

# ANNUAL REPORT 2009 - 2010



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Financials



## Financials



The following links provides an overview of council's financial position for 2009-2010.

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# Financials

## Community Financial Report

### Comprehensive income

#### Statement of comprehensive income

The statement of comprehensive income is often referred to as the profit and loss statement and shows how council has performed throughout the period.

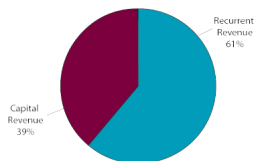
This statement shows what council has earned (revenue) and what council has spent (expenses) throughout the year.

The net result of these two figures represents the money that is available for council to renew, upgrade or build new community assets or to allocate to a reserve to allow for future expenditure for the community.

#### What we have earned

There are two main categories of revenue for the financial year; recurrent revenue and capital revenue.

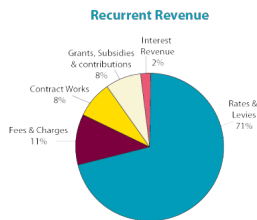
Revenue Categories



Council's recurrent revenue is money raised that is used to fund the operations of council. Council raises recurrent revenue from sources such as rates and utilities, fees and charges, grants and subsidies, contract works and interest.

Council's capital revenue is sourced for the purpose of constructing council's assets now and in the future. Council's capital revenue consists of grants, contributions and subsidies, developer contributions as well as gain on the disposal of fixed assets. For this financial year a significant subsidy of \$112.2 million was provided by State Government to assist Council with the purchase of the Wivenhoe pipeline.

REVENUE – what we have earned	\$'000
<b>Recurrent Revenue</b>	
Rates and levies	158,006
Fees & charges	25,250
Contract works	17,954
Grants, subsidies and contributions	17,376
Interest revenue	5,160
Other	171
<b>Total Recurrent Revenue</b>	<b>223,917</b>
<b>Capital Revenue</b>	
Grants, subsidies, contributions and donations	140,860
Net gain on sale of fixed assets	119
<b>Total Capital Revenue</b>	<b>140,979</b>
<b>TOTAL REVENUE</b>	<b>364,896</b>



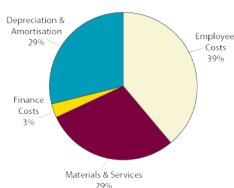
**What we have spent**

Council incurs both recurrent expenses and capital expenses.

Recurrent expenses include employee costs, materials and services, finance costs and depreciation and represent the cost to council of providing services, operating facilities and maintaining assets.

<b>EXPENSES</b>	<b>\$'000</b>
<b>Recurrent Expenses</b>	
Employee Costs	87,565
Materials and Services	64,037
Finance Costs	7,163
Depreciation and Amortisation	64,619
<b>Total Recurrent Expenses</b>	<b>223,384</b>

Types of Recurrent Expenses

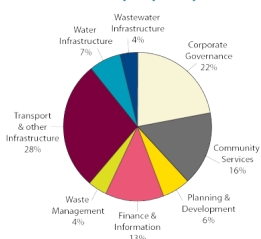


**Where is the money spent**

Funds raised through recurrent revenue are used to provide services such as water and wastewater, roads and transport, parks and recreational facilities, environmental management and corporate governance.

These funds were consumed across these functions in the proportions shown.

Where the money is spent by function



**Financial position**

**Statement of financial position**

This statement is often referred to as the balance sheet and summarises the financial position of the council at the end of the financial year.

The statement measures what council owns (assets) and what council owes (liabilities) at the end of the financial year with the difference between these two components being the net community wealth (equity) of council.

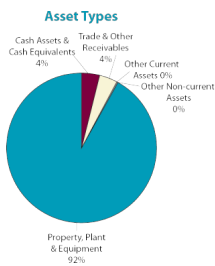
<b>ASSETS</b>	<b>\$'000</b>
<b>Current Assets</b>	
Cash Assets and Cash Equivalents	130,851
Trade and Other Receivables	131,026
Inventories	1,842
Non Current Assets Held for Sale	1,703
<b>Total Current Assets</b>	<b>265,422</b>
<b>Non-current Assets</b>	
Equity Investments	20
Property, Plant & Equipment	3,073,353
Intangible Asset	1,072
<b>Total Non-Current Assets</b>	<b>3,074,445</b>
<b>TOTAL ASSETS</b>	<b>3,339,867</b>

**What do our assets consist of?**

Council's current assets consist predominantly of cash and other receivables.

The trade and other receivable figure of \$131 million consists significantly of a \$112.2m deposit for the cost of construction of the wivenhoe pipeline.

The majority of council's assets are in the form of fixed assets or property, plant and equipment. These assets make up 92% of the assets on council's balance sheet. Infrastructure assets such as roads, drainage, water and wastewater make up the bulk of the property, plant and equipment.

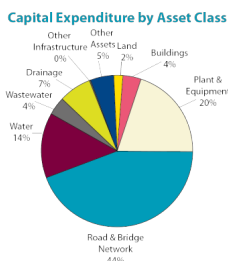


**What did we spend on assets?**

Capital expenditure is what we spend to build or enhance our assets and is reflected in the Balance Sheet as it increases the value of our assets and affects our financial position at the end of the year.

A significant amount of council's activities is focused on the maintenance, upgrade and construction of fixed assets to ensure there are adequate infrastructure services for community use.

This year council spent \$59.2 million to renew, upgrade and build new assets for the community.



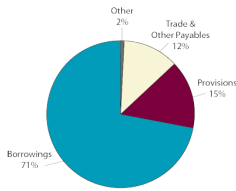
**What do our liabilities consist of?**

Liabilities are the amounts that councils owes to suppliers, employees and lenders both now and in the future.

Provisions for future entitlements relate to money we owe our employees as well as money we have set aside to fund the future rehabilitation of our refuse sites.

<b>LIABILITIES</b>	<b>\$'000</b>
<b>Current Liabilities</b>	
Trade and Other Payables	15,796
Provisions for future entitlements	11,365
Borrowings	5,852
Other	2,445
<b>Total Current Liabilities</b>	<b>35,458</b>
<b>Non-current liabilities</b>	
Trade and other payables	1,203
Provisions for future entitlements	9,806
Borrowings	91,349
<b>Total Non-current liabilities</b>	<b>102,358</b>
<b>TOTAL LIABILITIES</b>	<b>137,816</b>

What do we owe



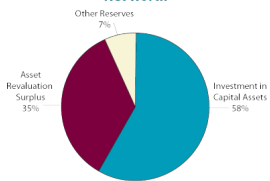
### Equity (net worth)

The difference between assets and liabilities is the total community equity or the total wealth of the Council.

At 30 June 2010 this was an amount of \$3.2 billion.

This community equity consists of an asset revaluation reserve, retained surplus and other reserves.

Net Worth



### Cash flows

#### The statement of Cash Flows

The statement of Cash Flows identifies the cash received and cash spent throughout the year.

<b>2009/2010</b>	<b>\$'000</b>
Opening Balance	103,261
Plus cash received	373,050
Less Cash Spent	345,460
<b>Cash Available at end of year</b>	<b>130,851</b>

#### Summary of financial position

The financial statements indicate that the council has finished the 2009/2010 financial year in a strong financial position.

Council concluded the year with a net positive cash flow and council has sufficient money to cover its present and future obligations into the foreseeable future.

Toowoomba Regional Council will continue a commitment to sound financial management through long term financial planning to ensure the

success and stability of the region.

## Financial report

Please find attached a link to the Finance report containing:

- Statement of Comprehensive income
- Statement of Financial position
- Statement of Changes in equity
- Statement of Cash flows
- Notes to and forming part of the financial statements

» [Financial report](#) (166kb)

## Management certificate

Please find attached the link to the Management certificate

» [Management certificate](#) (335kb)

## Independent auditor's report

Please find attached the link to the Independent auditor's report

» [Independent auditor's report](#) (122kb)