

COMMUNITY FINANCIAL REPORT

Our Community Financial Report contains a summary and analysis of our financial performance and position for the financial year.

This community report will focus on our two key financial statements that will provide clarity and make it easier for readers to understand our financial management and performance as shown in the financial statements.

Comprehensive Income

- How did we perform in relation to making a profit over the past year?

Financial Position

- What do we owe and what do we own at year end?

The performance over the past three years will be reviewed to highlight areas of improvement.

Results

HIGHLIGHTS OF 2016/2017

- Increase in Own-Source Revenue (Sales) by \$2.8 Million
- Unqualified Audit

SNAPSHOT OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2017

	\$ Million
Operating Revenue	14.77
Operating Expenses	17.68
Operating Position	-2.91
Capital Income	3.87
Capital Expenses	0.64
Net Result	\$ 2.90
Total Assets	108.46
Total Liabilities	1.78
Net Community Assets	106.68
Total Capital Works Expenditure	0.68

Council has finished with a \$0.39M surplus, the third consecutive year of surplus (2016 - \$5.3M 2015 - \$2.5M) since the financial year ending 2011.

Council strives to improve our economic base and has a commitment to increasing our own-source revenue while decreasing non-essential expenditure.

Our long-term financial forecast provides a plan to address the challenges and demands associated with providing economic sustainability within an uncertain future.



STATEMENT OF COMPREHENSIVE INCOME

This statement measures how Council has performed in regards to income and expenses during this financial year showing the profit/loss.

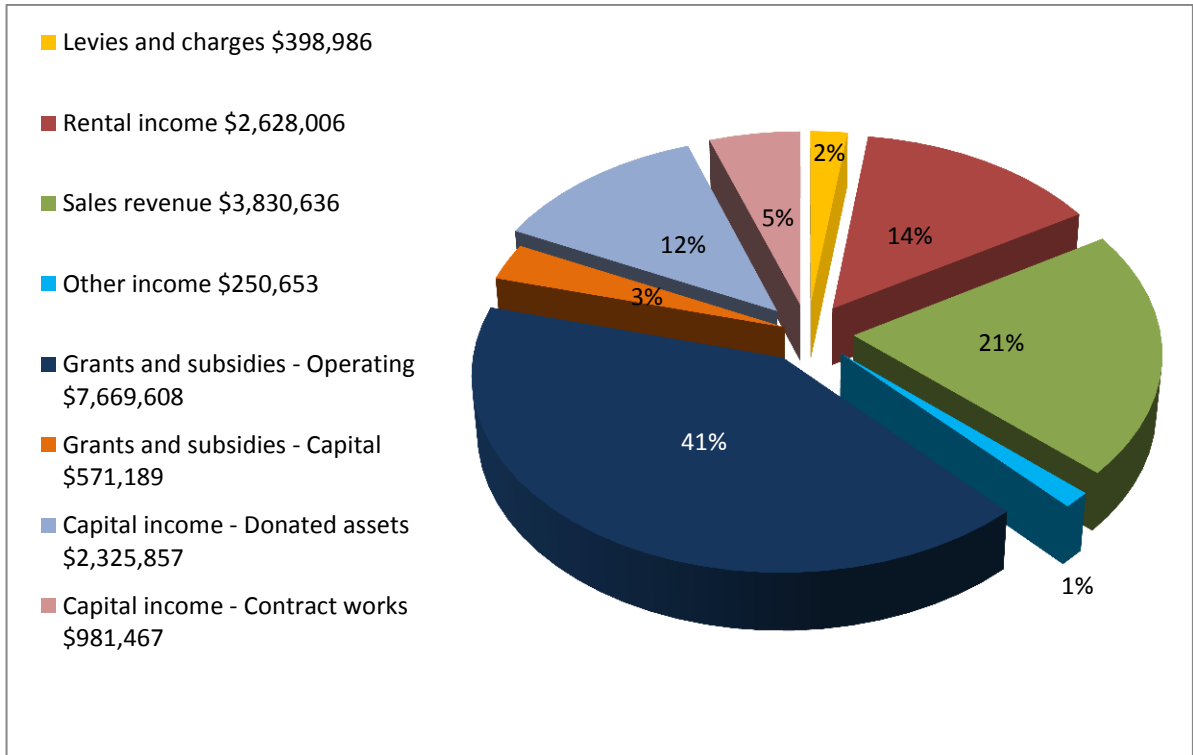
THE YEAR IN REVIEW

	\$ Million		
	2017	2016	2015
Recurrent Revenue	14.7	15.6	10.6
Capital Revenue	0.5	1.8	2.2
Capital Income	3.3	5.9	6.4
	<u>18.5</u>	<u>23.3</u>	<u>19.2</u>
Recurrent Expenses	17.6	17.3	15.0
Capital Expenses	0.7	0.7	1.7
	<u>18.3</u>	<u>18.0</u>	<u>16.7</u>
Net Result	<u>0.2</u>	<u>5.3</u>	<u>2.5</u>

Our financial results of a \$0.2M profit are the result of decrease in recurrent revenue and capital assets donated by government

While the result is positive, the profit does not necessarily mean extra monies for Council's general use. Some grant funds received are tied for use in future years and revenue such as capital income can be non-monetary as it can be donated assets by various government bodies.

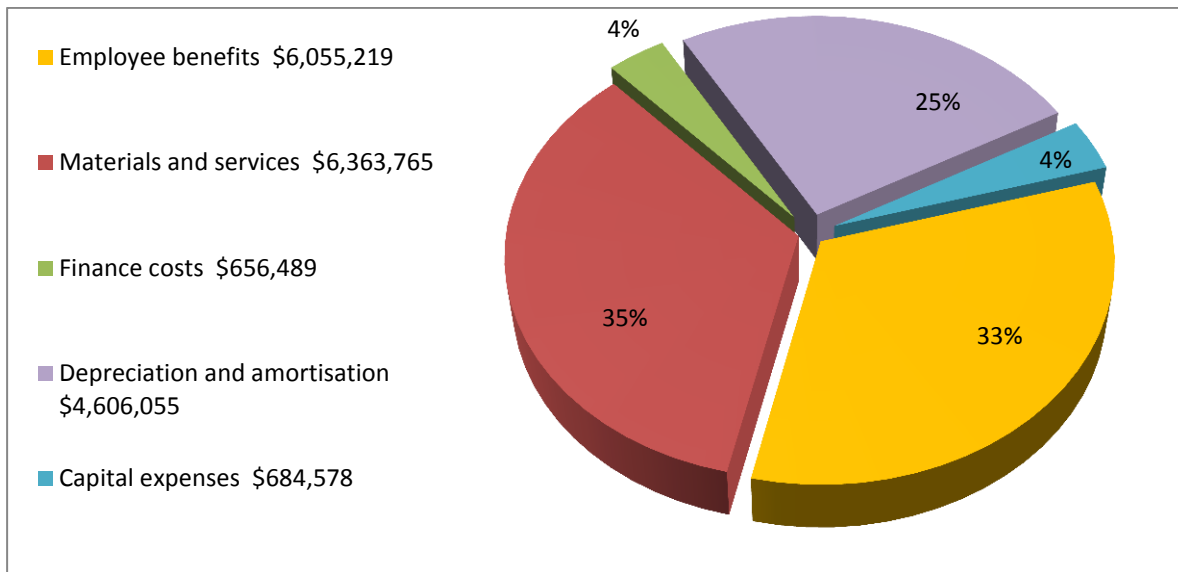
WHERE OUR MONEY COMES FROM



As shown in the above chart, 44% of our income is grant funded for various operating and capital projects; this has increased since 2016 results where 32% of Council total revenue was grants from the government and other bodies that finance the day to day operations of our services. This has to drop for Council to be sustainable into the future.

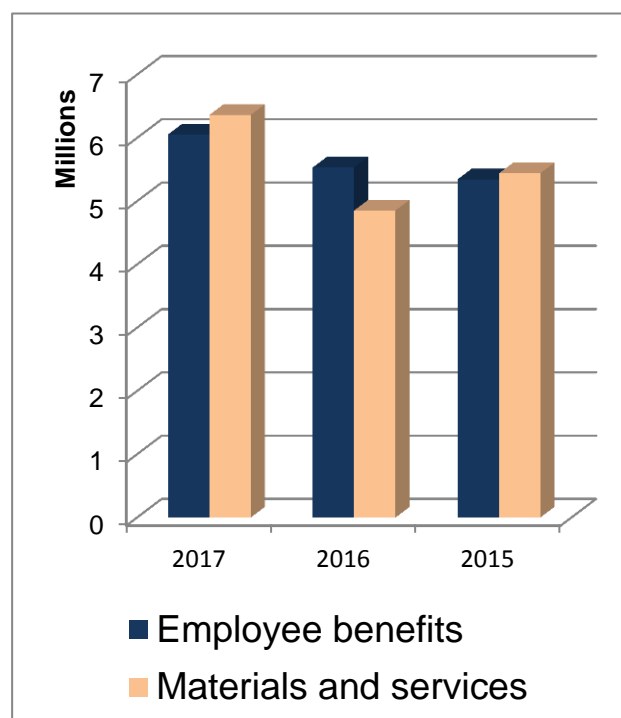
In 2016-17, Council's own-source revenue was \$7.1M , 38% of the Council's total revenue this financial year. The own-source revenue has mainly been driven by housing construction, maintenance and upgrade contracts being serviced.

WHERE WE SPEND IT

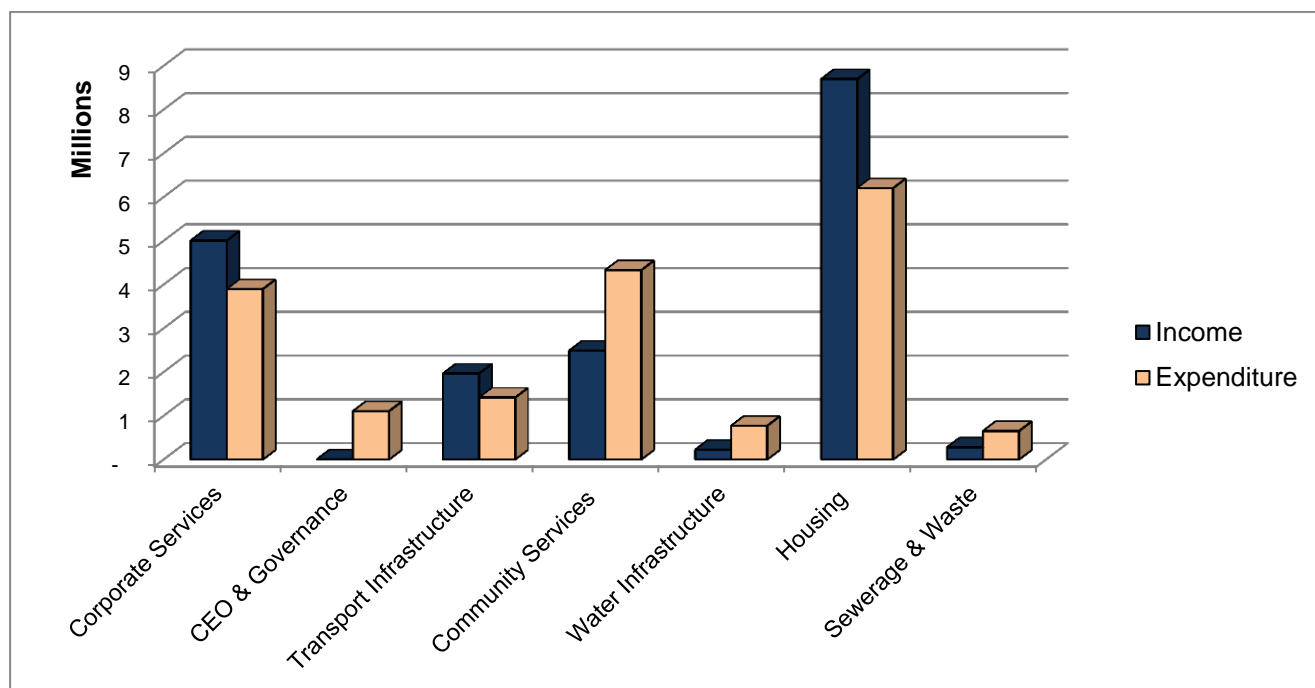


Materials and services were \$6.3M (35%) of our total expenditure. Employee benefits were \$6.0 (33%) that was closely followed by the expense of Council's assets depreciating \$4.6M (25%).

In January 2017 council received \$1.686 M being 60% of the Works for Queensland 2017 Grant which employed an additional 40 employees and increased the purchase of Materials and Supplies to undertake the projects.



INCOME & EXPENDITURE BY COUNCIL FUNCTION



Housing is responsible for 47% (\$8.7M) of Council's total revenue, followed closely by corporate services at 27% (\$5.0M, community services at 13% (\$2.4M) and transport infrastructure at 11% (\$1.9M).

Housing revenue is comprised of \$3.3M in contract works for building and assets services and a further \$3.7M in rental income. Corporate services income is largely made up of \$2.6M in donated assets, \$2.3M in grants, subsidies, contributions and donations.

STATEMENT OF FINANCIAL POSITION

Our statement of financial position measures what Council owns (assets) and what is owed (liabilities) to relevant stakeholders at the end of the financial year. By viewing what Council owns, reduced by what we owe shows Council's net wealth (equity) as at the 30th of June.

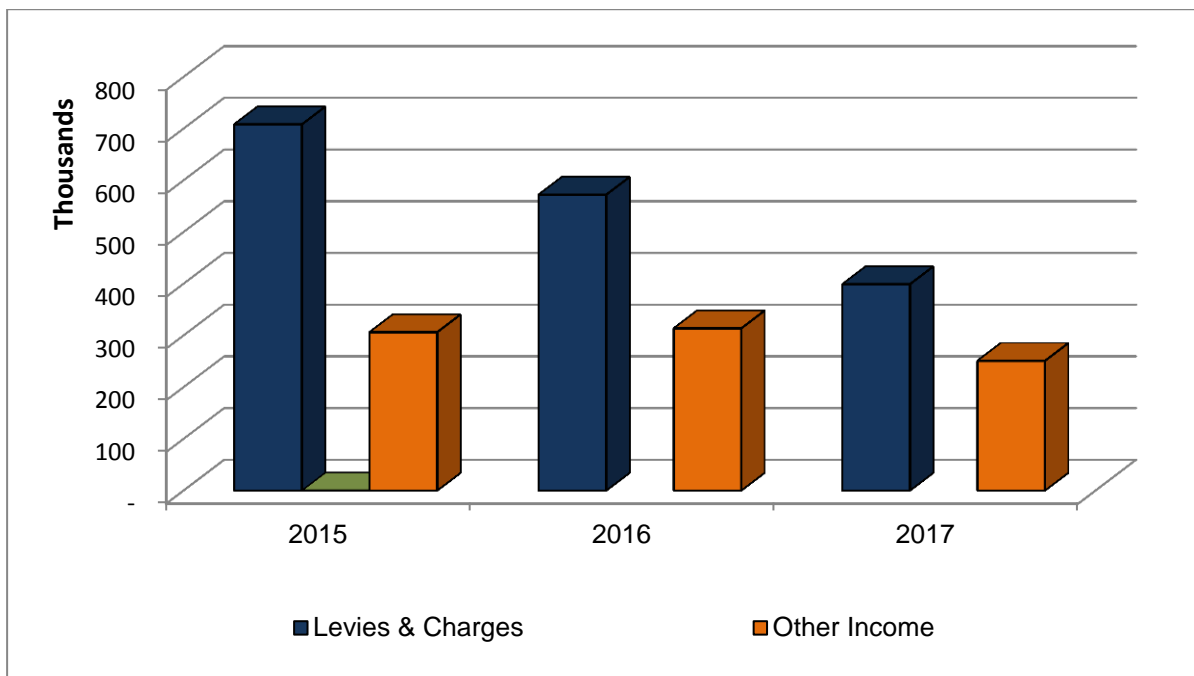
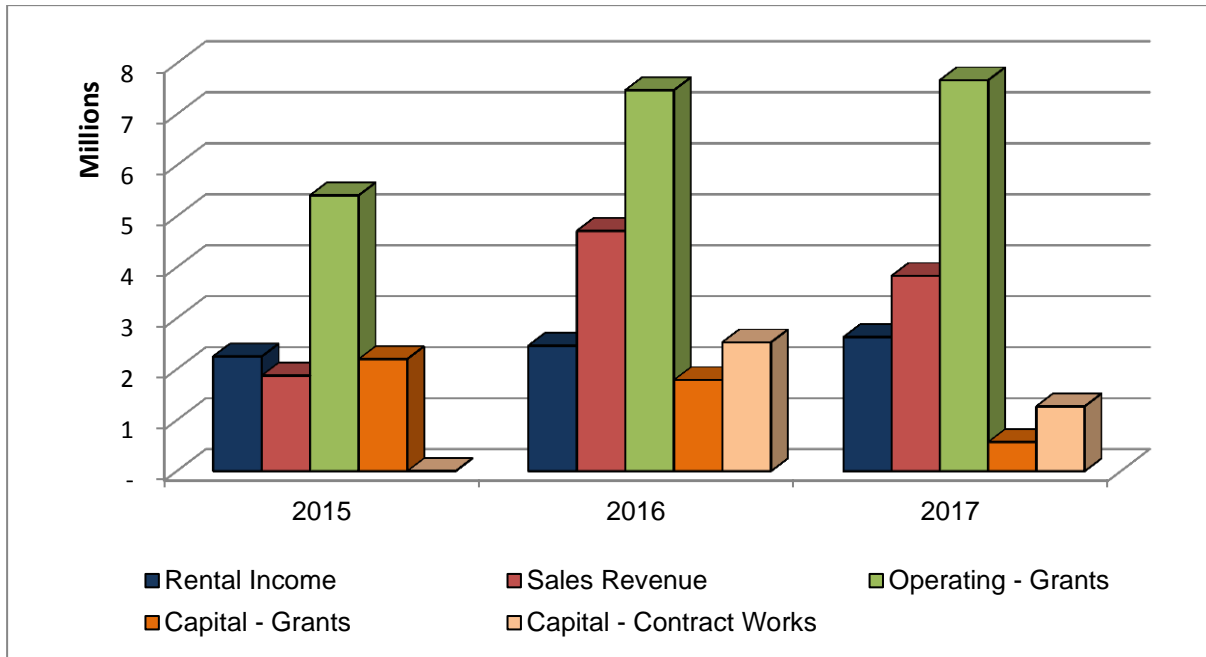
Assets	108,460,076
Liabilities	1,781,092
= Equity	106,678,985

Most of Council's assets, \$108M are classified as infrastructure. Our infrastructure consists of social houses, buildings, roads, water and other assets which will require considerable investment in the future to maintain for the community of Yarrabah.

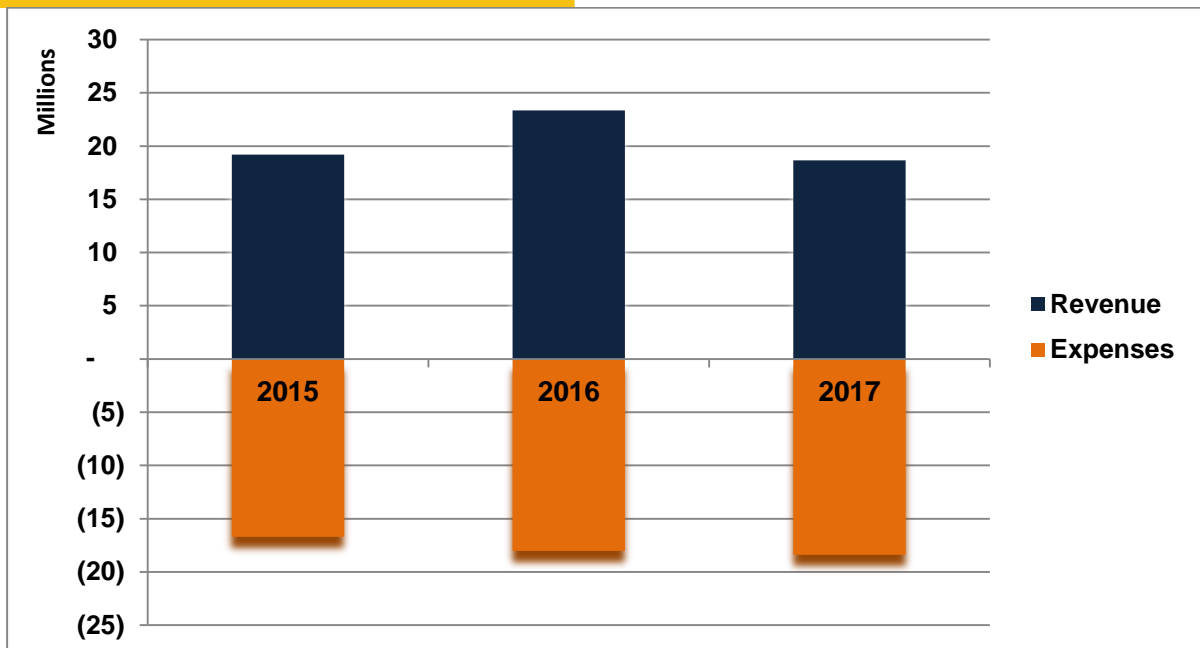
The bulk of Council's liabilities, \$1.78M are trade and other payables. This represents monies owed by Council but was not due to be paid.

THE PAST THREE YEARS IN REVIEW

The following graphs display our revenue streams over the past three years:



The last three years in review highlight Council's commitment to reducing expenditure while working to increase areas of revenue.



During 2017 sales revenue decreased and expenses remain relatively consistent.



APPENDIX A

THE FINANCIAL STATEMENTS

