



# PORT STEPHENS

## C O U N C I L

### SUPPLEMENTARY INFORMATION

ORDINARY COUNCIL MEETING  
8 SEPTEMBER 2020



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## COUNCIL REPORTS

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Nb. Bold Items have not been previously received or viewed by Councillors.



## SUPPLEMENTARY INFORMATION

ITEM NO. 4

FILE NO: 20/275698  
EDRMS NO: PSC2005-4217

### 2019-2020 GENERAL PURPOSE FINANCIAL REPORTS

REPORT OF: TIM HAZELL - FINANCIAL SERVICES SECTION MANAGER  
GROUP: CORPORATE SERVICES

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#### RECOMMENDATION IS THAT COUNCIL:

- 1) Ratify the referring of the draft 2019-2020 General Purpose financial reports for audit.
- 2) Sign the statement on the General Purpose financial reports.

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#### BACKGROUND

The purpose of this report is provide Councillors with an extract of the General Purpose Financial Reports for 2019-2020.

#### ISSUES

No issues have been identified.

#### ATTACHMENTS

- 1) Primary 2019-2020 General Purpose Financial Statements. [↓](#)

**ITEM 4 - ATTACHMENT 1  
FINANCIAL STATEMENTS.**

**PRIMARY 2019-2020 GENERAL PURPOSE**

**Port Stephens Council**

**Income Statement**

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019 <sup>1</sup>
	<b>Income from continuing operations</b>			
59,087	Rates and annual charges	3a	59,812	57,652
41,682	User charges and fees	3b	41,465	44,698
2,503	Other revenues	3c	2,877	6,596
12,339	Grants and contributions provided for operating purposes	3d,3e	12,837	11,918
5,866	Grants and contributions provided for capital purposes	3d,3e	24,318	21,312
1,421	Interest and investment income	4	884	1,451
250	Net gains from the disposal of assets	6	—	278
787	Fair value increment on investment properties	12	13	3,592
3,794	Rental income	15e	4,154	—
—	Net share of interests in joint ventures and associates using the equity method		540	—
127,729	<b>Total income from continuing operations</b>		<b>146,900</b>	<b>147,497</b>
	<b>Expenses from continuing operations</b>			
46,786	Employee benefits and on-costs	5a	49,812	47,553
767	Borrowing costs	5b	797	705
40,103	Materials and contracts	5c	39,023	38,120
16,003	Depreciation and amortisation	5d	17,073	14,683
14,387	Other expenses	5e	18,122	18,058
—	Net losses from the disposal of assets	6	2,570	—
—	Revaluation decrement / impairment of IPP&E	5d	—	3,174
118,046	<b>Total expenses from continuing operations</b>		<b>127,397</b>	<b>122,293</b>
9,683	<b>Operating result from continuing operations</b>		<b>19,503</b>	<b>25,204</b>
9,683	<b>Net operating result for the year</b>		<b>19,503</b>	<b>25,204</b>
	<b>Attributable to:</b>			
9,683	- Council		19,503	25,204
—	- non-controlling interests		—	—
3,817	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(4,815)</b>	<b>3,892</b>

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Income Statement should be read in conjunction with the accompanying notes.

# **ITEM 4 - ATTACHMENT 1      PRIMARY 2019-2020 GENERAL PURPOSE FINANCIAL STATEMENTS.**

## **Port Stephens Council**

### **Statement of Comprehensive Income**

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		19,503	25,204
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	11(a)	(4,503)	8,951
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(4,503)</b>	<b>8,951</b>
<b>Total other comprehensive income for the year</b>		<b>(4,503)</b>	<b>8,951</b>
<b>Total comprehensive income for the year</b>		<b>15,000</b>	<b>34,155</b>
Attributable to			
- Council		15,000	34,155
- non-controlling interests		—	—

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**ITEM 4 - ATTACHMENT 1**  
**FINANCIAL STATEMENTS.**

**PRIMARY 2019-2020 GENERAL PURPOSE**

**Port Stephens Council**

**Statement of Financial Position**

as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7(a)	16,525	13,948
Investments	7(b)	22,913	35,067
Receivables	8	8,468	8,914
Inventories	9a	5,149	5,162
Other	9b	946	610
<b>Total current assets</b>		<b>54,001</b>	<b>63,701</b>
<b>Non-current assets</b>			
Investments	7(b)	3,939	1,222
Receivables	8	172	188
Inventories	9a	9,820	10,030
Infrastructure, property, plant and equipment	11(a)	1,001,620	960,971
Investment property	12	37,575	35,550
Intangible Assets	13	5,835	6,149
Right of use assets	15a	4,740	—
Investments accounted for using the equity method		540	—
Other	9b	37	1,774
<b>Total non-current assets</b>		<b>1,064,278</b>	<b>1,015,884</b>
<b>Total assets</b>		<b>1,118,279</b>	<b>1,079,585</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	16	14,536	14,345
Contract liabilities	14b	2,513	—
Lease liabilities	15b	794	—
Borrowings	16	3,332	4,464
Provisions	17	16,566	17,067
<b>Total current liabilities</b>		<b>37,741</b>	<b>35,876</b>
<b>Non-current liabilities</b>			
Payables	16	3,280	—
Lease liabilities	15b	4,069	—
Borrowings	16	29,515	15,064
Provisions	17	771	742
<b>Total non-current liabilities</b>		<b>37,635</b>	<b>15,806</b>
<b>Total liabilities</b>		<b>75,376</b>	<b>51,682</b>
<b>Net assets</b>		<b>1,042,903</b>	<b>1,027,903</b>
<b>EQUITY</b>			
Accumulated surplus	18	639,686	618,886
Revaluation reserves	18	403,217	409,017
<b>Council equity interest</b>		<b>1,042,903</b>	<b>1,027,903</b>
<b>Total equity</b>		<b>1,042,903</b>	<b>1,027,903</b>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



**ITEM 4 - ATTACHMENT 1  
FINANCIAL STATEMENTS.**

**PRIMARY 2019-2020 GENERAL PURPOSE**

**Port Stephens Council**

**Statement of Cash Flows**

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
58,559	Rates and annual charges		59,588	57,360
41,682	User charges and fees		44,342	47,184
1,421	Investment and interest revenue received		1,262	1,284
16,063	Grants and contributions		33,183	23,646
–	Bonds, deposits and retention amounts received		281	133
6,297	Other		13,470	11,774
<i>Payments:</i>				
(48,815)	Employee benefits and on-costs		(48,826)	(47,166)
(40,133)	Materials and contracts		(42,602)	(39,120)
(767)	Borrowing costs		(796)	(702)
(10,255)	Other		(19,658)	(24,151)
24,052	<b>Net cash provided (or used in) operating activities</b>	19b	<b>40,244</b>	<b>30,242</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investment securities		35,084	32,950
–	Sale of real estate assets		–	2,255
250	Sale of infrastructure, property, plant and equipment		2,095	1,204
<i>Payments:</i>				
–	Purchase of investment securities		(25,736)	(27,997)
–	Purchase of investment property		(2,012)	(491)
(21,138)	Purchase of infrastructure, property, plant and equipment		(59,292)	(27,324)
–	Purchase of real estate assets		(185)	(263)
–	Purchase of intangible assets		(193)	(2,150)
(20,888)	<b>Net cash provided (or used in) investing activities</b>		<b>(50,239)</b>	<b>(21,816)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
6,500	Proceeds from borrowings and advances		18,100	–
<i>Payments:</i>				
(3,302)	Repayment of borrowings and advances		(4,782)	(4,306)
–	Lease liabilities (principal repayments)		(742)	–
3,198	<b>Net cash flow provided (used in) financing activities</b>		<b>12,576</b>	<b>(4,306)</b>
6,362	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,581</b>	<b>4,120</b>
13,948	Plus: cash and cash equivalents – beginning of year	19a	13,948	9,828
20,310	<b>Cash and cash equivalents – end of the year</b>	19a	<b>16,529</b>	<b>13,948</b>
36,289	plus: Investments on hand – end of year	7(b)	26,852	36,289
56,599	<b>Total cash, cash equivalents and investments</b>		<b>43,381</b>	<b>50,237</b>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**ITEM 4 - ATTACHMENT 1  
FINANCIAL STATEMENTS.**

**PRIMARY 2019-2020 GENERAL PURPOSE**

**Port Stephens Council**

**Statement of Changes in Equity  
for the year ended 30 June 2020**

		as at 30/06/20			as at 30/06/19		
	Notes	Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
\$ '000							
Opening balance		618,886	409,017	1,027,903	593,330	400,418	993,748
Changes due to AASB 1058 and AASB 15 adoption	18c-ii	-	-	-	-	-	-
Changes due to AASB 16 adoption	18c-iii	-	-	-	-	-	-
<b>Restated opening balance</b>		<b>618,886</b>	<b>409,017</b>	<b>1,027,903</b>	<b>593,330</b>	<b>400,418</b>	<b>993,748</b>
Net operating result for the year		19,503	-	19,503	25,204	-	25,204
<b>Restated net operating result for the period</b>		<b>19,503</b>	<b>-</b>	<b>19,503</b>	<b>25,204</b>	<b>-</b>	<b>25,204</b>
Other comprehensive income		-	(4,503)	(4,503)	-	8,951	8,951
- Gain (loss) on revaluation of IPP&E	11(a)	-	(4,503)	(4,503)	-	8,951	8,951
<b>Other comprehensive income</b>		<b>19,503</b>	<b>(4,503)</b>	<b>15,000</b>	<b>25,204</b>	<b>8,951</b>	<b>34,155</b>
<b>Total comprehensive income</b>		<b>1,297</b>	<b>(1,297)</b>	<b>-</b>	<b>352</b>	<b>(352)</b>	<b>-</b>
Transfers between equity items		639,686	403,217	1,042,903	618,886	409,017	1,027,903
<b>Equity - balance at end of the reporting period</b>		<b>639,686</b>	<b>403,217</b>	<b>1,042,903</b>	<b>618,886</b>	<b>409,017</b>	<b>1,027,903</b>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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