

# Monthly Financial Report

## April 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 30 April 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)	21,563	<b>29,609</b>	8,046	37%	✓
Recurrent Revenue	304,599	270,539	<b>271,008</b>	469	0%	✓
Recurrent Expenditure	305,996	248,976	<b>241,399</b>	(7,577)	-3%	✓
Capital Works Expenditure	102,202	65,584	<b>51,462</b>	(14,122)	-22%	✓
Closing Cash & Cash Equivalents	167,495	175,641	<b>172,291</b>	(3,350)	-2%	✗

Council reported a year to date operating surplus of \$29.61M which is favourable to budget by \$8.05M 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%.

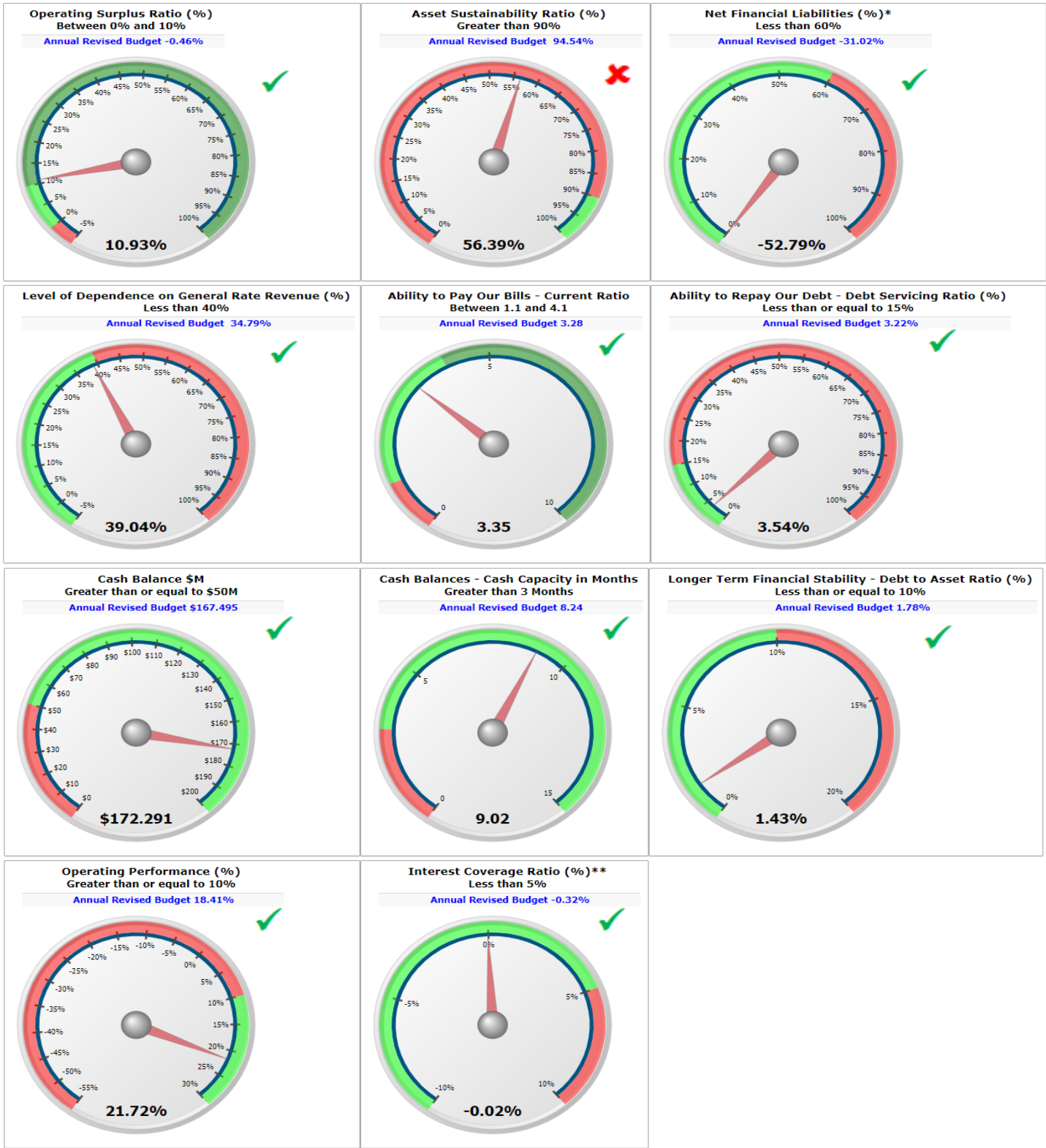
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$14.12M mainly due to timing of works for a number of projects including the Kinross road intersection upgrade, 105/87 Wellington Street & Panorama Drive upgrade, park renewal stage 2A-Wellington Point and sewer manhole refurbishment. The variance is also due to timing of procurement for the annual desktop replacement program.

Constrained cash reserves represent 62% 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 30 April 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	108,917	<b>108,782</b>	(135)
Levies and utility charges	160,082	160,082	134,904	<b>135,537</b>	633
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(3,365)	<b>(3,469)</b>	(104)
Fees	13,554	13,999	11,376	<b>12,625</b>	1,249
Rental income	956	1,069	844	<b>973</b>	129
Interest received	2,999	2,899	2,399	<b>1,648</b>	(751)
Sales revenue	3,630	3,740	2,974	<b>2,872</b>	(102)
Other income	533	712	619	<b>1,113</b>	494
Grants, subsidies and contributions	14,896	16,603	11,871	<b>10,927</b>	(944)
<b>Total recurrent revenue</b>	<b>302,146</b>	<b>304,599</b>	<b>270,539</b>	<b>271,008</b>	<b>469</b>
<b>Recurrent expenses</b>					
Employee benefits	91,988	93,095	77,451	<b>77,065</b>	(386)
Materials and services	145,591	146,725	116,372	<b>110,132</b>	(6,240)
Finance costs	2,382	2,382	1,975	<b>1,958</b>	(17)
Depreciation and amortisation	64,938	64,931	54,134	<b>53,727</b>	(407)
Other expenditure	520	509	402	<b>237</b>	(165)
Net internal costs	(1,800)	(1,646)	(1,358)	<b>(1,720)</b>	(362)
<b>Total recurrent expenses</b>	<b>303,619</b>	<b>305,996</b>	<b>248,976</b>	<b>241,399</b>	<b>(7,577)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(1,473)</b>	<b>(1,397)</b>	<b>21,563</b>	<b>29,609</b>	<b>8,046</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	25,922	37,486	26,211	<b>16,531</b>	(9,680)
Non-cash contributions	3,480	3,480	472	<b>59</b>	(413)
<b>Total capital revenue</b>	<b>29,402</b>	<b>40,966</b>	<b>26,683</b>	<b>16,590</b>	<b>(10,093)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	289	241	<b>972</b>	731
<b>Total capital expenses</b>	<b>289</b>	<b>289</b>	<b>241</b>	<b>972</b>	<b>731</b>
<b>TOTAL INCOME</b>	<b>331,548</b>	<b>345,565</b>	<b>297,222</b>	<b>287,598</b>	<b>(9,624)</b>
<b>TOTAL EXPENSES</b>	<b>303,908</b>	<b>306,285</b>	<b>249,217</b>	<b>242,371</b>	<b>(6,846)</b>
<b>NET RESULT</b>	<b>27,641</b>	<b>39,280</b>	<b>48,005</b>	<b>45,227</b>	<b>(2,778)</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>48,005</b>	<b>45,227</b>	<b>(2,778)</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 30 April 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	24,225	<b>24,410</b>	185
SES separate charge	497	497	496	<b>495</b>	(1)
Environment separate charge	8,388	8,388	8,387	<b>8,341</b>	(46)
Separate charge landfill remediation	2,163	2,163	1,801	<b>1,792</b>	(9)
Wastewater charges	47,842	47,842	39,841	<b>39,588</b>	(253)
Water access charges	20,120	20,120	16,741	<b>16,720</b>	(21)
Water consumption charges	51,945	51,945	43,413	<b>44,191</b>	778
<b>Total levies and utility charges</b>	<b>160,082</b>	<b>160,082</b>	<b>134,904</b>	<b>135,537</b>	<b>633</b>

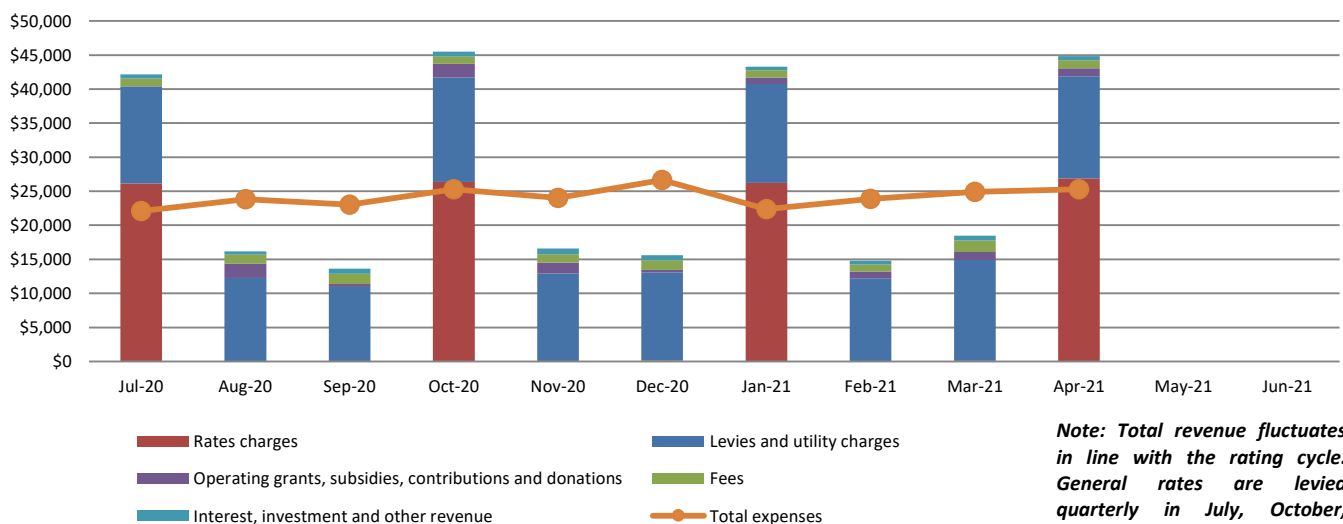
#### MATERIALS AND SERVICES ANALYSIS For the period ending 30 April 2021

	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	39,197	30,589	<b>27,275</b>	(3,314)
Consultants	2,813	3,458	2,509	<b>1,464</b>	(1,045)
Other Council outsourcing costs*	23,063	21,044	16,922	<b>16,273</b>	(649)
Purchase of materials	53,059	54,699	43,466	<b>43,925</b>	459
Office administration costs	11,685	11,648	9,240	<b>9,465</b>	225
Electricity charges	5,748	5,743	4,782	<b>4,518</b>	(264)
Plant operations	3,548	3,543	2,908	<b>2,472</b>	(436)
Information technology resources	3,067	3,484	2,916	<b>2,412</b>	(504)
General insurance	1,646	1,457	1,216	<b>1,098</b>	(118)
Community assistance**	1,777	1,828	1,270	<b>836</b>	(434)
Other material and service expenses	636	624	554	<b>394</b>	(160)
<b>Total materials and services</b>	<b>145,591</b>	<b>146,725</b>	<b>116,372</b>	<b>110,132</b>	<b>(6,240)</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)



## 4. STATEMENT OF FINANCIAL POSITION

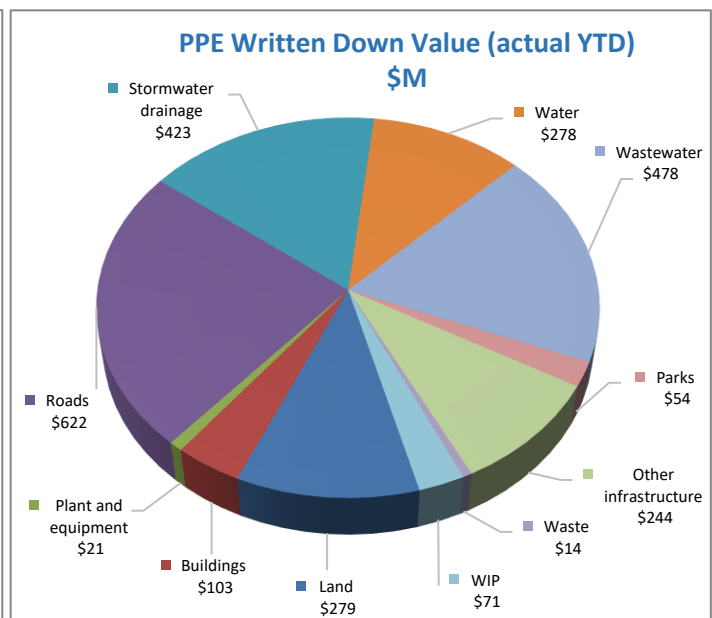
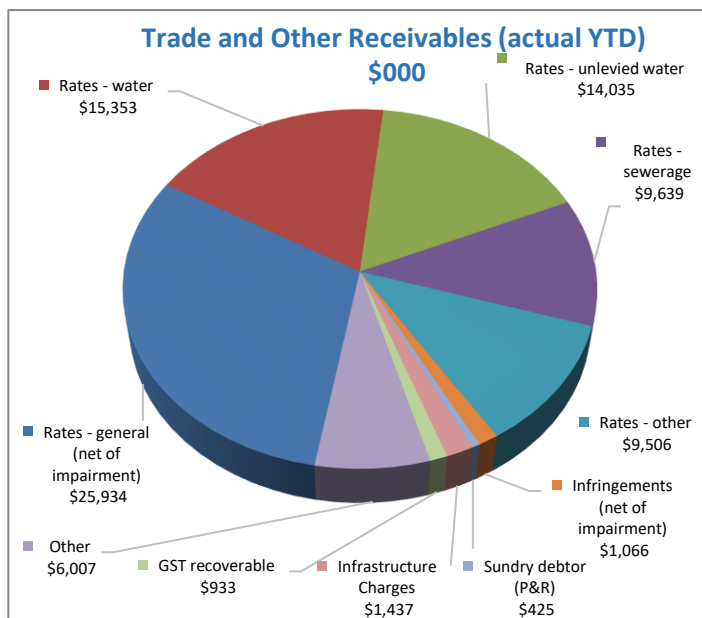
STATEMENT OF FINANCIAL POSITION  
As at 30 April 2021

	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	175,641	172,291
Short-term investment - CBA	-	-	-	10,000
Trade and other receivables*	45,924	44,200	82,446	84,335
Inventories	918	853	858	761
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,956	1,810
<b>Total current assets</b>	<b>218,061</b>	<b>215,621</b>	<b>262,019</b>	<b>269,197</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,225	1,225	1,225
Property, plant and equipment	2,572,288	2,629,009	2,600,440	2,586,688
Intangible assets	486	1,682	1,756	1,751
Right-of-use assets	5,919	5,876	6,052	5,943
Other financial assets	73	73	73	73
Investment in other entities**	13,101	13,101	13,101	12,657
<b>Total non-current assets</b>	<b>2,592,958</b>	<b>2,650,965</b>	<b>2,622,647</b>	<b>2,608,337</b>
<b>TOTAL ASSETS</b>	<b>2,811,018</b>	<b>2,866,586</b>	<b>2,884,666</b>	<b>2,877,534</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	28,839	41,895	43,594	38,073
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	12,559	13,299
Other current liabilities	-	1,960	18,969	19,359
<b>Total current liabilities</b>	<b>47,271</b>	<b>65,663</b>	<b>84,742</b>	<b>80,351</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	37,900	35,840	25,930	25,913
Lease liability - non-current	5,481	5,469	5,654	5,708
Provisions - non-current	15,120	14,162	14,162	14,163
<b>Total non-current liabilities</b>	<b>58,501</b>	<b>55,470</b>	<b>45,746</b>	<b>45,784</b>
<b>TOTAL LIABILITIES</b>	<b>105,772</b>	<b>121,133</b>	<b>130,488</b>	<b>126,135</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,705,246</b>	<b>2,745,453</b>	<b>2,754,178</b>	<b>2,751,399</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	1,605,281	1,605,681	1,608,357
Constrained cash reserves	116,810	104,333	112,657	107,202
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,705,246</b>	<b>2,745,453</b>	<b>2,754,178</b>	<b>2,751,399</b>

\* Included \$3.41M loan drawn down by Redland Investment Corporation (RIC) from February to April 2021. Current loan receivable from RIC is \$3.50M.

\*\* \$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 30 April 2021

Right-of-use asset	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
Buildings	2,780	2,697	2,800	<b>2,820</b>
Land	2,763	2,815	2,880	<b>2,893</b>
Plant and Equipment	376	364	372	<b>230</b>
<b>Closing balance</b>	<b>5,919</b>	<b>5,876</b>	<b>6,052</b>	<b>5,943</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\* For the period ending 30 April 2021

PPE movement	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
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	66,056	<b>51,402</b>
Depreciation in year	(63,282)	(63,282)	(52,735)	<b>(52,052)</b>
Disposals	(1,851)	(1,851)	(1,339)	<b>(1,567)</b>
Other adjustments**	-	-	-	<b>447</b>
<b>Closing balance</b>	<b>2,572,288</b>	<b>2,629,009</b>	<b>2,600,440</b>	<b>2,586,688</b>

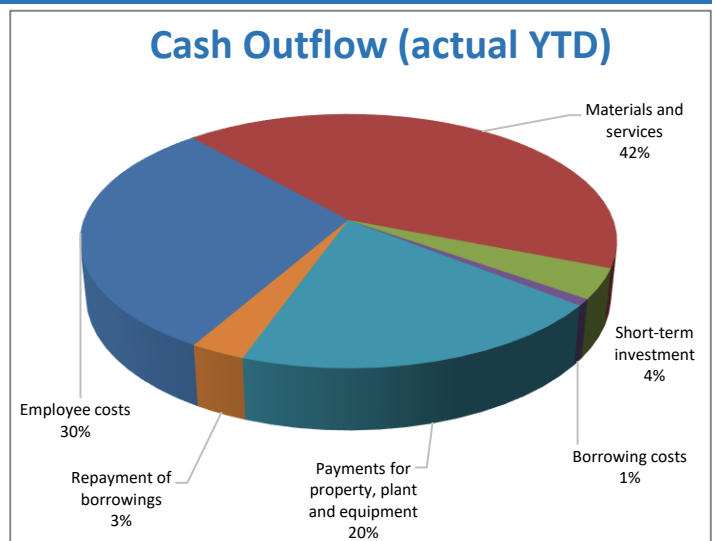
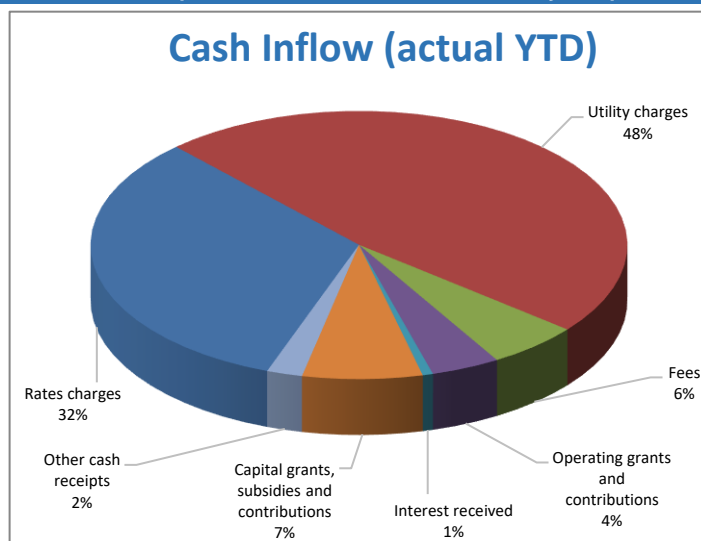
\* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

\*\* 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 30 April 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	228,752	<b>230,324</b>
Payments to suppliers and employees	(239,435)	(241,818)	(193,853)	<b>(188,741)</b>
	<b>37,051</b>	<b>37,101</b>	<b>34,899</b>	<b>41,583</b>
Interest received	2,999	2,899	2,400	<b>1,648</b>
Rental income	956	1,069	844	<b>974</b>
Non-capital grants and contributions	14,483	16,189	11,784	<b>10,924</b>
Borrowing costs	(2,052)	(2,052)	(2,052)	<b>(2,048)</b>
Right-of-use assets interest expense	(144)	(144)	(120)	<b>(123)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>53,294</b>	<b>55,063</b>	<b>47,755</b>	<b>52,958</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,614)	(102,202)	(65,584)	<b>(51,342)</b>
Payments for intangible assets	-	-	-	<b>(120)</b>
Proceeds from sale of property, plant and equipment	1,562	1,562	1,098	<b>713</b>
Capital grants, subsidies and contributions	25,922	39,186	27,911	<b>19,027</b>
Short-term investment - CBA	-	-	-	<b>(10,000)</b>
Other cash flows from investing activities*	-	-	-	<b>(3,410)</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(50,131)</b>	<b>(61,455)</b>	<b>(36,575)</b>	<b>(45,132)</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)	(1,079)	<b>(1,067)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,957</b>	<b>1,986</b>	<b>(7,440)</b>	<b>(7,436)</b>
<b>Net increase / (decrease) in cash held</b>	<b>5,120</b>	<b>(4,406)</b>	<b>3,740</b>	<b>390</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>175,641</b>	<b>172,291</b>



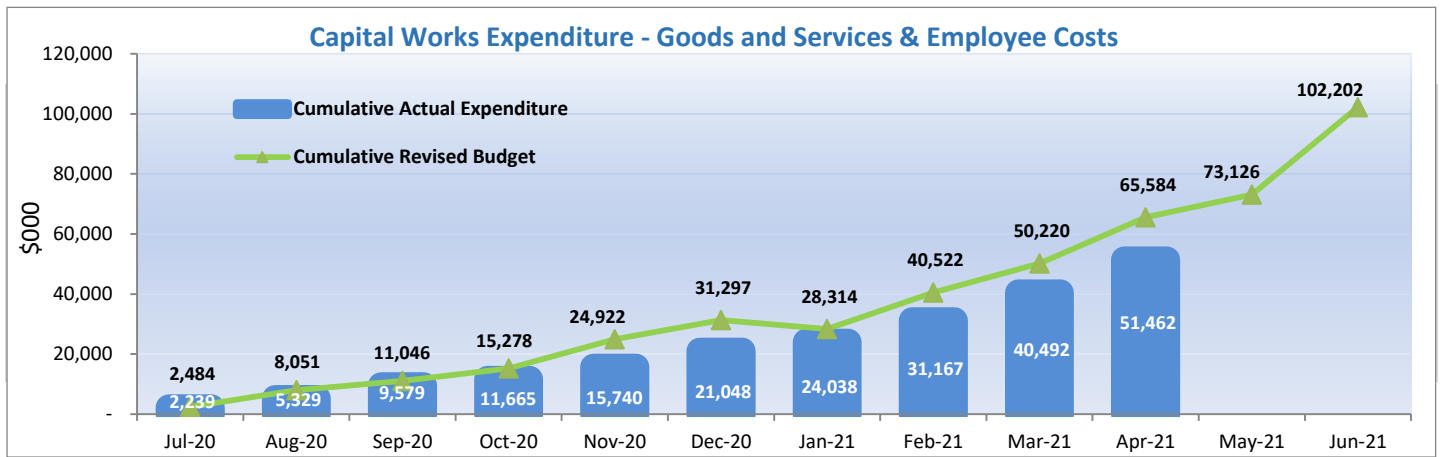
<b>Total Cash Funding (Actual YTD)</b>	<b>263,610</b>
Total Cash Funding (Annual Revised Budget)	349,437
<b>% of Budget Achieved YTD</b>	<b>75%</b>

<b>Total Cash Expenditure (Actual YTD)</b>	<b>263,220</b>
Total Cash Expenditure (Annual Revised Budget)	353,842
<b>% of Budget Achieved YTD</b>	<b>74%</b>

\* Loan drawn down by RIC from February to April 2021.



## 6. CAPITAL EXPENDITURE

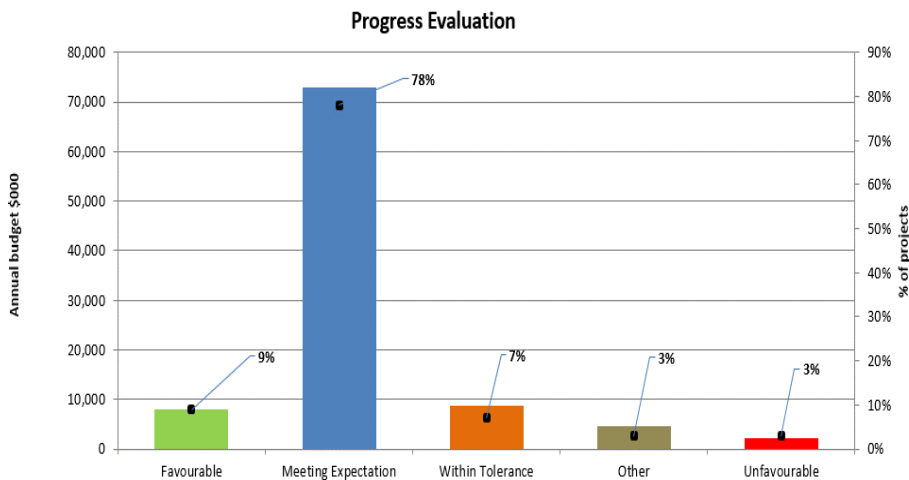


	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services *	93,416	56,652	45,567	(11,085)
Capitalised employee costs	8,786	8,932	5,895	(3,037)
<b>Total</b>	<b>102,202</b>	<b>65,584</b>	<b>51,462</b>	<b>(14,122)</b>

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

## 7. PROGRAM AND PROJECT UPDATE

Favourable (budget under/schedule on track)	Meeting expectations (budget and schedule on track)	Within tolerance (either budget and schedule not on track)	Unfavourable (budget and schedule not on track)	Other (Schedule to be tracked)
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Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing more than 100 programs and projects.

### Notable Projects

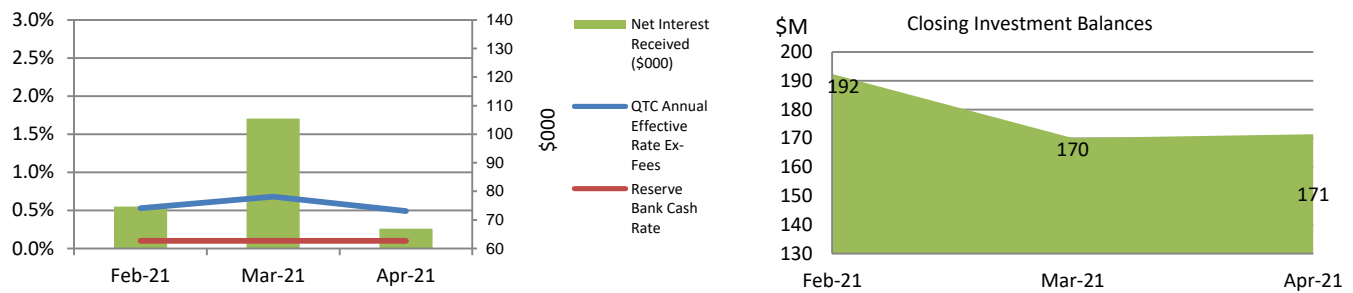
The status of two notable projects are as follows:

Project description	Progress
<p><b>Birkdale Waste Transfer Station Stormwater Improvement Project</b>                      This project includes Birkdale Waste Transfer Station storm water retention basins - design and construct the conversion of a pond from sedimentation basins into Bioremediation Basins.</p>	Meeting Expectations
<p><b>Thornlands Community Park</b>                      Community Engagement. Design and construct the development of the new park to include recreational activities as per the Open Space Strategy.</p>	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 April 2021

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



#### Total QTC Investment at End of Month was \$171.42M

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.

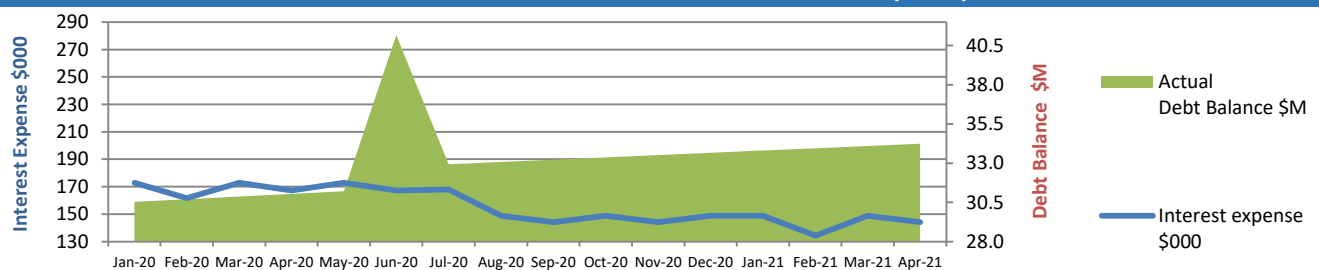
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.49%. 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 \$34.24M

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

### BORROWINGS

For the period ending 30 April 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)	(1,491)	(1,478)
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>(34,256)</b>	<b>(34,239)</b>

## 9. CONSTRAINED CASH RESERVES

Reserves as at 30 April 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	27	(2)	27
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	463	(463)	-
Waste Levy Reserve	To fund Waste Levy Program	-	4,361	(3,626)	735
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	2,847	(586)	4,354
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	2,193	(1,226)	3,503
		<b>4,631</b>	<b>9,891</b>	<b>(5,903)</b>	<b>8,619</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	1,426	(1,828)	6,260
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	1,268	-	4,354
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	107	(297)	14,436
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	1,484	(1,457)	10,936
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	3,702	(1,149)	36,284
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	1,398	(295)	13,026
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	432	(1,478)	9,796
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	65	(8)	160
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	170	(1)	181
		<b>91,894</b>	<b>10,052</b>	<b>(6,513)</b>	<b>95,433</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	8,341	(6,237)	2,104
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	494	(343)	189
		<b>38</b>	<b>8,835</b>	<b>(6,580)</b>	<b>2,293</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>28,778</b>	<b>(18,996)</b>	<b>107,202</b>
					Closing cash and cash equivalents
					172,291
					Reserves as percentage of cash balance
					62%

\*No interest charged for these reserves April 2021 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 30 April 2021</b>					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	122,970	124,190	103,671	<b>103,798</b>	127
Total expenses	71,469	71,476	58,343	<b>57,280</b>	(1,063)
Earnings before interest, tax and depreciation (EBITD)	51,501	52,714	45,328	<b>46,518</b>	1,190
External interest expense	71	71	59	<b>92</b>	33
Internal interest expense	10,621	10,621	8,851	<b>8,851</b>	-
Depreciation	24,142	24,142	20,118	<b>19,902</b>	(216)
<b>Operating surplus / (deficit)</b>	<b>16,667</b>	<b>17,880</b>	<b>16,300</b>	<b>17,673</b>	<b>1,373</b>

<b>CITY WATER CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 30 April 2021</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	2,114	<b>1,590</b>	(524)
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	(234)	<b>(202)</b>	32
Non-cash contributions	3,399	3,399	404	<b>77</b>	(327)
Funding from utility revenue	8,568	10,373	4,624	<b>1,955</b>	(2,669)
<b>Total sources of capital funding</b>	<b>12,138</b>	<b>15,936</b>	<b>6,908</b>	<b>3,420</b>	<b>(3,488)</b>
Contributed assets	3,399	3,399	404	<b>60</b>	(344)
Capitalised expenditure	8,258	12,056	6,103	<b>2,932</b>	(3,171)
Loan redemption	482	482	401	<b>428</b>	27
<b>Total application of capital funds</b>	<b>12,138</b>	<b>15,936</b>	<b>6,908</b>	<b>3,420</b>	<b>(3,488)</b>

## 11. CITY WASTE STATEMENTS

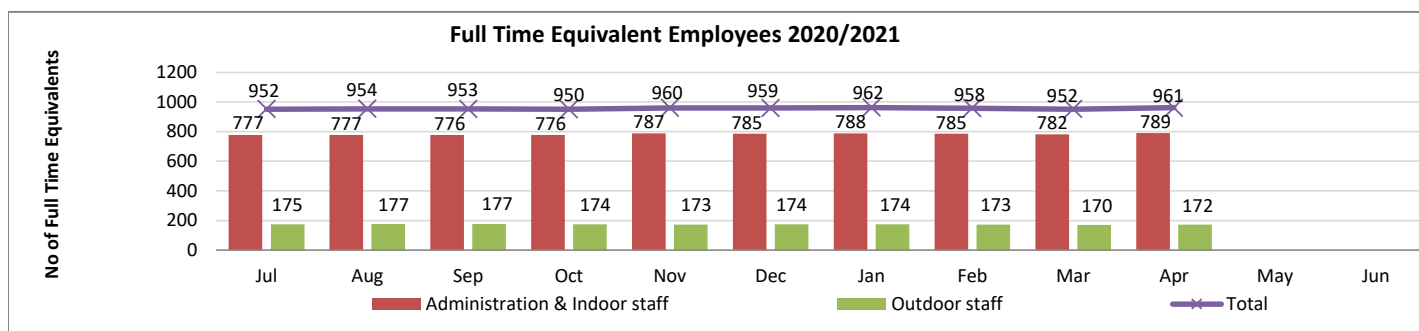
<b>CITY WASTE OPERATING STATEMENT</b>					
<b>For the period ending 30 April 2021</b>					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,715	35,639	30,490	<b>30,353</b>	(137)
Total expenses	27,427	27,280	22,354	<b>23,199</b>	845
Earnings before interest, tax and depreciation (EBITD)	8,288	8,359	8,136	<b>7,154</b>	(982)
External interest expense	17	17	15	<b>14</b>	(1)
Depreciation	327	327	272	<b>277</b>	5
<b>Operating surplus / (deficit)</b>	<b>7,943</b>	<b>8,014</b>	<b>7,849</b>	<b>6,863</b>	<b>(986)</b>

<b>CITY WASTE CAPITAL FUNDING STATEMENT</b>					
<b>For the period ending 30 April 2021</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	2,151	<b>1,628</b>	(523)
<b>Total sources of capital funding</b>	<b>924</b>	<b>2,729</b>	<b>2,151</b>	<b>1,628</b>	<b>(523)</b>
Capitalised expenditure	779	2,584	2,011	<b>1,503</b>	(508)
Loan redemption	145	145	140	<b>125</b>	(15)
<b>Total application of capital funds</b>	<b>924</b>	<b>2,729</b>	<b>2,151</b>	<b>1,628</b>	<b>(523)</b>

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

### Workforce Reporting



April 2021: Headcount	Employee Type			
	Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance	6	41	10	57
Organisational Services	3	203	24	230
Community and Customer Services	49	290	66	405
Infrastructure and Operations	8	343	16	367
<b>Total</b>	<b>66</b>	<b>877</b>	<b>116</b>	<b>1,059</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	Apr-21	% Overdue	Apr-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Apr-21	Apr-20
0 - 30	\$0	0.0%	\$377	0.0%	-\$377	0.0%		Levied (Billed) Rates & Charges since 1 July 2020	\$282,811,979
31 - 60	\$350	0.0%	\$16,449	0.0%	-\$16,099	0.0%	Rate arrears b/fwd 1 July 2020	\$12,988,652	\$9,452,770
61 - 90	\$2,845,038	0.9%	\$3,030,510	1.1%	-\$185,472	-0.2%	<b>Total</b>	<b>\$295,800,631</b>	<b>\$282,722,962</b>
91 - 180	\$1,514,867	0.5%	\$1,618,015	0.6%	-\$103,148	-0.1%	Balance of overdue rates & charges	\$8,706,843	\$8,312,890
>180	\$4,346,588	1.5%	\$3,647,539	1.3%	\$699,048	0.2%	<b>Percentage Overdue</b>	<b>2.9%</b>	<b>3.0%</b>
<b>Total</b>	<b>\$8,706,843</b>	<b>2.9%</b>	<b>\$8,312,890</b>	<b>3.0%</b>	<b>\$393,953</b>	<b>-0.1%</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.