

# Monthly Financial Report

## October 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 October 2020. The year to date and annual revised budget referred to in this report incorporates the changes from budget capital carryovers adopted by Council on 19 August 2020.

### 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)	(1,473)	17,513	<b>23,199</b>	5,686	32%	✓
Recurrent Revenue	304,795	117,171	<b>117,433</b>	262	0%	✓
Recurrent Expenditure	306,268	99,658	<b>94,234</b>	(5,424)	-5%	✓
Capital Works Expenditure	91,150	15,278	<b>11,665</b>	(3,613)	-24%	✓
Closing Cash & Cash Equivalents	171,713	182,415	<b>176,346</b>	(6,069)	-3%	✗

Council reported a year to date operating surplus of \$23.20M which is favourable to budget by \$5.69M due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to underspend in contractor costs. Of note, interest income is lower than budget due to lower than expected interest rates on investments. The second quarter rate notices were issued in October 2020.

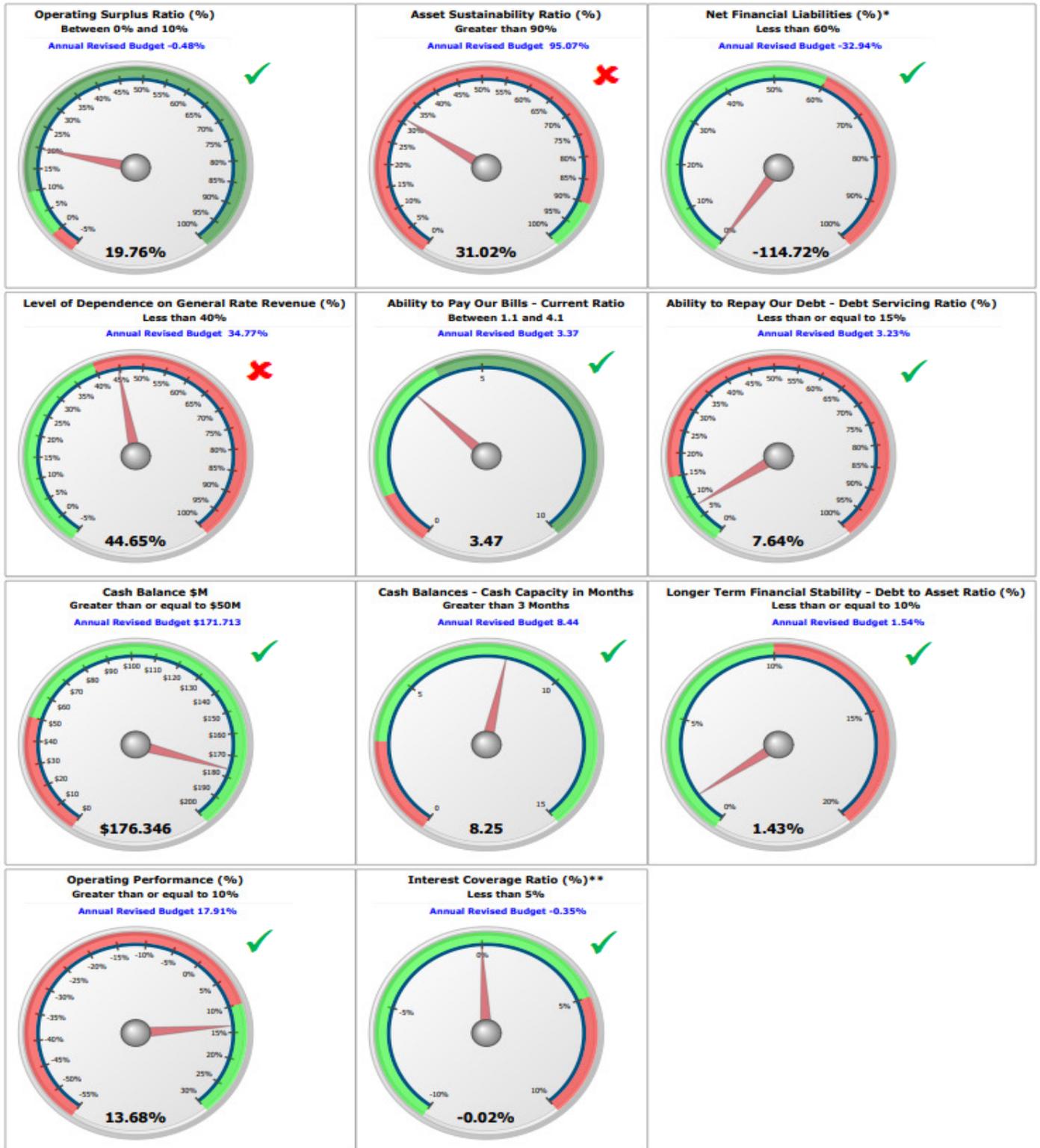
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$3.61M due to timing of works for a number of infrastructure projects.

Council's cash balance is behind budget due to higher than anticipated payments to suppliers. Constrained cash reserves represent 60% of the cash balance.

## 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)

### 3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 October 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	108,926	108,926	54,225	<b>53,925</b>	(300)
Levies and utility charges	160,082	160,082	52,222	<b>52,969</b>	747
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(1,626)	<b>(1,727)</b>	(101)
Fees	13,554	13,554	4,721	<b>4,987</b>	266
Rental income	956	956	280	<b>328</b>	48
Interest received	2,999	2,999	999	<b>678</b>	(321)
Sales revenue	3,630	3,630	1,218	<b>1,000</b>	(218)
Other income	533	533	291	<b>614</b>	323
Grants, subsidies and contributions	14,896	17,545	4,841	<b>4,659</b>	(182)
<b>Total recurrent revenue</b>	<b>302,146</b>	<b>304,795</b>	<b>117,171</b>	<b>117,433</b>	<b>262</b>
<b>Recurrent expenses</b>					
Employee benefits	91,988	92,088	31,253	<b>30,675</b>	(578)
Materials and services	145,591	148,140	46,366	<b>42,055</b>	(4,311)
Finance costs	2,382	2,382	786	<b>811</b>	25
Depreciation and amortisation	64,938	64,938	21,712	<b>21,315</b>	(397)
Other expenditure	520	520	128	<b>32</b>	(96)
Net internal costs	(1,800)	(1,800)	(587)	<b>(654)</b>	(67)
<b>Total recurrent expenses</b>	<b>303,619</b>	<b>306,268</b>	<b>99,658</b>	<b>94,234</b>	<b>(5,424)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,473)</b>	<b>(1,473)</b>	<b>17,513</b>	<b>23,199</b>	<b>5,686</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	25,922	32,449	8,282	<b>7,433</b>	(849)
Non-cash contributions	3,480	3,480	27	-	(27)
<b>Total capital revenue</b>	<b>29,402</b>	<b>35,930</b>	<b>8,309</b>	<b>7,433</b>	<b>(876)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	96	<b>(238)</b>	(334)
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>96</b>	<b>(238)</b>	<b>(334)</b>
<b>TOTAL INCOME</b>	<b>331,548</b>	<b>340,725</b>	<b>125,480</b>	<b>124,866</b>	<b>(614)</b>
<b>TOTAL EXPENSES</b>	<b>303,908</b>	<b>306,557</b>	<b>99,754</b>	<b>93,996</b>	<b>(5,758)</b>
<b>NET RESULT</b>	<b>27,641</b>	<b>34,168</b>	<b>25,726</b>	<b>30,870</b>	<b>5,144</b>
<b>Other comprehensive income / (loss)</b>					
<b>Items that will not be reclassified to a net result</b>					
Revaluation of property, plant and equipment	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>27,641</b>	<b>34,168</b>	<b>25,726</b>	<b>30,870</b>	<b>5,144</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

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

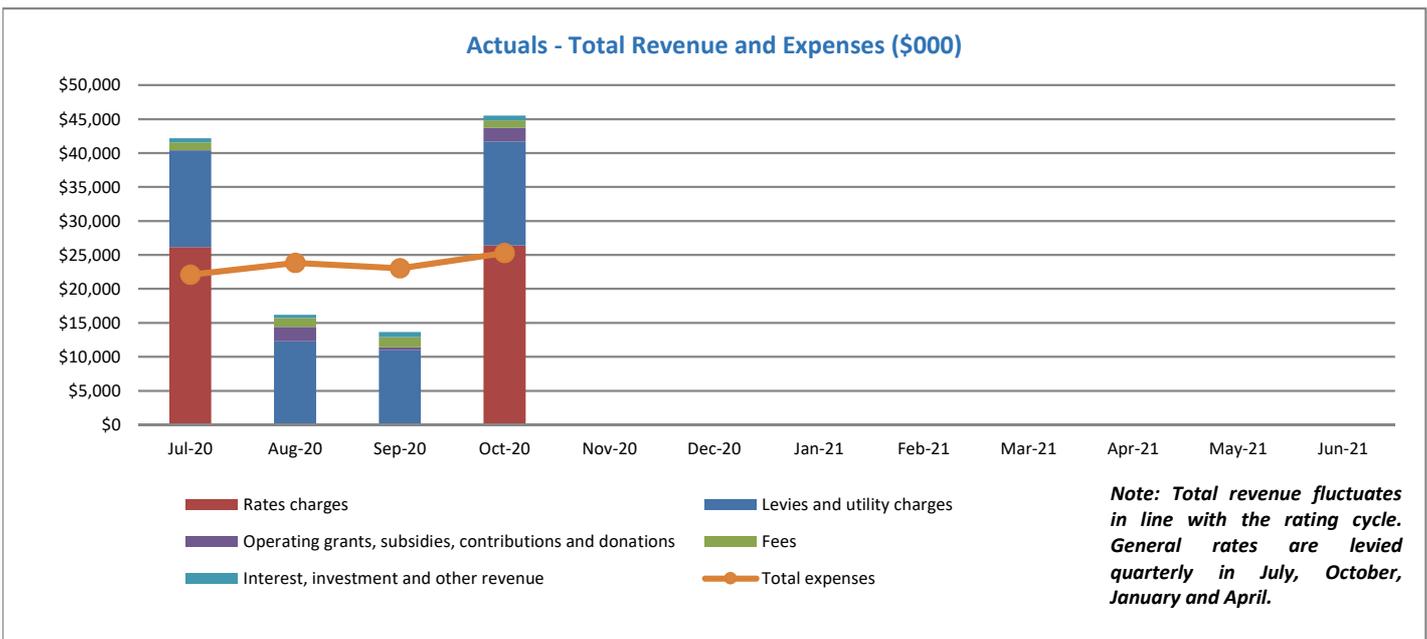
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	29,127	29,127	9,627	9,708	81
SES separate charge	497	497	247	247	-
Environment separate charge	8,387	8,388	4,194	4,165	(29)
Separate charge landfill remediation	2,163	2,163	717	716	(1)
Wastewater charges	47,842	47,842	15,800	15,754	(46)
Water access charges	20,120	20,120	6,669	6,681	12
Water consumption charges	51,945	51,945	14,968	15,698	730
<b>Total levies and utility charges</b>	<b>160,082</b>	<b>160,082</b>	<b>52,222</b>	<b>52,969</b>	<b>747</b>

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

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Materials and services</b>					
Contractors	38,549	38,978	12,049	9,649	(2,400)
Consultants	2,813	3,323	997	485	(512)
Other Council outsourcing costs*	23,063	21,938	6,417	6,572	155
Purchase of materials	53,059	55,533	17,406	17,002	(404)
Office administration costs	11,685	11,748	3,859	3,529	(330)
Electricity charges	5,748	5,748	1,951	1,795	(156)
Plant operations	3,548	3,548	1,097	964	(133)
Information technology resources	3,067	3,300	1,099	923	(176)
General insurance	1,646	1,611	534	447	(87)
Community assistance**	1,777	1,777	714	478	(236)
Other material and service expenses	636	636	243	211	(32)
<b>Total materials and services</b>	<b>145,591</b>	<b>148,140</b>	<b>46,366</b>	<b>42,055</b>	<b>(4,311)</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.

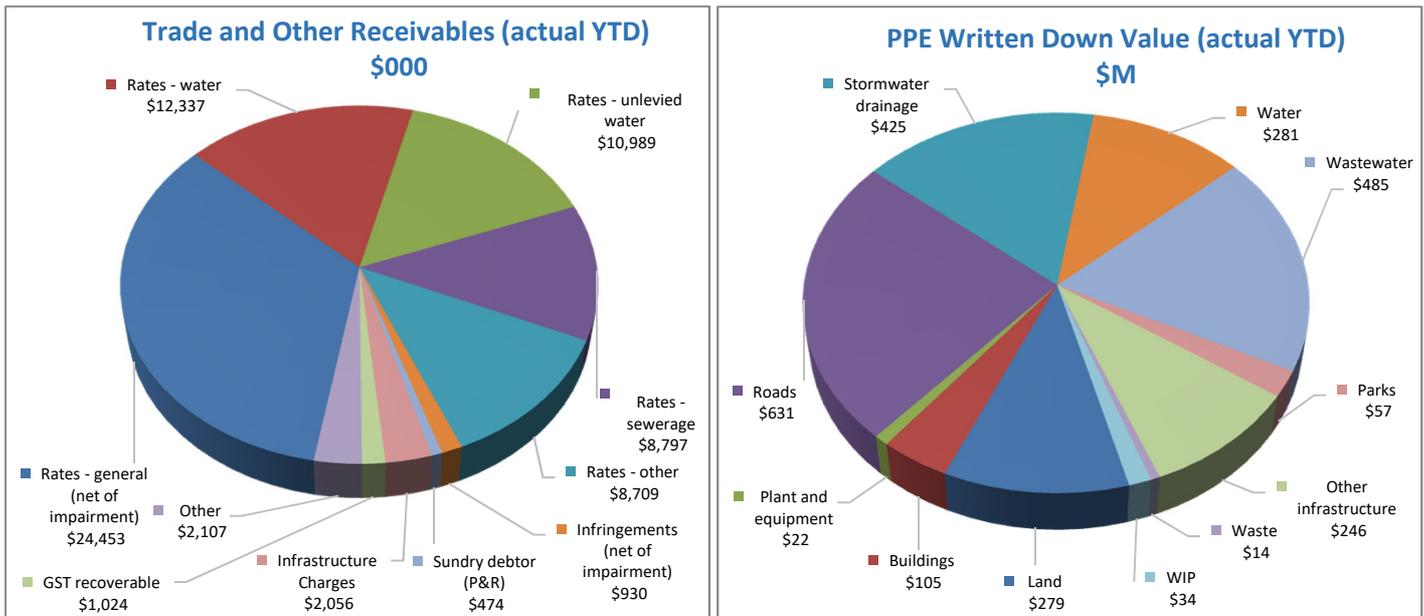


## 4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION  
As at 31 October 2020

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	169,264	171,713	182,415	176,346
Trade and other receivables	45,924	45,900	74,724	71,876
Inventories	918	853	873	918
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,956	4,043
<b>Total current assets</b>	<b>218,061</b>	<b>221,539</b>	<b>261,086</b>	<b>253,183</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,225	1,225	1,225
Property, plant and equipment	2,572,288	2,617,957	2,582,573	2,579,352
Intangible assets	486	1,682	1,976	1,924
Right-of-use assets	5,919	5,911	6,655	6,654
Other financial assets	73	73	73	73
Investment in other entities	13,101	13,101	13,101	13,101
<b>Total non-current assets</b>	<b>2,592,958</b>	<b>2,639,948</b>	<b>2,605,603</b>	<b>2,602,329</b>
<b>TOTAL ASSETS</b>	<b>2,811,018</b>	<b>2,861,487</b>	<b>2,866,689</b>	<b>2,855,512</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	28,839	41,895	47,521	30,523
Borrowings - current	6,361	8,326	8,326	8,326
Lease liability - current*	1,302	1,294	1,294	1,294
Provisions - current	10,769	12,188	13,672	14,328
Other current liabilities	-	1,960	18,504	18,519
<b>Total current liabilities</b>	<b>47,271</b>	<b>65,663</b>	<b>89,317</b>	<b>72,990</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	37,900	35,840	25,035	25,044
Lease liability - non-current*	5,481	5,481	6,275	6,273
Provisions - non-current	15,120	14,162	14,162	14,162
<b>Total non-current liabilities</b>	<b>58,501</b>	<b>55,483</b>	<b>45,472</b>	<b>45,479</b>
<b>TOTAL LIABILITIES</b>	<b>105,772</b>	<b>121,146</b>	<b>134,789</b>	<b>118,469</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,705,246</b>	<b>2,740,341</b>	<b>2,731,900</b>	<b>2,737,043</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,008,120	1,035,840	1,035,840	1,035,840
Retained surplus	1,580,316	1,597,694	1,590,390	1,596,024
Constrained cash reserves	116,810	106,807	105,670	105,179
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,705,246</b>	<b>2,740,341</b>	<b>2,731,900</b>	<b>2,737,043</b>

## 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT-OF-USE ASSETS For the period ending 31 October 2020

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
<b>Right-of-use asset</b>				
Buildings	2,780	2,697	3,109	<b>3,117</b>
Land	2,763	2,847	3,114	<b>3,106</b>
Plant and Equipment	376	367	432	<b>431</b>
<b>Closing balance</b>	<b>5,919</b>	<b>5,911</b>	<b>6,655</b>	<b>6,654</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\* For the period ending 31 October 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)	2,556,325	2,588,458	2,588,458	<b>2,588,458</b>
Acquisitions and WIP in year movement	81,096	94,632	15,305	<b>11,665</b>
Depreciation in year	(63,282)	(63,282)	(21,094)	<b>(20,644)</b>
Disposals	(1,851)	(1,851)	(96)	<b>(127)</b>
<b>Closing balance</b>	<b>2,572,288</b>	<b>2,617,957</b>	<b>2,582,573</b>	<b>2,579,352</b>

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

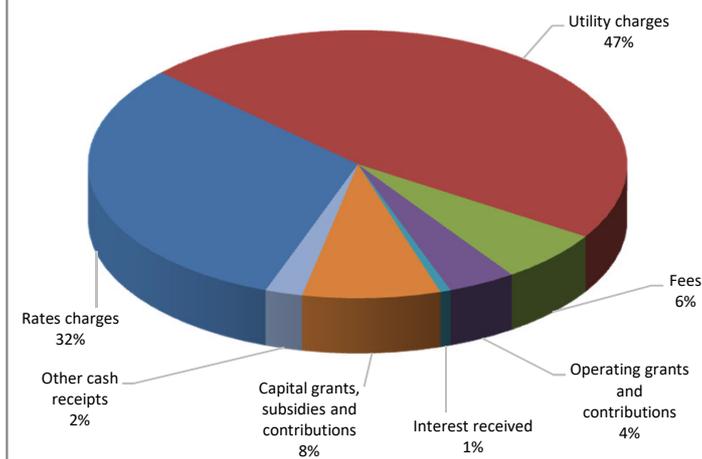
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

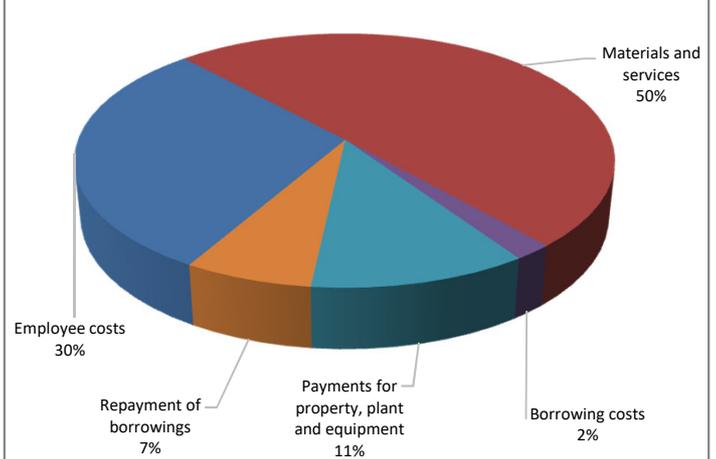
### STATEMENT OF CASH FLOWS For the period ending 31 October 2020

	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	276,486	276,486	91,616	<b>93,578</b>
Payments to suppliers and employees	(239,435)	(242,084)	(72,838)	<b>(83,367)</b>
	<b>37,051</b>	<b>34,402</b>	<b>18,778</b>	<b>10,211</b>
Interest received	2,999	2,999	1,000	<b>678</b>
Rental income	956	956	280	<b>328</b>
Non-capital grants and contributions	14,483	17,132	4,713	<b>4,419</b>
Borrowing costs	(2,052)	(2,052)	(2,052)	<b>(2,048)</b>
Right-of-use assets interest expense	(144)	(144)	(49)	<b>(49)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>53,294</b>	<b>53,294</b>	<b>22,670</b>	<b>13,539</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,614)	(91,150)	(15,278)	<b>(11,665)</b>
Proceeds from sale of property, plant and equipment	1,562	1,562	-	<b>483</b>
Capital grants, subsidies and contributions	25,922	34,149	9,983	<b>8,959</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(50,131)</b>	<b>(55,439)</b>	<b>(5,295)</b>	<b>(2,223)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	9,612	9,612	-	-
Repayment of borrowings	(6,361)	(6,361)	(6,361)	<b>(6,369)</b>
Right-of-use lease payment	(1,294)	(1,294)	(500)	<b>(502)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,957</b>	<b>1,957</b>	<b>(6,861)</b>	<b>(6,871)</b>
<b>Net increase / (decrease) in cash held</b>	<b>5,120</b>	<b>(188)</b>	<b>10,514</b>	<b>4,445</b>
Cash and cash equivalents at the beginning of the year	164,145	171,901	171,901	<b>171,901</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>169,264</b>	<b>171,713</b>	<b>182,415</b>	<b>176,346</b>

**Cash Inflow (actual YTD)**



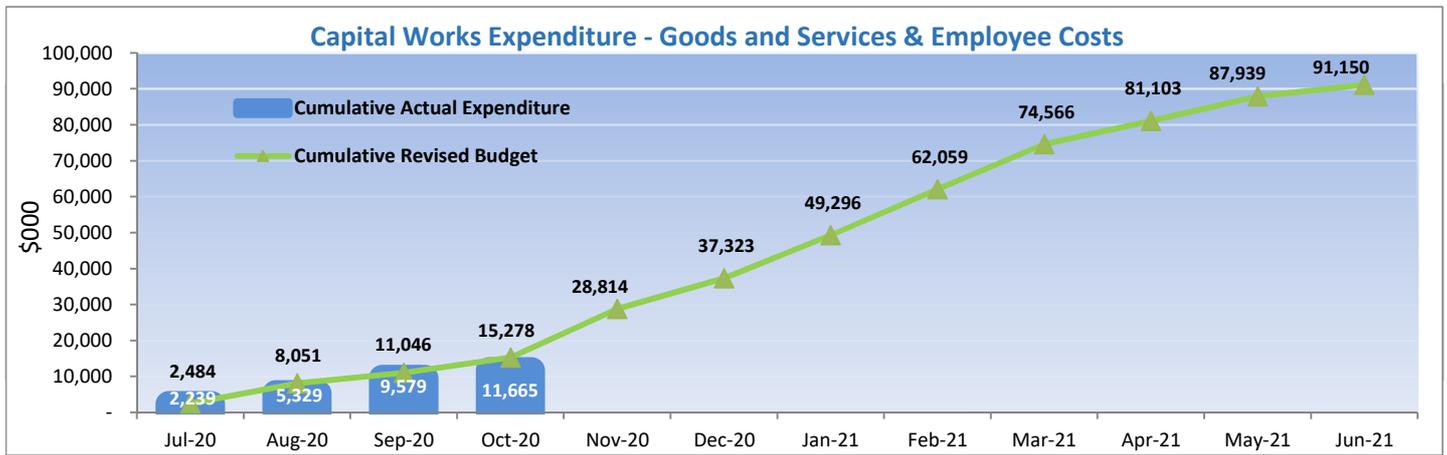
**Cash Outflow (actual YTD)**



<b>Total Cash Funding (Actual YTD)</b>	<b>108,445</b>
Total Cash Funding (Annual Revised Budget)	342,897
<b>% of Budget Achieved YTD</b>	<b>32%</b>

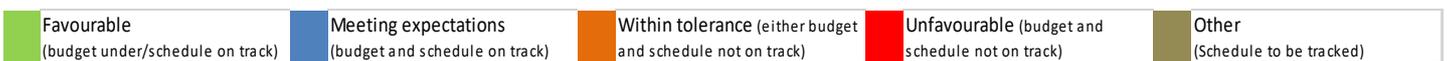
<b>Total Cash Expenditure (Actual YTD)</b>	<b>104,000</b>
Total Cash Expenditure (Annual Revised Budget)	343,085
<b>% of Budget Achieved YTD</b>	<b>30%</b>

## 6. CAPITAL EXPENDITURE

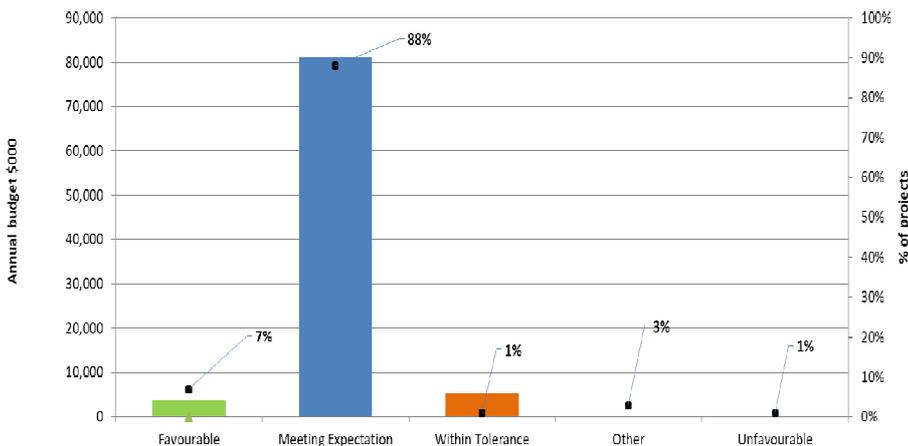


	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	82,717	12,631	9,342	(3,289)
Capitalised employee costs	8,433	2,647	2,323	(324)
<b>Total</b>	<b>91,150</b>	<b>15,278</b>	<b>11,665</b>	<b>(3,613)</b>

## 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

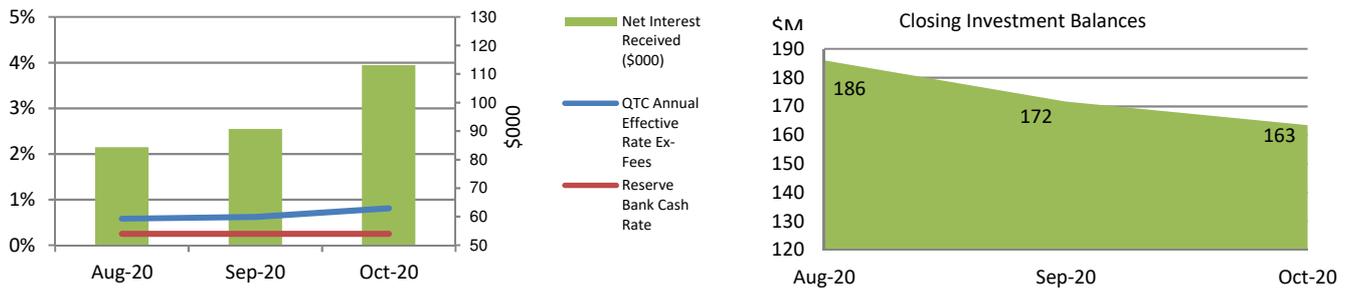
The status of two notable projects are as follows:

Project description	Progress
Raby Bay Groyne Renewal - This project is to repair and replace seawall (rock wall, timber and concrete) sections as required to maintain the integrity of the structure.	Meeting Expectations
Redlands Coast Destination Entry Signage - This project provides for design and construction for the first of many, new purposely built signature destination entry statements for the Redlands Coast area.	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 October 2020

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



**Total QTC Investment at End of Month was \$163.45M**

Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). During the month \$10M was transferred from QTC and invested in a term deposit to maximise interest earnings.

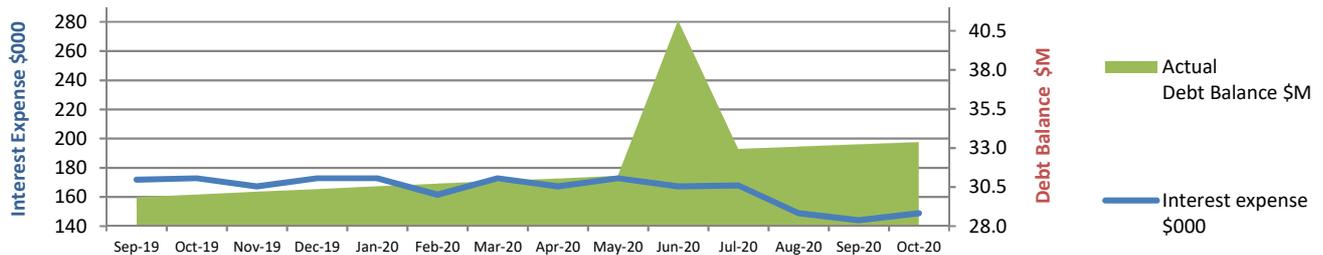
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.81%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its Investment Policy (POL-3013) in June 2020 for the 2020/2021 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 \$8.42M, being \$6.37M principal and \$2.05M interest has been made *annually* for 2020/2021 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 2020. Interest will accrue monthly on a daily balance until next ADSP in July 2021 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 \$33.37M**

Council adopted its Debt Policy (POL-1838) in June 2020 for the 2020/2021 financial year

### BORROWINGS

For the period ending 31 October 2020

	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual Balance \$'000
<b>Borrowings</b>				
Opening balance	(41,273)	(41,178)	(41,178)	(41,178)
Accrued interest on borrowings	(1,789)	(1,789)	(596)	(609)
Interest paid on borrowings	2,052	2,052	2,052	2,048
Principal repaid	6,361	6,361	6,361	6,369
Loan drawdown	(9,612)	(9,612)	-	-
<b>Closing balance</b>	<b>(44,261)</b>	<b>(44,166)</b>	<b>(33,361)</b>	<b>(33,370)</b>

## 9. CONSTRAINED CASH RESERVES

Reserves as at 31 October 2020	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	2	14	-	16
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	152	(152)	-
Waste Levy Reserve	To fund Waste Levy Program	-	2,192	(1,309)	883
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	1,423	(186)	3,330
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	475	(105)	2,906
		<b>4,631</b>	<b>4,256</b>	<b>(1,752)</b>	<b>7,135</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	1,164	(235)	7,591
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	525	-	3,611
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	90	-	14,716
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	791	(1,146)	10,554
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	2,394	(424)	35,701
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	873	(25)	12,771
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	306	(1,278)	9,870
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	33	(4)	132
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	-	(10)	2
		<b>91,894</b>	<b>6,176</b>	<b>(3,122)</b>	<b>94,948</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	4,165	(2,035)	2,130
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	247	(176)	109
		<b>38</b>	<b>4,412</b>	<b>(2,211)</b>	<b>2,239</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve*	Maintenance and repairs of Aquatic Paradise canals	758	-	-	758
Sovereign Waters Lake Reserve*	Maintenance and repairs of Sovereign Lake	431	-	-	431
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>857</b>	<b>-</b>	<b>-</b>	<b>857</b>
<b>TOTALS</b>		<b>97,420</b>	<b>14,844</b>	<b>(7,085)</b>	<b>105,179</b>
					Closing cash and cash equivalents
					176,346
					Reserves as percentage of cash balance
					60%

\*No interest charged for these reserves October 2020 year to date due to low prevailing interest rate.

## 10. CITY WATER STATEMENTS

<b>CITY WATER SUMMARY OPERATING STATEMENT</b>					
<b>For the period ending 31 October 2020</b>					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	122,970	122,970	38,564	39,159	595
Total expenses	71,469	71,469	23,286	23,222	(64)
Earnings before interest, tax and depreciation (EBITD)	51,501	51,501	15,278	15,937	659
External interest expense	71	71	24	37	13
Internal interest expense	10,621	10,621	3,540	3,540	-
Depreciation	24,142	24,142	8,047	8,017	(30)
<b>Operating surplus / (deficit)</b>	<b>16,667</b>	<b>16,667</b>	<b>3,667</b>	<b>4,343</b>	<b>676</b>

<b>CITY WATER CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 31 October 2020</b>					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	2,537	2,537	846	881	35
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	217	234	17
Non-cash contributions	3,399	3,399	-	-	-
Funding from utility revenue	8,568	10,151	2,415	226	(2,189)
<b>Total sources of capital funding</b>	<b>12,138</b>	<b>15,714</b>	<b>3,478</b>	<b>1,341</b>	<b>(2,137)</b>
Contributed assets	3,399	3,399	-	-	-
Capitalised expenditure	8,258	11,833	3,318	810	(2,508)
Loan redemption	482	482	160	531	371
<b>Total application of capital funds</b>	<b>12,138</b>	<b>15,714</b>	<b>3,478</b>	<b>1,341</b>	<b>(2,137)</b>

## 11. CITY WASTE STATEMENTS

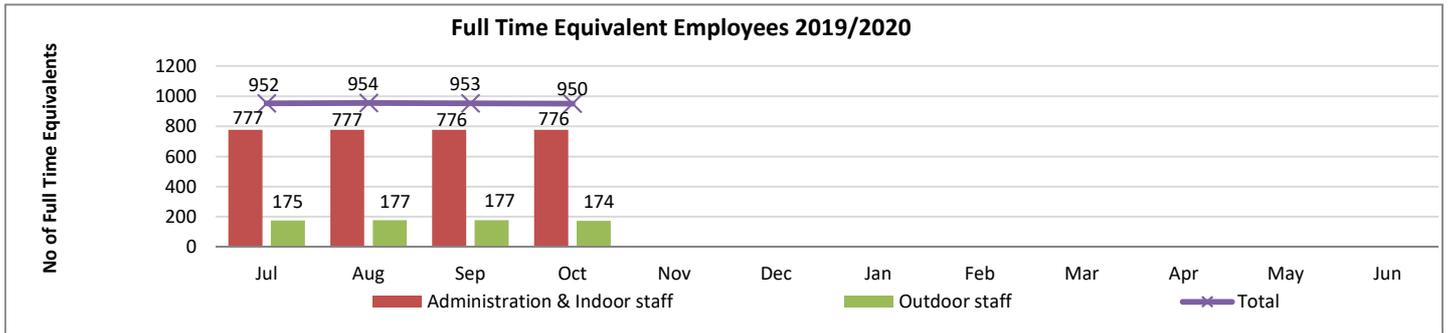
<b>CITY WASTE OPERATING STATEMENT</b>					
<b>For the period ending 31 October 2020</b>					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,715	35,715	12,638	12,532	(106)
Total expenses	27,427	27,427	9,110	9,041	(69)
Earnings before interest, tax and depreciation (EBITD)	8,288	8,288	3,528	3,491	(37)
External interest expense	17	17	6	6	-
Depreciation	327	327	109	111	2
<b>Operating surplus / (deficit)</b>	<b>7,943</b>	<b>7,943</b>	<b>3,413</b>	<b>3,374</b>	<b>(39)</b>

<b>CITY WASTE CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 31 October 2020</b>					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	924	2,729	1,326	363	(963)
<b>Total sources of capital funding</b>	<b>924</b>	<b>2,729</b>	<b>1,326</b>	<b>363</b>	<b>(963)</b>
Capitalised expenditure	779	2,584	1,200	253	(947)
Loan redemption	145	145	126	110	(16)
<b>Total application of capital funds</b>	<b>924</b>	<b>2,729</b>	<b>1,326</b>	<b>363</b>	<b>(963)</b>

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

### Workforce Reporting



October 2020: Headcount		Employee Type			
Department Level		Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance		7	43	7	57
Organisational Services		7	210	17	234
Community and Customer Services		32	269	70	371
Infrastructure and Operations		8	349	17	374
<b>Total</b>		<b>54</b>	<b>871</b>	<b>111</b>	<b>1,036</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 & Statistics

Days Overdue	Oct-20	% Overdue	Oct-19	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	October 2020	October 2019
0 - 30	\$220	0.0%	\$1,506	0.0%	-\$1,286	0.0%	Levied (Billed) Rates & Charges since 1 July 2020	\$139,614,706	\$133,079,445
31 - 60	\$711	0.0%	\$2,290	0.0%	-\$1,579	0.0%	Rate arrears brought forward 1 July 2020	\$12,988,652	\$9,452,770
61 - 90	\$2,962,785	1.9%	\$2,779,503	2.0%	\$183,282	-0.1%	Total	<b>\$152,603,358</b>	<b>\$142,532,215</b>
91 - 180	\$1,634,744	1.1%	\$1,491,920	1.0%	\$142,824	0.1%	Balance of overdue rates & charges	<b>\$8,298,305</b>	<b>\$7,458,959</b>
>180	\$3,699,845	2.4%	\$3,183,740	2.2%	\$516,105	0.2%	% Overdue	<b>5.4%</b>	<b>5.2%</b>
<b>Total</b>	<b>\$8,298,305</b>	<b>5.4%</b>	<b>\$7,458,959</b>	<b>5.2%</b>	<b>\$839,346</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.

^ Loan redemption includes lease redemption.