

# Monthly Financial Report

## March 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 March 2021. The year to date and annual revised budget referred to in this report incorporates the changes from budget review adopted by Council on 17 February 2021.

### 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)	(1,397)	3,620	<b>10,085</b>	6,465	179%	✓
Recurrent Revenue	304,599	227,945	<b>226,176</b>	(1,769)	-1%	✗
Recurrent Expenditure	305,996	224,325	<b>216,091</b>	(8,234)	-4%	✓
Capital Works Expenditure	102,202	50,220	<b>40,492</b>	(9,728)	-19%	✓
Closing Cash & Cash Equivalents	167,495	187,367	<b>180,583</b>	(6,784)	-4%	✗

Council reported a year to date operating surplus of \$10.09M which is favourable to budget by \$6.47M due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to timing of contractor costs. Of note, interest income is lower than budget due to lower than expected interest rates on investments, noting the RBA cash rate is at a historical low of 0.10%.

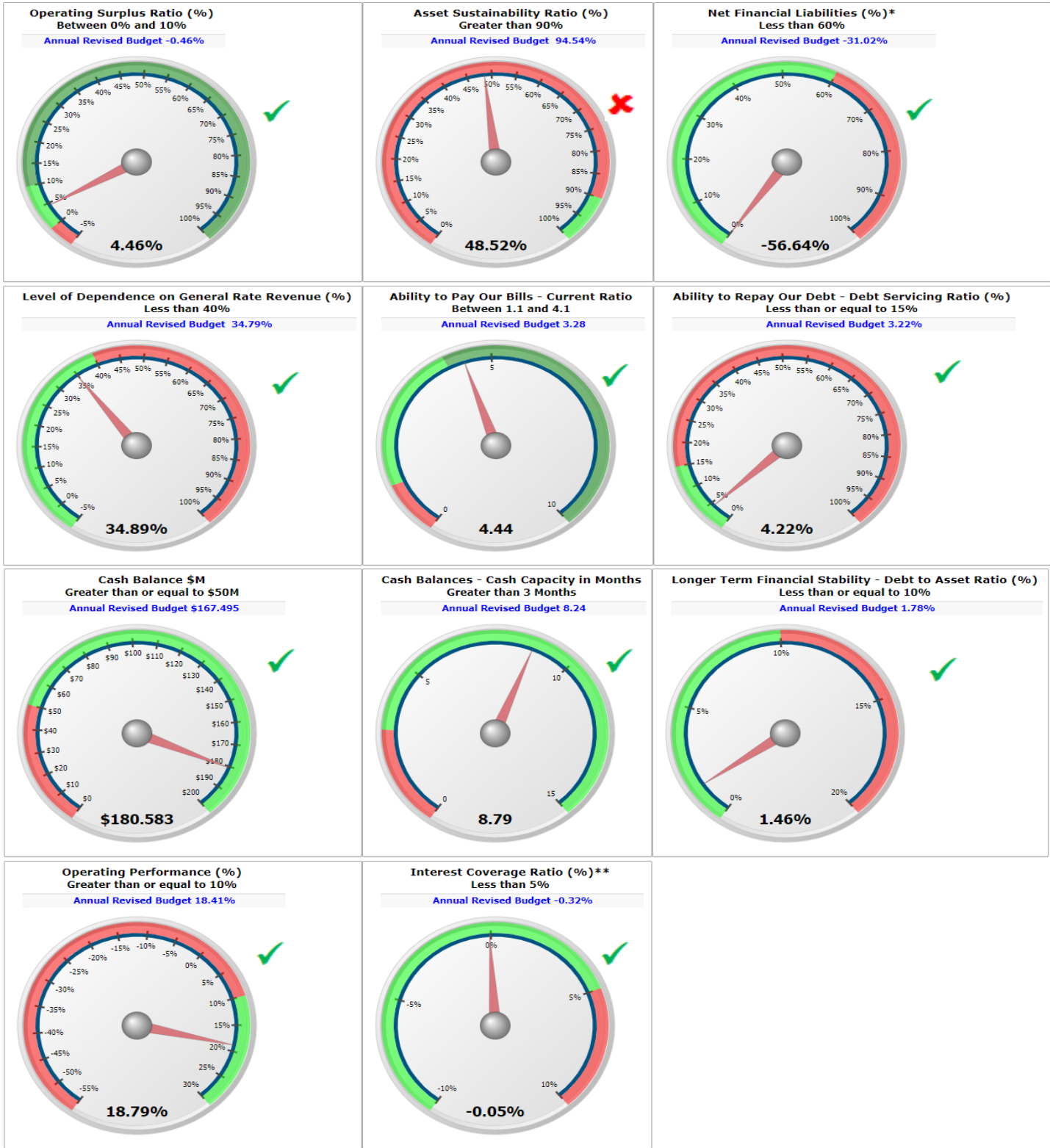
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$9.73M mainly due to timing of works for a number of projects including computer system upgrade, Weinam Creek development, acquisition of Birkdale land, park renewal stage 2A-Wellington Point and sewer manhole refurbishment. The variance is also due to timing of procurement for annual desktop replacement program.

Constrained cash reserves represent 57% 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 March 2021

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
<b>Recurrent revenue</b>					
Rates charges	108,926	108,926	81,971	<b>81,141</b>	(830)
Levies and utility charges	160,082	160,082	121,267	<b>120,463</b>	(804)
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(2,580)	<b>(2,643)</b>	(63)
Fees	13,554	13,999	10,284	<b>11,458</b>	1,174
Rental income	956	1,069	743	<b>892</b>	149
Interest received	2,999	2,899	2,149	<b>1,550</b>	(599)
Sales revenue	3,630	3,740	2,835	<b>2,522</b>	(313)
Other income	533	712	606	<b>1,046</b>	440
Grants, subsidies and contributions	14,896	16,603	10,670	<b>9,747</b>	(923)
<b>Total recurrent revenue</b>	<b>302,146</b>	<b>304,599</b>	<b>227,945</b>	<b>226,176</b>	<b>(1,769)</b>
<b>Recurrent expenses</b>					
Employee benefits	91,988	93,095	69,595	<b>69,224</b>	(371)
Materials and services	145,591	146,725	105,058	<b>98,101</b>	(6,957)
Finance costs	2,382	2,382	1,788	<b>1,785</b>	(3)
Depreciation and amortisation	64,938	64,931	48,736	<b>48,380</b>	(356)
Other expenditure	520	509	382	<b>241</b>	(141)
Net internal costs	(1,800)	(1,646)	(1,234)	<b>(1,640)</b>	(406)
<b>Total recurrent expenses</b>	<b>303,619</b>	<b>305,996</b>	<b>224,325</b>	<b>216,091</b>	<b>(8,234)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,473)</b>	<b>(1,397)</b>	<b>3,620</b>	<b>10,085</b>	<b>6,465</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	25,922	37,486	23,091	<b>15,468</b>	(7,623)
Non-cash contributions	3,480	3,480	61	<b>60</b>	(1)
<b>Total capital revenue</b>	<b>29,402</b>	<b>40,966</b>	<b>23,152</b>	<b>15,528</b>	<b>(7,624)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	217	<b>931</b>	714
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>217</b>	<b>931</b>	<b>714</b>
<b>TOTAL INCOME</b>	<b>331,548</b>	<b>345,565</b>	<b>251,097</b>	<b>241,704</b>	<b>(9,393)</b>
<b>TOTAL EXPENSES</b>	<b>303,908</b>	<b>306,285</b>	<b>224,542</b>	<b>217,022</b>	<b>(7,520)</b>
<b>NET RESULT</b>	<b>27,641</b>	<b>39,280</b>	<b>26,555</b>	<b>24,682</b>	<b>(1,873)</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>27,641</b>	<b>39,280</b>	<b>26,555</b>	<b>24,682</b>	<b>(1,873)</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

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

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	29,127	29,127	21,790	<b>21,957</b>	167
SES separate charge	497	497	372	<b>371</b>	(1)
Environment separate charge	8,388	8,388	6,290	<b>6,255</b>	(35)
Separate charge landfill remediation	2,163	2,163	1,620	<b>1,613</b>	(7)
Wastewater charges	47,842	47,842	35,884	<b>35,299</b>	(585)
Water access charges	20,120	20,120	15,064	<b>15,048</b>	(16)
Water consumption charges	51,945	51,945	40,247	<b>39,920</b>	(327)
<b>Total levies and utility charges</b>	<b>160,082</b>	<b>160,082</b>	<b>121,267</b>	<b>120,463</b>	<b>(804)</b>

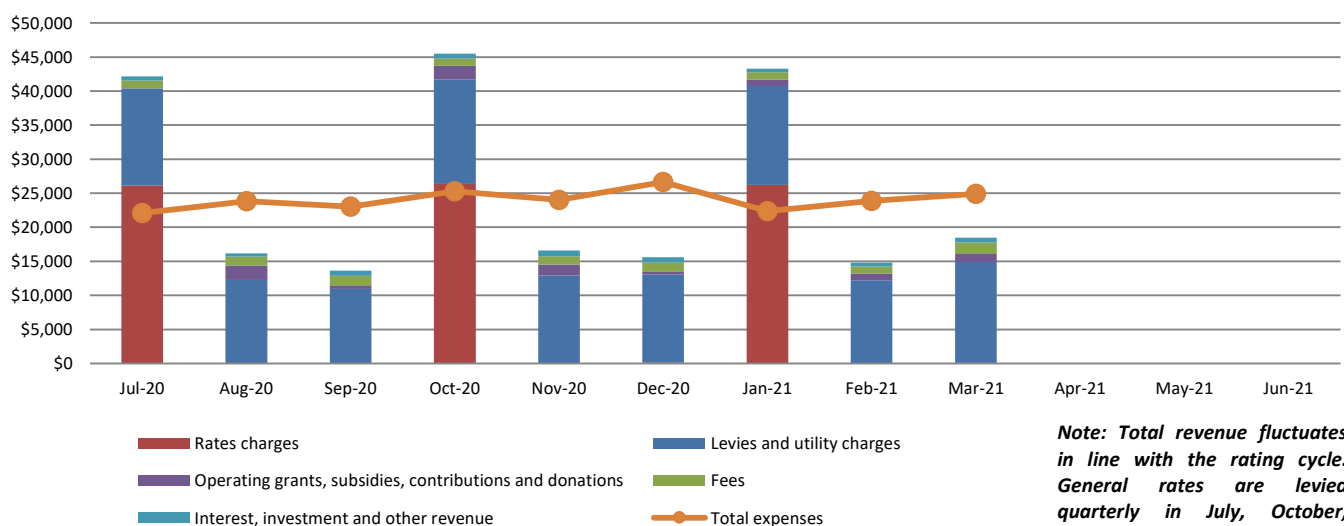
#### MATERIALS AND SERVICES ANALYSIS For the period ending 31 March 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>					
Contractors	38,549	39,064	27,539	<b>24,099</b>	(3,440)
Consultants	2,813	3,374	2,373	<b>1,328</b>	(1,045)
Other Council outsourcing costs*	23,063	21,199	15,246	<b>14,384</b>	(862)
Purchase of materials	53,059	54,776	39,444	<b>39,538</b>	94
Office administration costs	11,685	11,656	8,297	<b>8,324</b>	27
Electricity charges	5,748	5,743	4,301	<b>3,980</b>	(321)
Plant operations	3,548	3,545	2,623	<b>2,188</b>	(435)
Information technology resources	3,067	3,470	2,658	<b>2,162</b>	(496)
General insurance	1,646	1,458	1,095	<b>989</b>	(106)
Community assistance**	1,777	1,813	1,013	<b>737</b>	(276)
Other material and service expenses	636	627	469	<b>372</b>	(97)
<b>Total materials and services</b>	<b>145,591</b>	<b>146,725</b>	<b>105,058</b>	<b>98,101</b>	<b>(6,957)</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

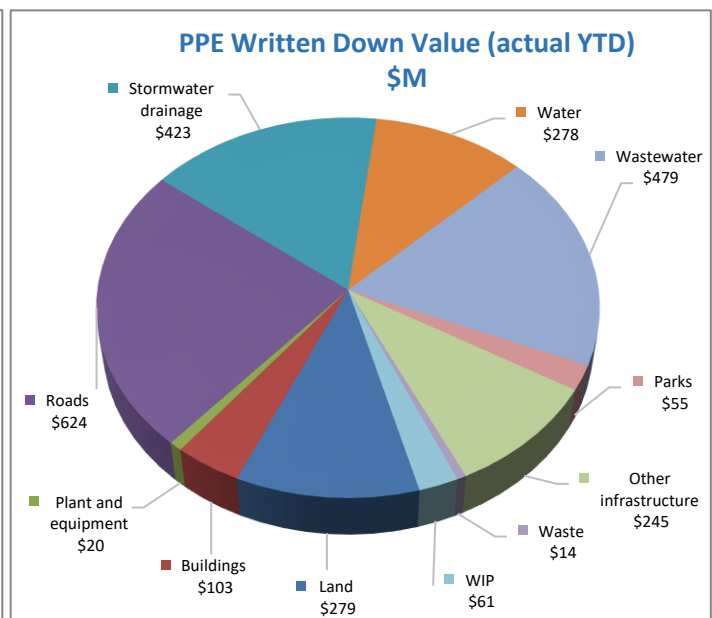
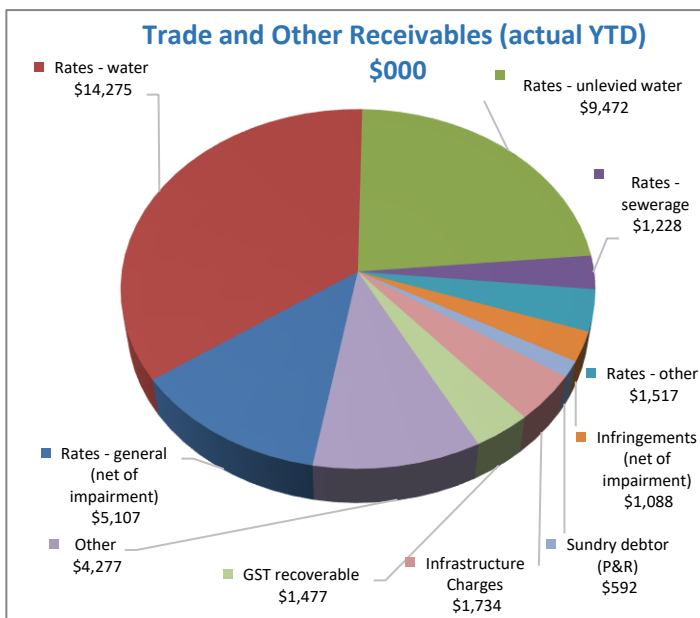
STATEMENT OF FINANCIAL POSITION  
As at 31 March 2021

	Annual	Annual	YTD	YTD
	Original	Revised	Revised	Actual
	Budget	Budget	Budget	\$000
	\$000	\$000	\$000	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	169,264	167,495	187,367	<b>180,583</b>
Trade and other receivables*	45,924	44,200	45,467	<b>40,767</b>
Inventories	918	853	860	<b>782</b>
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,956	<b>2,176</b>
<b>Total current assets</b>	<b>218,061</b>	<b>215,621</b>	<b>236,768</b>	<b>224,308</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	2,629,009	2,589,963	<b>2,580,953</b>
Intangible assets	486	1,682	1,792	<b>1,786</b>
Right-of-use assets	5,919	5,876	6,140	<b>6,061</b>
Other financial assets	73	73	73	<b>73</b>
Investment in other entities**	13,101	13,101	13,101	<b>12,657</b>
<b>Total non-current assets</b>	<b>2,592,958</b>	<b>2,650,965</b>	<b>2,612,294</b>	<b>2,602,755</b>
<b>TOTAL ASSETS</b>	<b>2,811,018</b>	<b>2,866,586</b>	<b>2,849,062</b>	<b>2,827,063</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	28,839	41,895	45,910	<b>24,891</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	12,744	<b>13,467</b>
Other current liabilities	-	1,960	2,372	<b>2,553</b>
<b>Total current liabilities</b>	<b>47,271</b>	<b>65,663</b>	<b>70,646</b>	<b>50,531</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	37,900	35,840	25,781	<b>25,769</b>
Lease liability - non-current	5,481	5,469	5,747	<b>5,748</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>55,470</b>	<b>45,690</b>	<b>45,679</b>
<b>TOTAL LIABILITIES</b>	<b>105,772</b>	<b>121,133</b>	<b>116,336</b>	<b>96,210</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,705,246</b>	<b>2,745,453</b>	<b>2,732,726</b>	<b>2,730,853</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	1,605,281	1,587,670	<b>1,591,396</b>
Constrained cash reserves	116,810	104,333	109,216	<b>103,617</b>
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,705,246</b>	<b>2,745,453</b>	<b>2,732,726</b>	<b>2,730,853</b>

\* Included \$2M loan drawn down by Redland Investment Corporation (RIC) in February and March 2021. Current loan receivable from RIC is \$2.09M.

\*\* \$444K movement is due to transfer back of 521 Old Cleveland Road East Birkdale land from RIC to Council. This amount is also reflected as an increase in Property plant & equipment.

## 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT-OF-USE ASSETS For the period ending 31 March 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	2,851	<b>2,870</b>
Land	2,763	2,815	2,912	<b>2,928</b>
Plant and Equipment	376	364	377	<b>263</b>
<b>Closing balance</b>	<b>5,919</b>	<b>5,876</b>	<b>6,140</b>	<b>6,061</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\* For the period ending 31 March 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, Asset transfers and WIP in year movement	81,096	105,684	50,281	<b>40,890</b>
Depreciation in year	(63,282)	(63,282)	(47,461)	<b>(46,872)</b>
Disposals	(1,851)	(1,851)	(1,315)	<b>(1,526)</b>
Other adjustments**	-	-	-	<b>3</b>
<b>Closing balance</b>	<b>2,572,288</b>	<b>2,629,009</b>	<b>2,589,963</b>	<b>2,580,953</b>

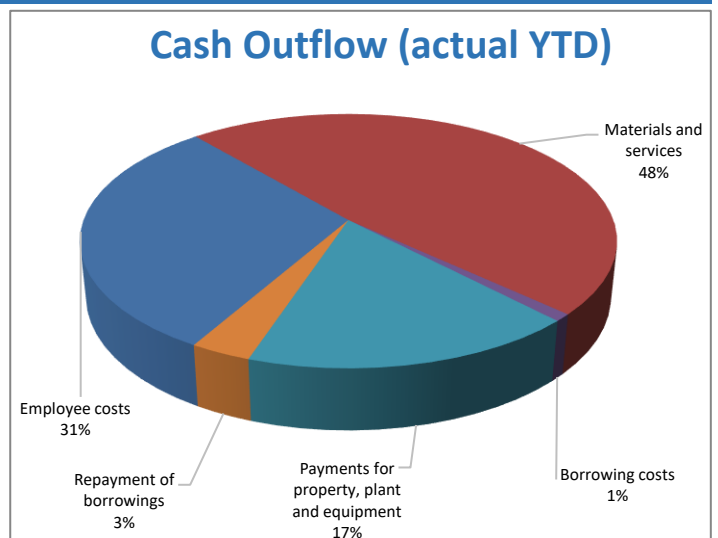
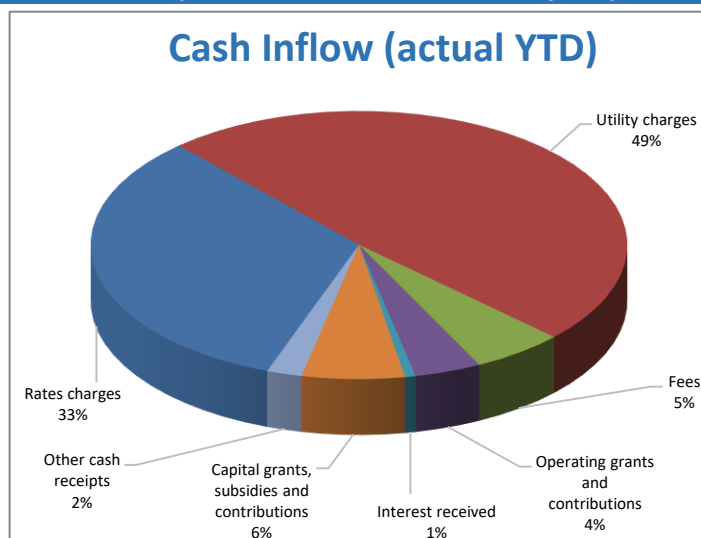
\* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

\*\* 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 March 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	278,920	208,021	<b>215,576</b>
Payments to suppliers and employees	(239,435)	(241,818)	(172,233)	<b>(182,802)</b>
	<b>37,051</b>	<b>37,101</b>	<b>35,788</b>	<b>32,774</b>
Interest received	2,999	2,899	2,150	<b>1,550</b>
Rental income	956	1,069	743	<b>892</b>
Non-capital grants and contributions	14,483	16,189	10,624	<b>9,744</b>
Borrowing costs	(2,052)	(2,052)	(2,052)	<b>(2,048)</b>
Right-of-use assets interest expense	(144)	(144)	(109)	<b>(109)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>53,294</b>	<b>55,063</b>	<b>47,144</b>	<b>42,803</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,614)	(102,202)	(50,220)	<b>(40,386)</b>
Payments for intangible assets	-	-	-	<b>(105)</b>
Proceeds from sale of property, plant and equipment	1,562	1,562	1,099	<b>713</b>
Capital grants, subsidies and contributions	25,922	39,186	24,791	<b>15,054</b>
Other cash flows from investing activities*	-	-	-	<b>(2,000)</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(50,131)</b>	<b>(61,455)</b>	<b>(24,330)</b>	<b>(26,724)</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)	(1,265)	(987)	<b>(1,028)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,957</b>	<b>1,986</b>	<b>(7,348)</b>	<b>(7,397)</b>
<b>Net increase / (decrease) in cash held</b>	<b>5,120</b>	<b>(4,406)</b>	<b>15,466</b>	<b>8,682</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>167,495</b>	<b>187,367</b>	<b>180,583</b>



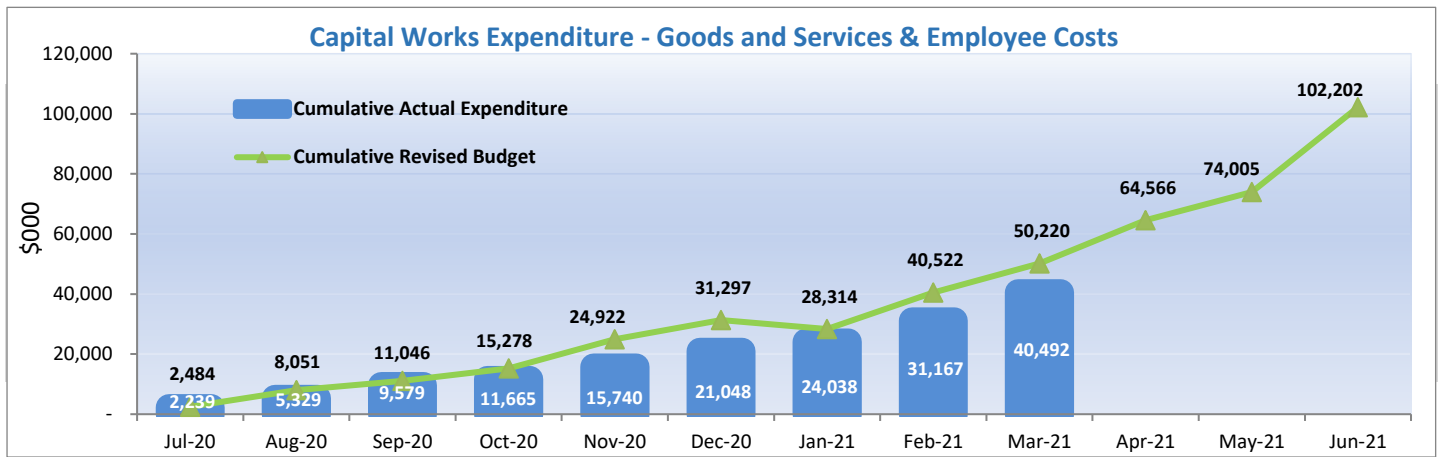
<b>Total Cash Funding (Actual YTD)</b>	<b>243,529</b>
Total Cash Funding (Annual Revised Budget)	349,437
% of Budget Achieved YTD	70%

<b>Total Cash Expenditure (Actual YTD)</b>	<b>234,847</b>
Total Cash Expenditure (Annual Revised Budget)	353,842
% of Budget Achieved YTD	66%

\* Loan drawn down by RIC in February and March 2021.



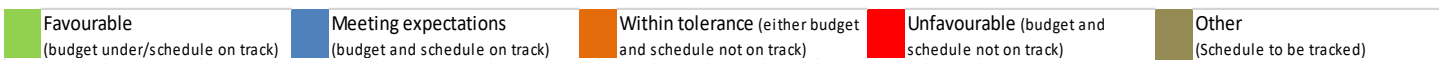
## 6. CAPITAL EXPENDITURE



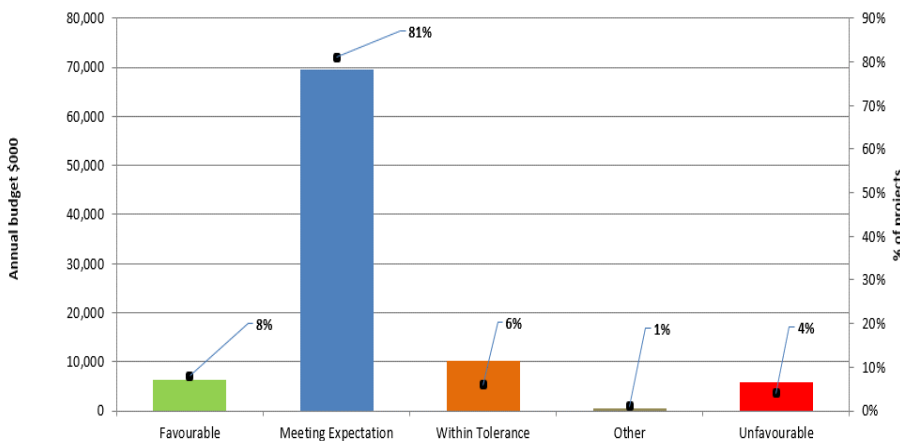
	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services *	93,416	43,915	35,165	(8,750)
Capitalised employee costs	8,786	6,305	5,327	(978)
<b>Total</b>	<b>102,202</b>	<b>50,220</b>	<b>40,492</b>	<b>(9,728)</b>

\* Excludes 521 Old Cleveland Road East Birkdale land transferred back from RIC to Council.

## 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

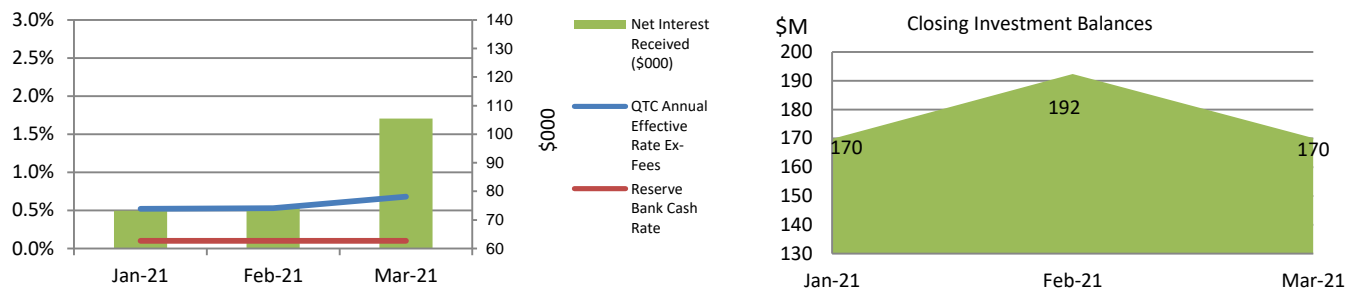
The status of two notable projects are as follows:

Project description	Progress
<p>Raby Bay Canal Bed Levelling - this project is for the bed levelling of the Raby Bay Canal estate and entrance channels. This project has been identified through the following drivers:</p> <ul style="list-style-type: none"> <li>- requests from Community</li> <li>- protection of a key commercial and residential area</li> <li>- Raby Bay Hydrographic Survey 2020</li> </ul> <p>This project will ensure a safer access to Raby Bay Canal estate by reducing current safety risks for the users of the site and the risks of damage to vessels associated with the depth of the canals. As Raby Bay is a key commercial, residential and tourist area, this is an important benefit provided by the project.</p>	Meeting Expectations
<p>Raby Bay monitoring of revetment walls-monitoring activities to assess the stability of the Raby Bay revetment walls and identify areas where movement is occurring using various surveying and monitoring techniques.</p>	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 March 2021

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



#### Total QTC Investment at End of Month was \$170.09M

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.

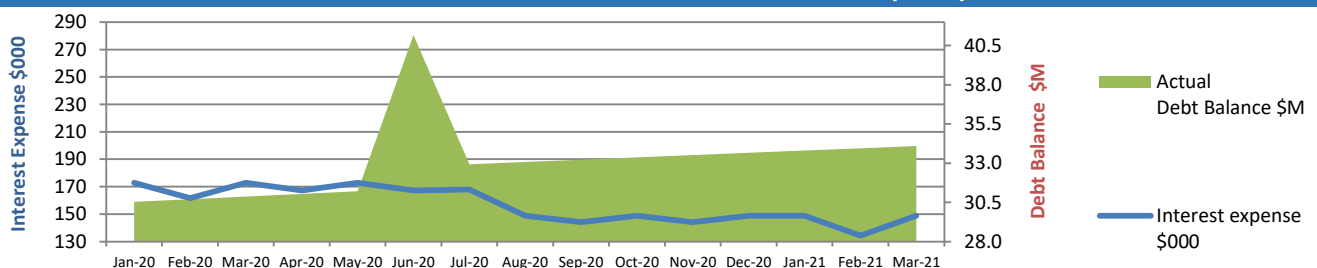
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.68%. 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 *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 \$34.1M

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

### BORROWINGS

For the period ending 31 March 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)	(1,342)	(1,334)
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>(34,107)</b>	<b>(34,095)</b>

## 9. CONSTRAINED CASH RESERVES

Reserves as at 31 March 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	(2)	20
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	503	(503)	-
Waste Levy Reserve	To fund Waste Levy Program	-	3,276	(2,811)	465
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	2,135	(563)	3,665
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	695	(1,093)	2,138
		<b>4,631</b>	<b>6,629</b>	<b>(4,972)</b>	<b>6,288</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	1,395	(1,760)	6,297
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	1,264	-	4,350
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	431	(297)	14,760
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	1,458	(1,404)	10,963
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	3,650	(1,114)	36,267
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	1,375	(196)	13,102
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	423	(1,479)	9,786
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	61	(7)	157
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	170	(37)	145
		<b>91,894</b>	<b>10,227</b>	<b>(6,294)</b>	<b>95,827</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	6,257	(5,788)	469
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	371	(233)	176
		<b>38</b>	<b>6,628</b>	<b>(6,021)</b>	<b>645</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>23,484</b>	<b>(17,287)</b>	<b>103,617</b>
					Closing cash and cash equivalents
					180,583
					Reserves as percentage of cash balance
					57%

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

## 10. CITY WATER STATEMENTS

### CITY WATER SUMMARY OPERATING STATEMENT For the period ending 31 March 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	122,970	124,190	94,709	<b>93,159</b>	(1,550)
Total expenses	71,469	71,476	53,090	<b>51,958</b>	(1,132)
Earnings before interest, tax and depreciation (EBITD)	51,501	52,714	41,619	<b>41,201</b>	(418)
External interest expense	71	71	53	<b>83</b>	30
Internal interest expense	10,621	10,621	7,966	<b>7,966</b>	-
Depreciation	24,142	24,142	18,106	<b>17,947</b>	(159)
<b>Operating surplus / (deficit)</b>	<b>16,667</b>	<b>17,880</b>	<b>15,494</b>	<b>15,205</b>	<b>(289)</b>

### CITY WATER CAPITAL FUNDING STATEMENT For the period ending 31 March 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	1,903	<b>1,560</b>	(343)
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	(496)	<b>(554)</b>	(58)
Non-cash contributions	3,399	3,399	-	<b>77</b>	77
Funding from utility revenue	8,568	10,373	4,734	<b>1,858</b>	(2,876)
<b>Total sources of capital funding</b>	<b>12,138</b>	<b>15,936</b>	<b>6,141</b>	<b>2,941</b>	<b>(3,200)</b>
Contributed assets	3,399	3,399	-	<b>59</b>	59
Capitalised expenditure	8,258	12,056	5,780	<b>2,451</b>	(3,329)
Loan redemption	482	482	361	<b>431</b>	70
<b>Total application of capital funds</b>	<b>12,138</b>	<b>15,936</b>	<b>6,141</b>	<b>2,941</b>	<b>(3,200)</b>

## 11. CITY WASTE STATEMENTS

### CITY WASTE OPERATING STATEMENT For the period ending 31 March 2021

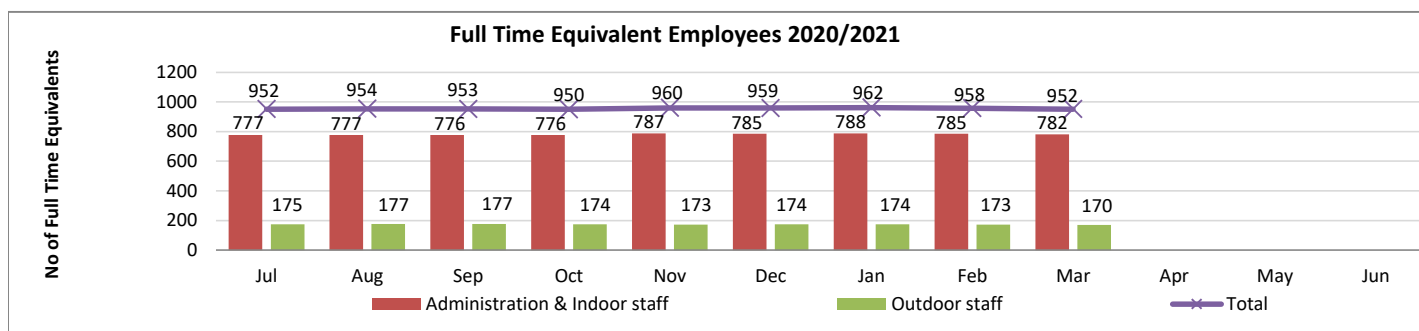
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,715	35,639	26,705	<b>26,689</b>	(16)
Total expenses	27,427	27,280	20,099	<b>20,683</b>	584
Earnings before interest, tax and depreciation (EBITD)	8,288	8,359	6,606	<b>6,006</b>	(600)
External interest expense	17	17	13	<b>13</b>	-
Depreciation	327	327	245	<b>250</b>	5
<b>Operating surplus / (deficit)</b>	<b>7,943</b>	<b>8,014</b>	<b>6,348</b>	<b>5,743</b>	<b>(605)</b>

### CITY WASTE CAPITAL FUNDING STATEMENT For the period ending 31 March 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	1,861	<b>1,576</b>	(285)
<b>Total sources of capital funding</b>	<b>924</b>	<b>2,729</b>	<b>1,861</b>	<b>1,576</b>	<b>(285)</b>
Capitalised expenditure	779	2,584	1,723	<b>1,450</b>	(273)
Loan redemption	145	145	138	<b>126</b>	(12)
<b>Total application of capital funds</b>	<b>924</b>	<b>2,729</b>	<b>1,861</b>	<b>1,576</b>	<b>(285)</b>

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

### Workforce Reporting



March 2021: Headcount	Employee Type			
	Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance	7	40	8	55
Organisational Services	4	200	21	225
Community and Customer Services	44	291	66	401
Infrastructure and Operations	9	342	16	367
<b>Total</b>	<b>64</b>	<b>873</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	Mar-21	% Overdue	Mar-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Mar-21	Mar-20
0 - 30	\$723	0.0%	\$20,059	0.0%	-\$19,336	0.0%		Levied (Billed) Rates & Charges since 1 July 2020	\$211,239,537
31 - 60	\$3,900,195	1.7%	\$4,270,171	2.0%	-\$369,976	-0.3%	Rate arrears b/fwd 1 July 2020	\$12,988,652	\$9,452,770
61 - 90	\$322	0.0%	\$677	0.0%	-\$355	0.0%	<b>Total</b>	<b>\$224,228,189</b>	<b>\$211,296,341</b>
91 - 180	\$1,749,643	0.8%	\$1,923,295	0.9%	-\$173,652	-0.1%	Balance of overdue rates & charges	\$10,415,135	\$10,173,405
>180	\$4,764,252	2.1%	\$3,959,202	1.9%	\$805,050	0.2%	<b>Percentage Overdue</b>	<b>4.6%</b>	<b>4.8%</b>
<b>Total</b>	<b>\$10,415,135</b>	<b>4.6%</b>	<b>\$10,173,404</b>	<b>4.8%</b>	<b>\$241,731</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

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

\* 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.