



# Monthly Financial Report

February 2022



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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 28 February 2022. The year to date annual revised budget referred to in this report incorporates the changes from budget review adopted by Council on 16 February 2022.

### Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(386)	22,180	<b>27,950</b>	5,770	26%	✓
Recurrent Revenue	314,224	226,052	<b>223,659</b>	(2,393)	-1%	✗
Recurrent Expenditure	314,610	203,872	<b>195,709</b>	(8,163)	-4%	✓
Capital Works Expenditure	106,621	55,904	<b>35,873</b>	(20,031)	-36%	✓
Closing Cash & Cash Equivalents	195,979	220,050	<b>226,504</b>	6,454	3%	✓

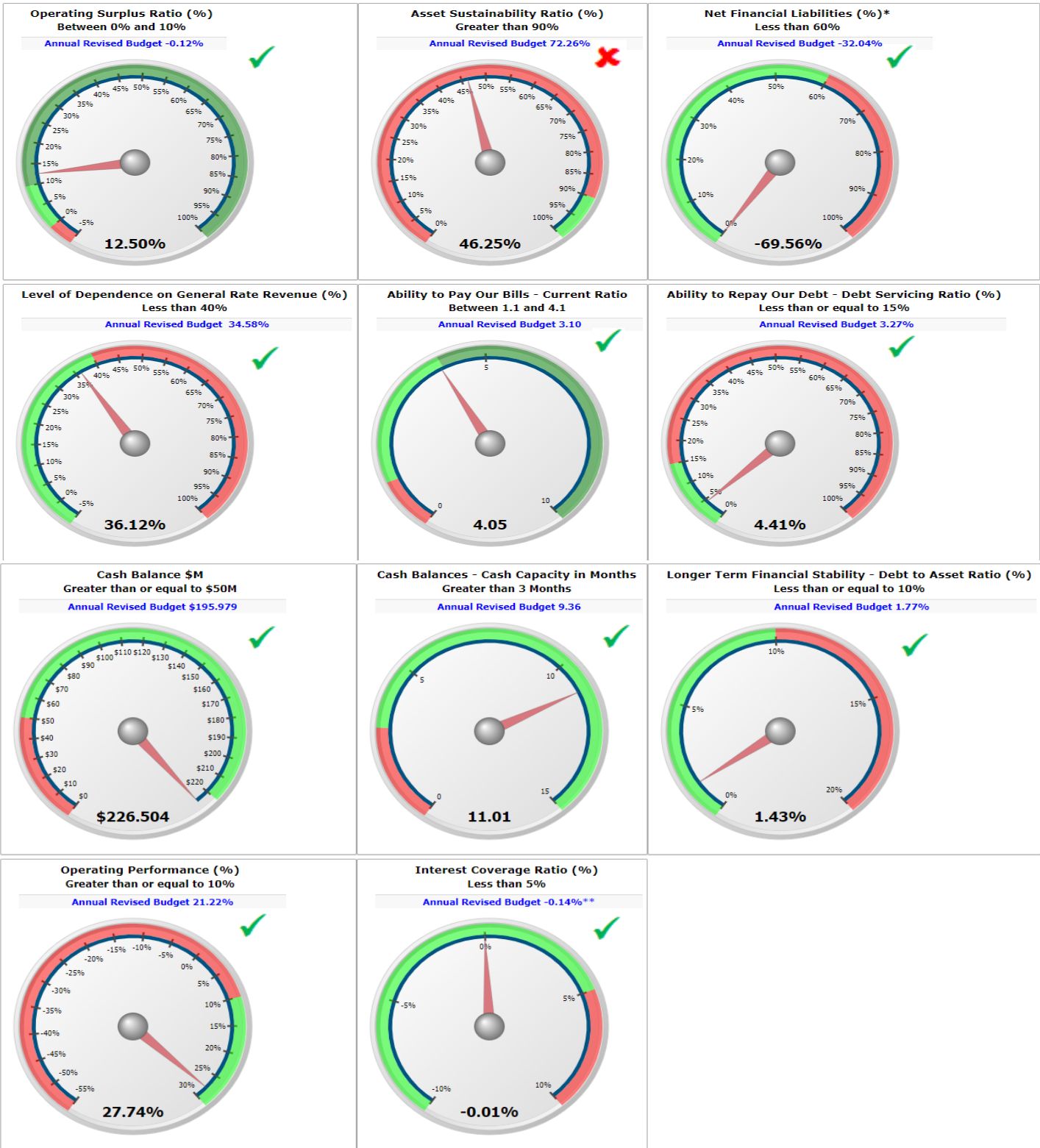
Council reported a year to date operating surplus of \$27.95M which is favourable to budget by \$5.77M mainly on account of lower than budgeted expenditure on materials and services and lower depreciation due to timing of asset capitalisations, offset by lower levies and utility charges.

The Infrastructure and Operations (I&O) Department presented a briefing to Council that addressed the supply chain issues that are contributing to forecast underspends to the FY2021-22 capital works portfolio. This briefing included mitigation strategies that addressed the risks to delivering the capital works which was agreed to and resolved by Council at the General Meeting held on 20 October 2021.

Council's cash balance is over budget mainly due to higher capital grants, subsidies and contributions, lower payments for property, plant and equipment, offset by lower than expected receipts from the customers and higher than expected payments to suppliers. Constrained cash reserves represent 52% 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 28 February 2022

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
<b>Recurrent revenue</b>					
Rates charges	111,574	111,650	83,377	<b>83,081</b>	(296)
Levies and utility charges	170,378	170,378	120,387	<b>118,005</b>	(2,382)
Less: Pensioner remissions and rebates	(3,486)	(3,486)	(2,579)	<b>(2,654)</b>	(75)
Fees	15,337	17,797	11,897	<b>12,037</b>	140
Rental income	1,067	1,214	846	<b>931</b>	85
Interest received	2,037	2,016	1,277	<b>1,091</b>	(186)
Sales revenue	3,682	4,147	2,900	<b>3,235</b>	335
Other income	469	546	482	<b>622</b>	140
Grants, subsidies and contributions	9,496	9,962	7,465	<b>7,311</b>	(154)
<b>Total recurrent revenue</b>	<b>310,554</b>	<b>314,224</b>	<b>226,052</b>	<b>223,659</b>	<b>(2,393)</b>
<b>Recurrent expenses</b>					
Employee benefits	97,172	97,872	64,309	<b>64,125</b>	(184)
Materials and services	145,459	148,858	94,347	<b>88,334</b>	(6,013)
Finance costs	2,007	2,007	1,273	<b>1,240</b>	(33)
Depreciation and amortisation	67,563	67,563	45,044	<b>43,141</b>	(1,903)
Other expenditure	522	522	342	<b>349</b>	7
Net internal costs	(2,213)	(2,213)	(1,443)	<b>(1,480)</b>	(37)
<b>Total recurrent expenses</b>	<b>310,511</b>	<b>314,610</b>	<b>203,872</b>	<b>195,709</b>	<b>(8,163)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>43</b>	<b>(386)</b>	<b>22,180</b>	<b>27,950</b>	<b>5,770</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	22,133	30,721	10,061	<b>11,698</b>	1,637
Non-cash contributions	2,461	2,461	1,602	<b>30</b>	(1,572)
<b>Total capital revenue</b>	<b>24,594</b>	<b>33,182</b>	<b>11,663</b>	<b>11,728</b>	<b>65</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	(50)	(243)	<b>322</b>	565
<b>Total capital expenses</b>	<b>289</b>	<b>(50)</b>	<b>(243)</b>	<b>322</b>	<b>565</b>
<b>TOTAL INCOME</b>	<b>335,148</b>	<b>347,407</b>	<b>237,715</b>	<b>235,387</b>	<b>(2,328)</b>
<b>TOTAL EXPENSES</b>	<b>310,799</b>	<b>314,560</b>	<b>203,629</b>	<b>196,031</b>	<b>(7,598)</b>
<b>NET RESULT</b>	<b>24,349</b>	<b>32,847</b>	<b>34,086</b>	<b>39,356</b>	<b>5,270</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>24,349</b>	<b>32,847</b>	<b>34,086</b>	<b>39,356</b>	<b>5,270</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	30,931	30,931	20,526	<b>20,613</b>	87
SES separate charge	514	514	385	<b>384</b>	(1)
Environment separate charge	10,802	10,802	8,006	<b>8,057</b>	51
Separate charge landfill remediation	3,473	3,473	2,605	<b>2,590</b>	(15)
Wastewater charges	50,354	50,354	37,614	<b>37,705</b>	91
Water access charges	20,949	20,949	15,690	<b>15,630</b>	(60)
Water consumption charges	53,355	53,355	35,561	<b>33,026</b>	(2,535)
<b>Total levies and utility charges</b>	<b>170,378</b>	<b>170,378</b>	<b>120,387</b>	<b>118,005</b>	<b>(2,382)</b>

#### MATERIALS AND SERVICES ANALYSIS

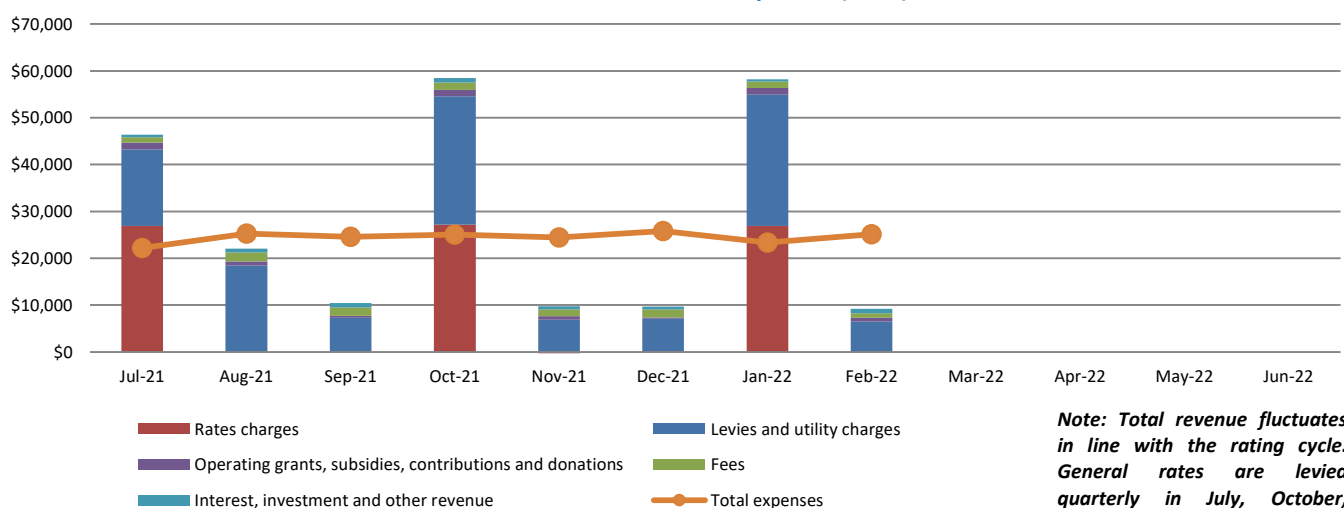
For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>					
Contractors	37,447	39,148	20,584	<b>20,590</b>	6
Consultants	2,775	4,654	2,578	<b>1,450</b>	(1,128)
Other Council outsourcing costs*	26,444	24,749	15,448	<b>13,941</b>	(1,507)
Purchase of materials	54,490	55,823	36,204	<b>33,866</b>	(2,338)
Office administration costs	7,194	7,376	8,124	<b>7,558</b>	(566)
Electricity charges	5,723	5,750	3,829	<b>3,693</b>	(136)
Plant operations	3,458	3,481	2,203	<b>2,202</b>	(1)
Information technology resources	3,685	3,685	2,628	<b>2,572</b>	(56)
General insurance	1,467	1,399	910	<b>932</b>	22
Community assistance**	1,716	1,736	1,146	<b>835</b>	(311)
Other material and service expenses	1,057	1,057	693	<b>695</b>	2
<b>Total materials and services</b>	<b>145,459</b>	<b>148,858</b>	<b>94,347</b>	<b>88,334</b>	<b>(6,013)</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)



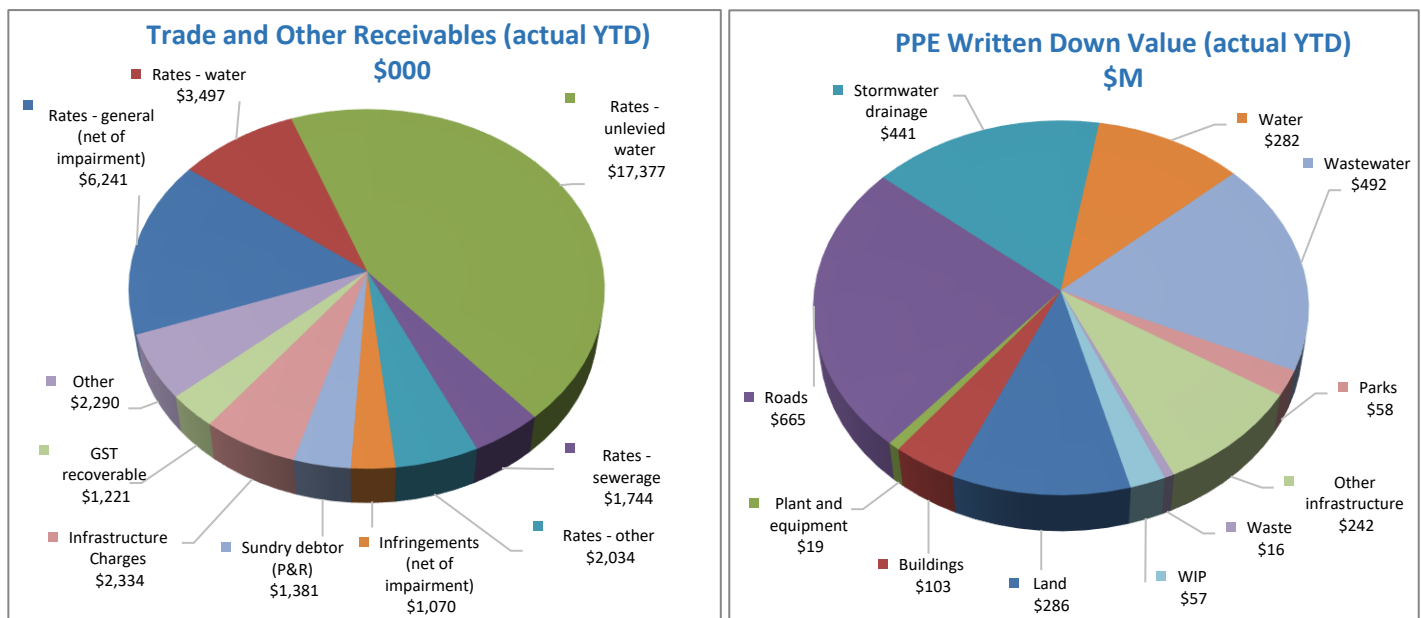
**Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.**

## 4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION  
As at 28 February 2022

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	198,990	195,979	220,050	<b>226,504</b>
Short-term investment - CBA	-	-	10,000	<b>10,068</b>
Trade and other receivables	42,672	43,012	44,143	<b>39,189</b>
Inventories	916	1,024	971	<b>765</b>
Other current assets	1,810	4,967	4,967	<b>3,284</b>
<b>Total current assets</b>	<b>244,389</b>	<b>244,982</b>	<b>280,131</b>	<b>279,810</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,225	1,225	1,225	<b>1,225</b>
Property, plant and equipment	2,619,909	2,709,572	2,680,545	<b>2,660,643</b>
Intangible assets	1,135	1,160	1,341	<b>1,345</b>
Right-of-use assets	4,723	4,984	5,330	<b>5,324</b>
Other financial assets	73	73	73	<b>73</b>
Investment in other entities	12,657	12,657	12,657	<b>12,657</b>
<b>Total non-current assets</b>	<b>2,639,722</b>	<b>2,729,671</b>	<b>2,701,171</b>	<b>2,681,267</b>
<b>TOTAL ASSETS</b>	<b>2,884,111</b>	<b>2,974,652</b>	<b>2,981,302</b>	<b>2,961,077</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	37,171	45,927	50,140	<b>32,970</b>
Borrowings - current	8,326	8,919	8,919	<b>8,919</b>
Lease liability - current	1,294	1,130	1,130	<b>1,130</b>
Provisions - current	15,270	17,207	14,971	<b>15,269</b>
Other current liabilities	1,911	5,758	20,777	<b>10,815</b>
<b>Total current liabilities</b>	<b>63,972</b>	<b>78,941</b>	<b>95,937</b>	<b>69,103</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	38,659	37,990	27,254	<b>27,215</b>
Lease liability - non-current	4,377	4,704	5,084	<b>5,066</b>
Provisions - non-current	21,539	22,675	21,446	<b>22,840</b>
<b>Total non-current liabilities</b>	<b>64,576</b>	<b>65,370</b>	<b>53,784</b>	<b>55,121</b>
<b>TOTAL LIABILITIES</b>	<b>128,547</b>	<b>144,311</b>	<b>149,721</b>	<b>124,224</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,755,563</b>	<b>2,830,341</b>	<b>2,831,581</b>	<b>2,836,853</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,035,840	1,106,353	1,106,353	<b>1,106,353</b>
Retained surplus	1,619,513	1,620,669	1,615,853	<b>1,611,671</b>
Constrained cash reserves	100,210	103,319	109,375	<b>118,829</b>
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,755,563</b>	<b>2,830,341</b>	<b>2,831,581</b>	<b>2,836,853</b>

## 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



### RIGHT-OF-USE ASSETS For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Right-of-use asset</b>				
Buildings	2,109	2,152	2,345	<b>2,338</b>
Land	2,435	2,508	2,647	<b>2,649</b>
Plant and Equipment	179	324	338	<b>337</b>
<b>Closing balance</b>	<b>4,723</b>	<b>4,984</b>	<b>5,330</b>	<b>5,324</b>

### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\* For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>PPE movement</b>				
Opening balance (includes WIP from previous years)	2,614,439	2,667,979	2,667,979	<b>2,667,979</b>
Acquisitions and WIP in year movement	72,958	109,081	57,507	<b>35,903</b>
Depreciation in year	(65,977)	(65,977)	(43,985)	<b>(42,079)</b>
Disposals	(1,511)	(1,511)	(956)	<b>(1,179)</b>
Other adjustments**	-	-	-	<b>19</b>
<b>Closing balance</b>	<b>2,619,909</b>	<b>2,709,572</b>	<b>2,680,545</b>	<b>2,660,643</b>

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

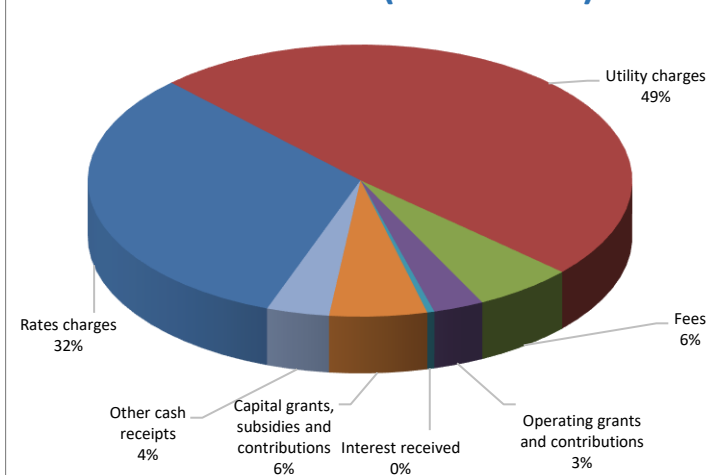
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

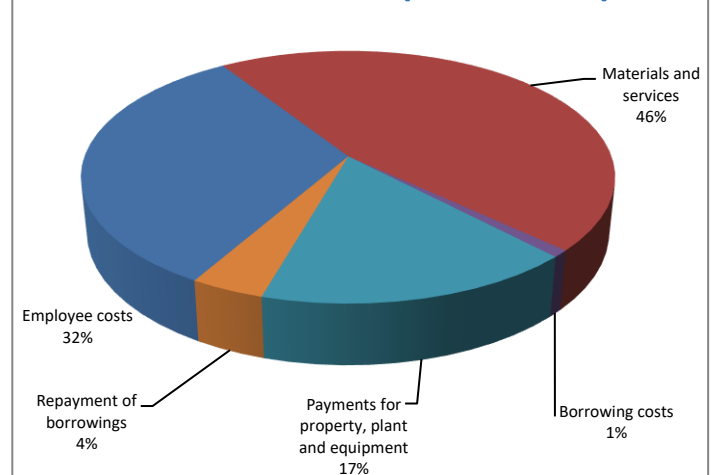
### STATEMENT OF CASH FLOWS For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	297,941	301,019	229,916	<b>218,321</b>
Payments to suppliers and employees	(246,606)	(249,290)	(155,728)	<b>(162,661)</b>
	<b>51,334</b>	<b>51,729</b>	<b>74,188</b>	<b>55,660</b>
Interest received	2,037	2,016	1,277	<b>1,051</b>
Rental income	1,067	1,214	846	<b>931</b>
Non-capital grants and contributions	14,109	14,575	7,456	<b>7,378</b>
Borrowing costs	(1,763)	(1,763)	(1,749)	<b>(1,770)</b>
Right-of-use assets interest expense	(131)	(131)	(87)	<b>(84)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>66,654</b>	<b>67,641</b>	<b>81,931</b>	<b>63,166</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(70,498)	(106,620)	(55,904)	<b>(34,472)</b>
Proceeds from sale of property, plant and equipment	1,222	1,562	1,199	<b>858</b>
Capital grants, subsidies and contributions	22,133	30,721	10,061	<b>14,225</b>
Other cash flows from investing activities*	3,500	3,500	3,500	<b>3,500</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(43,642)</b>	<b>(70,838)</b>	<b>(41,144)</b>	<b>(15,889)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	10,324	10,324	-	-
Repayment of borrowings	(7,243)	(7,243)	(7,212)	<b>(7,230)</b>
Right-of-use lease payment	(1,145)	(1,145)	(765)	<b>(783)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,936</b>	<b>1,936</b>	<b>(7,977)</b>	<b>(8,013)</b>
<b>Net increase / (decrease) in cash held</b>	<b>24,947</b>	<b>(1,261)</b>	<b>32,810</b>	<b>39,264</b>
Cash and cash equivalents at the beginning of the year	174,043	197,240	187,240	<b>187,240</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>198,990</b>	<b>195,979</b>	<b>220,050</b>	<b>226,504</b>

**Cash Inflow (actual YTD)**



**Cash Outflow (actual YTD)**



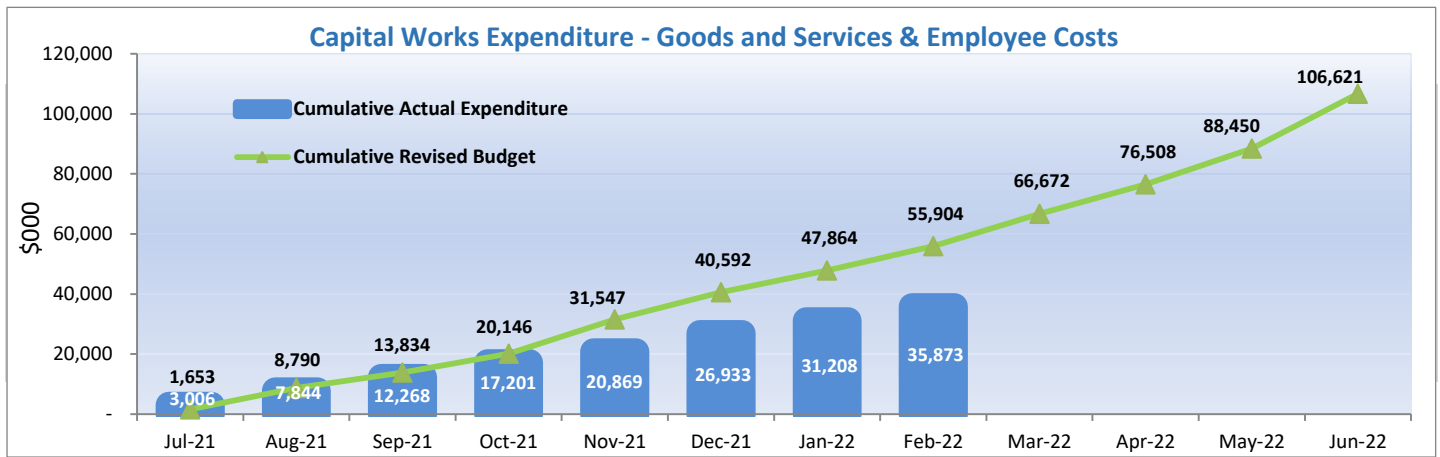
<b>Total Cash Funding (Actual YTD)</b>	<b>246,264</b>
Total Cash Funding (Annual Revised Budget)	364,931
<b>% of Budget Achieved YTD</b>	<b>67%</b>

<b>Total Cash Expenditure (Actual YTD)</b>	<b>207,000</b>
Total Cash Expenditure (Annual Revised Budget)	366,192
<b>% of Budget Achieved YTD</b>	<b>57%</b>

\* Loan drawn down by RIC from February to June 2021 has been repaid in July 2021.



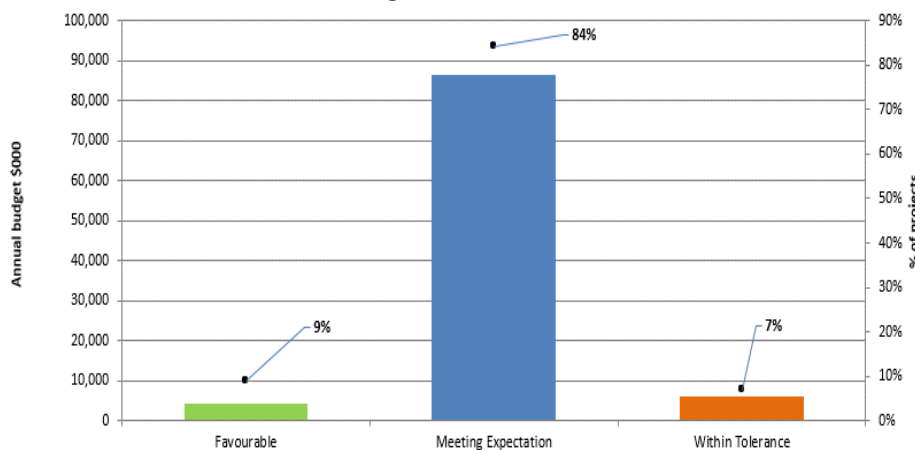
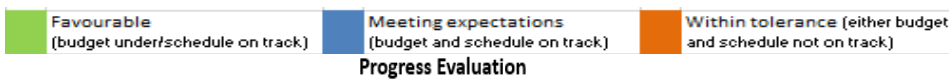
## 6. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	98,763	50,131	30,660	(19,471)
Capitalised employee costs	7,858	5,773	5,213	(560)
<b>Total</b>	<b>106,621</b>	<b>55,904</b>	<b>35,873</b>	<b>(20,031)</b>

\* Excludes capital prepayments.

## 7. PROGRAM AND PROJECT UPDATE



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

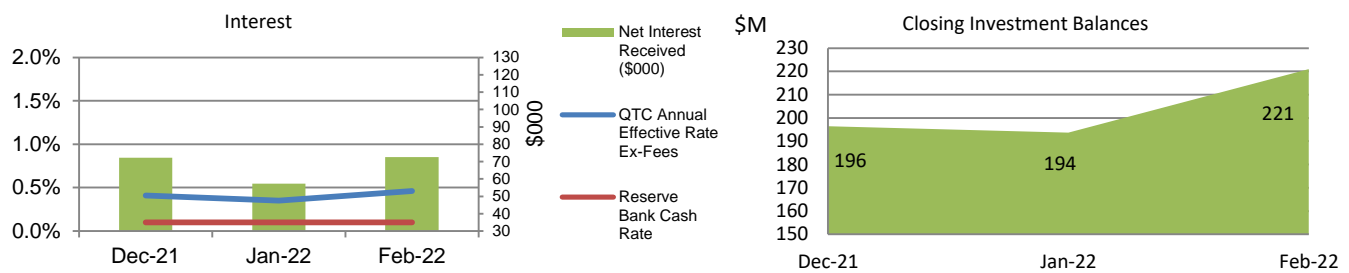
The status of two notable projects are as follows:

Project description	Progress
Cleveland CBD Bus Shelter Upgrades Program-To upgrade bus shelters that do not meet current operating and design standards.	Meeting Expectations
Bus Stops Upgrade & Expansion Program-To achieve a practical level Disability Discrimination Act compliance across the TransLink bus stop network for boarding points and provide for new shelter and seat installations. Works are co-funded by the TransLink division of the Department of Transport and Main Roads under the Passenger Transport Accessible Infrastructure Program.	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 28 February 2022

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



#### Total QTC Investment at End of Month was \$220.97M

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 2021 \$10.068M was re-invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

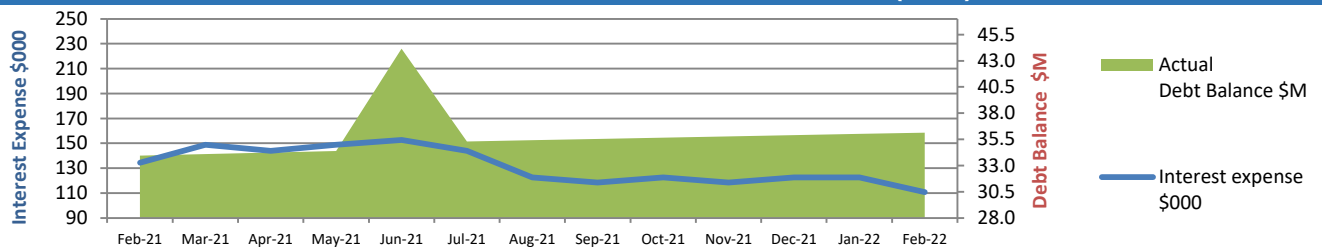
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.46%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its Investment Policy (FIN-001-P) in June 2021 for the 2021/2022 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 \$9.00M, being \$7.23M principal and \$1.77M interest has been made in July 2021, for 2021/2022, which will result in the loans being repaid approximately one year earlier.

The debt balance increased in June 2021 due to new borrowings of \$9.61M as part of Council's Capital Works Plan.

In July 2021 the debt balance shows a decrease due to the Annual Debt Service Payment (ADSP). Interest will accrue monthly on a daily balance until next ADSP in July 2022 which is reflected in the increasing debt balance.

#### Total Borrowings at End of Month were \$36.13M

Council adopted its Debt Policy (FIN-009-P) in June 2021 for the 2021/2022 financial year

### BORROWINGS

For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Borrowings</b>				
Opening balance	(44,228)	(44,153)	(44,153)	<b>(44,153)</b>
Accrued interest on borrowings	(1,439)	(1,438)	(982)	<b>(982)</b>
Interest paid on borrowings	1,763	1,763	1,749	<b>1,769</b>
Principal repaid	7,243	7,243	7,213	<b>7,232</b>
Loan drawdown	(10,324)	(10,324)	-	-
<b>Closing balance</b>	<b>(46,985)</b>	<b>(46,909)</b>	<b>(36,173)</b>	<b>(36,134)</b>

## 9. CONSTRAINED CASH RESERVES

Reserves as at 28 February 2022	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	-	20	(14)	6
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	332	(2)	330
Waste Levy Reserve	To fund Waste Levy Program	-	3,951	(3,416)	535
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	4,265	2,062	(1,334)	4,993
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	3,716	1,730	(623)	4,823
		<b>7,981</b>	<b>8,095</b>	<b>(5,389)</b>	<b>10,687</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,148	2,703	(2,730)	6,121
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	4,829	97	-	4,926
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,760	138	-	14,898
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,165	2,438	(1,384)	12,219
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	36,517	4,212	(520)	40,209
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,288	1,448	(434)	14,302
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,898	445	-	10,343
Tree Planting Reserve	Acquisition and planting of trees on footpaths	169	67	(11)	225
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	226	22	(53)	195
Special Property Reserve	Acquisition of property in line with the strategic property framework	-	1,165	-	1,165
		<b>97,000</b>	<b>12,735</b>	<b>(5,132)</b>	<b>104,603</b>
<b>Separate Charge Reserve:</b>					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	8,057	(5,559)	2,498
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	70	384	(270)	184
		<b>70</b>	<b>8,441</b>	<b>(5,829)</b>	<b>2,682</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>105,908</b>	<b>29,271</b>	<b>(16,350)</b>	<b>118,829</b>
				Closing cash and cash equivalents	<b>226,504</b>
				Reserves as percentage of cash balance	<b>52%</b>

\*No interest charged for these reserves in February 2022 year to date due to low prevailing interest rate.

## 10. CITY WATER STATEMENTS

### CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	128,167	128,331	91,282	<b>88,968</b>	(2,314)
Total expenses	75,785	76,235	48,726	<b>46,493</b>	(2,233)
Earnings before interest, tax and depreciation (EBITD)	52,382	52,096	42,556	<b>42,475</b>	(81)
External interest expense	224	224	161	<b>158</b>	(3)
Internal interest expense	15,139	15,139	10,092	<b>10,092</b>	-
Depreciation	24,711	24,711	16,474	<b>16,269</b>	(205)
<b>Operating surplus / (deficit)</b>	<b>12,309</b>	<b>12,022</b>	<b>15,829</b>	<b>15,956</b>	<b>127</b>

### CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	2,956	2,956	1,971	<b>2,576</b>	605
Net transfer (to) / from constrained capital reserves	1,019	(1,498)	(1,325)	<b>(2,532)</b>	(1,207)
Non-cash contributions	5,747	5,747	1,586	-	(1,586)
Funding from utility revenue	(2,699)	7,529	5,668	<b>3,235</b>	(2,433)
<b>Total sources of capital funding</b>	<b>7,023</b>	<b>14,733</b>	<b>7,900</b>	<b>3,279</b>	<b>(4,621)</b>
Contributed assets	2,379	2,379	1,586	-	(1,586)
Capitalised expenditure	3,982	11,692	5,794	<b>2,696</b>	(3,098)
Loan redemption	662	662	520	<b>583</b>	63
<b>Total application of capital funds</b>	<b>7,023</b>	<b>14,733</b>	<b>7,900</b>	<b>3,279</b>	<b>(4,621)</b>

## 11. CITY WASTE STATEMENTS

### CITY WASTE OPERATING STATEMENT

For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	32,893	32,904	25,633	<b>25,788</b>	155
Total expenses	23,973	24,033	19,264	<b>18,947</b>	(317)
Earnings before interest, tax and depreciation (EBITD)	8,920	8,870	6,369	<b>6,841</b>	472
External interest expense	7	7	5	<b>5</b>	-
Depreciation	423	423	282	<b>257</b>	(25)
<b>Operating surplus / (deficit)</b>	<b>8,490</b>	<b>8,440</b>	<b>6,082</b>	<b>6,579</b>	<b>497</b>

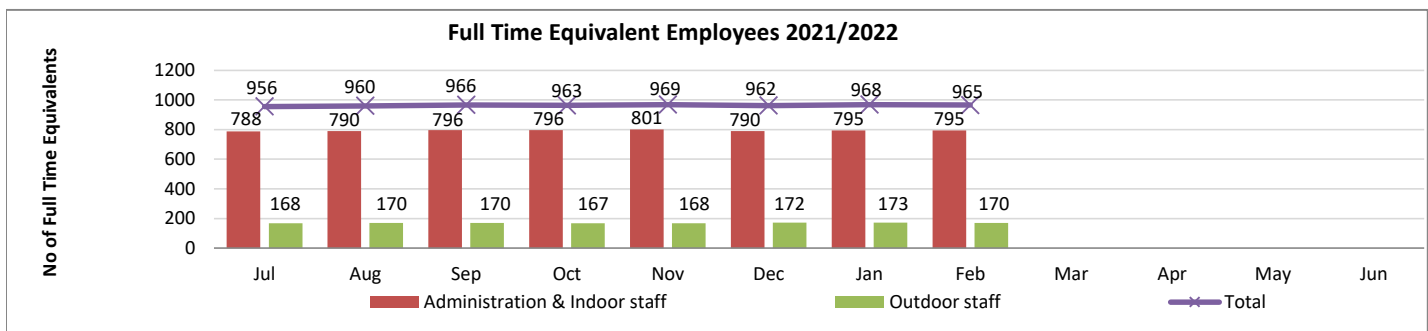
### CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 28 February 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Funding from utility revenue	755	1,329	624	<b>496</b>	(128)
<b>Total sources of capital funding</b>	<b>755</b>	<b>1,329</b>	<b>624</b>	<b>496</b>	<b>(128)</b>
Capitalised expenditure	600	1,174	482	<b>385</b>	(97)
Loan redemption	155	155	142	<b>111</b>	(31)
<b>Total application of capital funds</b>	<b>755</b>	<b>1,329</b>	<b>624</b>	<b>496</b>	<b>(128)</b>

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

### Workforce Reporting



February 2022: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	2	42	11	55	
Organisational Services	3	208	23	234	
Community and Customer Services	41	284	63	388	
Infrastructure and Operations	8	350	18	376	
<b>Total</b>	<b>54</b>	<b>884</b>	<b>115</b>	<b>1,053</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

Comparison February 2022 to February 2021									
Days Overdue	Feb-22	% Overdue	Feb-21	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Feb-22	Feb-21
0 - 30	\$7,561,688	3.3%	\$7,411,763	3.3%	\$149,925	-0.1%	Levied (Billed) Rates & Charges since 1 July 2021	\$221,458,725	\$211,269,225
31 - 60	\$401	0.0%	\$0	0.0%	\$401	0.0%	Rate arrears b/fwd 1 July 2021	\$10,693,344	\$12,988,652
61 - 90	\$728	0.0%	\$0	0.0%	\$728	0.0%	<b>Total</b>	<b>\$232,152,069</b>	<b>\$224,257,877</b>
91 - 180	\$2,036,724	0.9%	\$2,156,052	1.0%	-\$119,328	-0.1%	Balance of overdue rates & charges	\$13,609,103	\$14,709,877
>180	\$4,009,562	1.7%	\$5,142,062	2.3%	-\$1,132,500	-0.5%	<b>Percentage Overdue</b>	<b>5.9%</b>	<b>6.6%</b>
<b>Total</b>	<b>\$13,609,103</b>	<b>5.9%</b>	<b>\$14,709,877</b>	<b>6.6%</b>	<b>-\$1,100,774</b>	<b>-0.7%</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.