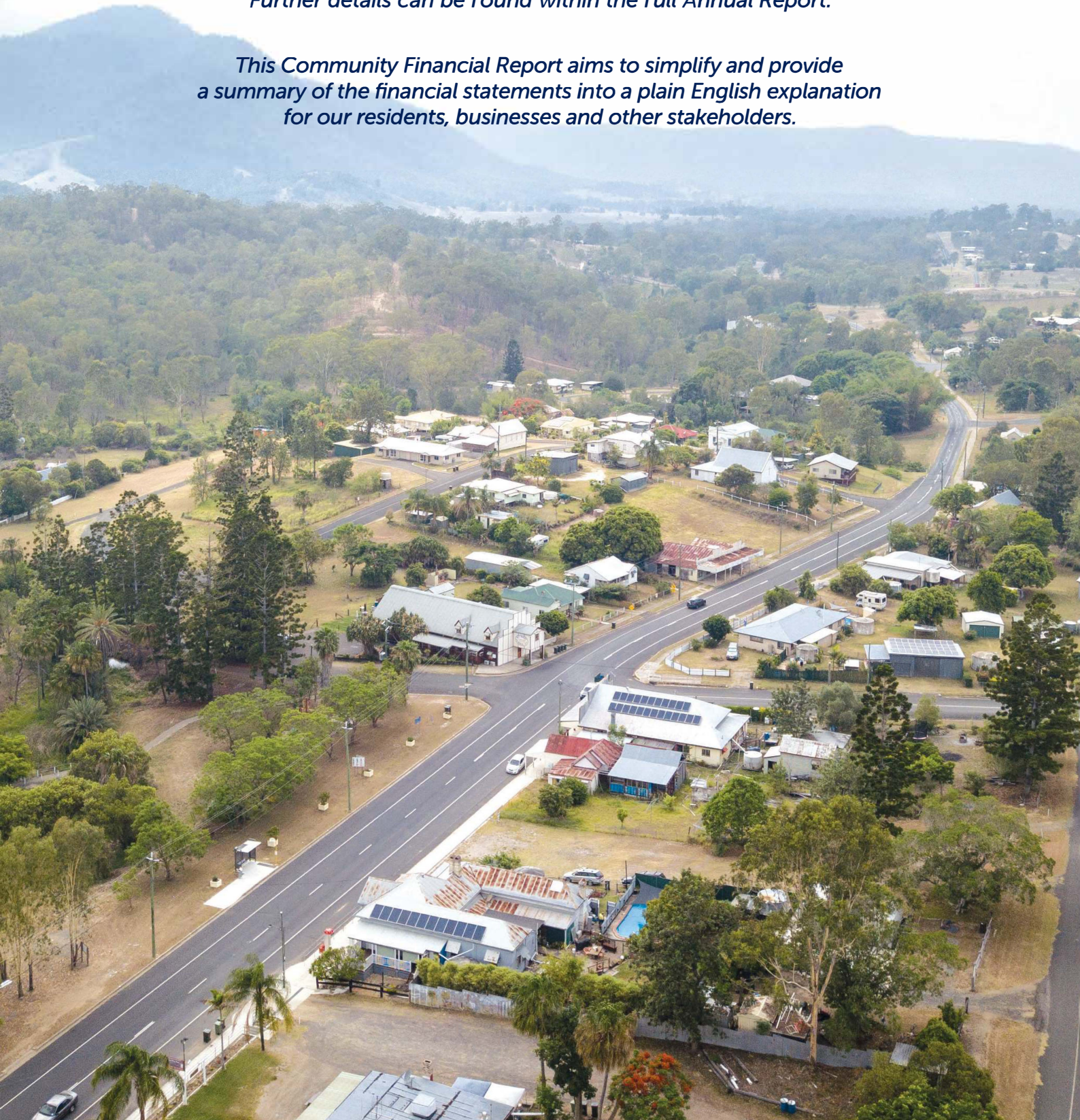




COMMUNITY FINANCIAL REPORT

*This document is an exact extract from the North Burnett Regional Council's 2022-2023 Annual Report, from Pages 52-58.
Further details can be found within the full Annual Report.*

This Community Financial Report aims to simplify and provide a summary of the financial statements into a plain English explanation for our residents, businesses and other stakeholders.



FINANCIAL STATEMENTS

Financial statements are formal records of the financial performance and position of Council (page 59). There are four financial statements that assist in providing a high-level picture of council finances -

These include:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

These statements are accompanied by supporting notes which provide details on the transactions which are included in the line item balances in the four statements.

STATEMENT OF COMPREHENSIVE INCOME

Purpose: Often referred to as the Profit & Loss or income statement it shows all revenue the Council has earned, and the expenses incurred for the financial year. This Statement is outlined through the following sections:

- Income
- Expenses

Income

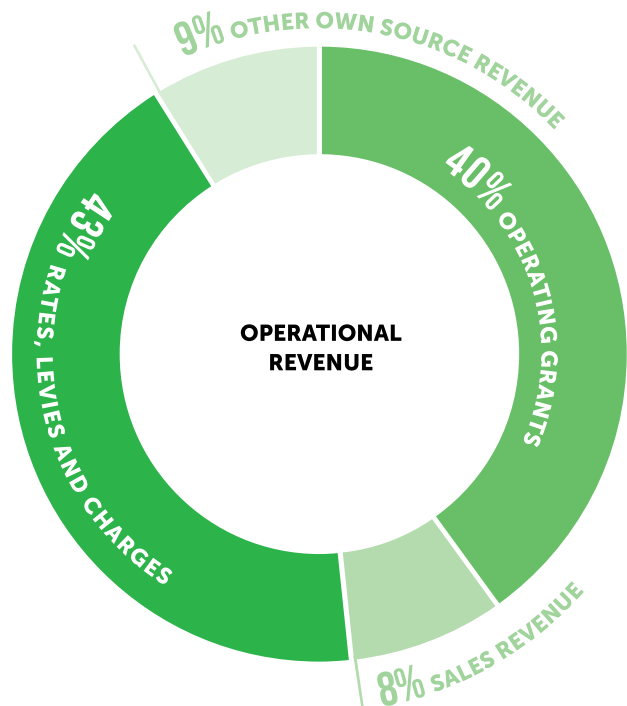
Council's total income in 2022-23 was \$54.079 million (\$56.207 million in 2021-22). Council's operational revenue (total income excluding capital revenue) in 2022-23 was \$47.806 million. Grant income represents 40% of total income, with the remaining 60% of the operating income classed as own sourced income.

Total rates and charges levied (less discount) totalled \$20.453 million. This equates to 43% of council's operational income.

Expenses

Council's total expenses in 2022-23 was \$56.271 million (\$53.366 million in 2021-22) (inclusive of capital expenses). Council spent \$36.266 million during the year on employee costs, materials and services. These items represent a cost to Council of providing services, operating facilities and maintaining assets.

Depreciation expenditure of \$17.546 million records the consumption of assets controlled by Council over the useful lives and provides an indication of what the level of expenditure on rehabilitation and renewal of existing assets is required annually.



STATEMENT OF FINANCIAL POSITION

Purpose: shows the assets and liabilities which make up community equity as at 30 June 2023. This Statement is outlined through the following sections:

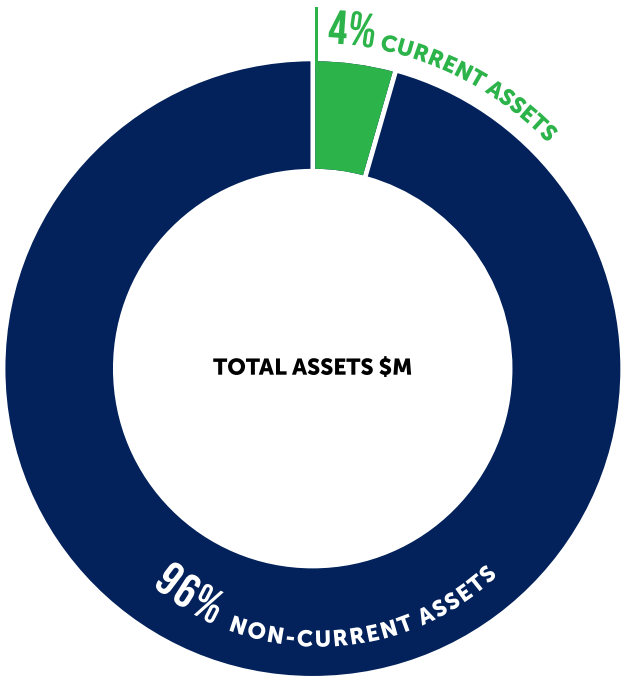
- Net Current Assets
- Total Assets
- Total Liabilities
- Total Cash and Cash Equivalents

Net Current Assets

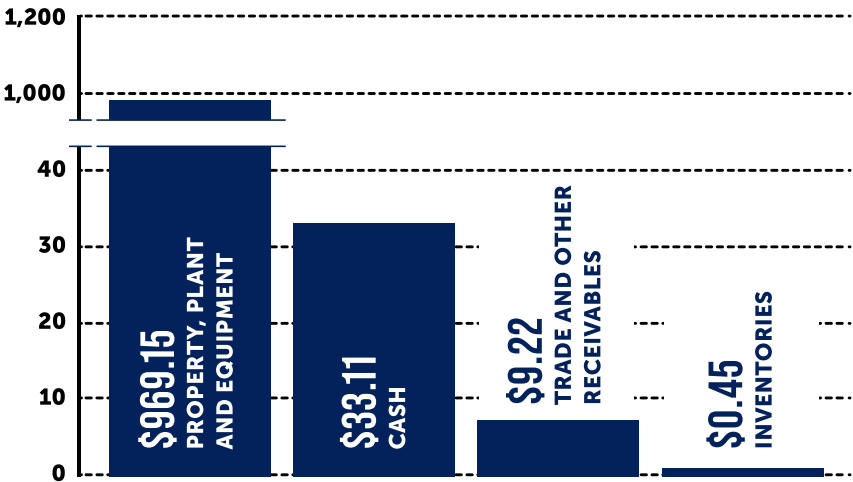
Council’s net current assets (that is current assets less current liabilities) are \$30.317 million for 2022-23. Current assets and liabilities are those which are likely to be turned over during the next financial year.

Total Assets

Councils total assets are made up of current assets of \$42.779 million and non-current assets of \$969.150 million giving a total of \$1,011.929 million. The non-current assets are infrastructure assets such as roads, bridges, water and wastewater facilities.



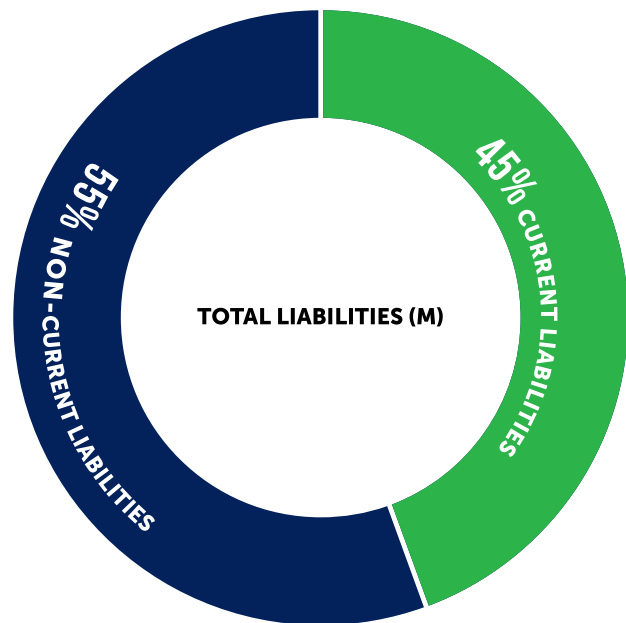
2022-23 ASSET TYPES (\$M)



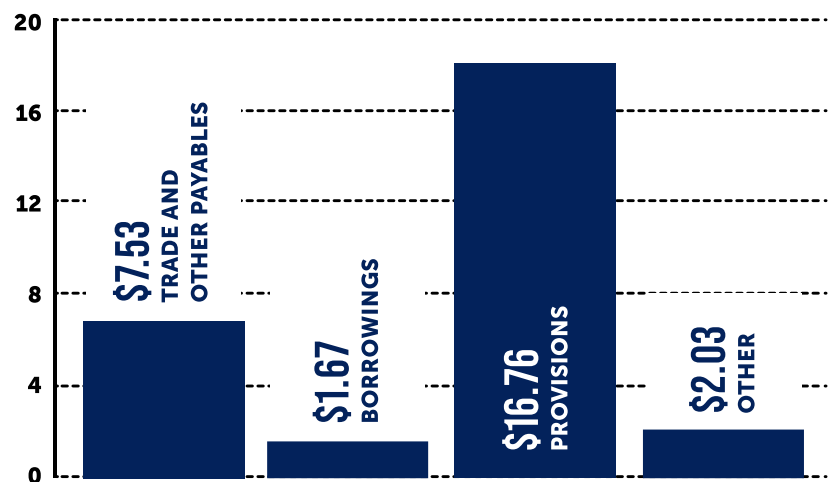
Total Liabilities

Council's total liabilities are made up of current liabilities of \$12.461 million and non-current liabilities of \$15.530 million, giving a total of \$27.991 million.

Borrowings are made up of \$0.155 million in current obligations and \$1.513 million in non-current obligations. Similarly, provisions are made up of \$4.060 million current and \$12.702 million non-current. The non-current provisions are primarily allocated to the future restoration of Council's waste management facilities, and Council's gravel quarries.



2022-23 LIABILITIES (\$M)

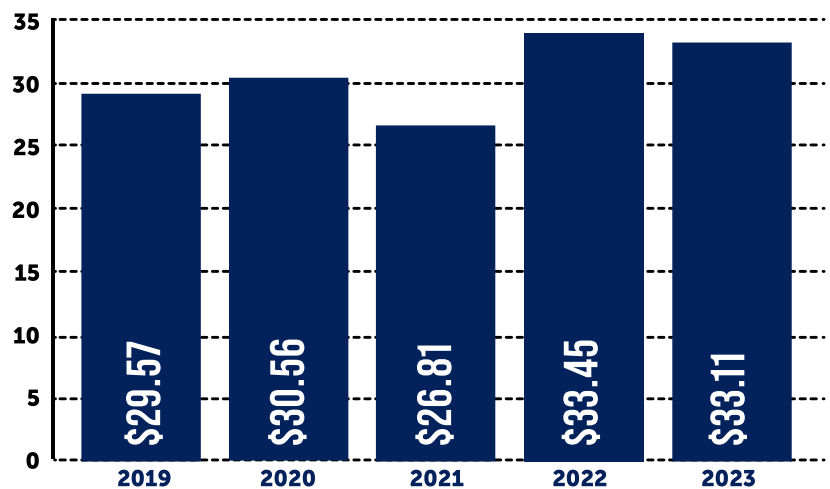


Total Cash and Cash Equivalents

Council delivered \$18.821 million in projects in the 2022-23 financial year. Council had similar cash reserves when compared to 2021-22 and maintained a sufficient cash position at the end of 2022-23 with cash and cash equivalents/financial assets totalling \$33.1 million. After considering externally imposed expenditure restrictions at the 30 June 2023, there was \$16.5 million in unrestricted cash.

Overall Council has taken significant management action to manage costs and enhance its cash position.

CASH POSITION BY YEAR: FIVE-YEAR TREND (\$M)



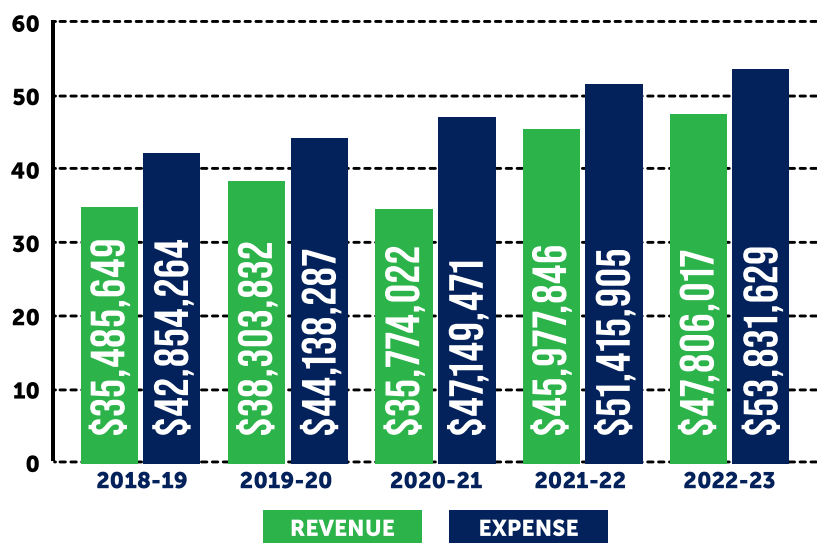
This document is an exact extract from North Burnett Regional Council's 2022-2023 Annual Report, pages 52 - 58. Further details can be found within the full Annual Report.

COMPARATIVE TREND ANALYSIS: REVENUE AND EXPENSES

The Expenses against Revenue chart depicts Council's operational revenues and expenditure performance over the last five years. This comparative information demonstrates how Council has performed over a longer period of time.

It should be noted on an operational basis Council is making a loss, where our expenses are exceeding our income. The income figures do not include capital income received as grants nor does it include any gain/ (loss) on disposal of assets.

EXPENSES AGAINST REVENUE: FIVE-YEAR TREND



2022-23 FINANCIAL RATIO SUMMARY

Purpose: Council is required to outline the following relevant measures of financial sustainability. This Summary is outlined through the following sections:

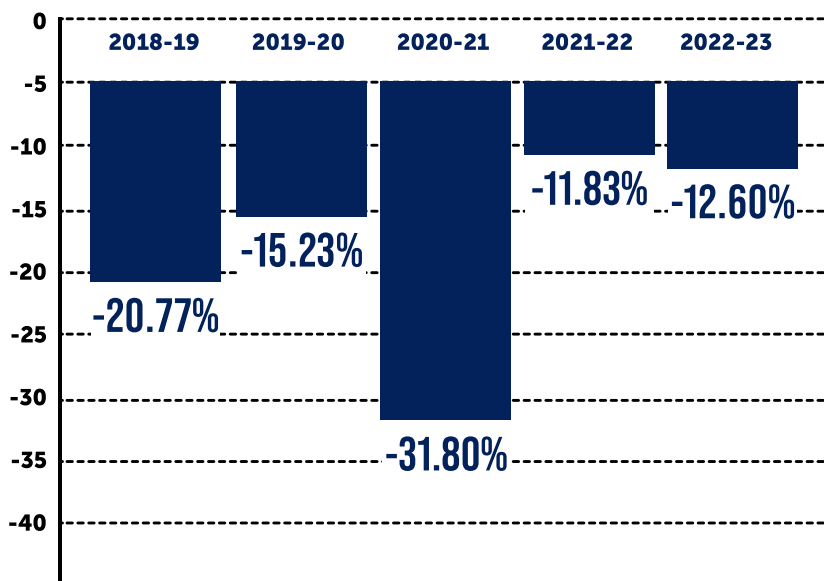
- Operating Surplus Ratio
- Net Financial Liabilities Ratio
- Asset Sustainability Ratio

Operating Surplus Ratio

Target between 0 and 10%

The operating surplus ratio measures the extent to which revenues raised (to cover operating expenses) are available for capital funding and other purposes. It is calculated as net operating result (presented in the income statement) divided by operating revenue. A positive ratio indicates that surplus revenue is available. A negative ratio indicates an operating deficit. In 2022-23, there was a similar ratio as compared to 2021-22.

OPERATING SURPLUS (DEFICIT) RATIO%

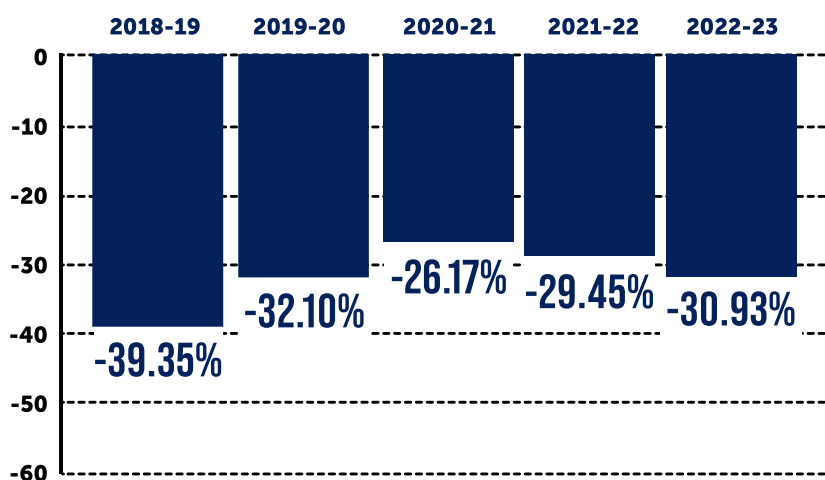


Net Financial Liabilities Ratio

Target is not greater than 60%

The net financial liabilities ratio indicates the extent to which operating revenues (including grants and subsidies) can cover net financial liabilities (usually loans and leases). The ratio determines how well placed we are to pay our financial liabilities out of current operating revenue and is calculated as the value of net financial liabilities (assets) divided by operating revenue. Net financial liabilities (assets) are calculated as total liabilities minus current assets, and a negative measure means that our current assets exceed total liabilities.

NET FINANCIAL LIABILITIES (ASSETS) RATIO%



Asset Sustainability Ratio

Target is greater than 90%

The asset sustainability ratio is an approximation of the extent to which the property, plant and equipment assets that we manage are being replaced as they reach the end of their useful lives. In previous years there has been a significant increase in capital outlays as a result of natural disasters. In 2022-23, Council invested millions of Council and external funding directly back into community assets like roads and bridges.

ASSET SUSTAINABILITY RATIO%

