



Monthly Financial Report

Interim June 2020

Note: This interim report is prepared at year end pending finalisation of the statutory financial statements.



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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 30 June 2020. The year to date and annual revised budget referred to in this report incorporates the changes from the first budget review adopted by Council on 12 February 2020.

The June 2020 Monthly Financial Report is prepared based on interim financial results for the year ended 30 June 2020 (prior to the finalisation of the end of year accounts) and significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments. The final results for the year ended 30 June 2020 will be reflected in the audited financial statements.

Key Interim Financial Highlights and Overview

Key Interim Financial Results (\$000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	-	-	(3,896)	(3,896)	-100%	✗
Recurrent Revenue	297,210	297,210	290,690	(6,520)	-2%	✗
Recurrent Expenditure	297,210	297,210	294,586	(2,624)	-1%	✓
Capital Works Expenditure	82,426	82,426	65,407	(17,019)	-21%	✓
Closing Cash & Cash Equivalents	169,514	169,514	171,901	2,387	1%	✓

Council reported a year to date interim operating deficit of \$3.90M mainly due to an unfavourable variance in recurrent revenue partially offset by a favourable variance in recurrent expenditure. Recurrent revenue is behind budget mainly due to levies and utility charges, fees, sales revenue and interest revenue lower than expected. The COVID-19 pandemic has contributed to lower fees and sales revenue. Interest income is behind budget due to historically lower interest rates on investments. The favourable variance in recurrent expenditure is mainly due to a favourable variance in materials and services which is primarily due to underspend in contractor costs.

The lower than budget capital revenue is largely the result of developer cash contributions decreasing due to building activity moderating. Loss on disposal of non-current assets is mainly due to sale of fleet assets and replacement of road assets.

In June 2020 additional borrowings of \$9.80M were undertaken as part of Council's Capital Works Plan.

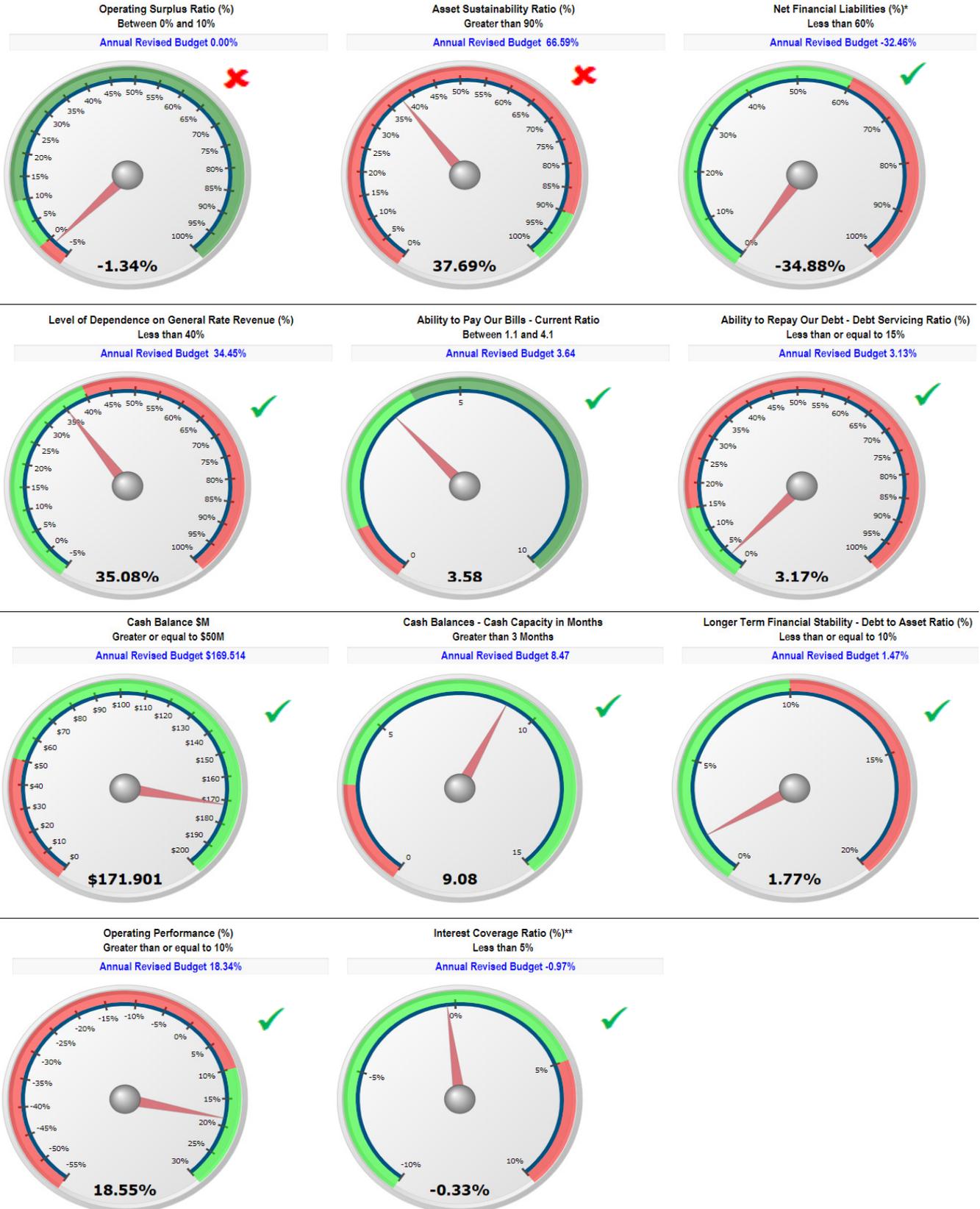
Council's capital works expenditure is below budget by \$17.02M due to timing of works for a number of infrastructure projects and assets acquisition.

Following Council's resolution on 10 June 2020, Non-Current Assets Held For Sale amounting to \$11.11M was transferred back to Plant, Property and Equipment resulting to an increase in land and buildings with a depreciation expense impact of about \$800K.

Constrained cash reserves represent 60% of the cash balance.

2. INTERIM 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 Interim Key Performance Indicators above are based on interim financial results prior to the finalisation of end of year accounts. Significant movement is expected over the coming weeks and the final financial results will be reflected in the audited financial statements for the year ended 30 June 2020. The final Key Performance Indicators will be presented as part of the 2019/2020 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ending 30 June 2020

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates charges	104,953	105,253	105,253	104,842	(411)
Levies and utility charges	152,328	152,728	152,728	151,583	(1,145)
Less: Pensioner remissions and rebates	(3,333)	(3,328)	(3,328)	(3,334)	(6)
Fees	14,632	14,622	14,622	12,800	(1,822)
Rental income	925	925	925	889	(36)
Interest received	5,231	5,231	5,231	3,278	(1,953)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,877	3,877	2,550	(1,327)
Other income	525	656	656	1,565	909
Grants, subsidies and contributions	18,456	17,246	17,246	16,517	(729)
Total recurrent revenue	297,572	297,210	297,210	290,690	(6,520)
Recurrent expenses					
Employee benefits	90,372	90,486	90,486	91,211	725
Materials and services	140,138	139,805	139,805	135,266	(4,539)
Finance costs	2,809	2,809	2,809	2,712	(97)
Depreciation and amortisation	65,279	65,279	65,279	66,809	1,530
Other expenditure	514	514	514	234	(280)
Net internal costs	(1,735)	(1,684)	(1,684)	(1,646)	38
Total recurrent expenses	297,377	297,210	297,210	294,586	(2,624)
OPERATING SURPLUS / (DEFICIT)	195	-	-	(3,896)	(3,896)
Capital revenue					
Grants, subsidies and contributions	24,492	26,869	26,869	17,757	(9,112)
Non-cash contributions	3,480	3,480	3,480	6,494	3,014
Total capital revenue	27,973	30,350	30,350	24,251	(6,099)
Capital expenses					
(Gain) / loss on disposal of non-current assets	112	(519)	(519)	1,200	1,719
Total capital expenses	112	(519)	(519)	1,200	1,719
TOTAL INCOME	325,545	327,559	327,559	314,941	(12,618)
TOTAL EXPENSES	297,489	296,691	296,691	295,786	(905)
NET RESULT	28,056	30,869	30,869	19,155	(11,714)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	8,977	8,977
TOTAL COMPREHENSIVE INCOME	28,056	30,869	30,869	28,132	(2,737)

The Interim Statement of Comprehensive Income will adjust over coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. Other Comprehensive Income will change as a result of asset revaluations. The audited financial statements for the year ended 30 June 2020 will reflect the final revalued position and impact and will be presented as part of the 2019/2020 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

INTERIM LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 30 June 2020

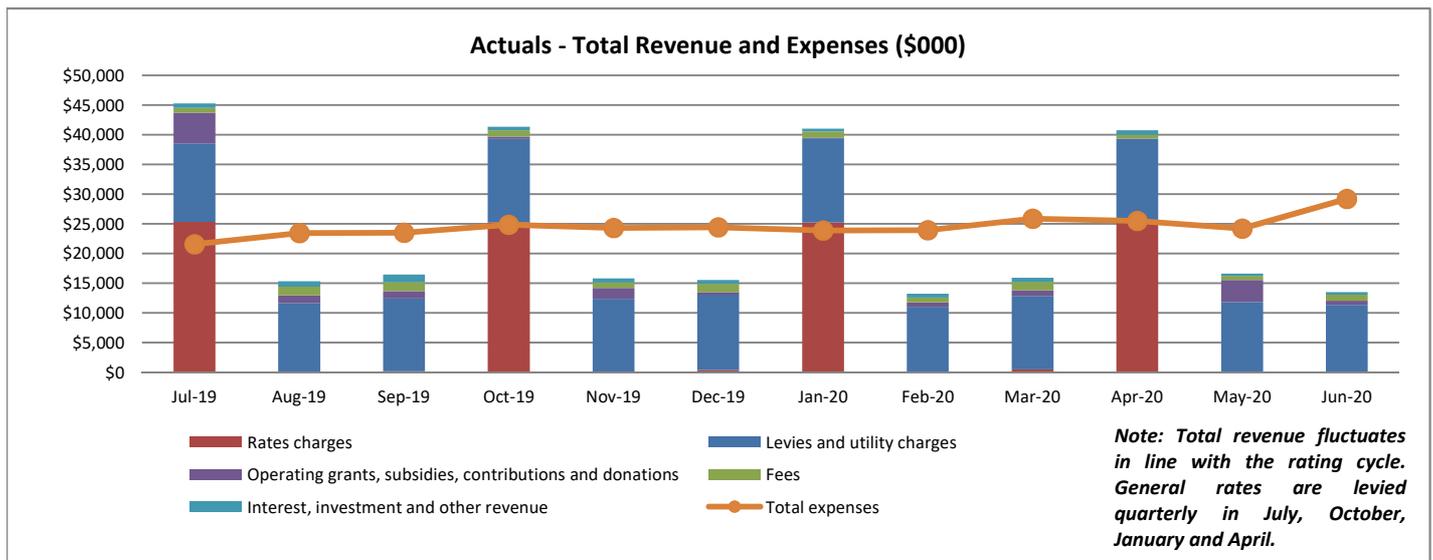
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Levies and utility charges					
Refuse collection rate charge	26,968	26,968	26,968	26,313	(655)
SES separate charge	487	487	487	486	(1)
Environment separate charge	8,721	8,721	8,721	8,698	(23)
Separate charge landfill remediation	2,896	2,896	2,896	2,889	(7)
Wastewater charges	46,347	46,347	46,347	45,531	(816)
Water access charges	19,105	19,105	19,105	19,031	(74)
Water consumption charges	47,804	48,204	48,204	48,635	431
Total levies and utility charges	152,328	152,728	152,728	151,583	(1,145)

INTERIM MATERIALS AND SERVICES ANALYSIS For the period ending 30 June 2020

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Materials and services					
Contractors	41,225	41,453	41,453	37,850	(3,603)
Consultants	3,291	3,316	3,316	2,196	(1,120)
Other Council outsourcing costs*	17,527	17,597	17,597	17,732	135
Purchase of materials	50,161	50,116	50,116	50,305	189
Office administration costs	11,357	11,122	11,122	11,599	477
Electricity charges	6,138	5,688	5,688	5,530	(158)
Plant operations	3,873	3,971	3,971	4,005	34
Information technology resources	3,080	3,040	3,040	2,803	(237)
General insurance	1,195	1,195	1,195	1,121	(74)
Community assistance**	1,649	1,689	1,689	1,565	(124)
Other material and service expenses	642	618	618	560	(58)
Total materials and services	140,138	139,805	139,805	135,266	(4,539)

* 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.



The interim income and expenses will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.

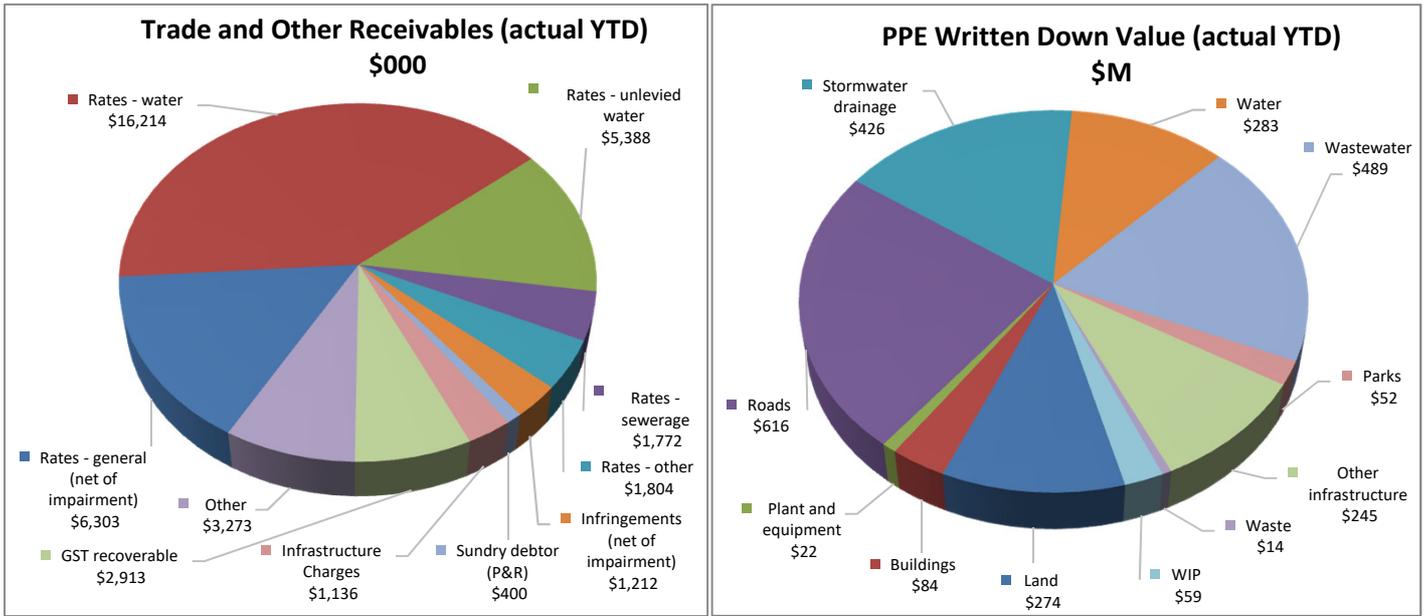
4. INTERIM STATEMENT OF FINANCIAL POSITION

INTERIM STATEMENT OF FINANCIAL POSITION				
As at 30 June 2020				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	170,027	169,514	169,514	171,901
Trade and other receivables	30,532	34,819	34,819	40,415
Inventories	936	923	923	927
Non-current assets held for sale	-	-	-	203
Other current assets	1,765	2,340	2,340	5,464
Total current assets	203,260	207,596	207,596	218,910
NON-CURRENT ASSETS				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,562,073	2,562,073	2,563,802
Intangible assets	968	712	712	2,123
Right-of-use assets*	8,278	8,278	8,278	8,371
Other financial assets	73	73	73	73
Investment in other entities	25,904	24,214	24,214	13,101
Total non-current assets	2,591,706	2,596,440	2,596,440	2,588,561
TOTAL ASSETS	2,794,966	2,804,036	2,804,036	2,807,471
CURRENT LIABILITIES				
Trade and other payables	23,817	30,981	30,981	35,857
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	10,351	13,245
Other current liabilities	2,940	6,803	6,803	3,231
Total current liabilities	43,340	57,018	57,018	61,229
NON-CURRENT LIABILITIES				
Borrowings - non-current	33,400	33,283	33,283	33,332
Lease liability - non-current*	7,412	7,412	7,412	7,554
Provisions - non-current	14,752	13,409	13,409	15,404
Total non-current liabilities	55,563	54,105	54,105	56,290
TOTAL LIABILITIES	98,904	111,123	111,123	117,519
NET COMMUNITY ASSETS	2,696,062	2,692,914	2,692,914	2,689,952
COMMUNITY EQUITY				
Asset revaluation surplus	1,003,168	1,008,120	1,008,120	1,017,097
Retained surplus	1,575,901	1,578,295	1,578,295	1,570,082
Constrained cash reserves	116,993	106,499	106,499	102,773
TOTAL COMMUNITY EQUITY	2,696,062	2,692,914	2,692,914	2,689,952

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

The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.

4. INTERIM STATEMENT OF FINANCIAL POSITION - CONTINUED



INTERIM RIGHT OF USE ASSETS For the period ending 30 June 2020

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
Right of Use Asset				
Buildings	3,491	3,491	3,491	3,573
Land	4,372	4,372	4,372	4,372
Plant and Equipment	415	415	415	426
Closing balance	8,278	8,278	8,278	8,371

INTERIM PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 June 2020

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
PPE movement				
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	85,907	85,907	70,388
Depreciation in year	(63,114)	(63,115)	(63,115)	(64,524)
Disposals	(1,531)	(2,600)	(2,600)	(4,065)
Other adjustments**	-	-	-	20,122
Closing balance	2,555,393	2,562,073	2,562,073	2,563,802

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

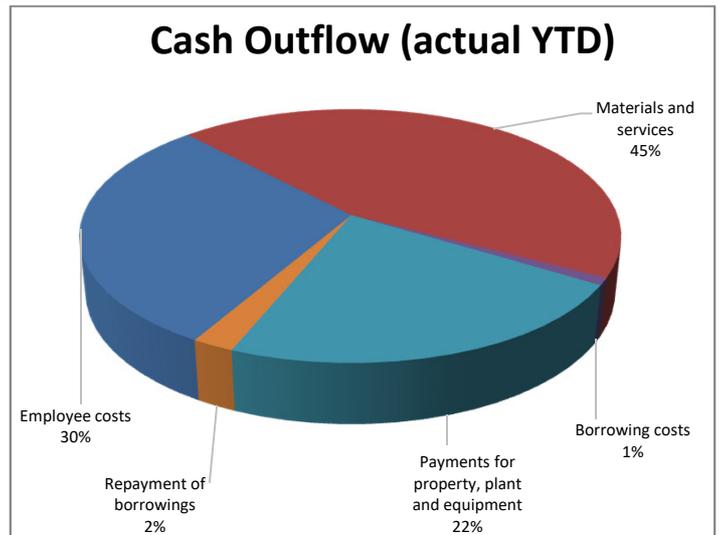
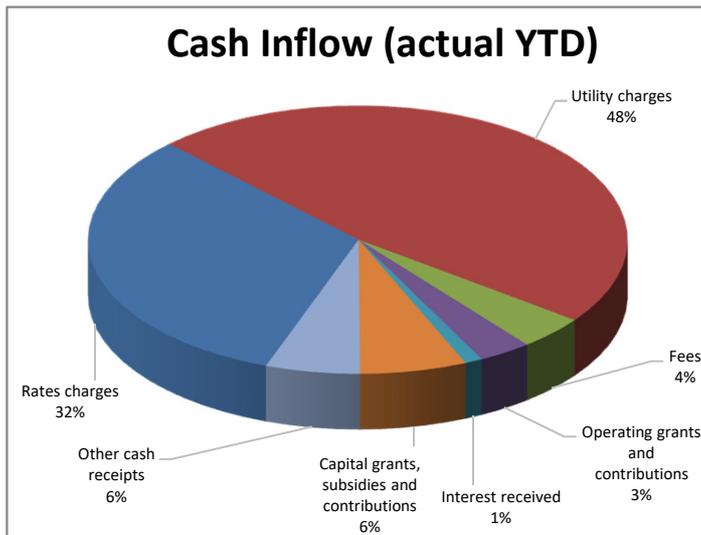
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.

5. INTERIM STATEMENT OF CASH FLOWS

INTERIM STATEMENT OF CASH FLOWS For the period ending 30 June 2020

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	272,371	273,008	273,008	264,812
Payments to suppliers and employees*	(237,536)	(237,369)	(237,369)	(224,513)
	34,835	35,640	35,640	40,299
Interest received	5,231	5,231	5,231	3,278
Dividend received	-	-	-	-
Rental income	925	925	925	888
Non-capital grants and contributions	16,097	14,888	14,888	9,948
Borrowing costs*	(2,480)	(2,480)	(2,480)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(266)	(263)
Net cash inflow / (outflow) from operating activities	54,342	53,937	53,937	51,734
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(58,432)	(79,742)	(79,742)	(66,330)
Payments for intangible assets	-	-	-	(1,512)
Proceeds from sale of property, plant and equipment	1,419	3,119	3,119	2,866
Capital grants, subsidies and contributions	24,492	26,869	26,869	19,862
Other cash flows from investing activities	-	-	-	(90)
Net cash inflow / (outflow) from investing activities	(32,521)	(49,753)	(49,753)	(45,204)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	9,800	9,800	9,800	9,800
Repayment of borrowings*	(5,527)	(5,527)	(5,527)	(5,531)
Right-of-use lease payment	(1,039)	(1,039)	(1,039)	(994)
Net cash inflow / (outflow) from financing activities	3,234	3,234	3,234	3,275
Net increase / (decrease) in cash held	25,055	7,418	7,418	9,805
Cash and cash equivalents at the beginning of the year	144,972	162,096	162,096	162,096
Cash and cash equivalents at the end of the financial year / period	170,027	169,514	169,514	171,901

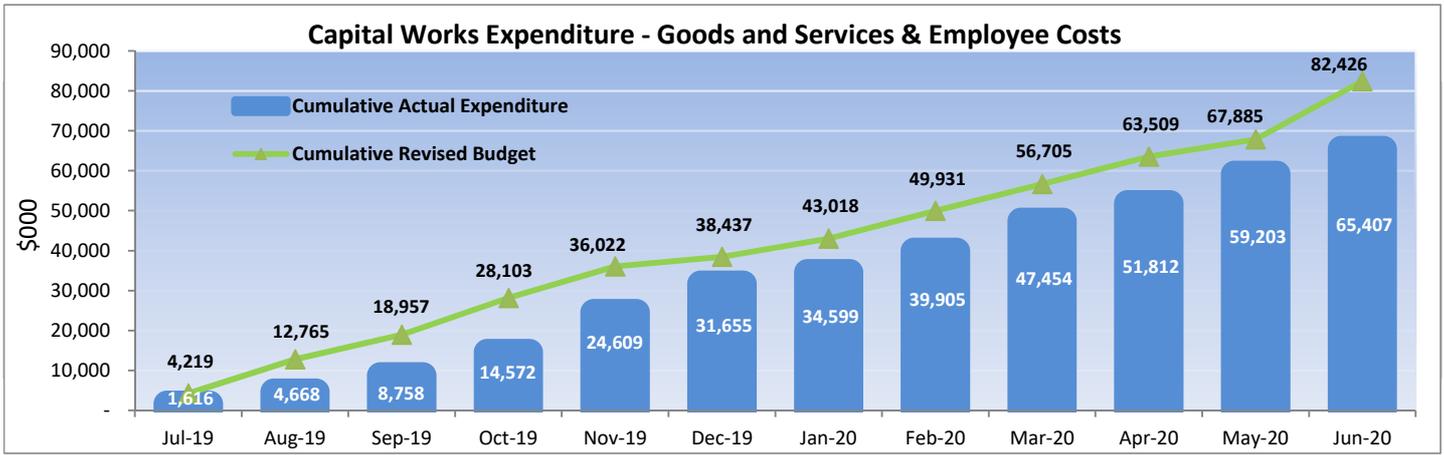


Total Cash Funding (Actual YTD)	311,454	Total Cash Expenditure (Actual YTD)	301,649
Total Cash Funding (Annual Revised Budget)	333,840	Total Cash Expenditure (Annual Revised Budget)	326,422
% of Budget Achieved YTD	93%	% of Budget Achieved YTD	92%

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

The Interim Statement of Cash Flows will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.

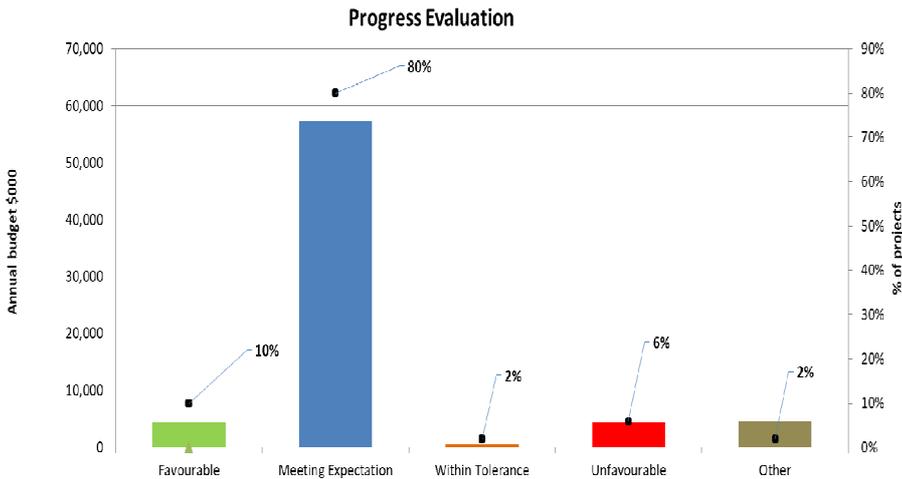
6. INTERIM CAPITAL EXPENDITURE



	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	76,540	76,540	58,913	(17,627)
Capitalised employee costs	5,886	5,886	6,494	608
Total	82,426	82,426	65,407	(17,019)

7. INTERIM PROGRAM AND PROJECT UPDATE

■ Favourable (budget under/schedule on track)	■ Meeting expectations (budget and schedule on track)	■ Within tolerance (either budget and schedule not on track)	■ Unfavourable (budget and schedule not on track)	■ Other (Schedule to be tracked)
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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:

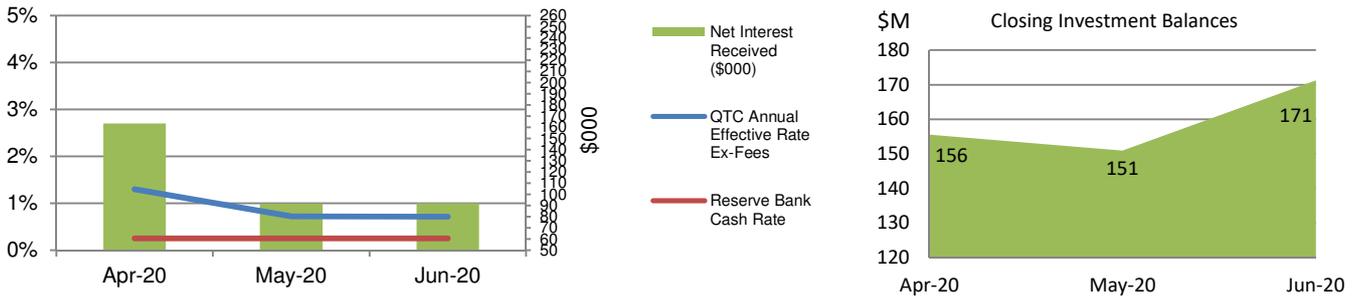
Project description	Progress
Footpath renewal program - This project is to renew existing footpath assets.	Meeting Expectations
Revetment wall upgrade (Mainroyal Court Cleveland) - This project is to renew a revetment wall.	Meeting Expectations

The Interim Capital Funding Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2020. The financial statements will be presented as part of the 2019/2020 Annual Report.

8. INTERIM INVESTMENT & BORROWINGS REPORT

For the period ending 30 June 2020

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$171.22M

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

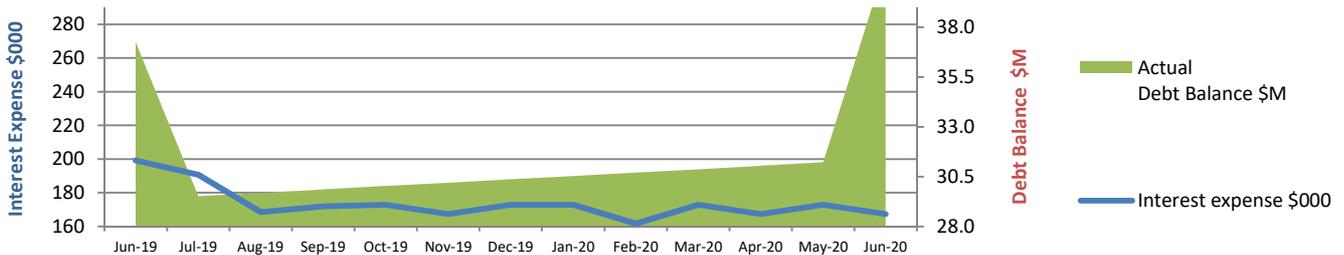
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.25% during March 2020.

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 0.71%. 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.

In June 2020 additional borrowings of \$9.80M were undertaken as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$41.18M

General pool allocated to capital works is 99.73% and 0.27% is attributable to RedWaste.

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

9. INTERIM CONSTRAINED CASH RESERVES

Reserves as at 30 June 2020	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,542	612	(986)	1,168
Waste Levy Reserve	To fund Waste Levy Program	-	4,646	(4,620)	26
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,766	2,925	(2,608)	2,083
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	27	(25)	2
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	3,127	(3,415)	3,784
		7,380	11,337	(11,654)	7,063
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	2,204	(3,156)	6,946
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	535	-	3,086
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	353	-	14,626
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	2,200	(2,465)	11,149
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	5,532	(4,317)	34,895
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	1,740	(2,181)	12,015
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	859	-	10,855
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	54	(36)	103
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		93,046	13,477	(12,482)	94,041
Separate Charge Reserve:					
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	-	8,698	(7,923)	775
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	486	(487)	38
		1,496	9,184	(9,867)	813
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	754	4	-	758
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)
		850	6	-	856
TOTALS		102,772	34,004	(34,003)	102,773
				Closing cash and cash equivalents	171,901
				Reserves as percentage of cash balance	60%

10. INTERIM REDLAND WATER STATEMENTS

INTERIM REDLAND WATER SUMMARY OPERATING STATEMENT					
For the period ending 30 June 2020					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	116,436	116,966	116,966	116,111	(855)
Total expenses	66,474	66,681	66,681	66,525	(156)
Earnings before interest, tax and depreciation (EBITD)	49,963	50,285	50,285	49,586	(699)
External interest expense	136	136	136	136	-
Internal interest expense	14,867	14,867	14,867	14,867	-
Depreciation	23,823	23,823	23,823	24,115	292
Operating surplus / (deficit)	11,136	11,458	11,458	10,468	(990)

INTERIM REDLAND WATER CAPITAL FUNDING STATEMENT					
For the period ending 30 June 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	2,537	2,553	16
Net transfer (to) / from constrained capital reserves	(1,982)	495	495	(83)	(578)
Non-cash contributions	3,399	3,399	3,399	1,957	(1,442)
Funding from utility revenue	4,172	8,928	8,928	928	(8,000)
Total sources of capital funding	8,126	15,359	15,359	5,355	(10,004)
Contributed assets	3,399	3,399	3,399	1,957	(1,442)
Capitalised expenditure	4,179	11,412	11,412	2,919	(8,493)
Loan redemption	549	549	549	479	(70)
Total application of capital funds	8,126	15,359	15,359	5,355	(10,004)

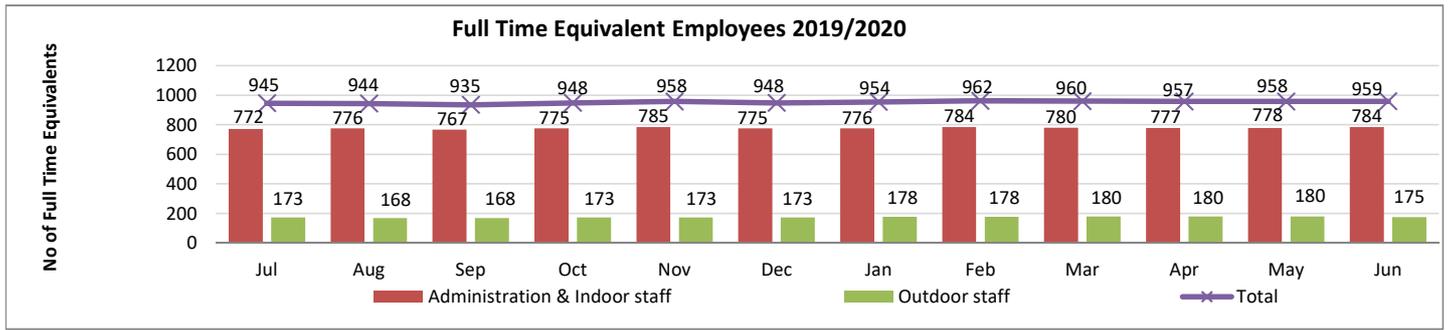
11. INTERIM REDWASTE STATEMENTS

INTERIM REDWASTE OPERATING STATEMENT					
For the period ending 30 June 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	33,701	33,167	(534)
Total expenses	26,197	25,862	25,862	26,500	638
Earnings before interest, tax and depreciation (EBITD)	7,504	7,839	7,839	6,667	(1,172)
External interest expense	31	31	31	27	(4)
Depreciation	278	278	278	298	20
Operating surplus / (deficit)	7,195	7,530	7,530	6,342	(1,188)

INTERIM REDWASTE CAPITAL FUNDING STATEMENT					
For the period ending 30 June 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	3,046	3,046	729	(2,317)
Total sources of capital funding	746	3,046	3,046	729	(2,317)
Capitalised expenditure	608	2,908	2,908	640	(2,268)
Loan redemption	138	138	138	89	(49)
Total application of capital funds	746	3,046	3,046	729	(2,317)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



Jun 2020: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	4	42	5	51
Organisational Services	8	206	20	234
Community and Customer Services	29	274	73	376
Infrastructure and Operations	13	349	18	380
Total	54	871	116	1,041

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	Jun-20	% Overdue	Jun-19	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$6,951,091	2.5%	\$3,172	0.0%	\$6,947,919	2.5%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council. The increase in 0-30 days overdue debts is due to Council extending the due date for fourth quarter rates by one month as a result of COVID-19 pandemic.
31 - 60	\$279	0.0%	\$4,110,414	1.5%	-\$4,110,135	-1.5%	
61 - 90	\$374	0.0%	\$1,230	0.0%	-\$856	0.0%	
91 - 180	\$1,913,276	0.7%	\$1,748,597	0.7%	\$164,679	0.0%	
>180	\$4,123,631	1.5%	\$3,589,357	1.3%	\$534,274	0.2%	
Total	\$12,988,651	4.7%	\$9,452,770	3.5%	\$3,535,881	1.2%	

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.

^ Loan redemption includes lease redemption.