	N/A	2.0
Asset Management	Asset Sustainability Ratio	Capital renewals program performance	N/A	> 60%	N/A	94.5%
	Asset Consumption Ratio	Extent to which assets are being consumed	69.3%	> 60%	<input checked="" type="checkbox"/>	67.9%
	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. DHLGPPW 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



Robert Jones
Acting Executive Manager Finance



Jason Ritchie
Acting Chief Financial Officer

Attachment 1: Financial Statements

Attached are the financial statements for the period ended 30 August 2024. 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 30 August 2024			
	Actual	Original Budget	Variance
	\$000	\$000	\$000
Income			
Revenue			
Operating Revenue			
Net rates and utility charges	57,251	57,661	(410)
Fees and charges	7,309	6,973	336
Interest received	584	627	(43)
Miscellaneous Revenue	3,465	3,581	(116)
Grants, subsidies, contributions and donations	5,463	5,369	94
Total Operating revenue	74,072	74,211	(139)
Expenses			
Operating Expenses			
Employee benefits	24,552	23,713	(839)
Materials and services	23,646	23,954	308
Depreciation	17,802	18,200	398
Finance costs	458	896	438
Total Operating Expenses	66,458	66,763	305
Capital Revenue			
Loss on disposal of property, plant and equipment	(474)	(1,400)	926
Contributions	999	1,652	(653)
Subsidies and grants	19,197	20,437	(1,240)
Net Capital Revenue	19,722	20,689	(967)
Net result attributable to Council in period	27,336	28,137	(801)
Council's net result for August 2024 is a surplus of \$27.3M, \$801K less than budgeted.			
Operating revenue is \$139K unfavourable to budget driven mainly by less than net rates and utility charges (\$410K) and miscellaneous revenue (\$116K). This has been slightly offset by higher than anticipated fees and charges (\$336K) and grants, subsidies, contributions and donations (\$94K).			
Operating expenses are \$305K favourable to budget due to less than anticipated finance costs (\$438K), depreciation (\$398K) and materials and services (\$308K). This has been offset by greater than anticipated employee benefits (\$839K).			
Capital revenue is \$967K unfavourable to budget mainly due to less than anticipated subsidies and grants (\$1.2M) and contributions (\$926K), slightly offset by less than anticipated loss on disposal of property, plant and equipment (\$926K).			

Statement of Financial Position				
For the Period Ended 30 August 2024				
	Note	Actual	Original Budget	Variance
		\$000	\$000	\$000
Assets				
Current Assets				
Cash and cash equivalents	1	59,169	31,260	27,909
Receivables	1	119,500	171,987	(52,487)
Inventories		4,704	4,794	(90)
		183,373	208,041	(24,668)
Non-Current Assets				
Property, plant and equipment	2	4,980,534	4,740,254	240,280
		4,980,534	4,740,254	240,280
Total Assets		5,163,907	4,948,295	215,612
Liabilities				
Current Liabilities				
Trade and other payables		72,352	69,321	(3,031)
Borrowings		27,830	29,549	1,719
Working capital facility		27	-	(27)
Provisions		27,324	28,028	704
Other liabilities	3	112,692	106,473	(6,219)
		240,225	233,371	(6,854)
Non-Current Liabilities				
Borrowings	4	96,867	114,788	17,921
Provisions		13,502	13,476	(26)
Other liabilities		5,667	5,366	(301)
		116,036	133,630	17,594
Total Liabilities		356,261	367,001	10,740
NET COMMUNITY ASSETS		4,807,646	4,581,294	226,352
Community Equity				
Retained surplus/deficit		2,811,471	2,798,736	12,735
Asset revaluation surplus		1,996,175	1,782,558	213,617
TOTAL COMMUNITY EQUITY		4,807,646	4,581,294	226,352
1	Receivables are lower than budget due to higher than anticipated cash receipts year to date. This variance is largely due to timing and is expected to reduce over the coming months.			
2	Property, plant and equipment is favourable to budget due to the higher than anticipated result of annual asset valuations in 2023/24.			
3	The variance in other current liabilities is due to timing of receipt of grant payments.			
4	The favourable variance in non-current borrowings is due to the loan drawdown budgeted in June 2024 not being required as a result of delays in delivery of the capital works program in 2023/24.			

Statement of Cash Flows				
For the Period Ended 30 August 2024				
	Note	Actual	Original Budget	Variance
		\$000	\$000	\$000
Cash Flows from Operating Activities:				
Receipts from customers	1	130,130	81,239	48,891
Payments to suppliers and employees		(51,432)	(43,696)	(7,736)
Interest received		584	612	(28)
Borrowing costs		(485)	(628)	143
Net cash inflow (outflow) from operating activities		78,797	37,527	41,270
Cash Flows from Investing Activities				
Grants, subsidies and contributions for capital acquisitions		2,639	7,358	(4,719)
Proceeds from disposal of property, plant and equipment		130	167	(37)
Payments for property, plant, equipment and CWIP		(31,347)	(37,345)	5,998
Net cash inflow (outflow) from investing activities		(28,578)	(29,820)	1,242
Cash Flows from Financing Activities:				
Repayment of borrowings		(4,530)	(4,786)	256
Proceeds from working capital facility	2	26,492	-	26,492
Repayment of working capital facility	2	(26,465)	-	(26,465)
Net cash inflow (outflow) from financing activities		(4,503)	(4,786)	283
NET INCREASE/(DECREASE) IN CASH HELD		45,716	2,921	42,795
Cash at beginning of year		13,453	28,339	(14,886)
CASH AT END OF PERIOD		59,169	31,260	27,909
<p>1 Receipts from customers are higher than anticipated due to the timing of rates receipts, as well as the receipt of the Financial Assistance Grant in July which was budgeted to be received in June 2024. This variance is largely due to timing and is expected to reduce over the coming months.</p> <p>2 Timing of long term borrowing drawdowns as well as year to date cash receipts and payments has resulted in the unbudgeted utilisation of the working capital facility. This was fully repaid in August.</p>				

Attachment 2: Directorate Reports

Directorate operating statements provide information on the performance of each directorate for the period ended 30 August 2024.

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 30 August 2024				
Office of the CEO				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Other income	137	143	(6)	(4)%
Total Operating Revenue	137	143	(6)	(4)%
Operating Expenditure				
Employee Benefits	623	630	7	1 %
Materials and services	150	119	(31)	(26)%
Total Expenses	773	749	(24)	(3)%
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(636)	(606)	(30)	(5)%
Office of the CEO is \$30K unfavourable to budget across various materials and services.				

Appendix B – Finance & Business Services

Operating Statement				
For the Period Ended 30 August 2024				
Finance & Business Services				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Net rates and utility charges	23,618	23,736	(118)	(0) %
Fees and charges	110	104	6	6 %
Interest	351	367	(16)	(4) %
Other income	52	58	(6)	(10) %
Grants, Subsidies and Contributions	4,441	5,216	(775)	(15) %
Total Operating Revenue	28,572	29,481	(909)	(3) %
Operating Expenditure				
Employee benefits	3,097	3,111	14	0 %
Materials and services	230	294	64	22 %
Depreciation and amortisation expenses	475	500	25	5 %
Finance Costs	290	711	421	59 %
Total Expenses	4,092	4,616	524	11 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	24,480	24,865	(385)	(2) %
<p>The Finance & Business Services directorate is \$385K unfavourable to budget largely due to a lower than expected Financial Assistance Grant payment for 2024/25.</p>				

Appendix C – People & Organisational Performance

Operating Statement				
For the Period Ended 30 August 2024				
People & Organisational Performance				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	-	1	(1)	(100) %
Other income	29	-	29	100 %
Grants, Subsidies and Contributions	87	89	(2)	(2) %
Total Operating Revenue	116	90	26	29 %
Operating Expenditure				
Employee benefits	2,234	2,192	(42)	(2) %
Materials and services	1,095	1,329	234	18 %
Depreciation and Amortisation Expenses	66	69	3	4 %
Total Expenses	3,395	3,590	195	5 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(3,279)	(3,500)	221	6 %
The People & Organisational Performance directorate is \$221K favourable to budget largely across various materials and services expenses.				

Appendix D – Planning, Growth & Sustainability

Operating Statement				
For the Period Ended 30 August 2024				
Planning, Growth & Sustainability				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	1,637	1,560	77	5 %
Other income	361	342	19	6 %
Grants, subsidies, contributions and donations	6	51	(45)	(88) %
Total Operating Revenue	2,004	1,953	51	3 %
Operating Expenditure				
Employee Benefits	1,542	1,644	102	6 %
Materials and services	503	489	(14)	(3) %
Finance Costs	0	10	10	100 %
Total Expenses	2,045	2,143	98	5 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(41)	(190)	149	78 %
Planning, Growth and Sustainability is \$149K favourable to budget due to lower than budgeted employee benefits.				

Appendix E – Lifestyle & Community

Operating Statement				
For the Period Ended 30 August 2024				
Lifestyle & Community				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	3,711	3,573	138	4 %
Other income	854	1,074	(220)	(20) %
Grants, subsidies, contributions and donations	457	12	445	3,708 %
Total Operating Revenue	5,022	4,659	363	8 %
Operating Expenditure				
Employee benefits	6,654	6,362	(292)	(5) %
Materials and services	7,368	7,722	354	5 %
Depreciation and amortisation expenses	2,456	2,529	73	3 %
Finance Costs	168	175	7	4 %
Total Expenses	16,646	16,788	142	1 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(11,624)	(12,129)	505	4 %
<p>Lifestyle & Community is \$505K favourable to budget. Revenue favourables are from parking fees & charges and the timing of grant receipts. Unfavourable other income is in creative venues due to the timing of events, this is offset by favourable material & services costs. Employee costs are up in part due to Council events based staff.</p>				

Appendix F – Cairns Infrastructure and Assets – Engineering Services

Operating Statement				
For the Period Ended 30 August 2024				
Cairns Infrastructure and Assets - Engineering Services				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Fees and charges	10	10	-	0 %
Total Operating Revenue	10	10	-	0 %
Operating Expenditure				
Employee benefits	2,112	1,731	(381)	(22)%
Materials and services	490	571	81	14 %
Depreciation and amortisation expenses	6,168	6,188	20	0 %
Total Expenses	8,770	8,490	(280)	(3)%
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(8,760)	(8,480)	(280)	(3)%
Engineering Services is \$280K unfavourable to budget due to higher than budgeted operating employee costs.				

Appendix G – Cairns Infrastructure and Assets – Service Delivery

Operating Statement				
For the Period Ended 30 August 2024				
Cairns Infrastructure and Assets - Service Delivery				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Net rates and utility charges	33,632	33,924	(292)	(1) %
Fees and charges	1,842	1,726	116	7 %
Interest revenue	233	260	(27)	(10)%
Other income	2,031	1,964	67	3 %
Grants, Subsidies and Contributions	472	-	472	100 %
Total Operating Revenue	38,210	37,874	336	1 %
Operating Expenditure				
Employee benefits	8,102	7,818	(284)	(4)%
Materials and services	12,787	12,242	(545)	(4)%
Depreciation and amortisation expenses	8,637	8,914	277	3 %
Total Expenses	29,526	28,974	(552)	(2)%
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	8,684	8,900	(216)	(2)%
Service Delivery is within 2% of budget. Major variances include revenue due to below budget water usage and above budget employee costs including agency. Disaster Recovery works in materials & services are offset by grant funding.				

Appendix H – Economic Development & Advocacy

Operating Statement				
For the Period Ended 30 August 2024				
Economic Development & Advocacy				
	Actual	Budget	Variance	Variance
	\$000	\$000	\$000	%
Operating Revenue				
Other income	-	-	-	0 %
Total Operating Revenue	-	-	-	0 %
Operating Expenditure				
Employee benefits	187	225	38	17 %
Materials and services	1,023	1,187	164	14 %
Total Expenses	1,210	1,412	202	14 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS	(1,210)	(1,412)	202	14 %
The Economic Development & Advocacy directorate is \$202K favourable to budget, largely in consultancies and events.				

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.