



# Monthly Financial Report

January 2020



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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 January 2020. 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	21,907	<b>24,754</b>	2,847	13%	✓
Recurrent Revenue	297,572	192,391	<b>190,694</b>	(1,697)	-1%	✗
Recurrent Expenditure	297,377	170,484	<b>165,940</b>	(4,544)	-3%	✓
Capital Works Expenditure	81,285	43,018	<b>34,599</b>	(8,419)	-20%	✓
Closing Cash & Cash Equivalents	167,928	159,202	<b>155,231</b>	(3,971)	-2%	✗

Council reported a year to date operating surplus of \$24.75M which is favourable to the revised budget by \$2.85M 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.

Interest income is lower than budget due to historically lower interest rates on investments.

Council's capital works expenditure is below budget by \$8.42M due to timing of works for a number of infrastructure projects and assets acquisition.

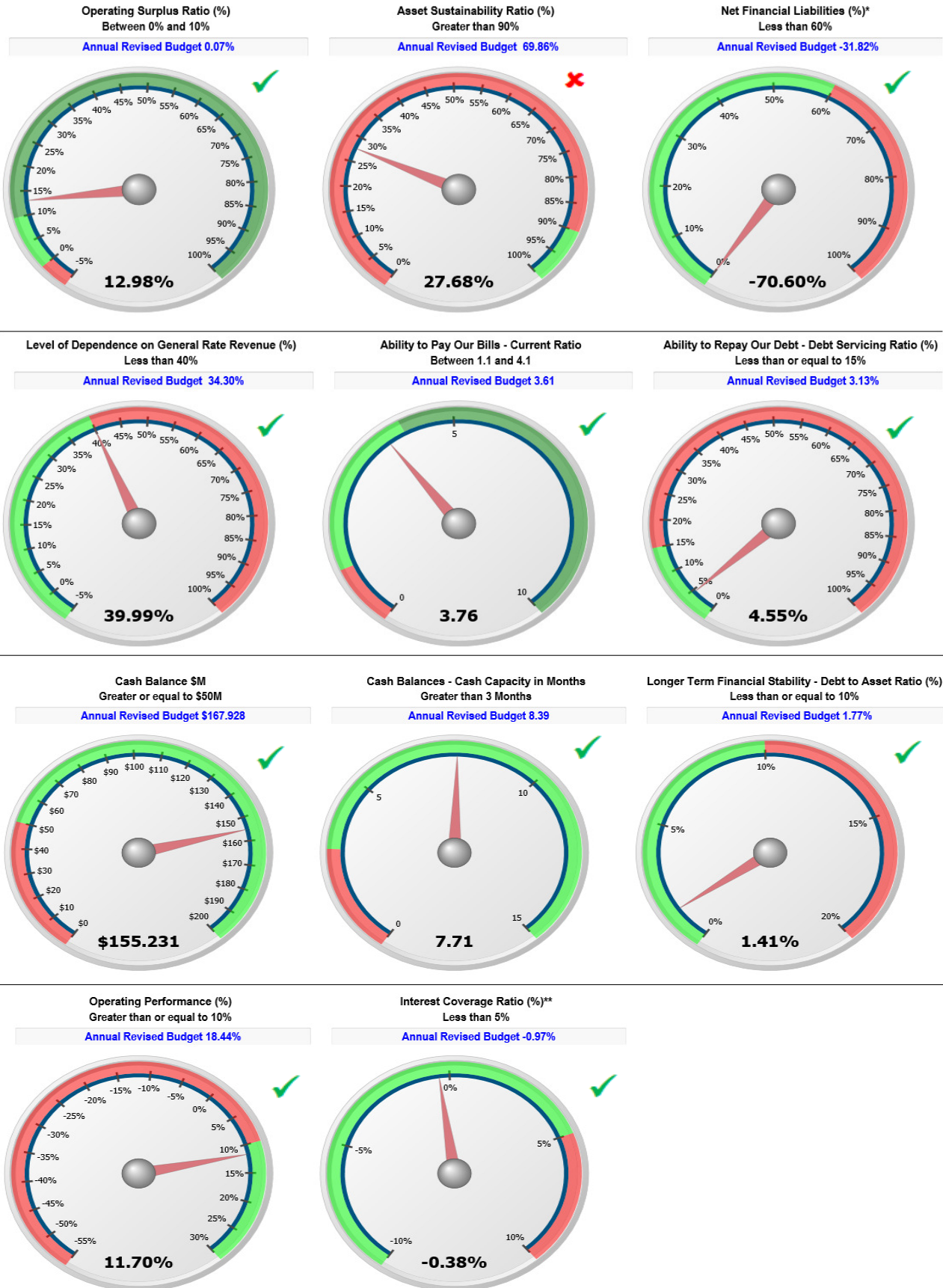
Constrained cash reserves represent 70% of the cash balance.

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 January 2020

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>					
Rates charges	104,953	104,953	78,295	<b>78,409</b>	114
Levies and utility charges	152,328	152,328	91,415	<b>90,742</b>	(673)
Less: Pensioner remissions and rebates	(3,333)	(3,333)	(2,443)	<b>(2,429)</b>	14
Fees	14,632	14,632	8,401	<b>8,203</b>	(198)
Rental income	925	925	531	<b>559</b>	28
Interest received	5,231	5,231	2,898	<b>2,092</b>	(806)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,856	2,006	<b>1,751</b>	(255)
Other income	525	525	376	<b>950</b>	574
Grants, subsidies and contributions	18,456	18,456	10,912	<b>10,417</b>	(495)
<b>Total recurrent revenue</b>	<b>297,572</b>	<b>297,572</b>	<b>192,391</b>	<b>190,694</b>	<b>(1,697)</b>
<b>Recurrent expenses</b>					
Employee benefits	90,372	90,372	53,537	<b>53,286</b>	(251)
Materials and services	140,138	140,138	77,937	<b>75,010</b>	(2,927)
Finance costs	2,809	2,809	1,627	<b>1,571</b>	(56)
Depreciation and amortisation	65,279	65,279	38,079	<b>36,853</b>	(1,226)
Other expenditure	514	514	315	<b>166</b>	(149)
Net internal costs	(1,735)	(1,735)	(1,011)	<b>(946)</b>	65
<b>Total recurrent expenses</b>	<b>297,377</b>	<b>297,377</b>	<b>170,484</b>	<b>165,940</b>	<b>(4,544)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>195</b>	<b>195</b>	<b>21,907</b>	<b>24,754</b>	<b>2,847</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	24,492	25,436	15,479	<b>12,608</b>	(2,871)
Non-cash contributions	3,480	3,480	2,028	<b>1,019</b>	(1,009)
<b>Total capital revenue</b>	<b>27,973</b>	<b>28,916</b>	<b>17,507</b>	<b>13,627</b>	<b>(3,880)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	112	112	59	<b>1,591</b>	1,532
<b>Total capital expenses</b>	<b>112</b>	<b>112</b>	<b>59</b>	<b>1,591</b>	<b>1,532</b>
<b>TOTAL INCOME</b>	<b>325,545</b>	<b>326,488</b>	<b>209,898</b>	<b>204,321</b>	<b>(5,577)</b>
<b>TOTAL EXPENSES</b>	<b>297,489</b>	<b>297,489</b>	<b>170,543</b>	<b>167,531</b>	<b>(3,012)</b>
<b>NET RESULT</b>	<b>28,056</b>	<b>28,999</b>	<b>39,355</b>	<b>36,790</b>	<b>(2,565)</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>39,355</b>	<b>36,790</b>	<b>(2,565)</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 January 2020

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Levies and utility charges</b>					
Refuse collection rate charge	26,968	26,968	15,653	15,291	(362)
SES separate charge	487	487	365	364	(1)
Environment separate charge	8,721	8,721	6,523	6,517	(6)
Separate charge landfill remediation	2,896	2,896	1,684	1,683	(1)
Wastewater charges	46,347	46,347	26,986	26,468	(518)
Water access charges	19,105	19,105	11,099	11,088	(11)
Water consumption charges	47,804	47,804	29,105	29,331	226
<b>Total levies and utility charges</b>	<b>152,328</b>	<b>152,328</b>	<b>91,415</b>	<b>90,742</b>	<b>(673)</b>

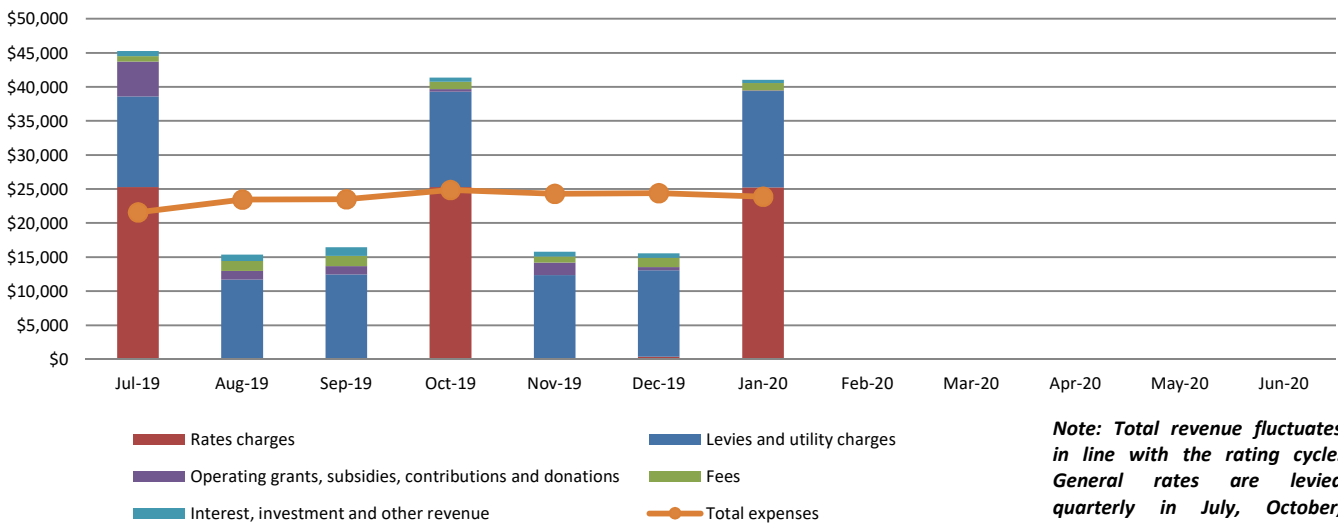
#### MATERIALS AND SERVICES ANALYSIS For the period ending 31 January 2020

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Materials and services</b>					
Contractors	41,225	40,816	20,881	19,111	(1,770)
Consultants	3,291	3,503	1,380	821	(559)
Other Council outsourcing costs*	17,527	17,652	10,031	10,076	45
Purchase of materials	50,161	50,626	29,633	29,270	(363)
Office administration costs	11,357	11,217	6,445	6,747	302
Electricity charges	6,138	5,814	3,360	3,174	(186)
Plant operations	3,873	3,873	2,139	2,388	249
Information technology resources	3,080	3,073	1,806	1,514	(292)
General insurance	1,195	1,195	702	697	(5)
Community assistance**	1,649	1,729	1,150	804	(346)
Other material and service expenses	642	640	410	408	(2)
<b>Total materials and services</b>	<b>140,138</b>	<b>140,138</b>	<b>77,937</b>	<b>75,010</b>	<b>(2,927)</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

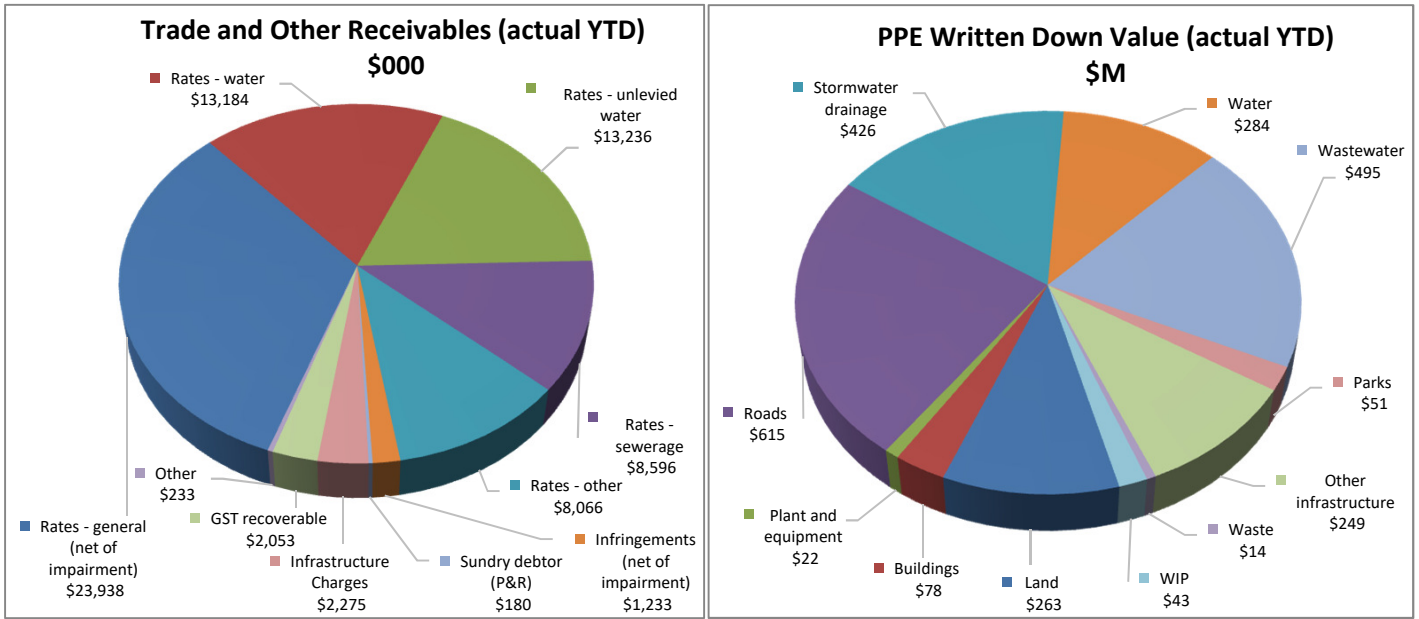
### STATEMENT OF FINANCIAL POSITION As at 31 January 2020

	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	159,202	155,231
Trade and other receivables	30,532	34,609	71,249	72,994
Inventories	936	923	943	911
Non-current assets held for sale	-	-	-	11,113
Other current assets	1,765	2,340	2,340	4,865
<b>Total current assets</b>	<b>203,260</b>	<b>205,800</b>	<b>233,734</b>	<b>245,114</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	2,549,225	2,539,621
Intangible assets	968	712	1,108	1,430
Right-of-use assets*	8,278	8,278	8,783	8,888
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>2,584,494</b>	<b>2,564,204</b>
<b>TOTAL ASSETS</b>	<b>2,794,966</b>	<b>2,802,168</b>	<b>2,818,228</b>	<b>2,809,318</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	23,817	30,981	28,682	25,216
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	12,514	13,924
Other current liabilities	2,940	6,803	22,861	17,174
<b>Total current liabilities</b>	<b>43,340</b>	<b>57,019</b>	<b>72,941</b>	<b>65,210</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	33,400	33,283	22,632	22,690
Lease liability - non-current*	7,412	7,412	7,845	7,977
Provisions - non-current	14,752	13,409	13,409	14,604
<b>Total non-current liabilities</b>	<b>55,563</b>	<b>54,104</b>	<b>43,886</b>	<b>45,271</b>
<b>TOTAL LIABILITIES</b>	<b>98,904</b>	<b>111,123</b>	<b>116,827</b>	<b>110,481</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,696,062</b>	<b>2,691,045</b>	<b>2,701,401</b>	<b>2,698,837</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	1,586,568	1,582,359
Constrained cash reserves	116,993	106,647	106,713	108,358
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,696,062</b>	<b>2,691,045</b>	<b>2,701,401</b>	<b>2,698,837</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 January 2020

	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	3,749	3,841
Land	4,372	4,372	4,600	4,601
Plant and Equipment	415	415	434	446
<b>Closing balance</b>	<b>8,278</b>	<b>8,278</b>	<b>8,783</b>	<b>8,888</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\* For the period ending 31 January 2020

	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	2,541,881
Acquisitions and WIP in year movement	61,912	84,764	45,046	35,354
Depreciation in year	(63,114)	(63,114)	(36,816)	(35,645)
Disposals	(1,531)	(1,531)	(886)	(2,107)
Other adjustments**	-	-	-	138
<b>Closing balance</b>	<b>2,555,393</b>	<b>2,562,000</b>	<b>2,549,225</b>	<b>2,539,621</b>

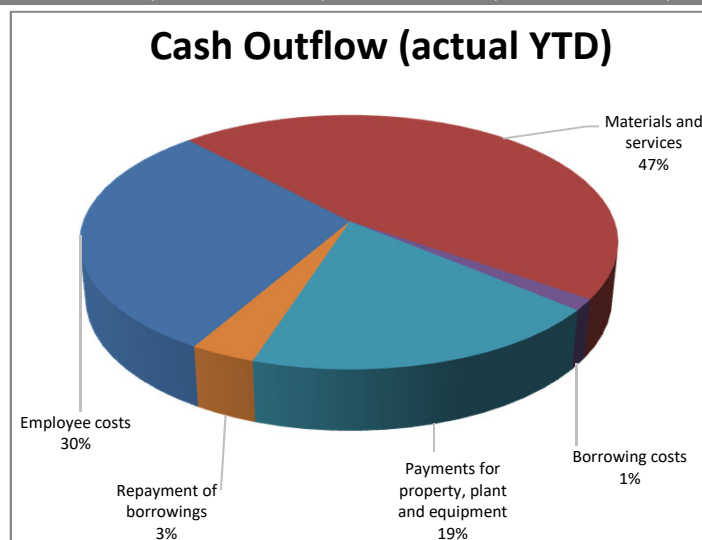
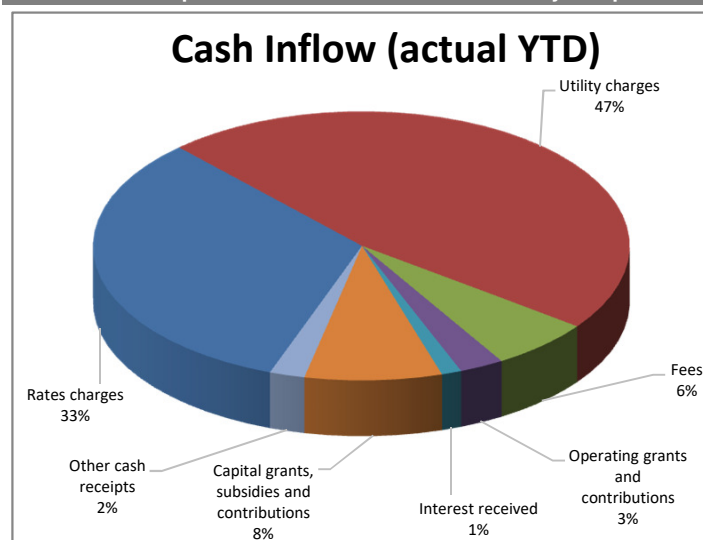
\* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

\*\* 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 January 2020

	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	157,103	152,348
Payments to suppliers and employees*	(237,536)	(237,536)	(139,106)	(138,409)
	<b>34,835</b>	<b>34,835</b>	<b>17,997</b>	<b>13,939</b>
Interest received	5,231	5,231	2,898	2,092
Dividend received	-	-	-	-
Rental income	925	925	531	559
Non-capital grants and contributions	16,097	16,097	8,464	4,665
Borrowing costs*	(2,480)	(2,480)	(2,470)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(155)	(153)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>54,342</b>	<b>54,342</b>	<b>27,265</b>	<b>18,686</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(58,432)	(78,599)	(40,333)	(33,987)
Payments for intangible assets	-	-	-	(264)
Proceeds from sale of property, plant and equipment	1,419	1,419	828	518
Capital grants, subsidies and contributions	24,492	25,436	15,479	14,375
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>(24,026)</b>	<b>(19,448)</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)	(606)	(572)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>3,234</b>	<b>3,234</b>	<b>(6,133)</b>	<b>(6,103)</b>
<b>Net increase / (decrease) in cash held</b>	<b>25,055</b>	<b>5,832</b>	<b>(2,894)</b>	<b>(6,865)</b>
Cash and cash equivalents at the beginning of the year	144,972	162,096	162,096	162,096
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>170,027</b>	<b>167,928</b>	<b>159,202</b>	<b>155,231</b>

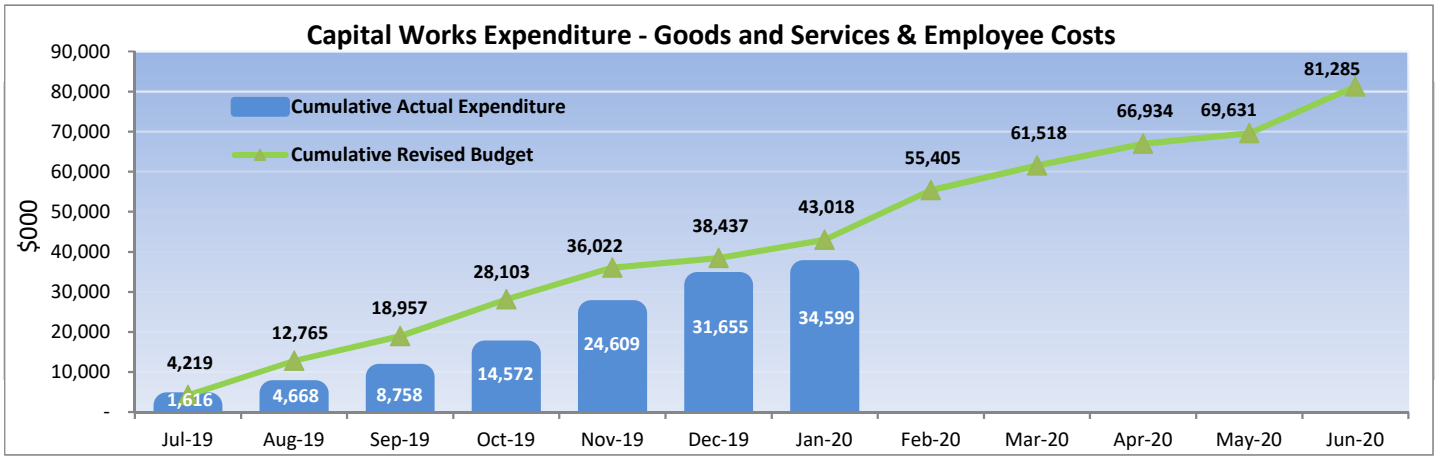


<b>Total Cash Funding (Actual YTD)</b>	<b>174,557</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>181,422</b>
Total Cash Funding (Annual Revised Budget)	331,279	Total Cash Expenditure (Annual Revised Budget)	325,447
% of Budget Achieved YTD	53%	% of Budget Achieved YTD	56%

\* 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

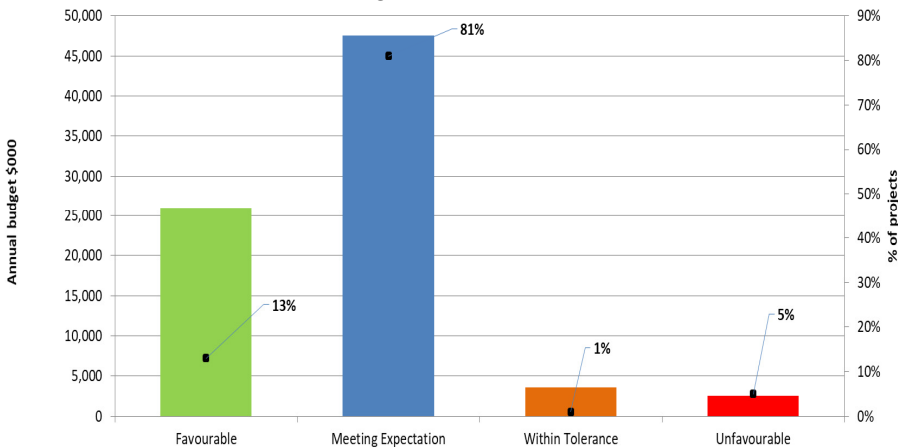


	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	73,901	38,522	<b>30,706</b>	(7,816)
Capitalised employee costs	7,384	4,496	<b>3,893</b>	(603)
<b>Total</b>	<b>81,285</b>	<b>43,018</b>	<b>34,599</b>	<b>(8,419)</b>

## 7. PROGRAM AND PROJECT UPDATE



**Progress Evaluation**



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

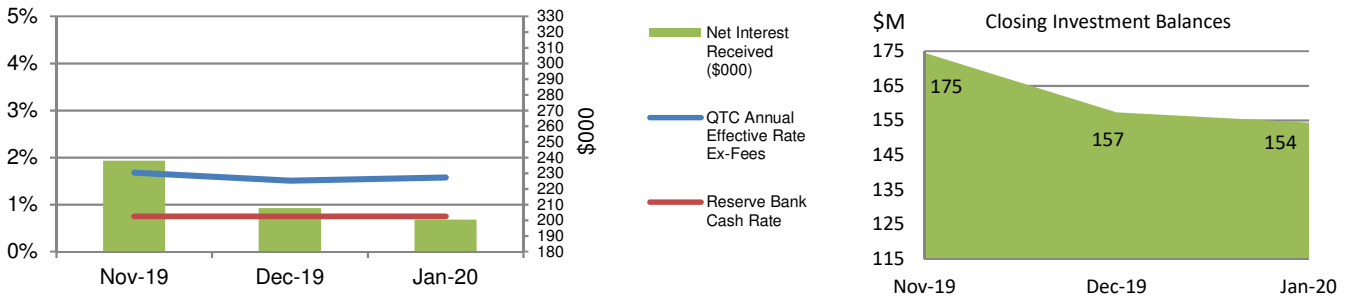
The status of two notable projects are as follows:

Project description	Progress
IndigiScapes Centre Extension - This project is for the refurbishment of the IndigiScapes Environmental Centre.	Meeting Expectations
Coastal Hazard Adaptation Strategy - This project is to develop a robust strategic plan that identifies the key issues impacting Redlands coastal zone and outlines actions to address and manage coastal hazards.	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 January 2020

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



#### Total Investment at End of Month was \$154.30M

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

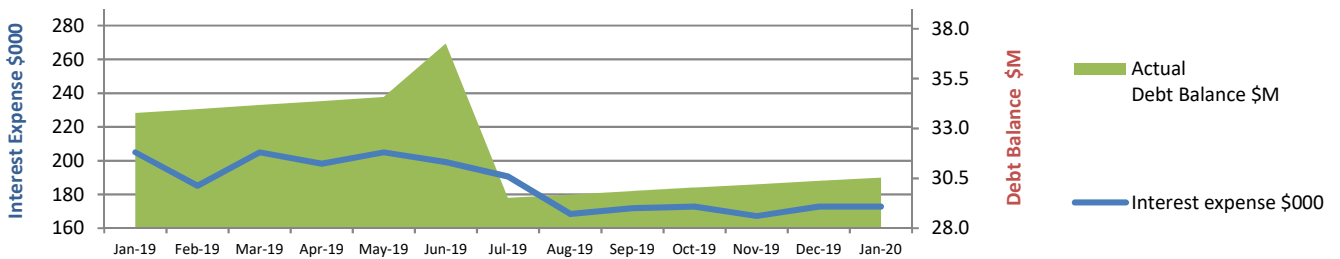
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 1.58%. 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 \$30.54M

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 January 2020	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	306	(2)	1,846
Waste Levy Reserve	To fund Waste Levy Program	-	4,646	(2,696)	1,950
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,766	2,224	(1,979)	2,011
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	20	(2)	18
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	1,524	(1,325)	4,271
		<b>7,380</b>	<b>8,720</b>	<b>(6,004)</b>	<b>10,096</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	1,654	(832)	8,720
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	261	-	2,812
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	289	-	14,562
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	1,449	(208)	12,655
Constrained Works Res-Cap Grants & Contribs	Unexpended capital grants and contributions received for specific projects	327	-	(327)	-
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,680	3,694	(4,178)	33,196
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	1,271	(1,917)	11,810
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	658	-	10,654
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	37	(24)	98
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		<b>93,046</b>	<b>9,313</b>	<b>(7,486)</b>	<b>94,873</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)	-
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	6,518	(4,032)	2,486
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	364	(355)	48
		<b>1,496</b>	<b>6,882</b>	<b>(5,844)</b>	<b>2,534</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	754	3	-	757
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>5</b>	<b>-</b>	<b>855</b>
<b>TOTALS</b>		<b>102,772</b>	<b>24,920</b>	<b>(19,334)</b>	<b>108,358</b>
					Closing cash and cash equivalents
					155,231
					Reserves as percentage of cash balance
					70%

## 10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT					
For the period ending 31 January 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	116,436	116,436	68,883	68,805	(78)
Total expenses	66,474	66,473	39,057	38,623	(434)
Earnings before interest, tax and depreciation (EBITD)	49,963	49,963	29,826	30,182	356
External interest expense	136	136	80	80	-
Internal interest expense	14,867	14,867	8,672	8,672	-
Depreciation	23,823	23,823	13,897	14,082	185
<b>Operating surplus / (deficit)</b>	<b>11,136</b>	<b>11,136</b>	<b>7,177</b>	<b>7,348</b>	<b>171</b>

REDLAND WATER CAPITAL FUNDING STATEMENT					
For the period ending 31 January 2020					
	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	1,480	1,739	259
Net transfer (to) / from constrained capital reserves	(1,982)	295	(1,075)	(1,526)	(451)
Non-cash contributions	3,399	3,399	1,983	217	(1,766)
Funding from utility revenue	4,172	7,576	2,974	1,086	(1,888)
<b>Total sources of capital funding</b>	<b>8,126</b>	<b>13,807</b>	<b>5,362</b>	<b>1,516</b>	<b>(3,846)</b>
Contributed assets	3,399	3,399	1,983	217	(1,766)
Capitalised expenditure	4,179	9,859	3,059	1,058	(2,001)
Loan redemption	549	549	320	241	(79)
<b>Total application of capital funds</b>	<b>8,126</b>	<b>13,807</b>	<b>5,362</b>	<b>1,516</b>	<b>(3,846)</b>

## 11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT					
For the period ending 31 January 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	33,701	33,701	21,395	21,249	(146)
Total expenses	26,197	26,197	15,387	14,878	(509)
Earnings before interest, tax and depreciation (EBITD)	7,504	7,504	6,008	6,371	363
External interest expense	31	31	18	16	(2)
Depreciation	278	278	162	174	12
<b>Operating surplus / (deficit)</b>	<b>7,195</b>	<b>7,195</b>	<b>5,828</b>	<b>6,181</b>	<b>353</b>

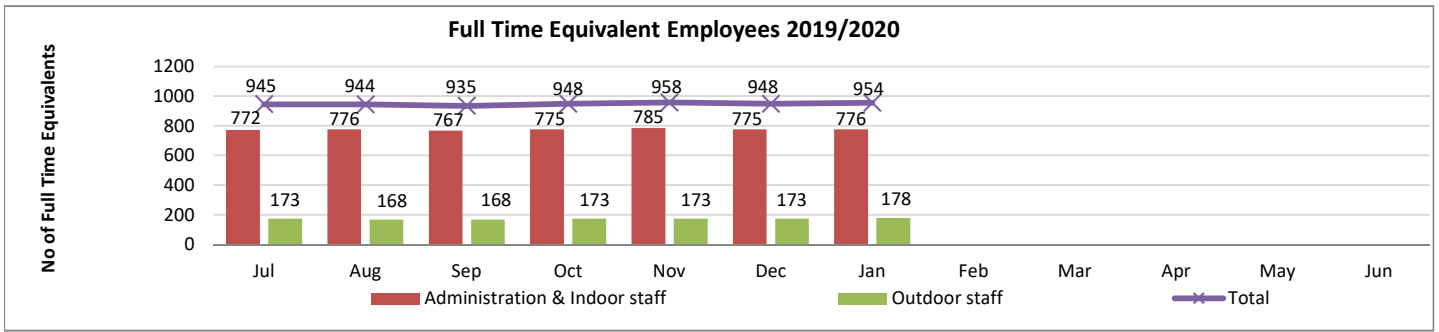
  

REDWASTE CAPITAL FUNDING STATEMENT					
For the period ending 31 January 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	746	746	582	454	(128)
<b>Total sources of capital funding</b>	<b>746</b>	<b>746</b>	<b>582</b>	<b>454</b>	<b>(128)</b>
Capitalised expenditure	608	608	456	348	(108)
Loan redemption	138	138	126	106	(20)
<b>Total application of capital funds</b>	<b>746</b>	<b>746</b>	<b>582</b>	<b>454</b>	<b>(128)</b>



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

### Workforce Reporting



January 2020: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO	6	36	10	52	
Organisational Services	7	210	18	235	
Community and Customer Services	34	277	78	389	
Infrastructure and Operations	13	344	18	375	
<b>Total</b>	<b>60</b>	<b>867</b>	<b>124</b>	<b>1,051</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	Jan-20	% Overdue	Jan-19	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$1,706	0.0%	\$3,351	0.0%	-\$1,645	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	\$116	0.0%	\$39	0.0%	\$77	0.0%	
61 - 90	\$3,023,355	1.4%	\$3,002,817	1.5%	\$20,538	-0.1%	
91 - 180	\$1,579,028	0.8%	\$1,556,186	0.8%	\$22,842	0.0%	
>180	\$3,456,159	1.6%	\$3,358,464	1.7%	\$97,695	-0.1%	
<b>Total</b>	<b>\$8,060,364</b>	<b>3.8%</b>	<b>\$7,920,857</b>	<b>4.0%</b>	<b>\$139,507</b>	<b>-0.2%</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.