

# Monthly Financial Report

## January 2021



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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 2021. 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)	19,074	<b>25,633</b>	6,559	34%	✓
Recurrent Revenue	304,795	194,661	<b>192,921</b>	(1,740)	-1%	✗
Recurrent Expenditure	306,268	175,587	<b>167,288</b>	(8,299)	-5%	✓
Capital Works Expenditure	91,150	28,314	<b>24,038</b>	(4,276)	-15%	✓
Closing Cash & Cash Equivalents	171,713	186,658	<b>181,328</b>	(5,330)	-3%	✗

Council reported a year to date operating surplus of \$25.63M which is favourable to budget by \$6.56M 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.

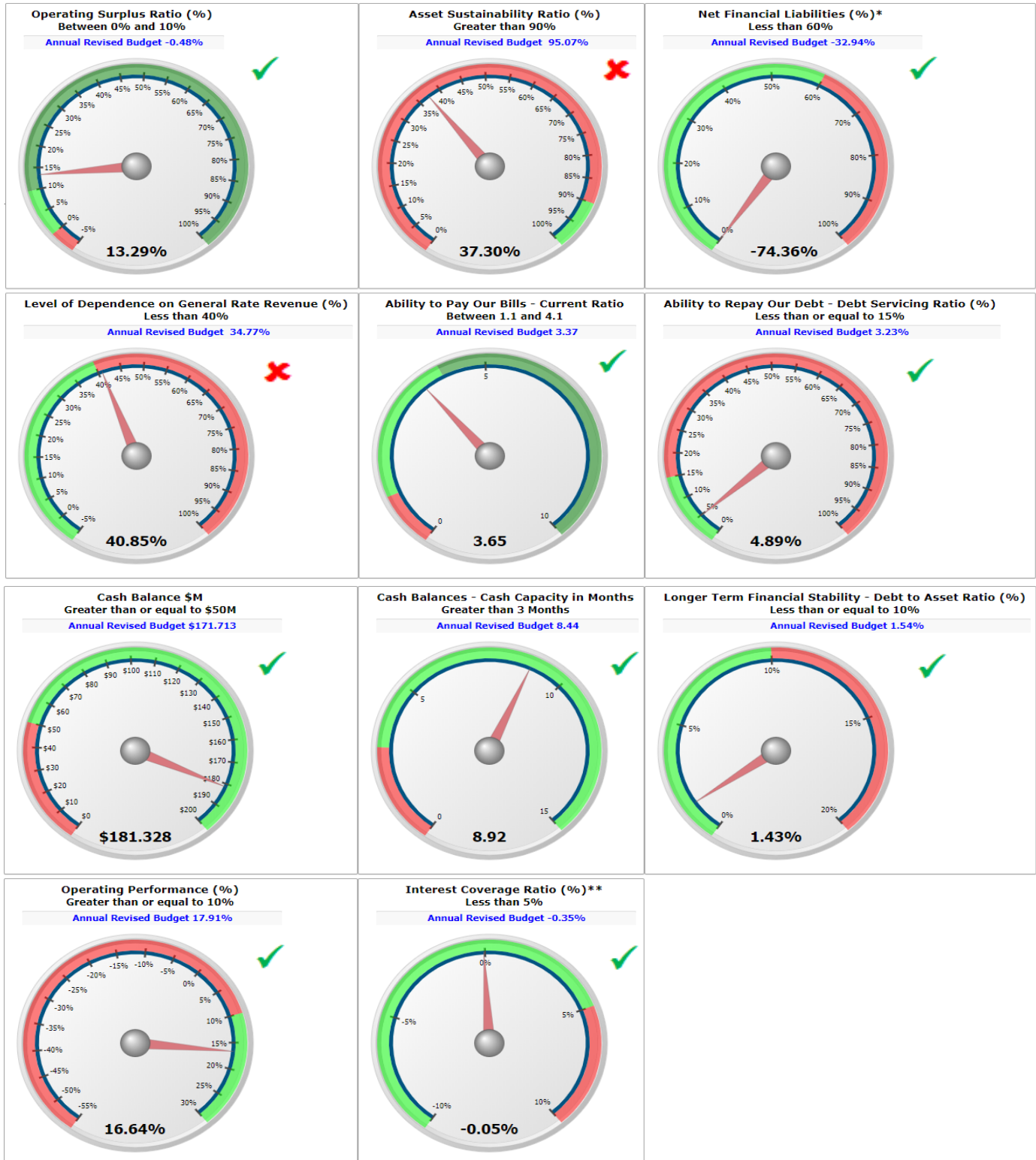
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$4.28M mainly due to timing of works for a number of infrastructure projects including RPAC Pile Wind Hoist Renewal Project, SES Compound Redland Bay and Roads To Recovery - Queen St Cleveland. The variance is also due to timing of procurement for the Fleet Replacement Program and Annual Desktop Replacement Program.

Constrained cash reserves represent 58% 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 January 2021					
	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	81,463	<b>81,058</b>	(405)
Levies and utility charges	160,082	160,082	94,642	<b>93,397</b>	(1,245)
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(2,518)	<b>(2,603)</b>	(85)
Fees	13,554	13,554	7,912	<b>8,754</b>	842
Rental income	956	956	463	<b>616</b>	153
Interest received	2,999	2,999	1,750	<b>1,240</b>	(510)
Sales revenue	3,630	3,630	2,322	<b>1,957</b>	(365)
Other income	533	533	393	<b>911</b>	518
Grants, subsidies and contributions	14,896	17,545	8,234	<b>7,591</b>	(643)
<b>Total recurrent revenue</b>	<b>302,146</b>	<b>304,795</b>	<b>194,661</b>	<b>192,921</b>	<b>(1,740)</b>
<b>Recurrent expenses</b>					
Employee benefits	91,988	92,088	54,266	<b>53,464</b>	(802)
Materials and services	145,591	148,140	82,716	<b>76,021</b>	(6,695)
Finance costs	2,382	2,382	1,381	<b>1,397</b>	16
Depreciation and amortisation	64,938	64,938	37,942	<b>37,511</b>	(431)
Other expenditure	520	520	319	<b>171</b>	(148)
Net internal costs	(1,800)	(1,800)	(1,037)	<b>(1,276)</b>	(239)
<b>Total recurrent expenses</b>	<b>303,619</b>	<b>306,268</b>	<b>175,587</b>	<b>167,288</b>	<b>(8,299)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,473)</b>	<b>(1,473)</b>	<b>19,074</b>	<b>25,633</b>	<b>6,559</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	25,922	32,449	15,372	<b>9,710</b>	(5,662)
Non-cash contributions	3,480	3,480	48	<b>-</b>	(48)
<b>Total capital revenue</b>	<b>29,402</b>	<b>35,930</b>	<b>15,420</b>	<b>9,710</b>	<b>(5,710)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	168	<b>607</b>	439
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>168</b>	<b>607</b>	<b>439</b>
<b>TOTAL INCOME</b>	<b>331,548</b>	<b>340,725</b>	<b>210,081</b>	<b>202,631</b>	<b>(7,450)</b>
<b>TOTAL EXPENSES</b>	<b>303,908</b>	<b>306,557</b>	<b>175,755</b>	<b>167,895</b>	<b>(7,860)</b>
<b>NET RESULT</b>	<b>27,641</b>	<b>34,168</b>	<b>34,326</b>	<b>34,736</b>	<b>410</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>34,326</b>	<b>34,736</b>	<b>410</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 January 2021

	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	16,903	<b>17,058</b>	155
SES separate charge	497	497	372	<b>371</b>	(1)
Environment separate charge	8,387	8,388	6,290	<b>6,257</b>	(33)
Separate charge landfill remediation	2,163	2,163	1,258	<b>1,255</b>	(3)
Wastewater charges	47,842	47,842	27,838	<b>27,679</b>	(159)
Water access charges	20,120	20,120	11,699	<b>11,703</b>	4
Water consumption charges	51,945	51,945	30,282	<b>29,074</b>	(1,208)
<b>Total levies and utility charges</b>	<b>160,082</b>	<b>160,082</b>	<b>94,642</b>	<b>93,397</b>	<b>(1,245)</b>

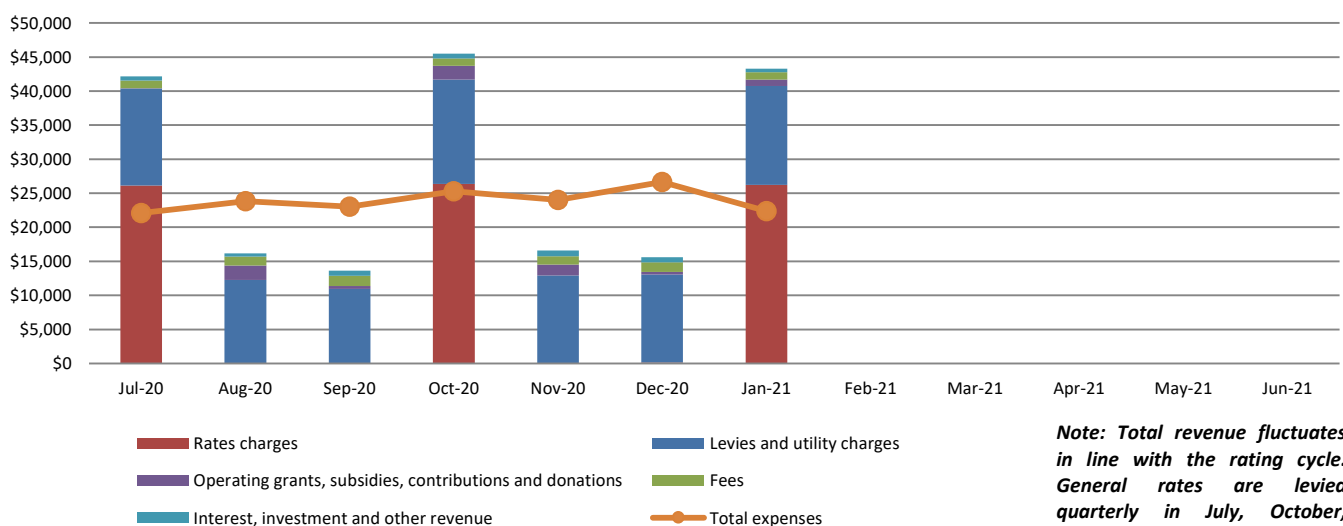
#### MATERIALS AND SERVICES ANALYSIS For the period ending 31 January 2021

	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	21,777	<b>18,514</b>	(3,263)
Consultants	2,813	3,332	1,832	<b>956</b>	(876)
Other Council outsourcing costs*	23,063	21,918	11,453	<b>11,031</b>	(422)
Purchase of materials	53,059	55,336	30,899	<b>30,958</b>	59
Office administration costs	11,685	11,748	6,909	<b>6,326</b>	(583)
Electricity charges	5,748	5,748	3,365	<b>3,135</b>	(230)
Plant operations	3,548	3,548	1,976	<b>1,664</b>	(312)
Information technology resources	3,067	3,302	1,934	<b>1,637</b>	(297)
General insurance	1,646	1,611	945	<b>773</b>	(172)
Community assistance**	1,777	1,768	1,227	<b>694</b>	(533)
Other material and service expenses	636	634	399	<b>333</b>	(66)
<b>Total materials and services</b>	<b>145,591</b>	<b>148,140</b>	<b>82,716</b>	<b>76,021</b>	<b>(6,695)</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.

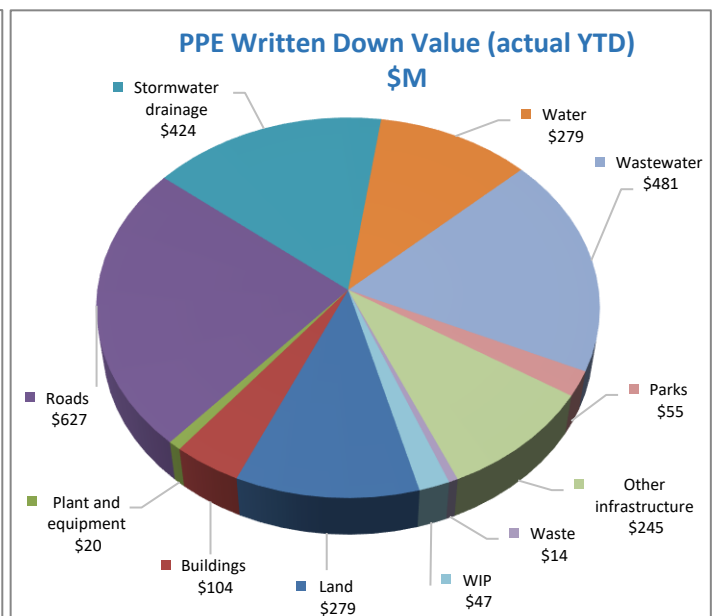
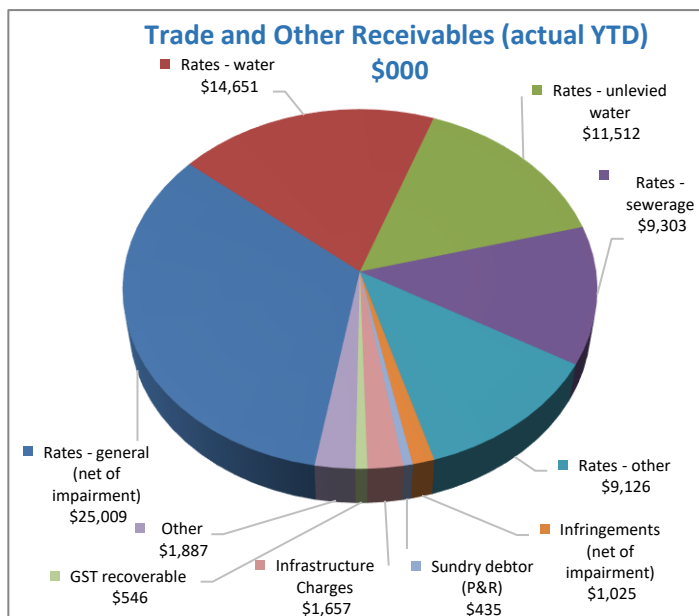


## 4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION  
As at 31 January 2021

	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	186,658	<b>181,328</b>
Trade and other receivables	45,924	45,900	82,360	<b>75,151</b>
Inventories	918	853	865	<b>812</b>
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,956	<b>2,818</b>
<b>Total current assets</b>	<b>218,061</b>	<b>221,539</b>	<b>272,957</b>	<b>260,109</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,225	1,225	<b>1,225</b>
Property, plant and equipment	2,572,288	2,617,957	2,578,657	<b>2,574,983</b>
Intangible assets	486	1,682	1,866	<b>1,775</b>
Right-of-use assets	5,919	5,911	6,356	<b>6,297</b>
Other financial assets	73	73	73	<b>73</b>
Investment in other entities	13,101	13,101	13,101	<b>13,101</b>
<b>Total non-current assets</b>	<b>2,592,958</b>	<b>2,639,948</b>	<b>2,601,278</b>	<b>2,597,454</b>
<b>TOTAL ASSETS</b>	<b>2,811,018</b>	<b>2,861,487</b>	<b>2,874,235</b>	<b>2,857,563</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	28,839	41,895	46,529	<b>29,093</b>
Borrowings - current	6,361	8,326	8,326	<b>8,326</b>
Lease liability - current*	1,302	1,294	1,294	<b>1,294</b>
Provisions - current	10,769	12,188	13,115	<b>13,801</b>
Other current liabilities	-	1,960	18,871	<b>18,657</b>
<b>Total current liabilities</b>	<b>47,271</b>	<b>65,663</b>	<b>88,135</b>	<b>71,171</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	37,900	35,840	25,482	<b>25,486</b>
Lease liability - non-current*	5,481	5,481	5,957	<b>5,835</b>
Provisions - non-current	15,120	14,162	14,162	<b>14,162</b>
<b>Total non-current liabilities</b>	<b>58,501</b>	<b>55,483</b>	<b>45,601</b>	<b>45,483</b>
<b>TOTAL LIABILITIES</b>	<b>105,772</b>	<b>121,146</b>	<b>133,736</b>	<b>116,654</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,705,246</b>	<b>2,740,341</b>	<b>2,740,499</b>	<b>2,740,909</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,008,120	1,035,840	1,035,840	<b>1,035,840</b>
Retained surplus	1,580,316	1,597,694	1,594,422	<b>1,599,225</b>
Constrained cash reserves	116,810	106,807	110,237	<b>105,844</b>
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,705,246</b>	<b>2,740,341</b>	<b>2,740,499</b>	<b>2,740,909</b>

## 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT-OF-USE ASSETS For the period ending 31 January 2021

	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	2,955	<b>2,969</b>
Land	2,763	2,847	3,013	<b>2,999</b>
Plant and Equipment	376	367	388	<b>329</b>
<b>Closing balance</b>	<b>5,919</b>	<b>5,911</b>	<b>6,356</b>	<b>6,297</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\* For the period ending 31 January 2021

	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	28,361	<b>24,038</b>
Depreciation in year	(63,282)	(63,282)	(36,914)	<b>(36,334)</b>
Disposals	(1,851)	(1,851)	(1,248)	<b>(1,182)</b>
Other adjustments**	-	-	-	<b>3</b>
<b>Closing balance</b>	<b>2,572,288</b>	<b>2,617,957</b>	<b>2,578,657</b>	<b>2,574,983</b>

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

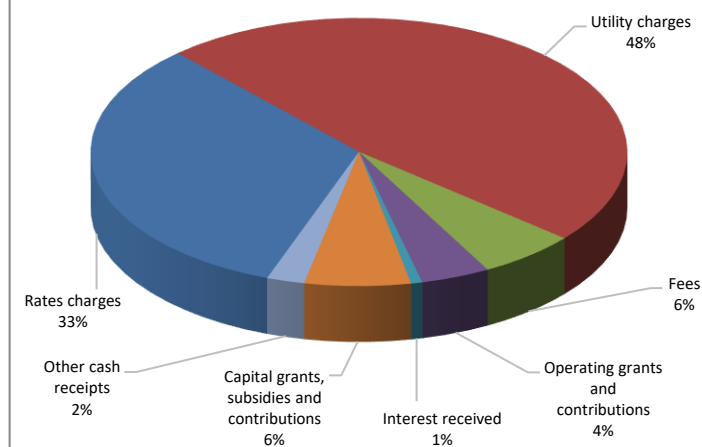
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 January 2021

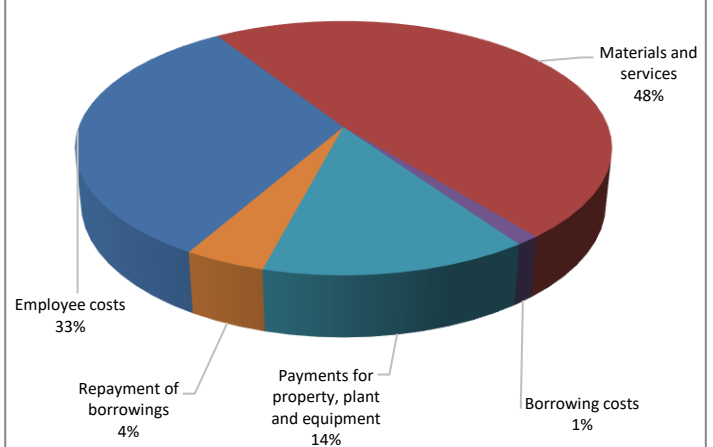
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	276,486	276,486	157,721	<b>161,218</b>
Payments to suppliers and employees	(239,435)	(242,084)	(133,625)	<b>(140,171)</b>
	<b>37,051</b>	<b>34,402</b>	<b>24,096</b>	<b>21,047</b>
Interest received	2,999	2,999	1,750	<b>1,240</b>
Rental income	956	956	463	<b>616</b>
Non-capital grants and contributions	14,483	17,132	7,926	<b>7,627</b>
Borrowing costs	(2,052)	(2,052)	(2,052)	<b>(2,048)</b>
Right-of-use assets interest expense	(144)	(144)	(85)	<b>(85)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>53,294</b>	<b>53,294</b>	<b>32,098</b>	<b>28,397</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,614)	(91,150)	(28,314)	<b>(24,038)</b>
Proceeds from sale of property, plant and equipment	1,562	1,562	1,080	<b>693</b>
Capital grants, subsidies and contributions	25,922	34,149	17,072	<b>11,685</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(50,131)</b>	<b>(55,439)</b>	<b>(10,162)</b>	<b>(11,660)</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)	(818)	<b>(941)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,957</b>	<b>1,957</b>	<b>(7,179)</b>	<b>(7,310)</b>
<b>Net increase / (decrease) in cash held</b>	<b>5,120</b>	<b>(188)</b>	<b>14,757</b>	<b>9,427</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>186,658</b>	<b>181,328</b>

#### Cash Inflow (actual YTD)



<b>Total Cash Funding (Actual YTD)</b>	<b>183,079</b>
Total Cash Funding (Annual Revised Budget)	342,897
<b>% of Budget Achieved YTD</b>	<b>53%</b>

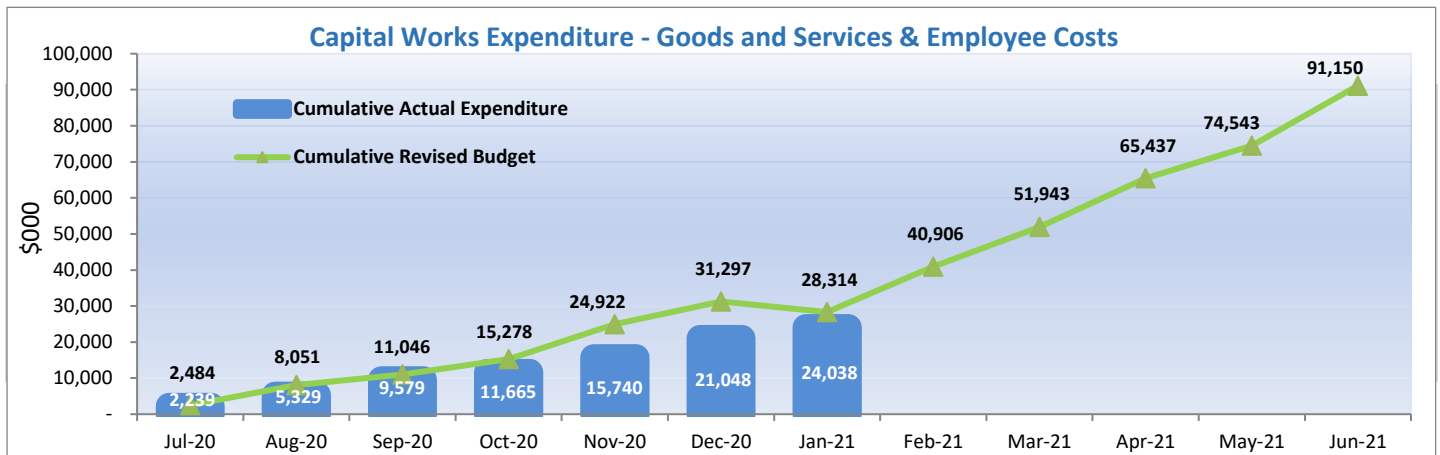
#### Cash Outflow (actual YTD)



<b>Total Cash Expenditure (Actual YTD)</b>	<b>173,652</b>
Total Cash Expenditure (Annual Revised Budget)	343,085
<b>% of Budget Achieved YTD</b>	<b>51%</b>



## 6. CAPITAL EXPENDITURE

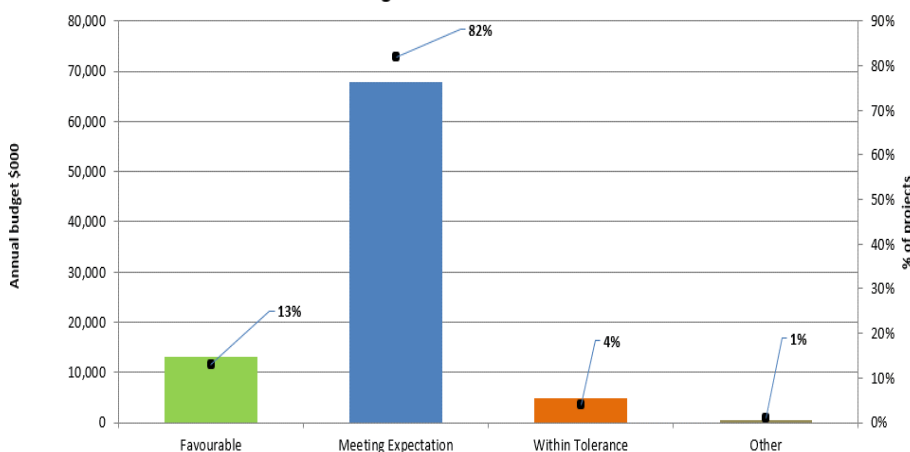


	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	82,717	23,681	19,980	(3,701)
Capitalised employee costs	8,433	4,633	4,058	(575)
<b>Total</b>	<b>91,150</b>	<b>28,314</b>	<b>24,038</b>	<b>(4,276)</b>

## 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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**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

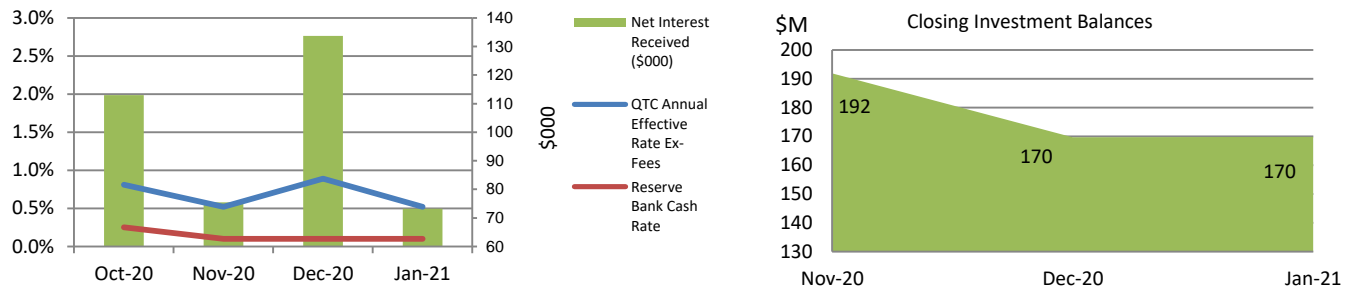
The status of two notable projects are as follows:

Project description	Progress
Kinross Road Development Sewer Trunk Infrastructure - This project includes the elimination/decommissioning of Sewage Pump Station (SPS) 147 and a new connection line to the gravity network of SPS 86. The sewage load from the Kinross Development and the existing SPS 147 catchment is proposed to flow to SPS 86 via a gravity network.	Within Tolerance
Pathway & Community Safety Lighting Program - This project will provide increased lighting on RCC Footpaths and cycle ways.	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 January 2021

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



#### Total QTC Investment at End of Month was \$169.81M

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 desposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

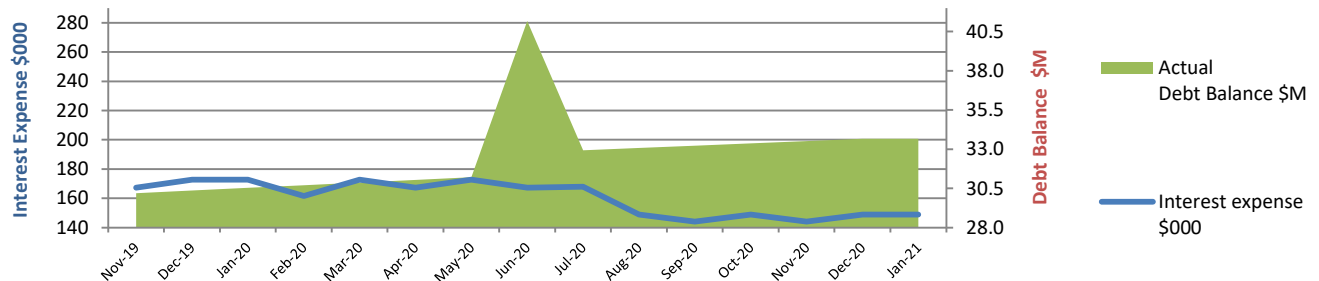
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.52%. 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 \$33.81M

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

### BORROWINGS

For the period ending 31 January 2021

	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)	(1,043)	(1,051)
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>(33,808)</b>	<b>(33,812)</b>

## 9. CONSTRAINED CASH RESERVES

Reserves as at 31 January 2021	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	20	(1)	21
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	308	(303)	5
Waste Levy Reserve	To fund Waste Levy Program	-	3,276	(2,385)	891
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	2,136	(373)	3,856
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	682	(633)	2,585
		<b>4,631</b>	<b>6,422</b>	<b>(3,695)</b>	<b>7,358</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	1,179	(659)	7,182
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	955	-	4,041
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	106	-	14,732
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	1,024	(1,354)	10,579
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	2,960	(766)	35,925
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	1,103	(144)	12,882
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	367	(1,478)	9,731
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	50	(4)	149
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	-	(12)	-
		<b>91,894</b>	<b>7,744</b>	<b>(4,417)</b>	<b>95,221</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	6,257	(4,024)	2,233
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	371	(234)	175
		<b>38</b>	<b>6,628</b>	<b>(4,258)</b>	<b>2,408</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>20,794</b>	<b>(12,370)</b>	<b>105,844</b>
		Closing cash and cash equivalents		<b>181,328</b>	
		Reserves as percentage of cash balance		<b>58%</b>	

\*No interest charged for these reserves January 2021 year to date due to low prevailing interest rate.

## 10. CITY WATER STATEMENTS

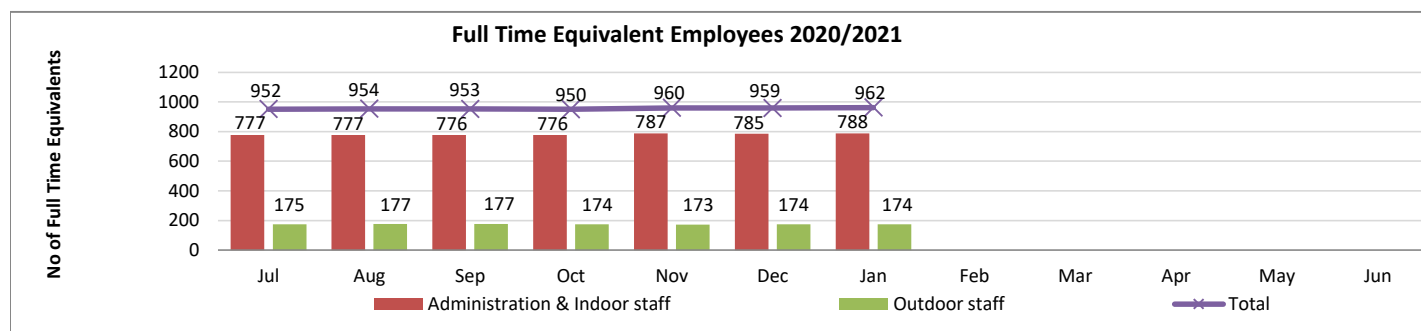
CITY WATER SUMMARY OPERATING STATEMENT For the period ending 31 January 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	122,970	122,970	71,946	70,366	(1,580)
Total expenses	71,469	71,469	41,240	40,953	(287)
Earnings before interest, tax and depreciation (EBITD)	51,501	51,501	30,706	29,413	(1,293)
External interest expense	71	71	41	65	24
Internal interest expense	10,621	10,621	6,196	6,196	-
Depreciation	24,142	24,142	14,083	14,008	(75)
<b>Operating surplus / (deficit)</b>	<b>16,667</b>	<b>16,667</b>	<b>10,386</b>	<b>9,144</b>	<b>(1,242)</b>
CITY WATER CAPITAL FUNDING STATEMENT For the period ending 31 January 2021					
	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	1,480	1,130	(350)
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	(7)	159	166
Non-cash contributions	3,399	3,399	-	-	-
Funding from utility revenue	8,568	10,151	2,696	995	(1,701)
<b>Total sources of capital funding</b>	<b>12,138</b>	<b>15,714</b>	<b>4,169</b>	<b>2,284</b>	<b>(1,885)</b>
Contributed assets	3,399	3,399	-	-	-
Capitalised expenditure	8,258	11,833	3,888	1,526	(2,362)
Loan redemption	482	482	281	758	477
<b>Total application of capital funds</b>	<b>12,138</b>	<b>15,714</b>	<b>4,169</b>	<b>2,284</b>	<b>(1,885)</b>

## 11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT For the period ending 31 January 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,715	35,715	21,561	21,379	(182)
Total expenses	27,427	27,427	15,890	15,862	(28)
Earnings before interest, tax and depreciation (EBITD)	8,288	8,288	5,671	5,517	(154)
External interest expense	17	17	10	10	-
Depreciation	327	327	191	197	6
<b>Operating surplus / (deficit)</b>	<b>7,943</b>	<b>7,943</b>	<b>5,470</b>	<b>5,310</b>	<b>(160)</b>
CITY WASTE CAPITAL FUNDING STATEMENT For the period ending 31 January 2021					
	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	1,673	1,577	(96)
<b>Total sources of capital funding</b>	<b>924</b>	<b>2,729</b>	<b>1,673</b>	<b>1,577</b>	<b>(96)</b>
Capitalised expenditure	779	2,584	1,540	1,448	(92)
Loan redemption	145	145	133	129	(4)
<b>Total application of capital funds</b>	<b>924</b>	<b>2,729</b>	<b>1,673</b>	<b>1,577</b>	<b>(96)</b>

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

### Workforce Reporting



January 2021: Headcount		Employee Type			
Department Level		Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance		8	38	7	53
Organisational Services		5	206	19	230
Community and Customer Services		35	290	69	394
Infrastructure and Operations		9	348	16	373
<b>Total</b>		<b>57</b>	<b>882</b>	<b>111</b>	<b>1,050</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	Jan-21	% Overdue	Jan-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Jan-21	Jan-20
0 - 30	\$0	0.0%	\$1,706	0.0%	-\$1,706	0.0%			
31 - 60	\$0	0.0%	\$116	0.0%	-\$116	0.0%	Levied (Billed) Rates & Charges since 1 July 2020	\$211,309,289	\$201,914,990
61 - 90	\$2,924,739	1.3%	\$3,023,355	1.4%	-\$98,616	-0.1%	Rate arrears b/fwd 1 July 2020	\$12,988,652	\$9,452,770
91 - 180	\$1,618,369	0.7%	\$1,579,028	0.8%	\$39,341	-0.1%	<b>Total</b>	<b>\$224,297,941</b>	<b>\$211,367,760</b>
>180	\$4,072,618	1.8%	\$3,456,159	1.6%	\$616,459	0.2%	Balance of overdue rates & charges	\$8,615,726	\$8,060,364
<b>Total</b>	<b>\$8,615,726</b>	<b>3.8%</b>	<b>\$8,060,364</b>	<b>3.8%</b>	<b>\$555,362</b>	<b>0.0%</b>	<b>Percentage Overdue</b>	<b>3.8%</b>	<b>3.8%</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

<b>Operating Surplus Ratio*:</b>	Net Operating Surplus
This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	Total Operating Revenue
<b>Asset Sustainability Ratio*:</b>	Capital Expenditure on Replacement of Infrastructure Assets (Renewals)
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	Depreciation Expenditure on Infrastructure Assets
<b>Net Financial Liabilities*:</b>	Total Liabilities - Current Assets
This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues	Total Operating Revenue
<b>Level of Dependence on General Rate Revenue:</b>	General Rates - Pensioner Remissions
This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)	Total Operating Revenue - Gain on Sale of Developed Land
<b>Current Ratio:</b>	Current Assets
This measures the extent to which Council has liquid assets available to meet short term financial obligations	Current Liabilities
<b>Debt Servicing Ratio:</b>	Interest Expense*** + Loan Redemption^
This indicates Council's ability to meet current debt instalments with recurrent revenue	Total Operating Revenue - Gain on Sale of Developed Land
<b>Cash Balance - \$M:</b>	Cash Held at Period End
Cash balance includes cash on hand, cash at bank and other short term investments.	
<b>Cash Capacity in Months:</b>	Cash Held at Period End
This provides an indication as to the number of months cash held at period end would cover operating cash outflows	[[Cash Operating Costs + Interest Expense] / Period in Year]
<b>Longer Term Financial Stability - Debt to Asset Ratio:</b>	Current and Non-current Debt**
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	Total Assets
<b>Operating Performance:</b>	Net Cash from Operations + Interest Revenue and Expense
This ratio provides an indication of Council's cash flow capabilities	Cash Operating Revenue + Interest Revenue
<b>Interest Coverage Ratio:</b>	Net Interest Expense on Debt Service***
This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges	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.