

# Monthly Financial Report

## December 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 December 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)	(180)	<b>4,693</b>	4,873	2707%	✓
Recurrent Revenue	304,795	150,574	<b>149,613</b>	(961)	-1%	✗
Recurrent Expenditure	306,268	150,754	<b>144,920</b>	(5,834)	-4%	✓
Capital Works Expenditure	91,150	31,297	<b>21,048</b>	(10,249)	-33%	✓
Closing Cash & Cash Equivalents	171,713	177,548	<b>181,356</b>	3,808	2%	✓

Council reported a year to date operating surplus of \$4.69M which is favourable to budget by \$4.87M due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to timing of contractor cost expenditure. Of note, interest income is lower than budget due to lower than expected interest rates on investments.

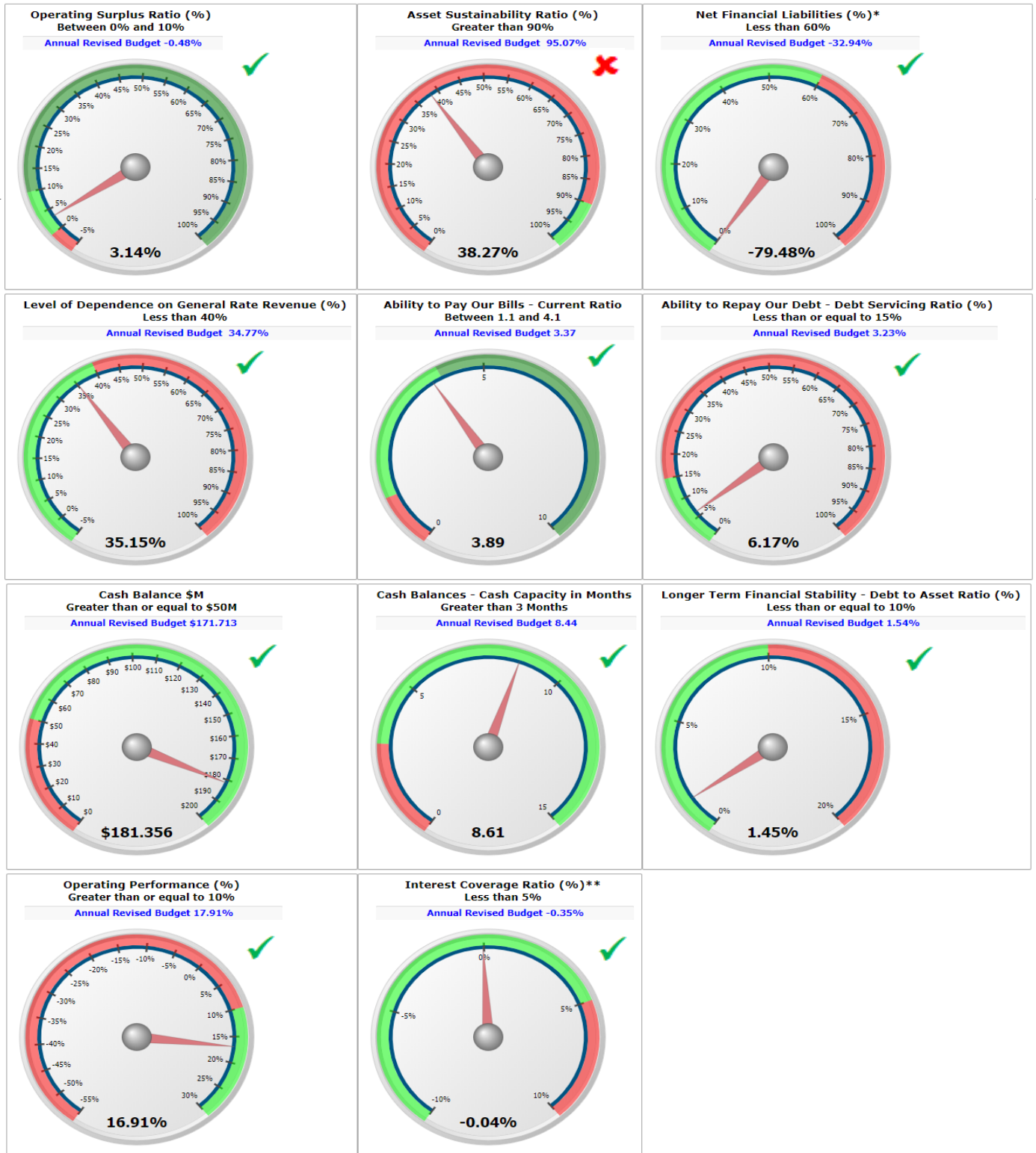
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$10.25M due to timing of works for a number of infrastructure projects.

Constrained cash reserves represent 56% 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 December 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	54,527	<b>54,075</b>	(452)
Levies and utility charges	160,082	160,082	79,492	<b>78,845</b>	(647)
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(1,728)	<b>(1,801)</b>	(73)
Fees	13,554	13,554	6,863	<b>7,660</b>	797
Rental income	956	956	417	<b>569</b>	152
Interest received	2,999	2,999	1,499	<b>1,038</b>	(461)
Sales revenue	3,630	3,630	2,140	<b>1,732</b>	(408)
Other income	533	533	376	<b>865</b>	489
Grants, subsidies and contributions	14,896	17,545	6,988	<b>6,630</b>	(358)
<b>Total recurrent revenue</b>	<b>302,146</b>	<b>304,795</b>	<b>150,574</b>	<b>149,613</b>	<b>(961)</b>
<b>Recurrent expenses</b>					
Employee benefits	91,988	92,088	46,278	<b>46,714</b>	436
Materials and services	145,591	148,140	71,341	<b>65,800</b>	(5,541)
Finance costs	2,382	2,382	1,193	<b>1,216</b>	23
Depreciation and amortisation	64,938	64,938	32,543	<b>32,030</b>	(513)
Other expenditure	520	520	299	<b>163</b>	(136)
Net internal costs	(1,800)	(1,800)	(900)	<b>(1,003)</b>	(103)
<b>Total recurrent expenses</b>	<b>303,619</b>	<b>306,268</b>	<b>150,754</b>	<b>144,920</b>	<b>(5,834)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,473)</b>	<b>(1,473)</b>	<b>(180)</b>	<b>4,693</b>	<b>4,873</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	25,922	32,449	12,712	<b>8,756</b>	(3,956)
Non-cash contributions	3,480	3,480	41	<b>-</b>	(41)
<b>Total capital revenue</b>	<b>29,402</b>	<b>35,930</b>	<b>12,753</b>	<b>8,756</b>	<b>(3,997)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	144	<b>142</b>	(2)
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>144</b>	<b>142</b>	<b>(2)</b>
<b>TOTAL INCOME</b>	<b>331,548</b>	<b>340,725</b>	<b>163,327</b>	<b>158,369</b>	<b>(4,958)</b>
<b>TOTAL EXPENSES</b>	<b>303,908</b>	<b>306,557</b>	<b>150,898</b>	<b>145,062</b>	<b>(5,836)</b>
<b>NET RESULT</b>	<b>27,641</b>	<b>34,168</b>	<b>12,429</b>	<b>13,307</b>	<b>878</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	<b>-</b>	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>27,641</b>	<b>34,168</b>	<b>12,429</b>	<b>13,307</b>	<b>878</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 December 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	14,482	<b>14,620</b>	138
SES separate charge	497	497	248	<b>247</b>	(1)
Environment separate charge	8,387	8,388	4,194	<b>4,171</b>	(23)
Separate charge landfill remediation	2,163	2,163	1,078	<b>1,076</b>	(2)
Wastewater charges	47,842	47,842	23,845	<b>23,716</b>	(129)
Water access charges	20,120	20,120	10,025	<b>10,034</b>	9
Water consumption charges	51,945	51,945	25,620	<b>24,981</b>	(639)
<b>Total levies and utility charges</b>	<b>160,082</b>	<b>160,082</b>	<b>79,492</b>	<b>78,845</b>	<b>(647)</b>

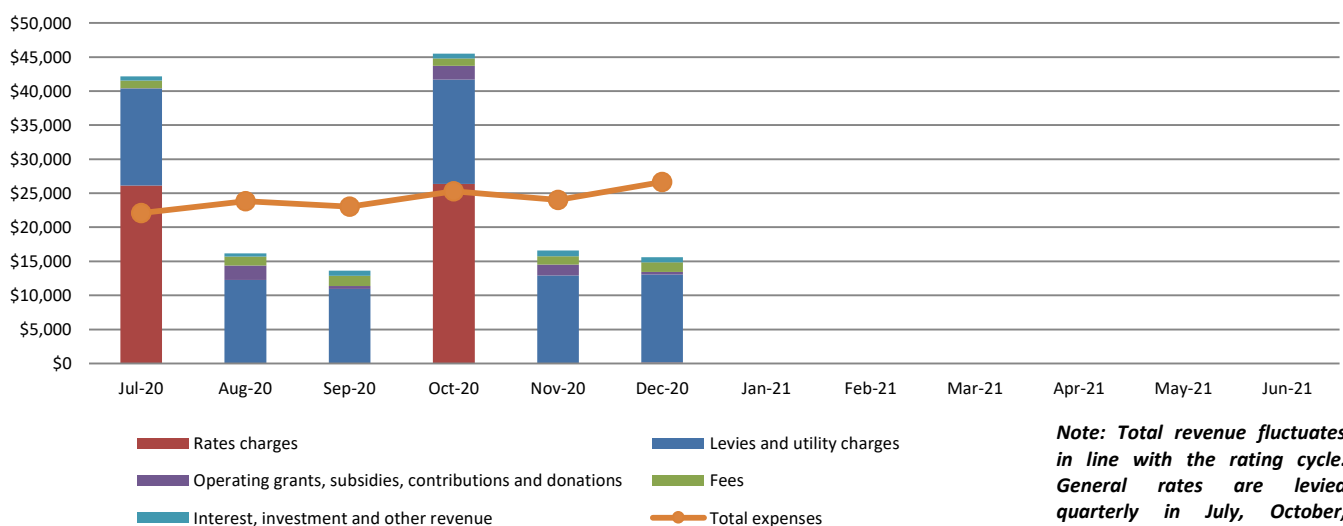
#### MATERIALS AND SERVICES ANALYSIS For the period ending 31 December 2020

	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	39,195	19,017	<b>16,150</b>	(2,867)
Consultants	2,813	3,332	1,609	<b>810</b>	(799)
Other Council outsourcing costs*	23,063	21,918	9,921	<b>9,590</b>	(331)
Purchase of materials	53,059	55,336	26,389	<b>26,710</b>	321
Office administration costs	11,685	11,748	5,966	<b>5,483</b>	(483)
Electricity charges	5,748	5,748	2,890	<b>2,676</b>	(214)
Plant operations	3,548	3,548	1,655	<b>1,462</b>	(193)
Information technology resources	3,067	3,302	1,677	<b>1,407</b>	(270)
General insurance	1,646	1,611	811	<b>664</b>	(147)
Community assistance**	1,777	1,768	1,090	<b>585</b>	(505)
Other material and service expenses	636	634	316	<b>263</b>	(53)
<b>Total materials and services</b>	<b>145,591</b>	<b>148,140</b>	<b>71,341</b>	<b>65,800</b>	<b>(5,541)</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.**

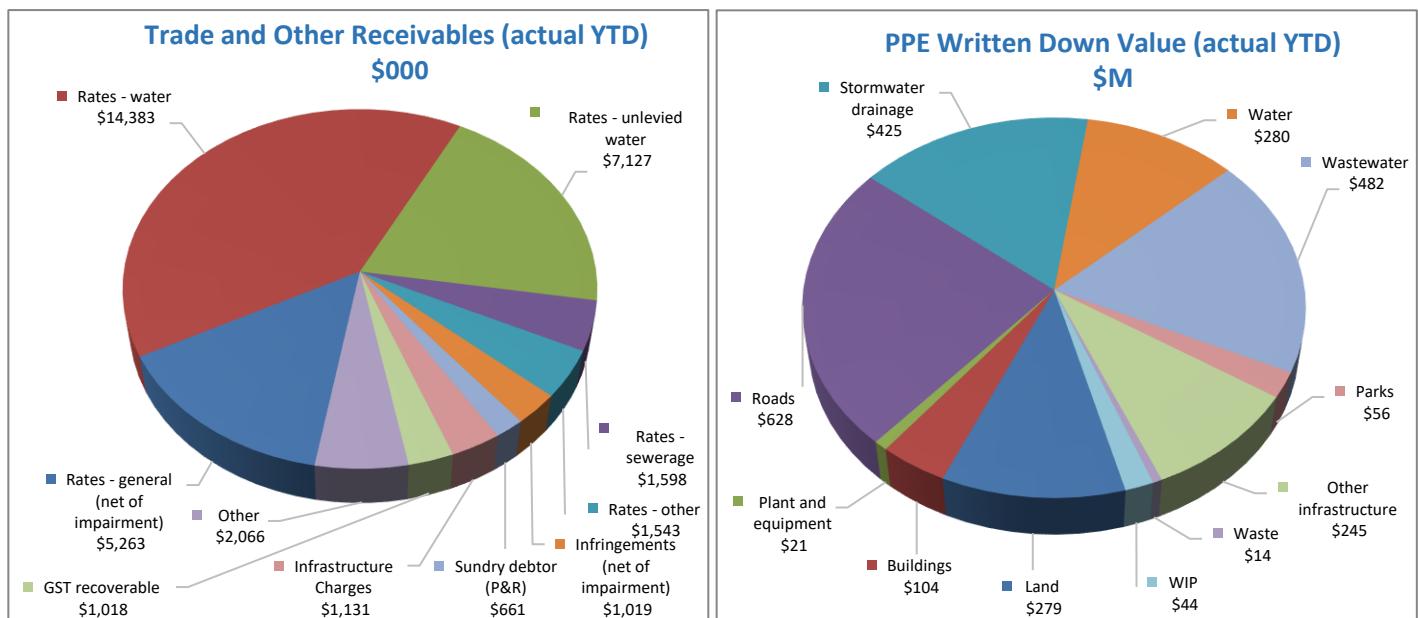


## 4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION  
As at 31 December 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	177,548	181,356
Trade and other receivables	45,924	45,900	44,587	35,809
Inventories	918	853	868	882
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,956	3,289
<b>Total current assets</b>	<b>218,061</b>	<b>221,539</b>	<b>226,077</b>	<b>221,336</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	2,586,930	2,577,931
Intangible assets	486	1,682	1,903	1,825
Right-of-use assets	5,919	5,911	6,445	6,418
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>2,609,677</b>	<b>2,600,573</b>
<b>TOTAL ASSETS</b>	<b>2,811,018</b>	<b>2,861,487</b>	<b>2,835,754</b>	<b>2,821,909</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	28,839	41,895	46,715	28,861
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	13,301	14,140
Other current liabilities	-	1,960	1,970	4,268
<b>Total current liabilities</b>	<b>47,271</b>	<b>65,663</b>	<b>71,606</b>	<b>56,889</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	37,900	35,840	25,333	25,337
Lease liability - non-current*	5,481	5,481	6,052	6,040
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>45,547</b>	<b>45,539</b>
<b>TOTAL LIABILITIES</b>	<b>105,772</b>	<b>121,146</b>	<b>117,153</b>	<b>102,428</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,705,246</b>	<b>2,740,341</b>	<b>2,718,601</b>	<b>2,719,481</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	1,578,229	1,581,681
Constrained cash reserves	116,810	106,807	104,532	101,960
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,705,246</b>	<b>2,740,341</b>	<b>2,718,601</b>	<b>2,719,481</b>

## 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT-OF-USE ASSETS For the period ending 31 December 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	3,006	<b>3,018</b>
Land	2,763	2,847	3,047	<b>3,035</b>
Plant and Equipment	376	367	392	<b>365</b>
<b>Closing balance</b>	<b>5,919</b>	<b>5,911</b>	<b>6,445</b>	<b>6,418</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\*

For the period ending 31 December 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	31,337	<b>21,048</b>
Depreciation in year	(63,282)	(63,282)	(31,641)	<b>(31,023)</b>
Disposals	(1,851)	(1,851)	(1,224)	<b>(555)</b>
Other adjustments**	-	-	-	<b>3</b>
<b>Closing balance</b>	<b>2,572,288</b>	<b>2,617,957</b>	<b>2,586,930</b>	<b>2,577,931</b>

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

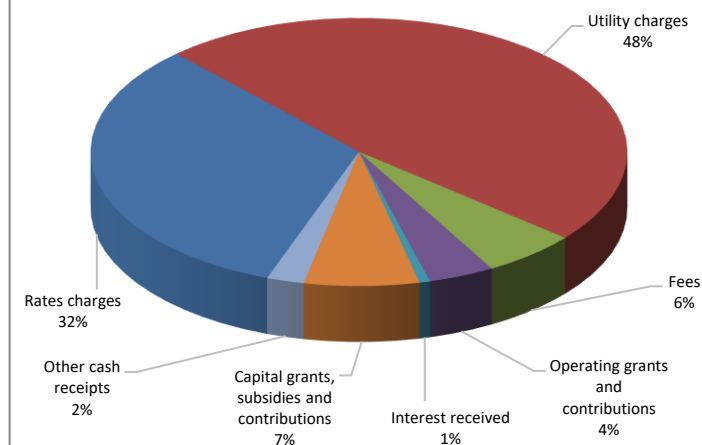
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

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

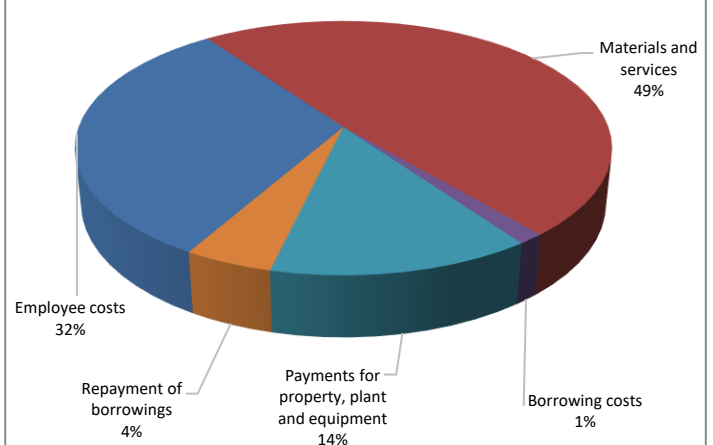
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	276,486	276,486	135,957	<b>143,963</b>
Payments to suppliers and employees	(239,435)	(242,084)	(113,954)	<b>(124,233)</b>
	<b>37,051</b>	<b>34,402</b>	<b>22,003</b>	<b>19,730</b>
Interest received	2,999	2,999	1,499	<b>1,038</b>
Rental income	956	956	418	<b>569</b>
Non-capital grants and contributions	14,483	17,132	6,741	<b>6,502</b>
Borrowing costs	(2,052)	(2,052)	(2,052)	<b>(2,048)</b>
Right-of-use assets interest expense	(144)	(144)	(73)	<b>(73)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>53,294</b>	<b>53,294</b>	<b>28,536</b>	<b>25,718</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,614)	(91,150)	(31,297)	<b>(21,048)</b>
Proceeds from sale of property, plant and equipment	1,562	1,562	1,080	<b>531</b>
Capital grants, subsidies and contributions	25,922	34,149	14,412	<b>11,358</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(50,131)</b>	<b>(55,439)</b>	<b>(15,805)</b>	<b>(9,159)</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)	(723)	<b>(735)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,957</b>	<b>1,957</b>	<b>(7,084)</b>	<b>(7,104)</b>
<b>Net increase / (decrease) in cash held</b>	<b>5,120</b>	<b>(188)</b>	<b>5,647</b>	<b>9,455</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>177,548</b>	<b>181,356</b>

#### Cash Inflow (actual YTD)



<b>Total Cash Funding (Actual YTD)</b>	<b>163,961</b>
Total Cash Funding (Annual Revised Budget)	342,897
<b>% of Budget Achieved YTD</b>	<b>48%</b>

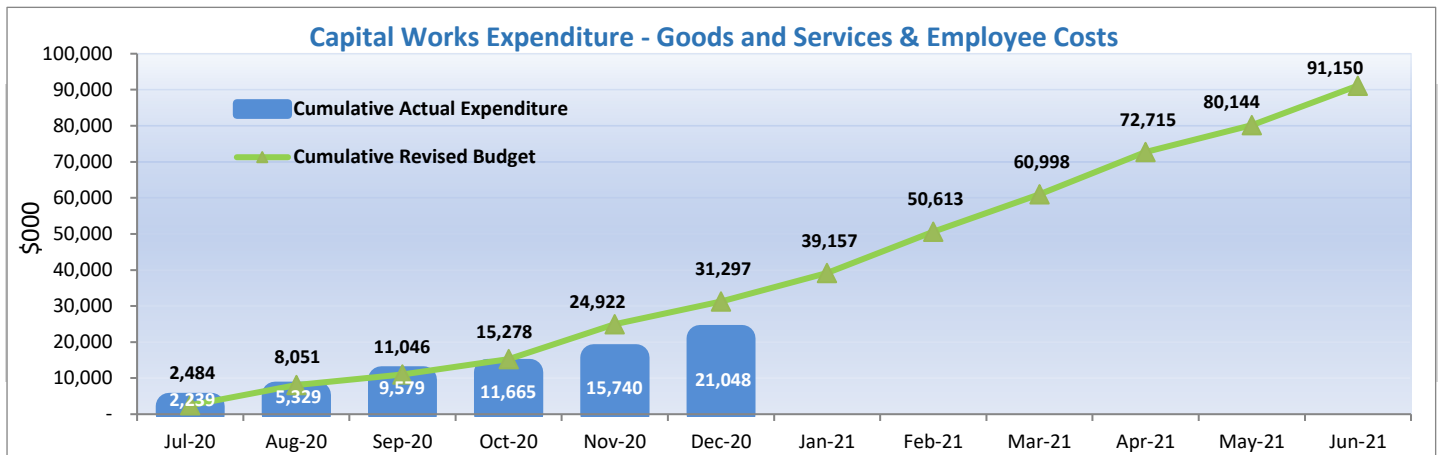
#### Cash Outflow (actual YTD)



<b>Total Cash Expenditure (Actual YTD)</b>	<b>154,506</b>
Total Cash Expenditure (Annual Revised Budget)	343,085
<b>% of Budget Achieved YTD</b>	<b>45%</b>



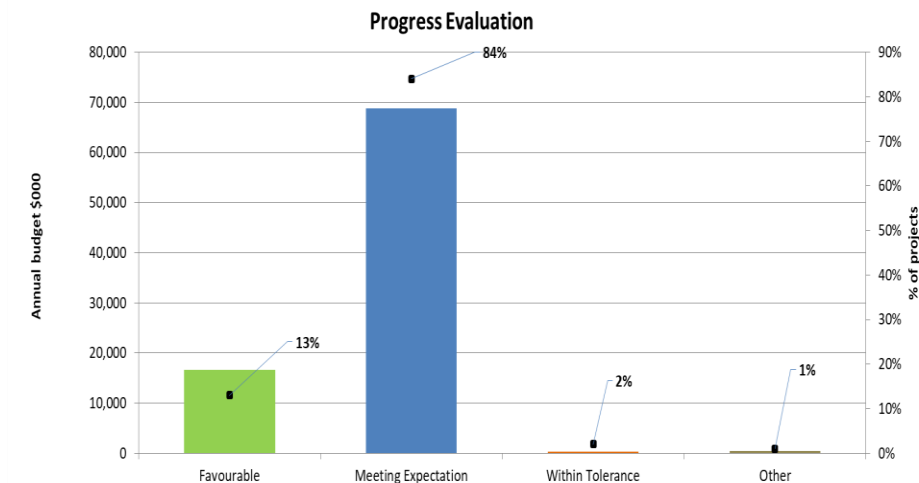
## 6. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services	82,717	27,356	17,381	(9,975)
Capitalised employee costs	8,433	3,941	3,667	(274)
<b>Total</b>	<b>91,150</b>	<b>31,297</b>	<b>21,048</b>	<b>(10,249)</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: brown;">■</span> 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

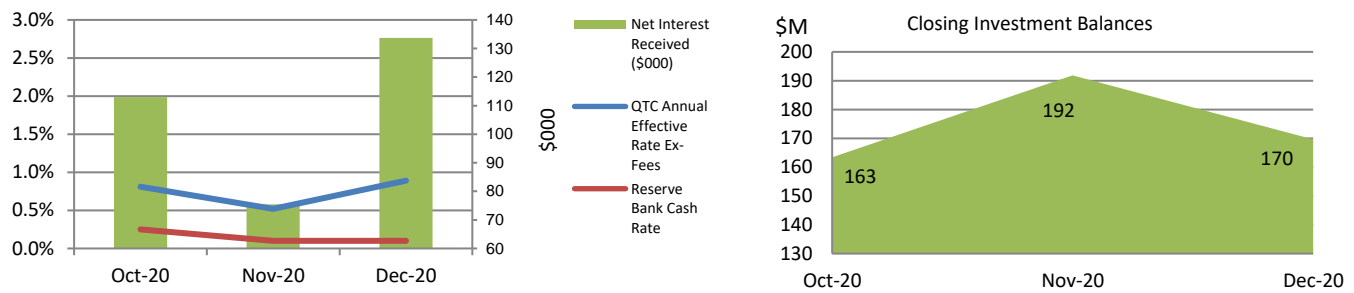
The status of two notable projects are as follows:

Project description	Progress
Bus Shelter and Seat Renewal Program - Undertake asset renewal and achieve a practical level compliance to Disability Discrimination Act across the bus stop network.	Meeting Expectations
Road Upgrade & Expansion Program (SMBI Greenseal) - Sealing gravel roads on the Southern Moreton Bay Islands for dust suppression, safety and improved amenity.	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 December 2020

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



#### Total QTC Investment at End of Month was \$169.67M

Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2020 \$10M was invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

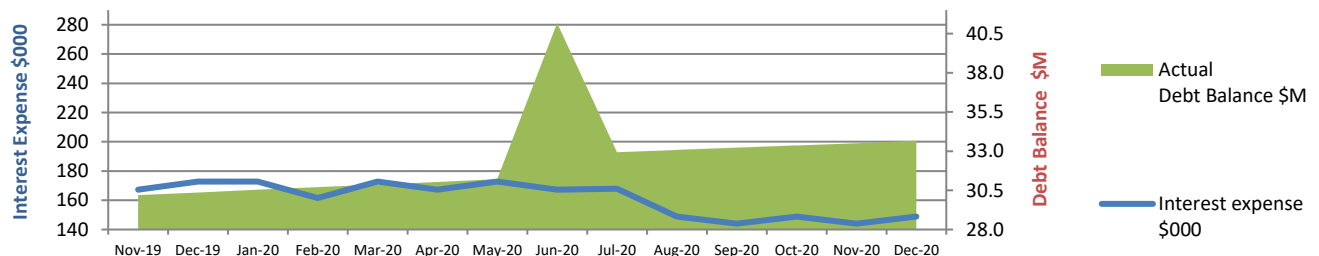
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.10% during November 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 0.89%. 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 \$33.66M

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

### BORROWINGS

For the period ending 31 December 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)	(894)	(902)
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>(33,659)</b>	<b>(33,663)</b>

## 9. CONSTRAINED CASH RESERVES

Reserves as at 31 December 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	13	(1)	14
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	310	(302)	8
Waste Levy Reserve	To fund Waste Levy Program	-	2,192	(2,014)	178
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	1,424	(373)	3,144
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	520	(439)	2,617
		<b>4,631</b>	<b>4,459</b>	<b>(3,129)</b>	<b>5,961</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	1,171	(498)	7,335
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	724	-	3,810
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	97	-	14,723
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	901	(1,349)	10,461
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	2,662	(764)	35,629
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	979	(101)	12,801
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	334	(1,475)	9,701
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	48	(4)	147
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	-	(12)	-
		<b>91,894</b>	<b>6,916</b>	<b>(4,203)</b>	<b>94,607</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	4,170	(3,686)	484
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	247	(234)	51
		<b>38</b>	<b>4,417</b>	<b>(3,920)</b>	<b>535</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>15,792</b>	<b>(11,252)</b>	<b>101,960</b>
		Closing cash and cash equivalents		<b>181,356</b>	
		Reserves as percentage of cash balance		<b>56%</b>	

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

## 10. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 31 December 2020					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	122,970	122,970	61,458	60,439	(1,019)
Total expenses	71,469	71,469	35,733	35,959	226
Earnings before interest, tax and depreciation (EBITD)	51,501	51,501	25,725	24,480	(1,245)
External interest expense	71	71	35	55	20
Internal interest expense	10,621	10,621	5,311	5,311	-
Depreciation	24,142	24,142	12,071	11,994	(77)
<b>Operating surplus / (deficit)</b>	<b>16,667</b>	<b>16,667</b>	<b>8,308</b>	<b>7,120</b>	<b>(1,188)</b>

CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 31 December 2020					
	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	1,269	998	(271)
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	672	285	(387)
Non-cash contributions	3,399	3,399	-	-	-
Funding from utility revenue	8,568	10,151	4,036	876	(3,160)
<b>Total sources of capital funding</b>	<b>12,138</b>	<b>15,714</b>	<b>5,977</b>	<b>2,159</b>	<b>(3,818)</b>
Contributed assets	3,399	3,399	-	-	-
Capitalised expenditure	8,258	11,833	5,736	1,517	(4,219)
Loan redemption	482	482	241	642	401
<b>Total application of capital funds</b>	<b>12,138</b>	<b>15,714</b>	<b>5,977</b>	<b>2,159</b>	<b>(3,818)</b>

## 11. CITY WASTE STATEMENTS

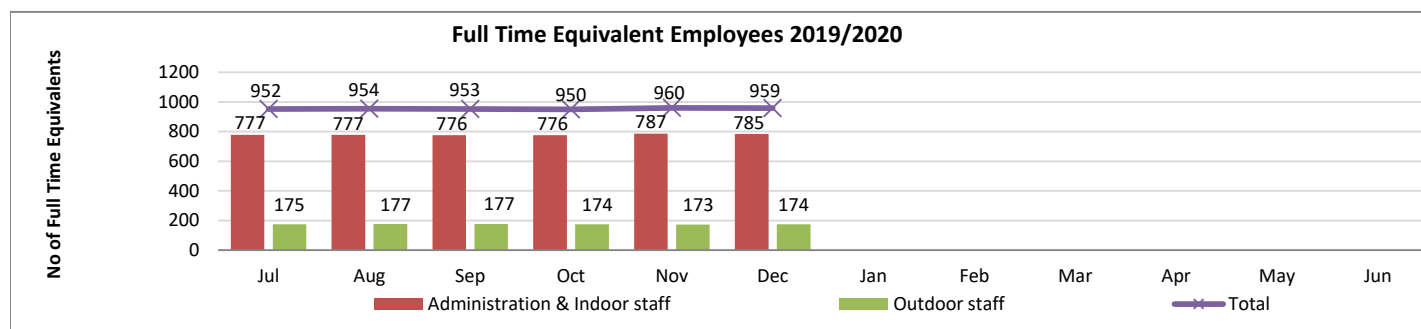
CITY WASTE OPERATING STATEMENT					
For the period ending 31 December 2020					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,715	35,715	17,775	17,707	(68)
Total expenses	27,427	27,427	13,594	13,469	(125)
Earnings before interest, tax and depreciation (EBITD)	8,288	8,288	4,181	4,238	57
External interest expense	17	17	9	9	-
Depreciation	327	327	163	167	4
<b>Operating surplus / (deficit)</b>	<b>7,943</b>	<b>7,943</b>	<b>4,009</b>	<b>4,062</b>	<b>53</b>

CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 31 December 2020					
	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	1,547	383	(1,164)
<b>Total sources of capital funding</b>	<b>924</b>	<b>2,729</b>	<b>1,547</b>	<b>383</b>	<b>(1,164)</b>
Capitalised expenditure	779	2,584	1,417	275	(1,142)
Loan redemption	145	145	130	108	(22)
<b>Total application of capital funds</b>	<b>924</b>	<b>2,729</b>	<b>1,547</b>	<b>383</b>	<b>(1,164)</b>

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

### Workforce Reporting



December 2020: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance	9	40	7	56
Organisational Services	7	205	18	230
Community and Customer Services	31	284	69	384
Infrastructure and Operations	9	352	17	378
<b>Total</b>	<b>56</b>	<b>881</b>	<b>111</b>	<b>1,048</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	Dec-20	% Overdue	Dec-19	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics		
0 - 30	\$0	0.0%	\$115	0.0%	-\$115	0.0%	Levied (Billed) Rates & Charges since 1 July 2020	\$153,367,040	\$132,934,417
31 - 60	\$4,072,896	2.5%	\$4,256,530	3.0%	-\$183,634	-0.5%	Rate arrears brought forward 1 July 2020	\$12,988,652	\$9,452,770
61 - 90	\$0	0.0%	\$476	0.0%	-\$476	0.0%	Total	\$166,355,692	\$142,387,187
91 - 180	\$1,898,531	1.1%	\$1,831,709	1.3%	\$66,822	-0.2%	Balance of overdue rates & charges	\$10,320,392	\$9,873,825
>180	\$4,348,965	2.6%	\$3,784,995	2.7%	\$563,970	-0.1%	% Overdue	6.2%	7.0%
<b>Total</b>	<b>\$10,320,392</b>	<b>6.2%</b>	<b>\$9,873,825</b>	<b>7.0%</b>	<b>\$446,567</b>	<b>-0.8%</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.