



# Monthly Financial Report

December 2019



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## 1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 December 2019. The year to date and annual revised budget referred to in this report incorporates the changes from the budget capital carryovers adopted by Council on 28 August 2019.

### Key Financial Highlights and Overview

Key Financial Results (\$'000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	195	5,275	<b>7,592</b>	2,317	44%	✓
Recurrent Revenue	297,572	150,391	<b>149,648</b>	(743)	0%	✗
Recurrent Expenditure	297,377	145,116	<b>142,056</b>	(3,060)	-2%	✓
Capital Works Expenditure	81,285	38,437	<b>31,655</b>	(6,782)	-18%	✓
Closing Cash & Cash Equivalents	167,928	157,771	<b>161,259</b>	3,488	2%	✓

Council reported a year to date operating surplus of \$7.59M which is favourable to the revised budget by \$2.32M mainly due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to underspend in contractor costs as well as depreciation behind budget due to timing of asset capitalisations.

Operating grants, subsidies and contributions are behind budget mainly due to timing of grant revenue recognition. Of note, interest income is lower than budget due to historically low interest rates on investments.

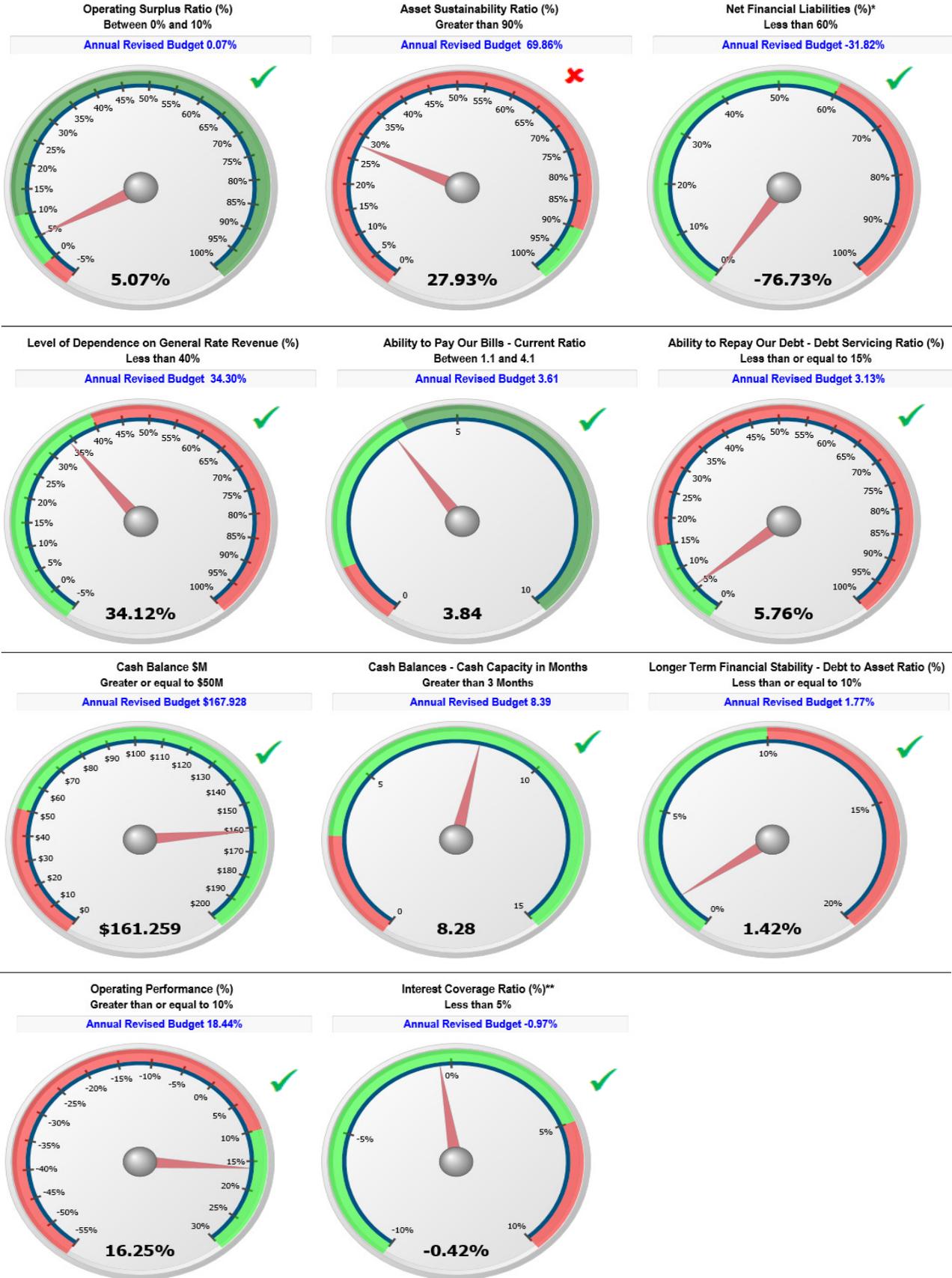
Council's capital works expenditure is below budget by \$6.78M due to timing of works for a number of infrastructure projects and assets acquisition.

Constrained cash reserves represent 66% of the cash balance.

The annual revised budgeted balances for 2019/2020 include the changes from the budget carryovers adopted by Council on 28 August 2019. However, until the first budget review is adopted by Council, the balances will reconcile to the financial management system and may be different to the published carryover budget.

## 2. KEY PERFORMANCE INDICATORS

■ Target met 
 ■ Target exceeded 
 ■ Target not met



\* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

\*\* The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

The annual revised budgeted targets for 2019/2020 include the changes from the budget carryovers adopted by Council on 28 August 2019. Until the first budget review is adopted by Council, the targets have been calculated in accordance with financial management system, therefore may be different to the published carryover budget.

### 3. STATEMENT OF COMPREHENSIVE INCOME

#### STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 December 2019

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Recurrent revenue</b>					
Rates charges	104,953	104,953	52,245	52,482	237
Levies and utility charges	152,328	152,328	76,400	76,515	115
Less: Pensioner remissions and rebates	(3,333)	(3,333)	(1,678)	(1,669)	9
Fees	14,632	14,632	7,358	7,144	(214)
Rental income	925	925	465	521	56
Interest received	5,231	5,231	2,491	1,802	(689)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,856	1,798	1,628	(170)
Other income	525	525	364	910	546
Grants, subsidies and contributions	18,456	18,456	10,948	10,315	(633)
<b>Total recurrent revenue</b>	<b>297,572</b>	<b>297,572</b>	<b>150,391</b>	<b>149,648</b>	<b>(743)</b>
<b>Recurrent expenses</b>					
Employee benefits	90,372	90,372	45,673	45,485	(188)
Materials and services	140,138	140,138	65,976	64,258	(1,718)
Finance costs	2,809	2,809	1,403	1,354	(49)
Depreciation and amortisation	65,279	65,279	32,639	31,603	(1,036)
Other expenditure	514	514	292	165	(127)
Net internal costs	(1,735)	(1,735)	(867)	(809)	58
<b>Total recurrent expenses</b>	<b>297,377</b>	<b>297,377</b>	<b>145,116</b>	<b>142,056</b>	<b>(3,060)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>195</b>	<b>195</b>	<b>5,275</b>	<b>7,592</b>	<b>2,317</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	24,492	25,436	11,924	12,269	345
Non-cash contributions	3,480	3,480	1,737	1,019	(718)
<b>Total capital revenue</b>	<b>27,973</b>	<b>28,916</b>	<b>13,661</b>	<b>13,288</b>	<b>(373)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	112	112	45	720	675
<b>Total capital expenses</b>	<b>112</b>	<b>112</b>	<b>45</b>	<b>720</b>	<b>675</b>
<b>TOTAL INCOME</b>	<b>325,545</b>	<b>326,488</b>	<b>164,052</b>	<b>162,936</b>	<b>(1,116)</b>
<b>TOTAL EXPENSES</b>	<b>297,489</b>	<b>297,489</b>	<b>145,161</b>	<b>142,776</b>	<b>(2,385)</b>
<b>NET RESULT</b>	<b>28,056</b>	<b>28,999</b>	<b>18,891</b>	<b>20,160</b>	<b>1,269</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>28,056</b>	<b>28,999</b>	<b>18,891</b>	<b>20,160</b>	<b>1,269</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 December 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	26,968	26,968	13,409	13,094	(315)
SES separate charge	487	487	243	242	(1)
Environment separate charge	8,721	8,721	4,346	4,341	(5)
Separate charge landfill remediation	2,896	2,896	1,443	1,442	(1)
Wastewater charges	46,347	46,347	23,112	22,667	(445)
Water access charges	19,105	19,105	9,510	9,497	(13)
Water consumption charges	47,804	47,804	24,337	25,232	895
<b>Total levies and utility charges</b>	<b>152,328</b>	<b>152,328</b>	<b>76,400</b>	<b>76,515</b>	<b>115</b>

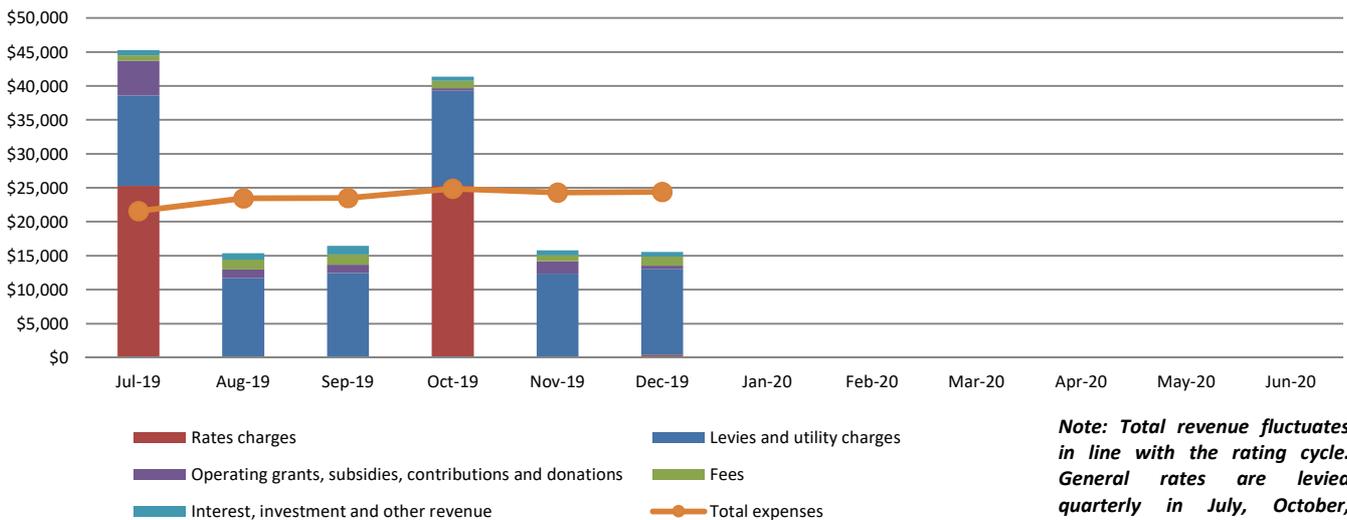
#### MATERIALS AND SERVICES ANALYSIS For the period ending 31 December 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Materials and services</b>					
Contractors	41,225	40,867	17,649	16,790	(859)
Consultants	3,291	3,493	1,357	741	(616)
Other Council outsourcing costs*	17,527	17,662	8,571	8,389	(182)
Purchase of materials	50,161	50,575	24,618	24,840	222
Office administration costs	11,357	11,218	5,539	5,681	142
Electricity charges	6,138	5,814	2,980	2,736	(244)
Plant operations	3,873	3,873	1,825	2,069	244
Information technology resources	3,080	3,073	1,582	1,308	(274)
General insurance	1,195	1,195	604	598	(6)
Community assistance**	1,649	1,729	927	777	(150)
Other material and service expenses	642	639	324	329	5
<b>Total materials and services</b>	<b>140,138</b>	<b>140,138</b>	<b>65,976</b>	<b>64,258</b>	<b>(1,718)</b>

\* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)



**Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.**

## 4. STATEMENT OF FINANCIAL POSITION

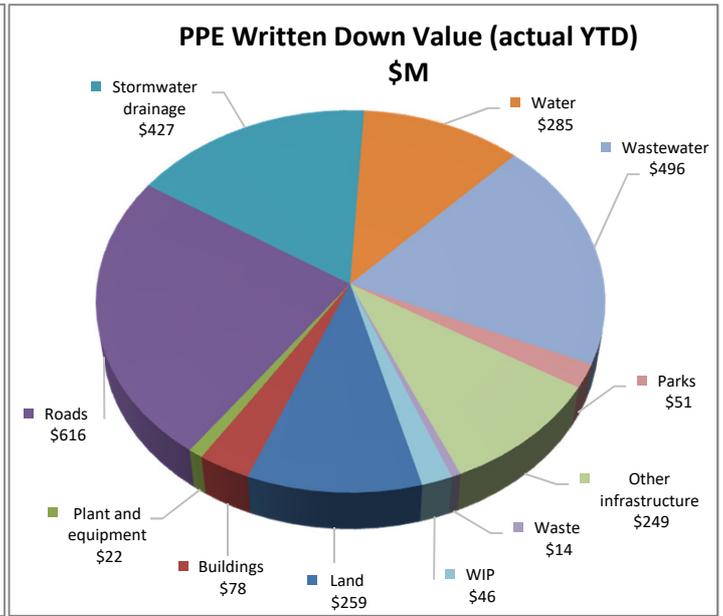
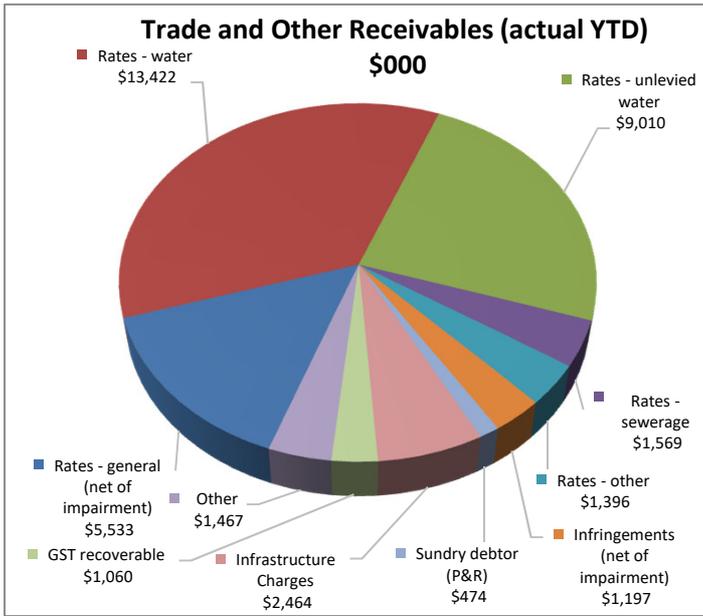
### STATEMENT OF FINANCIAL POSITION As at 31 December 2019

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	170,027	167,928	157,771	161,259
Trade and other receivables	30,532	34,609	35,256	37,592
Inventories	936	923	945	908
Non-current assets held for sale	-	-	-	11,113
Other current assets	1,765	2,340	2,340	5,146
<b>Total current assets</b>	<b>203,260</b>	<b>205,800</b>	<b>196,312</b>	<b>216,018</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,562,000	2,549,744	2,542,619
Intangible assets	968	712	1,187	1,501
Right-of-use assets*	8,278	8,278	8,884	8,991
Other financial assets	73	73	73	73
Investment in other entities	25,904	24,214	24,214	13,101
<b>Total non-current assets</b>	<b>2,591,706</b>	<b>2,596,368</b>	<b>2,585,193</b>	<b>2,567,376</b>
<b>TOTAL ASSETS</b>	<b>2,794,966</b>	<b>2,802,168</b>	<b>2,781,505</b>	<b>2,783,394</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	23,817	30,981	28,047	29,941
Borrowings - current	7,728	7,845	7,845	7,845
Lease liability - current*	1,039	1,039	1,039	1,051
Provisions - current	7,816	10,351	12,841	14,200
Other current liabilities	2,940	6,803	6,995	3,195
<b>Total current liabilities</b>	<b>43,340</b>	<b>57,019</b>	<b>56,767</b>	<b>56,232</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	33,400	33,283	22,461	22,517
Lease liability - non-current*	7,412	7,412	7,931	8,006
Provisions - non-current	14,752	13,409	13,409	14,431
<b>Total non-current liabilities</b>	<b>55,563</b>	<b>54,104</b>	<b>43,801</b>	<b>44,954</b>
<b>TOTAL LIABILITIES</b>	<b>98,904</b>	<b>111,123</b>	<b>100,568</b>	<b>101,186</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,696,062</b>	<b>2,691,045</b>	<b>2,680,937</b>	<b>2,682,208</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,003,168	1,008,120	1,008,120	1,008,120
Retained surplus	1,575,901	1,576,278	1,568,152	1,567,111
Constrained cash reserves	116,993	106,647	104,665	106,977
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,696,062</b>	<b>2,691,045</b>	<b>2,680,937</b>	<b>2,682,208</b>

\* From 1 July 2019, Australian Accounting Standard 16 Leases applies.

The annual revised budgeted balances for 2019/2020 include the changes from the budget carryovers adopted by Council on 28 August 2019. However, until the first budget review is adopted by Council, the balances will reconcile to the financial management system and may be different to the published carryover budget.

## 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT OF USE ASSETS For the period ending 31 December 2019

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
<b>Right of Use Asset</b>				
Buildings	3,491	3,491	3,801	<b>3,895</b>
Land	4,372	4,372	4,645	<b>4,646</b>
Plant and Equipment	415	415	438	<b>450</b>
<b>Closing balance</b>	<b>8,278</b>	<b>8,278</b>	<b>8,884</b>	<b>8,991</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\* For the period ending 31 December 2019

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
<b>PPE movement</b>				
Opening balance (includes WIP from previous years)	2,558,126	2,541,881	2,541,881	<b>2,541,881</b>
Acquisitions and WIP in year movement	61,912	84,764	40,174	<b>32,411</b>
Depreciation in year	(63,114)	(63,114)	(31,557)	<b>(30,568)</b>
Disposals	(1,531)	(1,531)	(754)	<b>(1,243)</b>
Other adjustments**	-	-	-	<b>138</b>
<b>Closing balance</b>	<b>2,555,393</b>	<b>2,562,000</b>	<b>2,549,744</b>	<b>2,542,619</b>

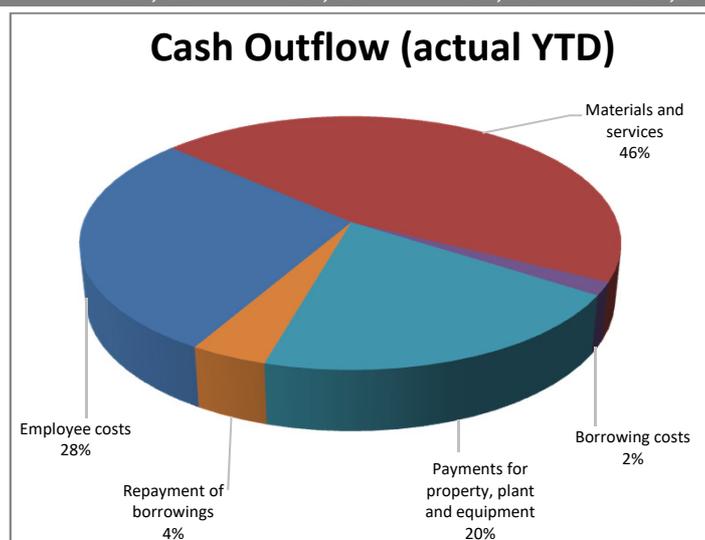
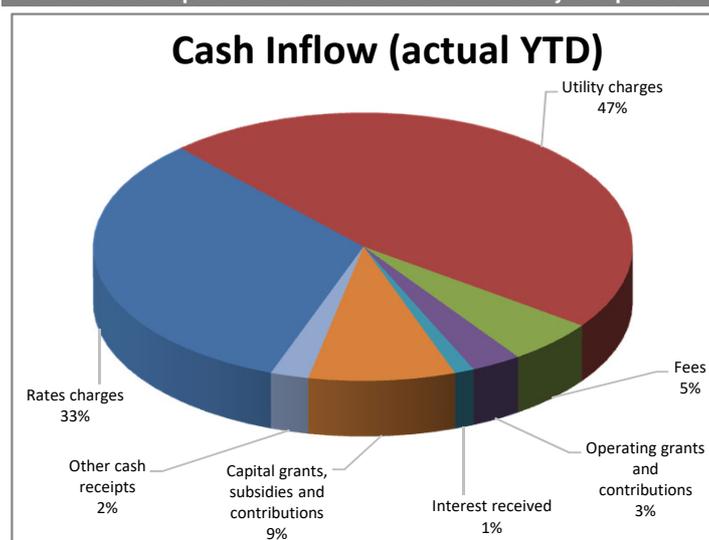
\* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 December 2019

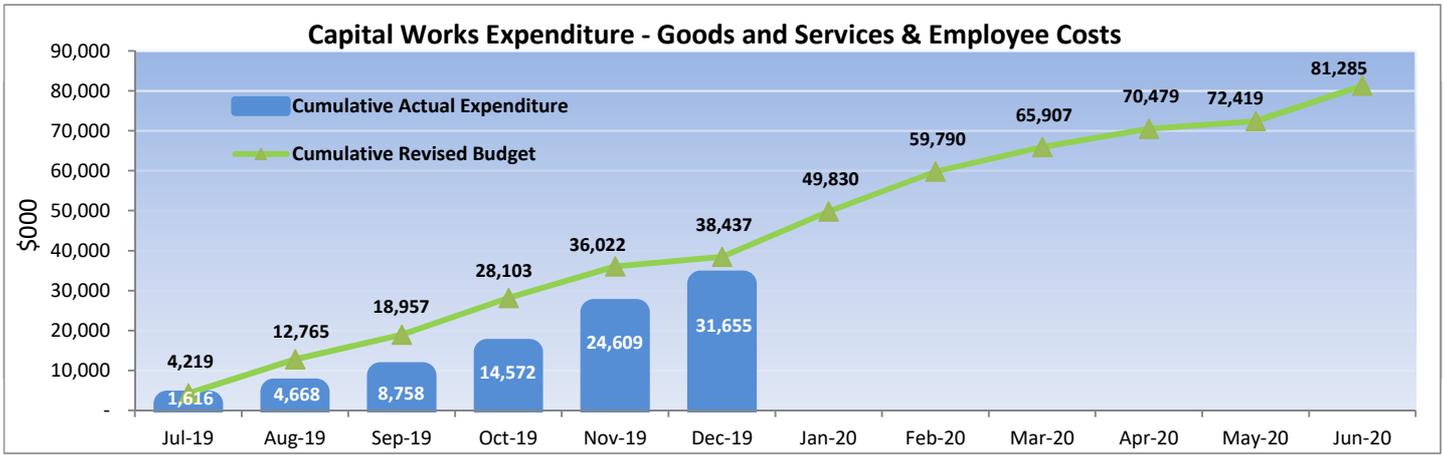
STATEMENT OF CASH FLOWS				
For the period ending 31 December 2019				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	272,371	272,371	135,130	132,522
Payments to suppliers and employees*	(237,536)	(237,536)	(119,639)	(114,250)
	<b>34,835</b>	<b>34,835</b>	<b>15,491</b>	<b>18,272</b>
Interest received	5,231	5,231	2,491	1,802
Dividend received	-	-	-	-
Rental income	925	925	465	521
Non-capital grants and contributions	16,097	16,097	8,994	4,619
Borrowing costs*	(2,480)	(2,480)	(2,468)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(133)	(131)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>54,342</b>	<b>54,342</b>	<b>24,840</b>	<b>22,667</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(58,432)	(78,599)	(35,752)	(31,043)
Payments for intangible assets	-	-	-	(264)
Proceeds from sale of property, plant and equipment	1,419	1,419	710	524
Capital grants, subsidies and contributions	24,492	25,436	11,924	13,443
Other cash flows from investing activities	-	-	-	(90)
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(32,521)</b>	<b>(51,744)</b>	<b>(23,118)</b>	<b>(17,430)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	9,800	9,800	-	-
Repayment of borrowings*	(5,527)	(5,527)	(5,527)	(5,531)
Right-of-use lease payment	(1,039)	(1,039)	(520)	(543)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>3,234</b>	<b>3,234</b>	<b>(6,047)</b>	<b>(6,074)</b>
<b>Net increase / (decrease) in cash held</b>	<b>25,055</b>	<b>5,832</b>	<b>(4,325)</b>	<b>(837)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>144,972</b>	<b>162,096</b>	<b>162,096</b>	<b>162,096</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>170,027</b>	<b>167,928</b>	<b>157,771</b>	<b>161,259</b>



<b>Total Cash Funding (Actual YTD)</b>	<b>153,431</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>154,268</b>
Total Cash Funding (Annual Revised Budget)	331,279	Total Cash Expenditure (Annual Revised Budget)	325,447
% of Budget Achieved YTD	46%	% of Budget Achieved YTD	47%

\* Reclassified amounts in original budget to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.

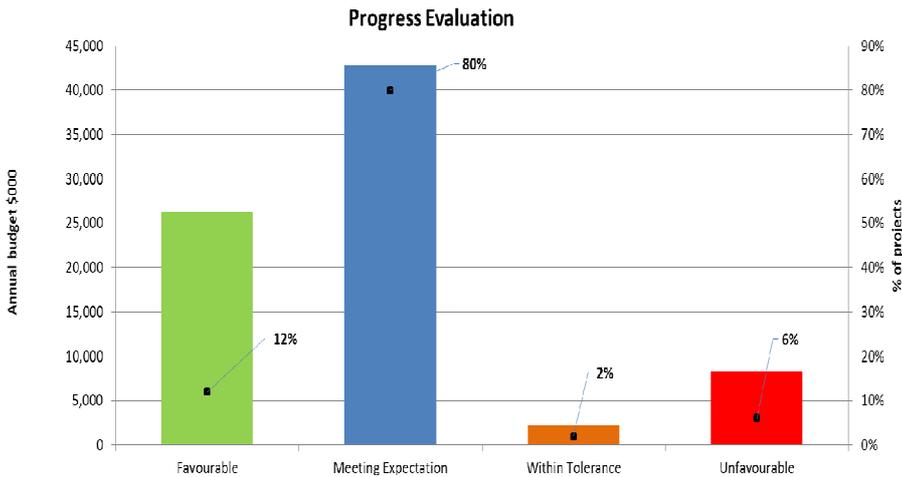
## 6. CAPITAL EXPENDITURE



	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	73,901	33,603	<b>28,318</b>	(5,285)
Capitalised employee costs	7,384	4,834	<b>3,337</b>	(1,497)
<b>Total</b>	<b>81,285</b>	<b>38,437</b>	<b>31,655</b>	<b>(6,782)</b>

## 7. PROGRAM AND PROJECT UPDATE

<span style="color: green;">■</span> Favourable (budget under/schedule on track)	<span style="color: blue;">■</span> Meeting expectations (budget and schedule on track)	<span style="color: orange;">■</span> Within tolerance (either budget and schedule not on track)	<span style="color: red;">■</span> Unfavourable (budget and schedule not on track)
----------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------



Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing more than 100 programs and projects.

## Notable Projects

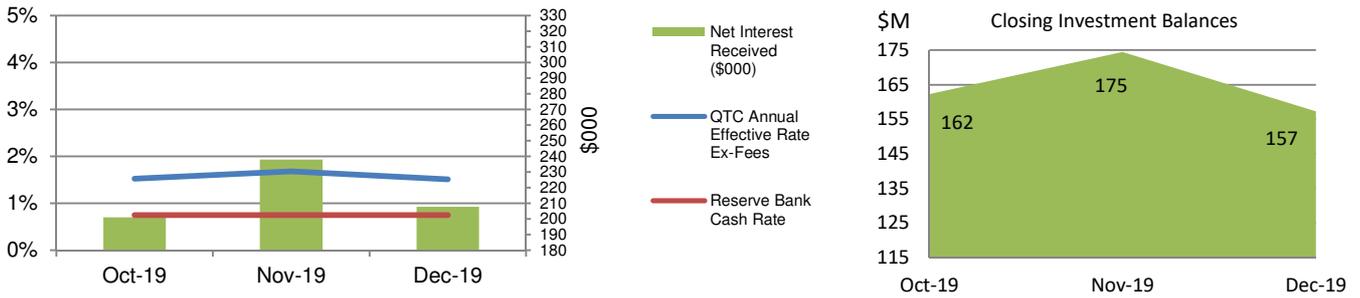
The status of two notable projects are as follows:

Project description	Progress
Revetment Wall Rock Armour Upgrade - This project is for the upgrade of the Binnacle Close revetment wall.	Meeting Expectations
William Street Breakwater Expansion - This project is for the design and re-construction of an existing breakwater at William Street boat harbour, Cleveland.	Favourable

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 December 2019

### INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



#### Total Investment at End of Month was \$157.29M

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

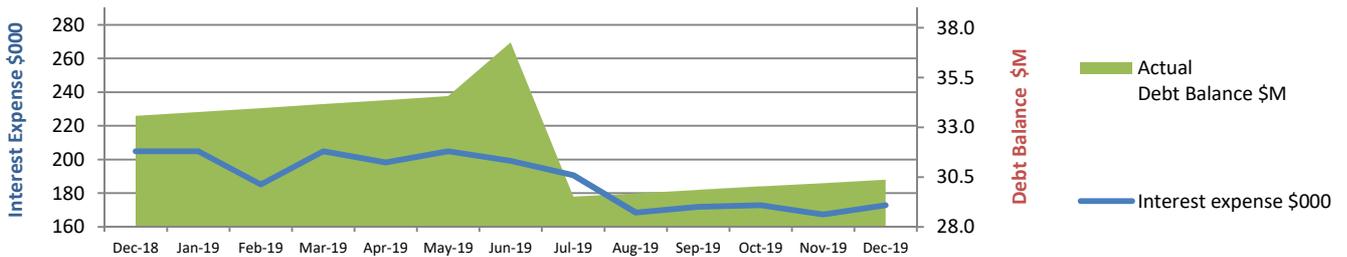
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.75% in the October 2019 sitting.

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC is 1.51%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its revised Investment Policy (POL-3013) in June 2019 for the 2019/2020 financial year

### BORROWINGS AND BORROWING COSTS (QTC)



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, debt repayment of \$7.95M, being \$5.53M principal and \$2.42M interest has been made *annually* for 2019/2020 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment (ADSP) was made during July 2019. Interest will accrue monthly on a daily balance until next ADSP in July 2020 which is reflected in the increasing debt balance.

#### Total Borrowings at End of Month were \$30.36M

General pool allocated to capital works is 99.66% and 0.34% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2019 for the 2019/2020 financial year

## 9. CONSTRAINED CASH RESERVES

Reserves as at 31 December 2019	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,542	305	(1)	1,846
Waste Levy Reserve	To fund Waste Levy Program	-	4,646	(2,209)	2,437
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,766	1,523	(1,861)	1,428
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	13	(2)	11
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	1,524	(1,007)	4,589
		<b>7,380</b>	<b>8,011</b>	<b>(5,080)</b>	<b>10,311</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	1,636	(662)	8,872
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	258	-	2,809
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	286	-	14,559
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	1,428	(200)	12,642
Constrained Works Res-Cap Grants & Contribs	Unexpended capital grants and contributions received for specific projects	327	-	(327)	0
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,680	3,620	(4,022)	33,278
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	1,257	(2,013)	11,700
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	641	-	10,637
Constrained Works Res-Opr Grants & Contribs	Unexpended operating grants and contributions received for specific projects	224	-	-	224
Tree Planting Reserve	Acquisition and planting of trees on footpaths	85	38	(22)	101
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		<b>93,046</b>	<b>9,164</b>	<b>(7,246)</b>	<b>94,964</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	1,457	-	(1,457)	0
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	4,341	(3,447)	894
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	242	(327)	(46)
		<b>1,496</b>	<b>4,583</b>	<b>(5,231)</b>	<b>848</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	754	2	-	756
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	428	2	-	430
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	-	-	219
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		<b>850</b>	<b>4</b>	<b>-</b>	<b>854</b>
<b>TOTALS</b>		<b>102,772</b>	<b>21,762</b>	<b>(17,557)</b>	<b>106,977</b>
				Closing cash and cash equivalents	<b>161,259</b>
				Reserves as percentage of cash balance	<b>66%</b>

## 10. REDLAND WATER STATEMENTS

<b>REDLAND WATER SUMMARY OPERATING STATEMENT</b>					
<b>For the period ending 31 December 2019</b>					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	116,436	116,436	58,470	<b>58,998</b>	528
Total expenses	66,474	66,473	33,103	<b>33,168</b>	65
Earnings before interest, tax and depreciation (EBITD)	49,963	49,963	25,367	<b>25,830</b>	463
External interest expense	136	136	68	<b>68</b>	-
Internal interest expense	14,867	14,867	7,433	<b>7,433</b>	-
Depreciation	23,823	23,823	11,911	<b>12,057</b>	146
<b>Operating surplus / (deficit)</b>	<b>11,136</b>	<b>11,136</b>	<b>5,955</b>	<b>6,272</b>	<b>317</b>

<b>REDLAND WATER CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 31 December 2019</b>					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	2,537	2,537	1,269	<b>1,714</b>	445
Net transfer (to) / from constrained capital reserves	(1,982)	295	(959)	<b>(1,509)</b>	(550)
Non-cash contributions	3,399	3,399	1,699	<b>233</b>	(1,466)
Funding from utility revenue	4,172	7,576	2,347	<b>859</b>	(1,488)
<b>Total sources of capital funding</b>	<b>8,126</b>	<b>13,807</b>	<b>4,356</b>	<b>1,297</b>	<b>(3,059)</b>
Contributed assets	3,399	3,399	1,699	<b>217</b>	(1,482)
Capitalised expenditure	4,179	9,859	2,383	<b>839</b>	(1,544)
Loan redemption	549	549	274	<b>241</b>	(33)
<b>Total application of capital funds</b>	<b>8,126</b>	<b>13,807</b>	<b>4,356</b>	<b>1,297</b>	<b>(3,059)</b>

## 11. REDWASTE STATEMENTS

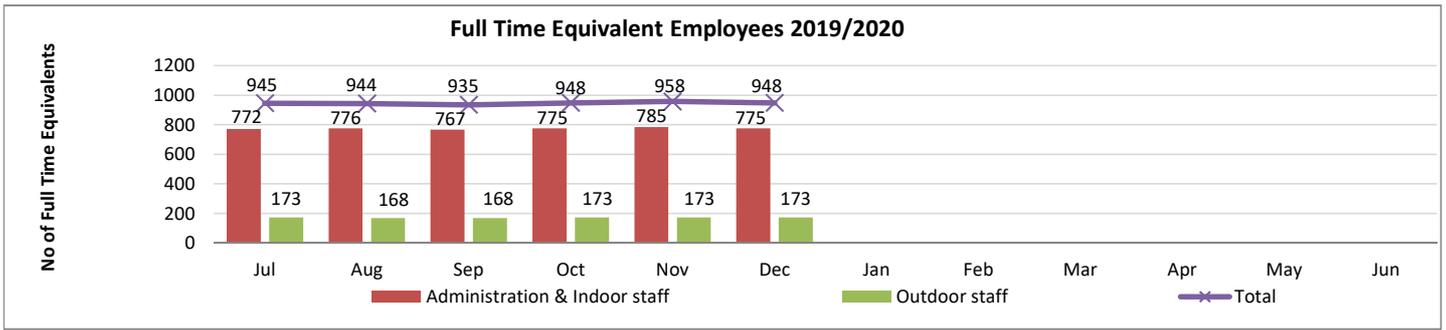
<b>REDWASTE OPERATING STATEMENT</b>					
<b>For the period ending 31 December 2019</b>					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	33,701	33,701	18,994	<b>18,877</b>	(117)
Total expenses	26,197	26,197	13,130	<b>12,321</b>	(809)
Earnings before interest, tax and depreciation (EBITD)	7,504	7,504	5,864	<b>6,556</b>	692
External interest expense	31	31	15	<b>14</b>	(1)
Depreciation	278	278	139	<b>149</b>	10
<b>Operating surplus / (deficit)</b>	<b>7,195</b>	<b>7,195</b>	<b>5,710</b>	<b>6,393</b>	<b>683</b>

<b>REDWASTE CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 31 December 2019</b>					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	746	746	425	<b>389</b>	(36)
<b>Total sources of capital funding</b>	<b>746</b>	<b>746</b>	<b>425</b>	<b>389</b>	<b>(36)</b>
Capitalised expenditure	608	608	304	<b>282</b>	(22)
Loan redemption	138	138	121	<b>107</b>	(14)
<b>Total application of capital funds</b>	<b>746</b>	<b>746</b>	<b>425</b>	<b>389</b>	<b>(36)</b>

## 12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

### Workforce Reporting



December 2019: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO	7	33	7	47	
Organisational Services	8	210	18	236	
Community and Customer Services	34	277	79	390	
Infrastructure and Operations	14	341	18	373	
<b>Total</b>	<b>63</b>	<b>861</b>	<b>122</b>	<b>1,046</b>	

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

### Overdue Rates Debtors

Days Overdue	Dec-19	% Overdue	Dec-18	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$115	0.0%	\$39	0.0%	\$76	0.0%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$4,256,530	3.0%	\$3,980,475	2.9%	\$276,055	0.1%	
61 - 90	\$476	0.0%	\$157	0.0%	\$319	0.0%	
91 - 180	\$1,831,709	1.3%	\$1,864,862	1.4%	-\$33,153	-0.1%	
>180	\$3,784,995	2.7%	\$3,697,187	2.7%	\$87,808	0.0%	
<b>Total</b>	<b>\$9,873,825</b>	<b>7.0%</b>	<b>\$9,542,720</b>	<b>7.0%</b>	<b>\$331,105</b>	<b>0.0%</b>	

## 13. GLOSSARY

### Key Terms

#### Written Down Value:

This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.

#### Work In Progress:

This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.

### Definition of Ratios

#### Operating Surplus Ratio\*:

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes

Net Operating Surplus

Total Operating Revenue

#### Asset Sustainability Ratio\*:

This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)

Depreciation Expenditure on Infrastructure Assets

#### Net Financial Liabilities\*:

This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues

Total Liabilities - Current Assets

Total Operating Revenue

#### Level of Dependence on General Rate Revenue:

This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)

General Rates - Pensioner Remissions

Total Operating Revenue - Gain on Sale of Developed Land

#### Current Ratio:

This measures the extent to which Council has liquid assets available to meet short term financial obligations

Current Assets

Current Liabilities

#### Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense\*\* + Loan Redemption

Total Operating Revenue - Gain on Sale of Developed Land

#### Cash Balance - \$M:

Cash balance includes cash on hand, cash at bank and other short term investments.

Cash Held at Period End

#### Cash Capacity in Months:

This provides an indication as to the number of months cash held at period end would cover operating cash outflows

Cash Held at Period End

[[Cash Operating Costs + Interest Expense] / Period in Year]

#### Longer Term Financial Stability - Debt to Asset Ratio:

This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets

Current and Non-current Debt\*\*

Total Assets

#### Operating Performance:

This ratio provides an indication of Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

#### Interest Coverage Ratio:

This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges

Net Interest Expense on Debt Service\*\*\*

Total Operating Revenue

\* These targets are set to be achieved on average over the longer term and therefore are not necessarily expected to be met on a monthly basis.

\*\* Debt includes lease liabilities.

\*\*\* Interest expense includes interest on leases.