

Monthly Financial Report

Interim June 2021

Note: This interim report is prepared at year end pending finalisation of the statutory financial statements due 16 September 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 year ended 30 June 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.

The June 2021 Monthly Financial Report is prepared based on interim financial results for the year ended 30 June 2021 (prior to the finalisation of the end of year accounts) and significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments. The final results for the year ended 30 June 2021 will be reflected in the audited financial statements.

Key Interim Financial Highlights and Overview

Key Interim Financial Results (\$000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(1,397)	(1,397)	3,135	4,532	324%	✓
Recurrent Revenue	304,599	304,599	303,463	(1,136)	0%	✗
Recurrent Expenditure	305,996	305,996	300,328	(5,668)	-2%	✓
Capital Works Expenditure	102,202	102,202	64,752	(37,450)	-37%	✓
Closing Cash & Cash Equivalents	167,495	167,495	187,240	19,745	12%	✓

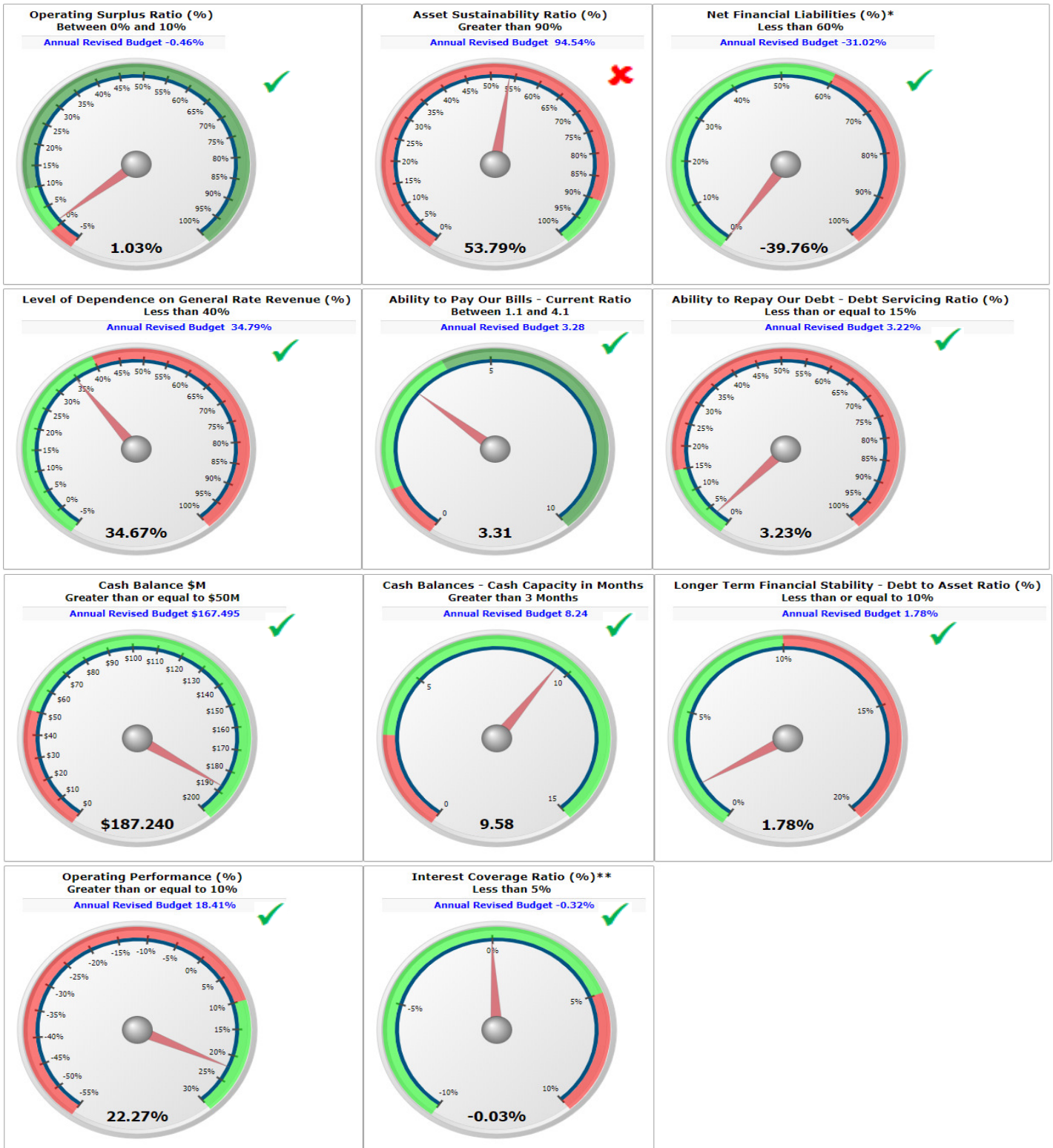
Council reported a year to date interim operating surplus of \$3.14M which is favourable to budget by \$4.53M due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to a favourable variance in materials and services which is primarily due to underspend in 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 mainly due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$37.45M mainly due to timing of works for a number of projects including the Kinross road intersection upgrade, Wellington Street upgrade, Weinam Creek development, Victoria Point Waste Water Treatment Plant dewatering improvement project, Southern Redland Bay landside facility, Anita Street pedestrian bridge renewal, revetment walls Voyagers Court and Masthead Drive, Russell Island ferry terminal, Russell Island commuter interchange, Point Lookout backlog sewer, Les Moore park upgrade, Weinam Creek development and fleet replacement.

2. INTERIM 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)

The Interim Key Performance Indicators above are based on interim financial results prior to the finalisation of end of year accounts. Significant movement is expected over the coming weeks and the final financial results will be reflected in the audited financial statements for the year ended 30 June 2021. The final Key Performance Indicators will be presented as part of the 2020/2021 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ending 30 June 2021

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
Recurrent revenue					
Rates charges	108,926	108,926	108,926	108,211	(715)
Levies and utility charges	160,082	160,082	160,082	161,381	1,299
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(3,430)	(3,522)	(92)
Fees	13,554	13,999	13,999	14,882	883
Rental income	956	1,069	1,069	1,162	93
Interest received	2,999	2,899	2,899	1,994	(905)
Sales revenue	3,630	3,740	3,740	3,491	(249)
Other income	533	712	712	1,373	661
Grants, subsidies and contributions	14,896	16,603	16,603	14,491	(2,112)
Total recurrent revenue	302,146	304,599	304,599	303,463	(1,136)
Recurrent expenses					
Employee benefits	91,988	93,095	93,095	94,709	1,614
Materials and services	145,591	146,725	146,725	140,404	(6,321)
Finance costs	2,382	2,382	2,382	2,341	(41)
Depreciation and amortisation	64,938	64,931	64,931	64,548	(383)
Other expenditure	520	509	509	339	(170)
Net internal costs	(1,800)	(1,646)	(1,646)	(2,013)	(367)
Total recurrent expenses	303,619	305,996	305,996	300,328	(5,668)
OPERATING SURPLUS / (DEFICIT)	(1,473)	(1,397)	(1,397)	3,135	4,532
Capital revenue					
Grants, subsidies and contributions	25,922	37,486	37,486	22,797	(14,689)
Non-cash contributions	3,480	3,480	3,480	2,305	(1,175)
Total capital revenue	29,402	40,966	40,966	25,102	(15,864)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	289	2,146	1,857
Total capital expenses	289	289	289	2,146	1,857
TOTAL INCOME	331,548	345,565	345,565	328,565	(17,000)
TOTAL EXPENSES	303,908	306,285	306,285	302,474	(3,811)
NET RESULT	27,641	39,280	39,280	26,091	(13,189)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	7,344	7,344
TOTAL COMPREHENSIVE INCOME	27,641	39,280	39,280	33,435	(5,845)

The Interim Statement of Comprehensive Income will adjust over coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2021. Other Comprehensive Income will change as a result of asset revaluations. The audited financial statements for the year ended 30 June 2021 will reflect the final revalued position and impact and will be presented as part of the 2020/2021 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

INTERIM LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 30 June 2021

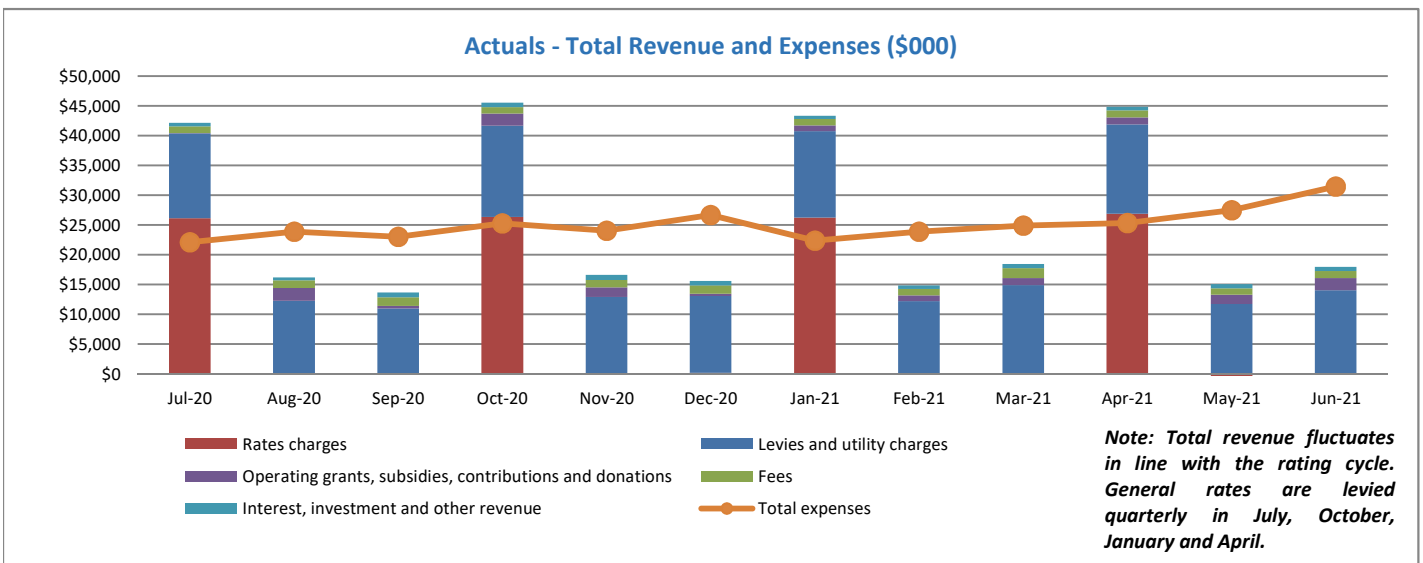
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse collection rate charge	29,127	29,127	29,127	29,326	199
SES separate charge	497	497	497	495	(2)
Environment separate charge	8,388	8,388	8,388	8,339	(49)
Separate charge landfill remediation	2,163	2,163	2,163	2,150	(13)
Wastewater charges	47,842	47,842	47,842	47,205	(637)
Water access charges	20,120	20,120	20,120	20,059	(61)
Water consumption charges	51,945	51,945	51,945	53,807	1,862
Total levies and utility charges	160,082	160,082	160,082	161,381	1,299

INTERIM MATERIALS AND SERVICES ANALYSIS For the period ending 30 June 2021

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	38,549	39,130	39,130	36,645	(2,485)
Consultants	2,813	3,443	3,443	2,805	(638)
Other Council outsourcing costs*	23,063	21,103	21,103	20,137	(966)
Purchase of materials	53,059	54,883	54,883	53,987	(896)
Office administration costs	11,685	11,646	11,646	11,635	(11)
Electricity charges	5,748	5,624	5,624	5,536	(88)
Plant operations	3,548	3,543	3,543	3,255	(288)
Information technology resources	3,067	3,474	3,474	3,157	(317)
General insurance	1,646	1,427	1,427	1,315	(112)
Community assistance**	1,777	1,828	1,828	1,414	(414)
Other material and service expenses	636	624	624	518	(106)
Total materials and services	145,591	146,725	146,725	140,404	(6,321)

* 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.



The interim income and expenses will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2021. The financial statements will be presented as part of the 2020/2021 Annual Report.

4. INTERIM STATEMENT OF FINANCIAL POSITION

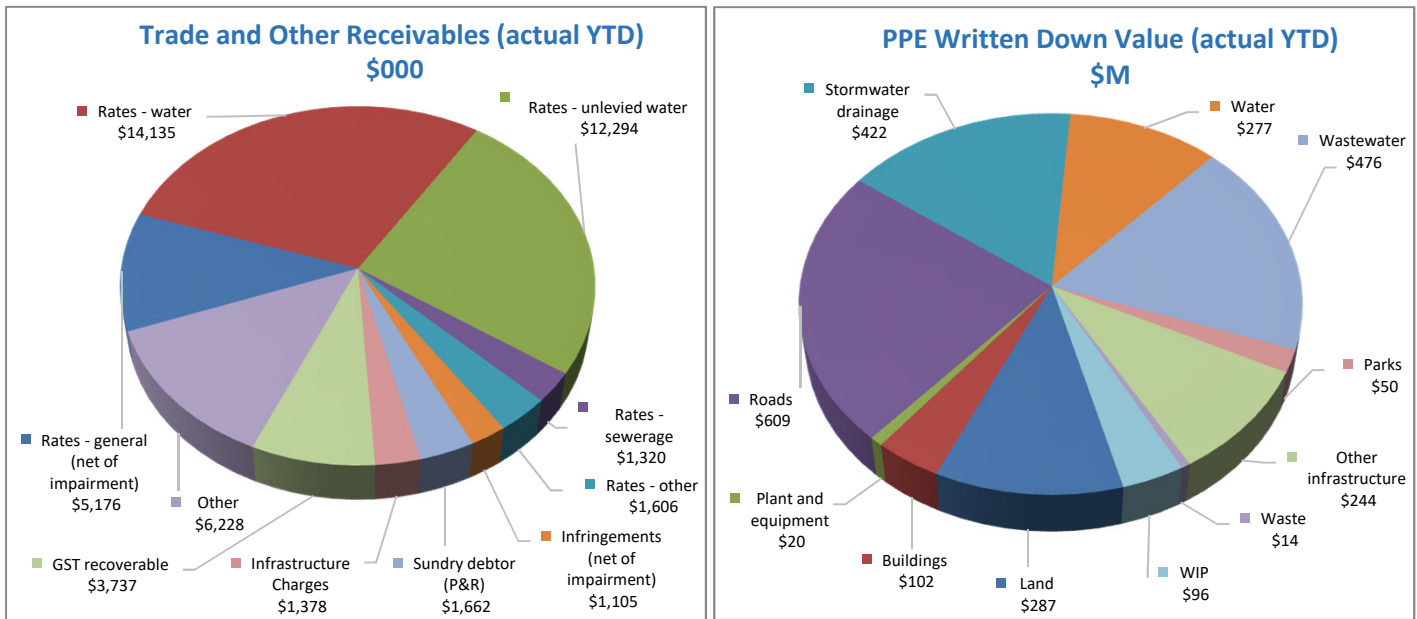
INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2021

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	169,264	167,495	167,495	187,240
Short-term investment - CBA	-	-	-	10,000
Trade and other receivables*	45,924	44,200	44,200	48,641
Inventories	918	853	853	865
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,956	4,968
Total current assets	218,061	215,621	215,621	251,714
NON-CURRENT ASSETS				
Investment property	1,091	1,225	1,225	1,225
Property, plant and equipment	2,572,288	2,629,009	2,629,009	2,597,457
Intangible assets	486	1,682	1,682	1,703
Right-of-use assets	5,919	5,876	5,876	5,825
Other financial assets	73	73	73	73
Investment in other entities**	13,101	13,101	13,101	12,657
Total non-current assets	2,592,958	2,650,965	2,650,965	2,618,940
TOTAL ASSETS	2,811,018	2,866,586	2,866,586	2,870,654
CURRENT LIABILITIES				
Trade and other payables	28,839	41,895	41,895	45,467
Borrowings - current	6,361	8,326	8,326	8,919
Lease liability - current	1,302	1,294	1,294	1,294
Provisions - current	10,769	12,188	12,188	13,882
Other current liabilities	-	1,960	1,960	6,479
Total current liabilities	47,271	65,663	65,663	76,041
NON-CURRENT LIABILITIES				
Borrowings - non-current	37,900	35,840	35,840	35,234
Lease liability - non-current	5,481	5,469	5,469	5,512
Provisions - non-current	15,120	14,162	14,162	14,259
Total non-current liabilities	58,501	55,470	55,470	55,005
TOTAL LIABILITIES	105,772	121,133	121,133	131,046
NET COMMUNITY ASSETS	2,705,246	2,745,453	2,745,453	2,739,608
COMMUNITY EQUITY				
Asset revaluation surplus	1,008,120	1,035,840	1,035,840	1,043,184
Retained surplus	1,580,316	1,605,281	1,605,281	1,590,518
Constrained cash reserves	116,810	104,333	104,333	105,906
TOTAL COMMUNITY EQUITY	2,705,246	2,745,453	2,745,453	2,739,608

* Included \$3.41M loan drawn down by Redland Investment Corporation (RIC) from February to June 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. INTERIM STATEMENT OF FINANCIAL POSITION - CONTINUED



INTERIM RIGHT-OF-USE ASSETS For the period ending 30 June 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
Right-of-use asset				
Buildings	2,780	2,697	2,697	2,770
Land	2,763	2,815	2,815	2,858
Plant and Equipment	376	364	364	197
Closing balance	5,919	5,876	5,876	5,825

INTERIM PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 June 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,556,325	2,588,458	2,588,458	2,588,458
Acquisitions, Asset transfers and WIP in year movement	81,096	105,684	105,684	66,894
Depreciation in year	(63,282)	(63,282)	(63,282)	(62,653)
Disposals	(1,851)	(1,851)	(1,851)	(3,049)
Other adjustments**	-	-	-	7,807
Closing balance	2,572,288	2,629,009	2,629,009	2,597,457

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

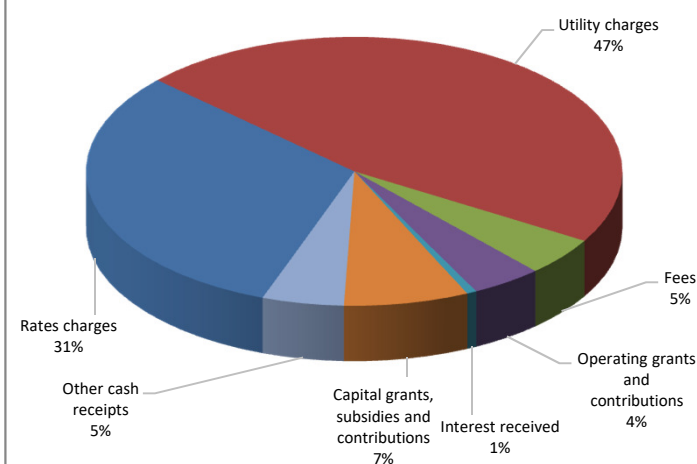
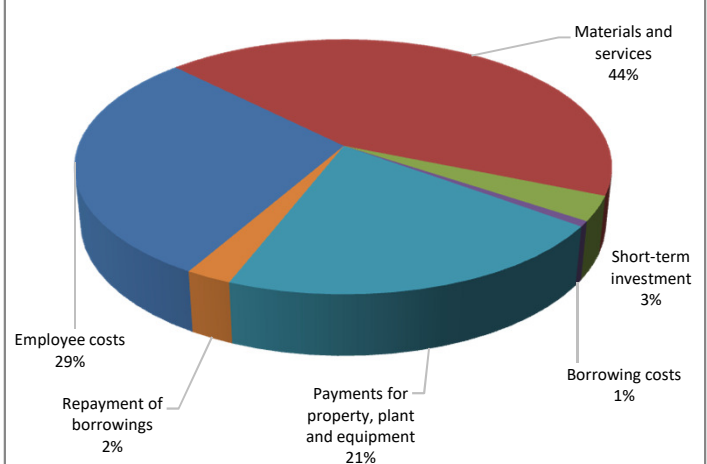
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2021. The financial statements will be presented as part of the 2020/2021 Annual Report.

5. INTERIM STATEMENT OF CASH FLOWS

INTERIM STATEMENT OF CASH FLOWS
For the period ending 30 June 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	276,486	278,920	278,920	284,246
Payments to suppliers and employees	(239,435)	(241,818)	(241,818)	(232,467)
	37,051	37,101	37,101	51,779
Interest received	2,999	2,899	2,899	1,995
Rental income	956	1,069	1,069	1,162
Non-capital grants and contributions	14,483	16,189	16,189	14,483
Borrowing costs	(2,052)	(2,052)	(2,052)	(2,048)
Right-of-use assets interest expense	(144)	(144)	(144)	(135)
Net cash inflow / (outflow) from operating activities	53,294	55,063	55,063	67,236
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(77,614)	(102,202)	(102,202)	(66,744)
Payments for intangible assets	-	-	-	(162)
Proceeds from sale of property, plant and equipment	1,562	1,562	1,562	1,021
Capital grants, subsidies and contributions	25,922	39,186	39,186	25,418
Short-term investment - CBA	-	-	-	(10,000)
Other cash flows from investing activities*	-	-	-	(3,410)
Net cash inflow / (outflow) from investing activities	(50,131)	(61,455)	(61,455)	(53,877)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	9,612	9,612	9,612	9,612
Repayment of borrowings	(6,361)	(6,361)	(6,361)	(6,369)
Right-of-use lease payment	(1,294)	(1,265)	(1,265)	(1,263)
Net cash inflow / (outflow) from financing activities	1,957	1,986	1,986	1,980
Net increase / (decrease) in cash held	5,120	(4,406)	(4,406)	15,339
Cash and cash equivalents at the beginning of the year	164,145	171,901	171,901	171,901
Cash and cash equivalents at the end of the financial year / period	169,264	167,495	167,495	187,240

Cash Inflow (actual YTD)

Cash Outflow (actual YTD)


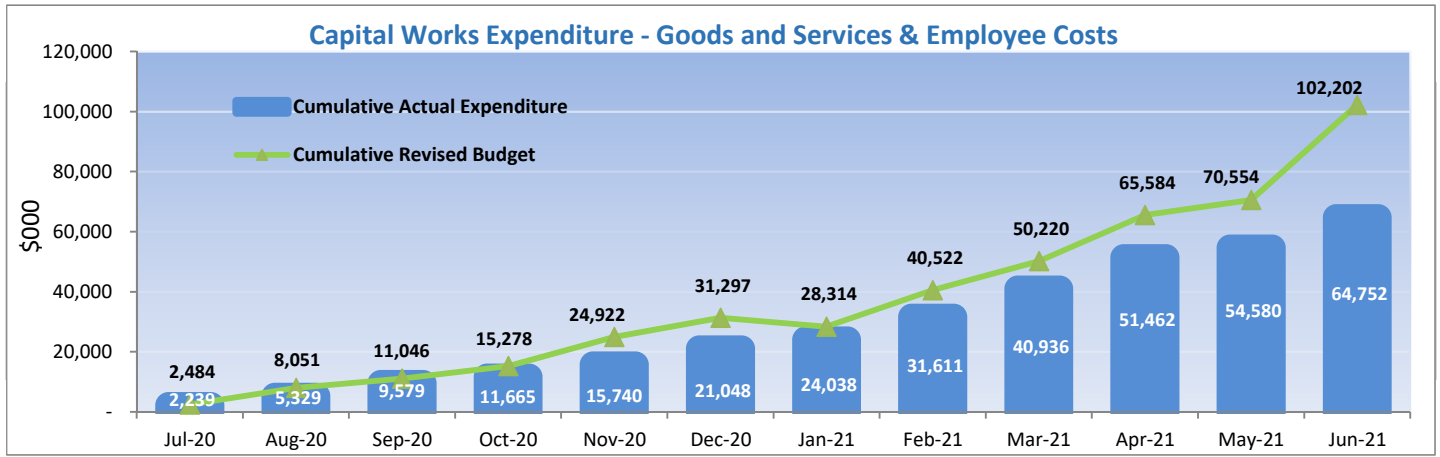
Total Cash Funding (Actual YTD)	337,937
Total Cash Funding (Annual Revised Budget)	349,437
% of Budget Achieved YTD	97%

Total Cash Expenditure (Actual YTD)	322,598
Total Cash Expenditure (Annual Revised Budget)	353,842
% of Budget Achieved YTD	91%

* Loan drawn down by RIC from February to June 2021.

The Interim Statement of Cash Flows will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2021. The financial statements will be presented as part of the 2020/2021 Annual Report.

6. INTERIM CAPITAL EXPENDITURE



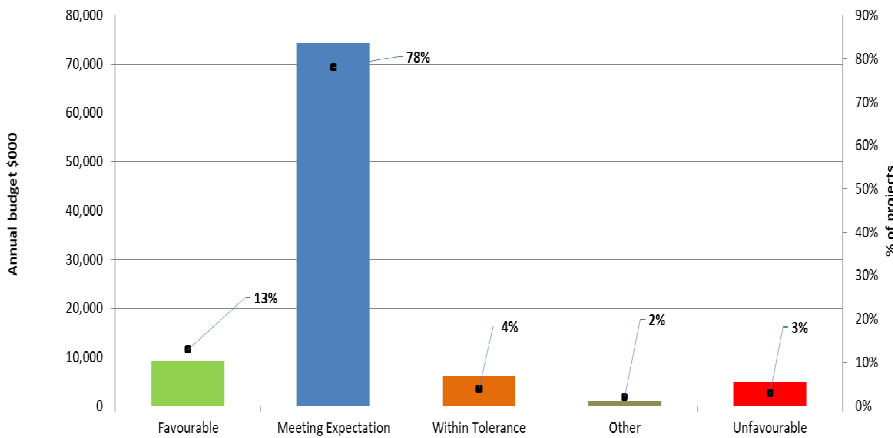
	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	93,416	93,416	57,576	(35,840)
Capitalised employee costs	8,786	8,786	7,176	(1,610)
Total	102,202	102,202	64,752	(37,450)

* Excludes capital prepayments..

7. INTERIM 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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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:

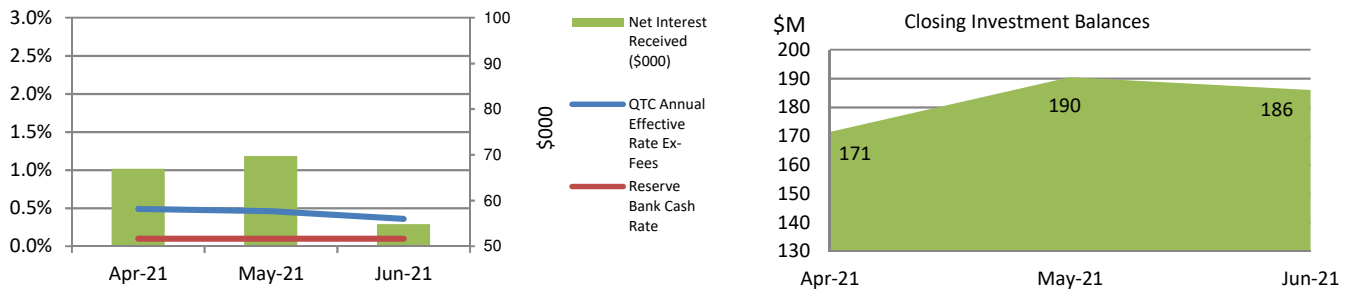
Project description	Progress
Drainage Upgrade and Expansion Program This project is for upgrade and expansion of the drainage network which will continue to provide the community with acceptable service levels and reduce network deficiencies and reactive maintenance requirements.	Meeting Expectation
Southern Moreton Bay Islands Waiting Sheds and Shelter Renewal and Upgrades This program is for the construction of waiting sheds on SMBI ferry terminals and bus/transport shelters across Macleay Island.	Meeting Expectation

The Interim Capital Funding Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2021. The financial statements will be presented as part of the 2020/2021 Annual Report.

8. INTERIM INVESTMENT & BORROWINGS REPORT

For the period ending 30 June 2021

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$185.94M

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.

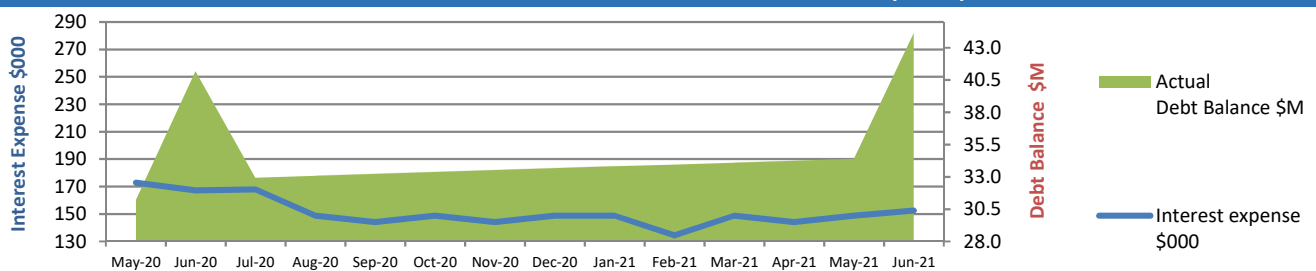
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.36%. 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 2021 borrowings of \$9.61M were undertaken as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$44.15M

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

BORROWINGS For the period ending 30 June 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
Borrowings				
Opening balance	(41,273)	(41,178)	(41,178)	(41,178)
Accrued interest on borrowings	(1,789)	(1,789)	(1,789)	(1,780)
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)	(9,612)	(9,612)
Closing balance	(44,261)	(44,166)	(44,166)	(44,153)

9. INTERIM CONSTRAINED CASH RESERVES

Reserves as at 30 June 2021	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	2	27	(10)	19
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	618	(616)	2
Waste Levy Reserve	To fund Waste Levy Program	-	4,361	(4,361)	-
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	2,847	(575)	4,365
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	2,986	(1,936)	3,586
		4,631	10,839	(7,498)	7,972
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	1,741	(2,206)	6,197
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	1,682	-	4,768
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	428	(297)	14,757
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	1,862	(2,214)	10,557
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	4,316	(1,290)	36,757
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	1,776	(400)	13,299
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	533	(1,479)	9,896
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	79	(13)	169
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	170	(17)	165
		91,894	12,587	(7,916)	96,565
Separate Charge Reserve:					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	8,339	(7,896)	443
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	494	(463)	69
		38	8,833	(8,359)	512
Special Charge Reserve - Canals:					
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)
		857	-	-	857
TOTALS		97,420	32,259	(23,773)	105,906
					Closing cash and cash equivalents
					187,240
					Reserves as percentage of cash balance
					57%

*No interest charged for these reserves in 2020/2021 financial year due to low prevailing interest rate.

10. INTERIM CITY WATER STATEMENTS

INTERIM CITY WATER SUMMARY OPERATING STATEMENT For the period ending 30 June 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	124,190	124,866	676
Total expenses	71,469	71,476	71,476	69,612	(1,864)
Earnings before interest, tax and depreciation (EBITD)	51,501	52,714	52,714	55,254	2,540
External interest expense	71	71	71	110	39
Internal interest expense	10,621	10,621	10,621	10,621	-
Depreciation	24,142	24,142	24,142	23,965	(177)
Operating surplus / (deficit)	16,667	17,880	17,880	20,558	2,678

INTERIM CITY WATER CAPITAL FUNDING STATEMENT For the period ending 30 June 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	2,537	1,994	(543)
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	(374)	(467)	(93)
Non-cash contributions	3,399	3,399	3,399	1,855	(1,544)
Funding from utility revenue	8,568	10,373	10,373	8,885	(1,488)
Total sources of capital funding	12,138	15,936	15,936	12,267	(3,669)
Contributed assets	3,399	3,399	3,399	1,836	(1,563)
Capitalised expenditure	8,258	12,056	12,056	9,897	(2,159)
Loan redemption	482	482	482	534	52
Total application of capital funds	12,138	15,936	15,936	12,267	(3,669)

11. INTERIM CITY WASTE STATEMENTS

INTERIM CITY WASTE OPERATING STATEMENT For the period ending 30 June 2021

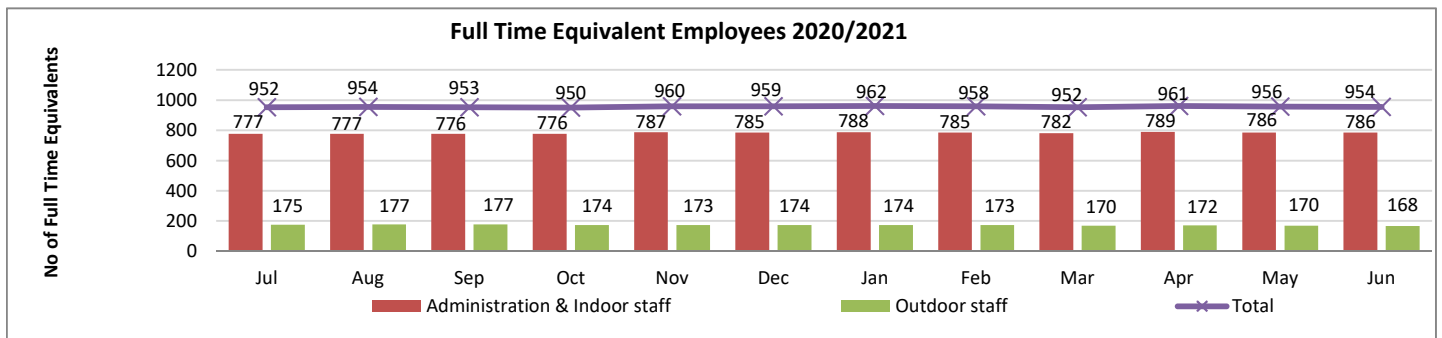
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,715	35,639	35,639	35,546	(93)
Total expenses	27,427	27,280	27,280	27,836	556
Earnings before interest, tax and depreciation (EBITD)	8,288	8,359	8,359	7,710	(649)
External interest expense	17	17	17	16	(1)
Depreciation	327	327	327	330	3
Operating surplus / (deficit)	7,943	8,014	8,014	7,364	(651)

INTERIM CITY WASTE CAPITAL FUNDING STATEMENT For the period ending 30 June 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	2,729	2,204	(525)
Total sources of capital funding	924	2,729	2,729	2,204	(525)
Capitalised expenditure	779	2,584	2,584	2,059	(525)
Loan redemption	145	145	145	145	-
Total application of capital funds	924	2,729	2,729	2,204	(525)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



June 2021: Headcount	Employee Type			
	Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance	5	45	9	59
Organisational Services	3	199	23	225
Community and Customer Services	43	289	65	397
Infrastructure and Operations	8	342	15	365
Total	59	875	112	1,046

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	Jun-21	% Overdue	Jun-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Jun-21	Jun-20
0 - 30	\$444	0.0%	\$6,951,091	2.4%	-\$6,950,647	-2.4%	Levied (Billed) Rates & Charges since 1 July 2020	\$282,705,701	\$273,139,989
31 - 60	\$4,147,672	1.4%	\$279	0.0%	\$4,147,393	1.4%	Rate arrears b/fwd 1 July 2020	\$12,988,652	\$9,452,770
61 - 90	\$0	0.0%	\$374	0.0%	-\$374	0.0%	Total	\$295,694,353	\$282,592,758
91 - 180	\$1,790,975	0.6%	\$1,913,276	0.7%	-\$122,301	-0.1%	Balance of overdue rates & charges	\$10,693,344	\$12,988,651
>180	\$4,754,253	1.6%	\$4,123,631	1.5%	\$630,622	0.1%	Percentage Overdue	3.6%	4.6%
Total	\$10,693,344	3.6%	\$12,988,651	4.6%	-\$2,295,307	-1.0%			

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

* 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.