



Monthly Financial Report

February 2020



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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 29 February 2020. The year to date and annual revised budget referred to in this report incorporates the changes from the first budget review adopted by Council on 12 February 2020.

Key Financial Highlights and Overview

| Key Financial Results (\$'000) | Annual Revised Budget | YTD Revised Budget | YTD Actual | YTD Variance | YTD Variance % | Status Favourable ✓ Unfavourable ✗ |
|---------------------------------|-----------------------|--------------------|----------------|--------------|----------------|--|
| Operating Surplus / (Deficit) | - | 12,821 | 14,049 | 1,228 | 10% | ✓ |
| Recurrent Revenue | 297,210 | 207,590 | 203,934 | (3,656) | -2% | ✗ |
| Recurrent Expenditure | 297,210 | 194,769 | 189,885 | (4,884) | -3% | ✓ |
| Capital Works Expenditure | 82,426 | 49,931 | 39,905 | (10,026) | -20% | ✓ |
| Closing Cash & Cash Equivalents | 169,514 | 180,948 | 176,740 | (4,208) | -2% | ✗ |

Council reported a year to date operating surplus of \$14.05M which is favourable to the revised budget by \$1.23M mainly due to less than budget recurrent expenditure. Bulk water consumption is lower than expected, resulting in lower than expected revenue. The favourable variance in recurrent expenditure is mainly due to underspend in bulk water costs and contractor costs. Of note, Interest income is lower than budget due to historically lower interest rates on investments.

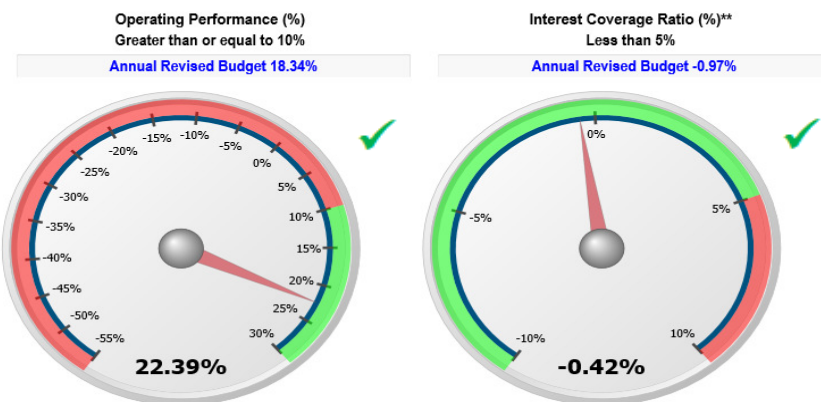
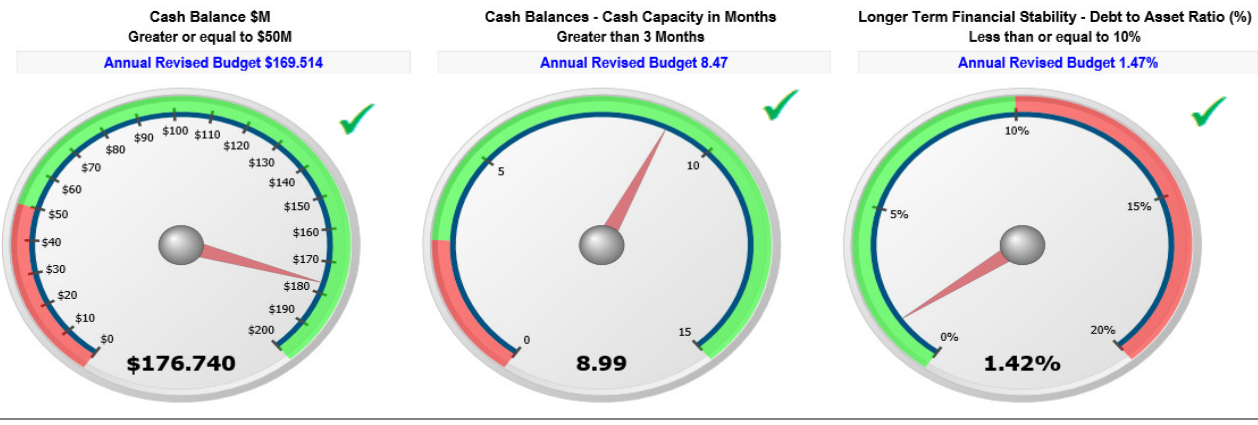
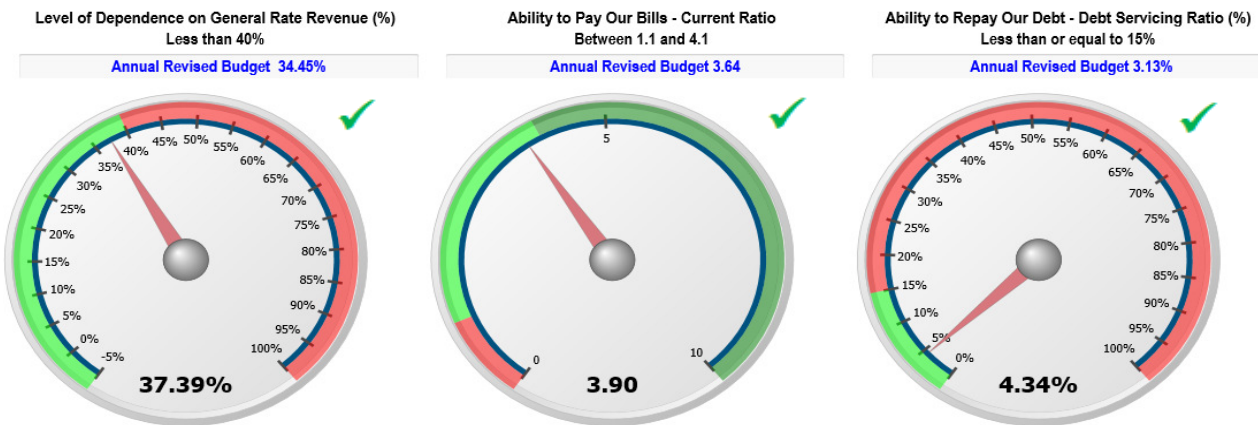
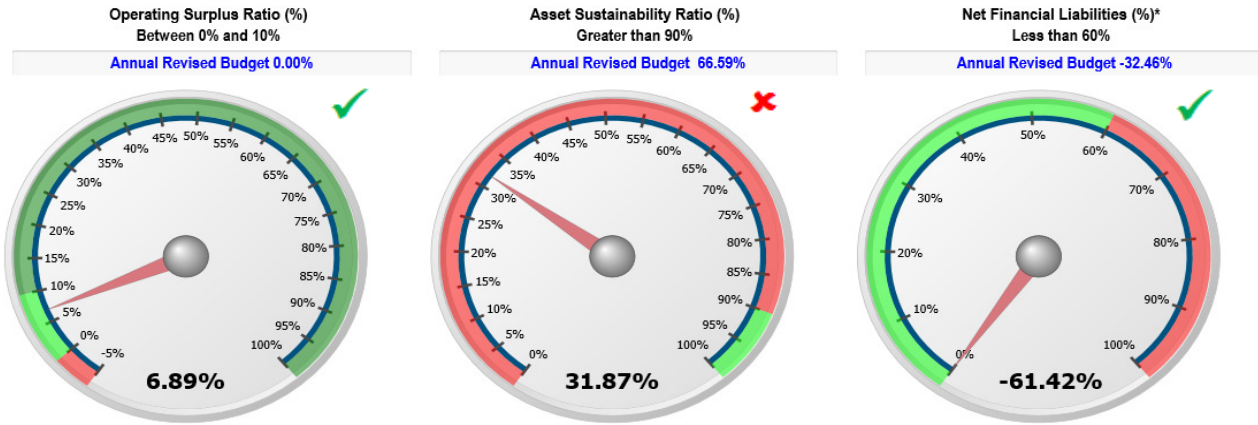
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions. Loss on disposal of non-current assets is mainly due to sale of fleet assets and replacement of road assets.

Council's capital works expenditure is below budget by \$10.03M due to timing of works for a number of infrastructure projects and assets acquisition.

Constrained cash reserves represent 61% 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 29 February 2020

| | Annual | Annual | YTD | YTD | YTD |
|---|----------------|----------------|----------------|----------------|-----------------|
| | Original | Revised | Revised | Actual | Variance |
| | Budget | Budget | Budget | \$000 | \$000 |
| | \$000 | \$000 | \$000 | | |
| Recurrent revenue | | | | | |
| Rates charges | 104,953 | 105,253 | 78,499 | 78,397 | (102) |
| Levies and utility charges | 152,328 | 152,728 | 103,361 | 101,788 | (1,573) |
| Less: Pensioner remissions and rebates | (3,333) | (3,328) | (2,465) | (2,456) | 9 |
| Fees | 14,632 | 14,622 | 9,394 | 9,031 | (363) |
| Rental income | 925 | 925 | 632 | 685 | 53 |
| Interest received | 5,231 | 5,231 | 3,368 | 2,404 | (964) |
| Dividend received | - | - | - | - | - |
| Sales revenue | 3,856 | 3,877 | 2,342 | 1,922 | (420) |
| Other income | 525 | 656 | 514 | 983 | 469 |
| Grants, subsidies and contributions | 18,456 | 17,246 | 11,945 | 11,180 | (765) |
| Total recurrent revenue | 297,572 | 297,210 | 207,590 | 203,934 | (3,656) |
| Recurrent expenses | | | | | |
| Employee benefits | 90,372 | 90,486 | 60,423 | 60,678 | 255 |
| Materials and services | 140,138 | 139,805 | 89,766 | 84,351 | (5,415) |
| Finance costs | 2,809 | 2,809 | 1,872 | 1,812 | (60) |
| Depreciation and amortisation | 65,279 | 65,279 | 43,519 | 43,973 | 454 |
| Other expenditure | 514 | 514 | 335 | 175 | (160) |
| Net internal costs | (1,735) | (1,684) | (1,146) | (1,104) | 42 |
| Total recurrent expenses | 297,377 | 297,210 | 194,769 | 189,885 | (4,884) |
| OPERATING SURPLUS / (DEFICIT) | 195 | - | 12,821 | 14,049 | 1,228 |
| Capital revenue | | | | | |
| Grants, subsidies and contributions | 24,492 | 26,869 | 17,848 | 12,085 | (5,763) |
| Non-cash contributions | 3,480 | 3,480 | 2,319 | 1,019 | (1,300) |
| Total capital revenue | 27,973 | 30,350 | 20,167 | 13,104 | (7,063) |
| Capital expenses | | | | | |
| (Gain) / loss on disposal of non-current assets | 112 | (519) | 70 | 1,543 | 1,473 |
| Total capital expenses | 112 | (519) | 70 | 1,543 | 1,473 |
| TOTAL INCOME | 325,545 | 327,559 | 227,757 | 217,038 | (10,719) |
| TOTAL EXPENSES | 297,489 | 296,691 | 194,839 | 191,428 | (3,411) |
| NET RESULT | 28,056 | 30,869 | 32,918 | 25,610 | (7,308) |
| Other comprehensive income / (loss) | | | | | |
| Items that will not be reclassified to a net result | | | | | |
| Revaluation of property, plant and equipment | - | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME | 28,056 | 30,869 | 32,918 | 25,610 | (7,308) |

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 29 February 2020

| | Annual | Annual | YTD | YTD | YTD |
|---|----------------|----------------|----------------|----------------|----------------|
| | Original | Revised | Revised | Actual | Variance |
| | Budget | Budget | Budget | \$000 | \$000 |
| | \$000 | \$000 | \$000 | | |
| Levies and utility charges | | | | | |
| Refuse collection rate charge | 26,968 | 26,968 | 17,896 | 17,489 | (407) |
| SES separate charge | 487 | 487 | 365 | 364 | (1) |
| Environment separate charge | 8,721 | 8,721 | 6,522 | 6,516 | (6) |
| Separate charge landfill remediation | 2,896 | 2,896 | 1,925 | 1,923 | (2) |
| Wastewater charges | 46,347 | 46,347 | 30,797 | 30,255 | (542) |
| Water access charges | 19,105 | 19,105 | 12,685 | 12,675 | (10) |
| Water consumption charges | 47,804 | 48,204 | 33,171 | 32,566 | (605) |
| Total levies and utility charges | 152,328 | 152,728 | 103,361 | 101,788 | (1,573) |

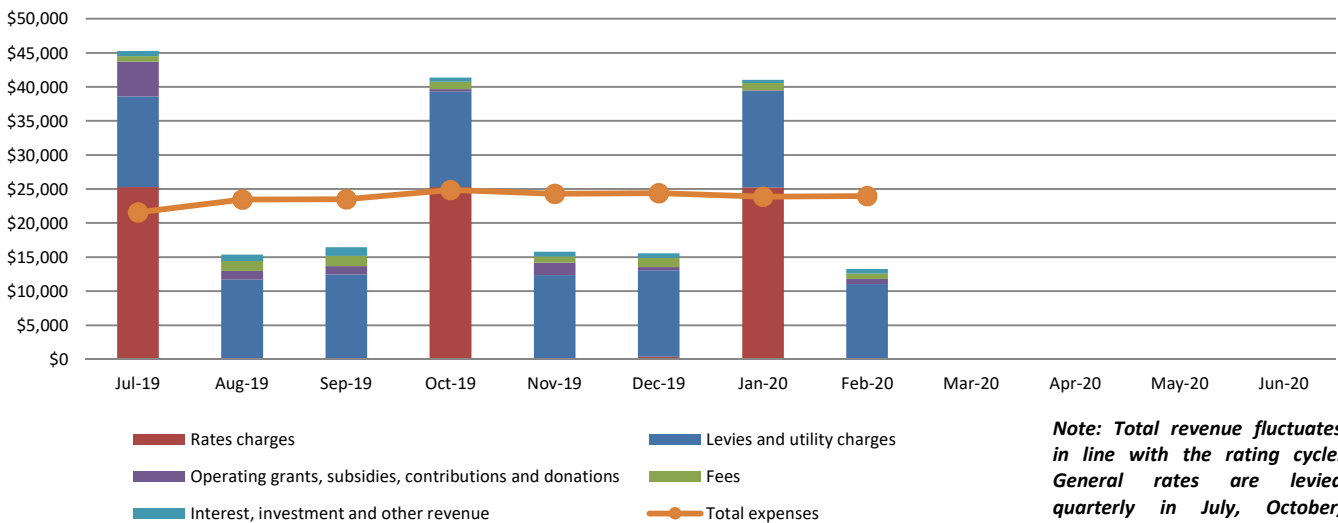
MATERIALS AND SERVICES ANALYSIS For the period ending 29 February 2020

| | Annual | Annual | YTD | YTD | YTD |
|-------------------------------------|----------------|----------------|---------------|---------------|----------------|
| | Original | Revised | Revised | Actual | Variance |
| | Budget | Budget | Budget | \$000 | \$000 |
| | \$000 | \$000 | \$000 | | |
| Materials and services | | | | | |
| Contractors | 41,225 | 41,155 | 24,464 | 21,397 | (3,067) |
| Consultants | 3,291 | 3,438 | 1,689 | 983 | (706) |
| Other Council outsourcing costs* | 17,527 | 17,559 | 11,375 | 11,334 | (41) |
| Purchase of materials | 50,161 | 50,323 | 34,065 | 32,668 | (1,397) |
| Office administration costs | 11,357 | 11,114 | 7,295 | 7,722 | 427 |
| Electricity charges | 6,138 | 5,688 | 3,858 | 3,632 | (226) |
| Plant operations | 3,873 | 3,970 | 2,585 | 2,737 | 152 |
| Information technology resources | 3,080 | 3,044 | 1,991 | 1,759 | (232) |
| General insurance | 1,195 | 1,195 | 801 | 797 | (4) |
| Community assistance** | 1,649 | 1,699 | 1,221 | 892 | (329) |
| Other material and service expenses | 642 | 620 | 422 | 430 | 8 |
| Total materials and services | 140,138 | 139,805 | 89,766 | 84,351 | (5,415) |

* 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.

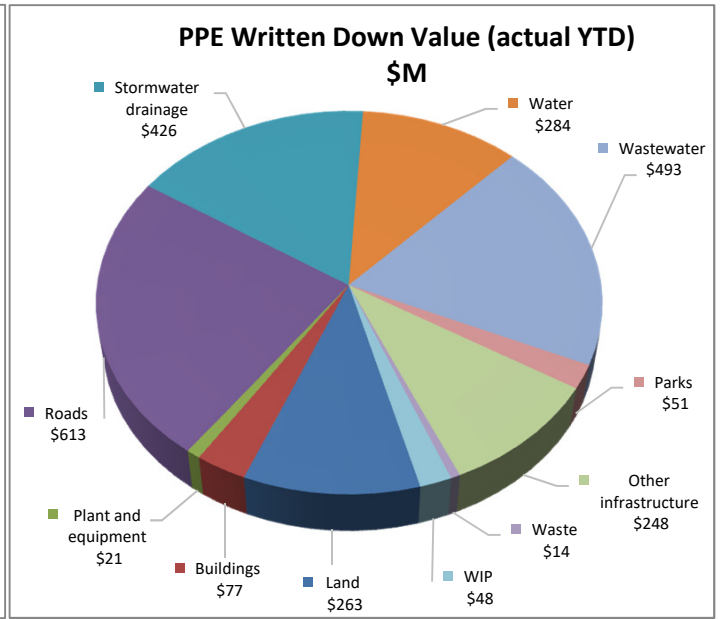
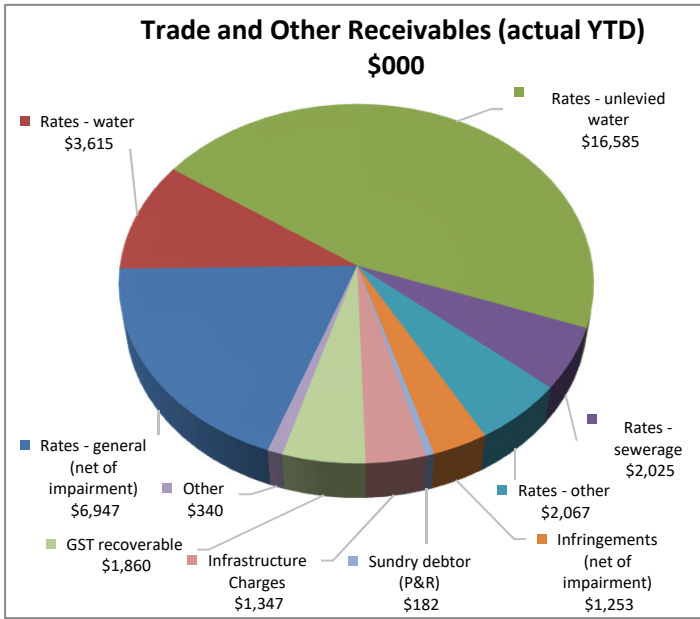
4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 29 February 2020

| | Annual | Annual | YTD | YTD |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|------------------|
| | Original Budget \$000 | Revised Budget \$000 | Revised Budget \$000 | Actual \$000 |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 170,027 | 169,514 | 180,948 | 176,740 |
| Trade and other receivables | 30,532 | 34,819 | 33,980 | 36,221 |
| Inventories | 936 | 923 | 940 | 935 |
| Non-current assets held for sale | - | - | - | 11,113 |
| Other current assets | 1,765 | 2,340 | 2,340 | 4,587 |
| Total current assets | 203,260 | 207,596 | 218,208 | 229,596 |
| NON-CURRENT ASSETS | | | | |
| Investment property | 1,091 | 1,091 | 1,091 | 1,091 |
| Property, plant and equipment | 2,555,393 | 2,562,073 | 2,551,040 | 2,538,092 |
| Intangible assets | 968 | 712 | 1,029 | 1,249 |
| Right-of-use assets* | 8,278 | 8,278 | 8,682 | 8,784 |
| Other financial assets | 73 | 73 | 73 | 73 |
| Investment in other entities | 25,904 | 24,214 | 24,214 | 13,101 |
| Total non-current assets | 2,591,706 | 2,596,440 | 2,586,129 | 2,562,390 |
| TOTAL ASSETS | 2,794,966 | 2,804,036 | 2,804,337 | 2,791,986 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 23,817 | 30,981 | 27,523 | 25,334 |
| Borrowings - current | 7,728 | 7,845 | 7,845 | 7,845 |
| Lease liability - current* | 1,039 | 1,039 | 1,039 | 1,051 |
| Provisions - current | 7,816 | 10,351 | 12,206 | 13,696 |
| Other current liabilities | 2,940 | 6,803 | 16,791 | 10,969 |
| Total current liabilities | 43,340 | 57,018 | 65,404 | 58,895 |
| NON-CURRENT LIABILITIES | | | | |
| Borrowings - non-current | 33,400 | 33,283 | 22,802 | 22,852 |
| Lease liability - non-current* | 7,412 | 7,412 | 7,758 | 7,813 |
| Provisions - non-current | 14,752 | 13,409 | 13,409 | 14,771 |
| Total non-current liabilities | 55,563 | 54,105 | 43,969 | 45,436 |
| TOTAL LIABILITIES | 98,904 | 111,123 | 109,373 | 104,331 |
| NET COMMUNITY ASSETS | 2,696,062 | 2,692,914 | 2,694,964 | 2,687,655 |
| COMMUNITY EQUITY | | | | |
| Asset revaluation surplus | 1,003,168 | 1,008,120 | 1,008,120 | 1,008,120 |
| Retained surplus | 1,575,901 | 1,578,295 | 1,578,691 | 1,571,285 |
| Constrained cash reserves | 116,993 | 106,499 | 108,153 | 108,250 |
| TOTAL COMMUNITY EQUITY | 2,696,062 | 2,692,914 | 2,694,964 | 2,687,655 |

* From 1 July 2019, Australian Accounting Standard 16 Leases applies.

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT OF USE ASSETS For the period ending 29 February 2020

| | Annual Original Budget \$000 | Annual Revised Budget \$000 | YTD Revised Budget \$000 | YTD Actual Balance \$000 |
|---------------------------|---------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| Right of Use Asset | | | | |
| Buildings | 3,491 | 3,491 | 3,698 | 3,788 |
| Land | 4,372 | 4,372 | 4,554 | 4,554 |
| Plant and Equipment | 415 | 415 | 430 | 442 |
| Closing balance | 8,278 | 8,278 | 8,682 | 8,784 |

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 29 February 2020

| | 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) | 2,558,126 | 2,541,881 | 2,541,881 | 2,541,881 |
| Acquisitions and WIP in year movement | 61,912 | 85,907 | 52,252 | 40,661 |
| Depreciation in year | (63,114) | (63,115) | (42,076) | (42,481) |
| Disposals | (1,531) | (2,600) | (1,017) | (2,107) |
| Other adjustments** | - | - | - | 138 |
| Closing balance | 2,555,393 | 2,562,073 | 2,551,040 | 2,538,092 |

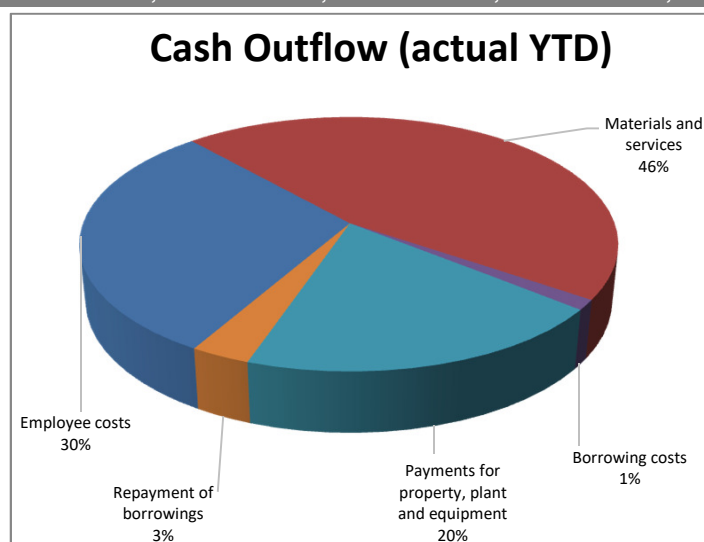
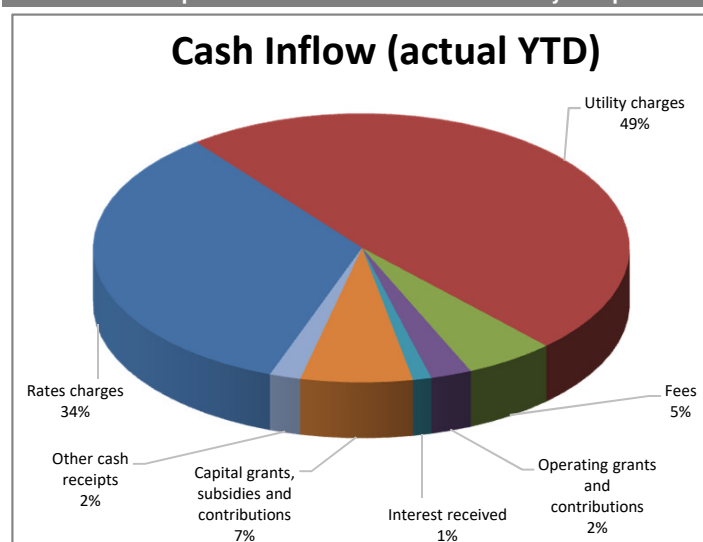
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

** 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 29 February 2020

| | Annual Original Budget \$000 | Annual Revised Budget \$000 | YTD Revised Budget \$000 | YTD Actual \$000 |
|--|---------------------------------------|--------------------------------------|-----------------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | 272,371 | 273,008 | 199,531 | 194,101 |
| Payments to suppliers and employees* | (237,536) | (237,369) | (159,221) | (154,638) |
| | 34,835 | 35,640 | 40,310 | 39,463 |
| Interest received | 5,231 | 5,231 | 3,368 | 2,404 |
| Dividend received | - | - | - | - |
| Rental income | 925 | 925 | 632 | 685 |
| Non-capital grants and contributions | 16,097 | 14,888 | 11,864 | 5,396 |
| Borrowing costs* | (2,480) | (2,480) | (2,472) | (2,416) |
| Right-of-use assets interest expense | (266) | (266) | (177) | (175) |
| Net cash inflow / (outflow) from operating activities | 54,342 | 53,937 | 53,525 | 45,357 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for property, plant and equipment | (58,432) | (79,742) | (47,247) | (39,293) |
| Payments for intangible assets | - | - | - | (264) |
| Proceeds from sale of property, plant and equipment | 1,419 | 3,119 | 946 | 566 |
| Capital grants, subsidies and contributions | 24,492 | 26,869 | 17,848 | 14,634 |
| Other cash flows from investing activities | - | - | - | (90) |
| Net cash inflow / (outflow) from investing activities | (32,521) | (49,753) | (28,453) | (24,447) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds of borrowings | 9,800 | 9,800 | - | - |
| Repayment of borrowings* | (5,527) | (5,527) | (5,527) | (5,530) |
| Right-of-use lease payment | (1,039) | (1,039) | (693) | (736) |
| Net cash inflow / (outflow) from financing activities | 3,234 | 3,234 | (6,220) | (6,266) |
| Net increase / (decrease) in cash held | 25,055 | 7,418 | 18,852 | 14,644 |
| Cash and cash equivalents at the beginning of the year | 144,972 | 162,096 | 162,096 | 162,096 |
| Cash and cash equivalents at the end of the financial year / period | 170,027 | 169,514 | 180,948 | 176,740 |

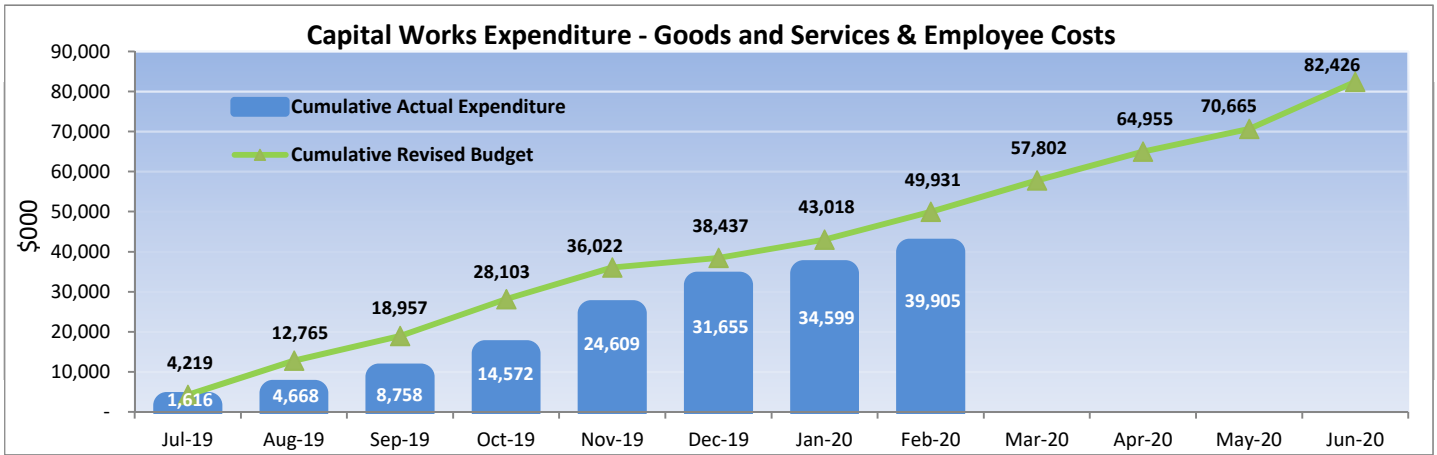


| | |
|--|----------------|
| Total Cash Funding (Actual YTD) | 217,786 |
| Total Cash Funding (Annual Revised Budget) | 333,840 |
| % of Budget Achieved YTD | 65% |

| | |
|--|----------------|
| Total Cash Expenditure (Actual YTD) | 203,142 |
| Total Cash Expenditure (Annual Revised Budget) | 326,422 |
| % of Budget Achieved YTD | 62% |

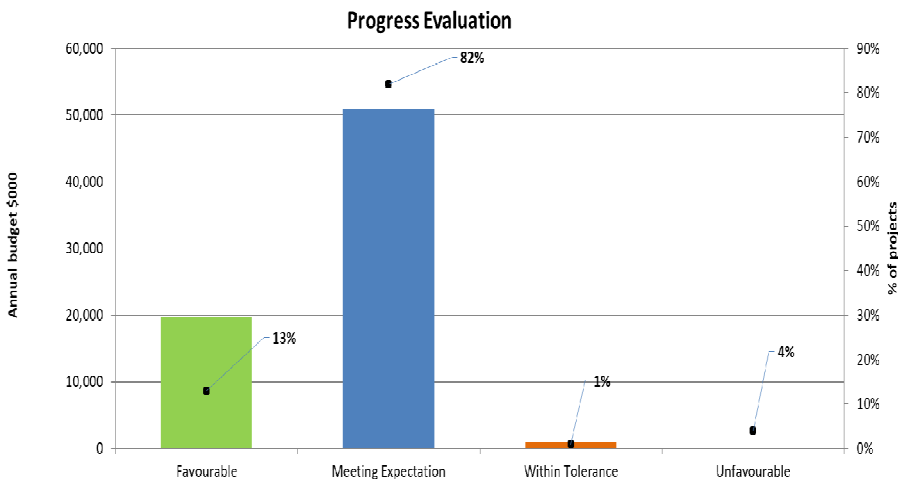
* Reclassified amounts in original budget to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.

6. CAPITAL EXPENDITURE



| | Annual Revised Budget \$000 | YTD Revised Budget \$000 | YTD Actual \$000 | YTD Variance \$000 |
|--------------------------------|-----------------------------|--------------------------|------------------|--------------------|
| Capitalised goods and services | 76,540 | 46,347 | 35,534 | (10,813) |
| Capitalised employee costs | 5,886 | 3,584 | 4,371 | 787 |
| Total | 82,426 | 49,931 | 39,905 | (10,026) |

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

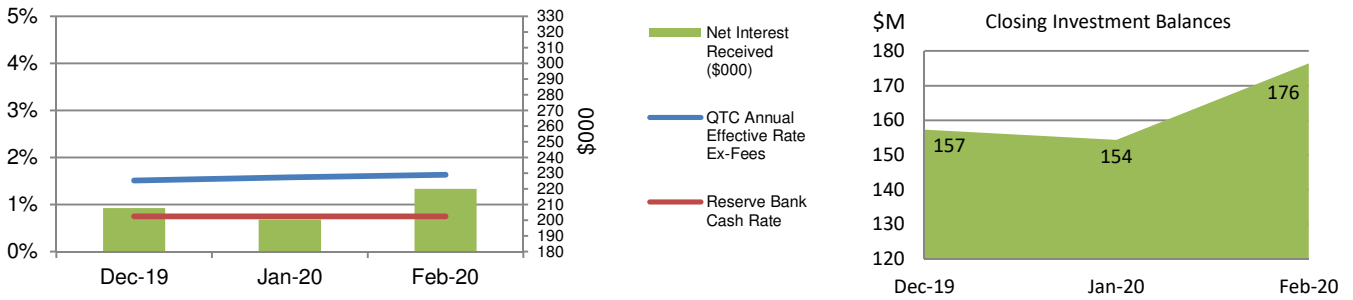
The status of two notable projects are as follows:

| Project description | Progress |
|--|----------------------|
| Victoria Point Waste Water Treatment Plant De-Watering Improvements - This project is to replace the dewatering equipment at Victoria Point Wastewater Treatment Plant . | Meeting Expectations |
| Bunker Road, Victoria Point, Road and Footpath Upgrade - This project is to upgrade the footpath including road widening to facilitate safe pedestrian movement. | Meeting Expectations |

8. INVESTMENT & BORROWINGS REPORT

For the period ending 29 February 2020

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$176.47M

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

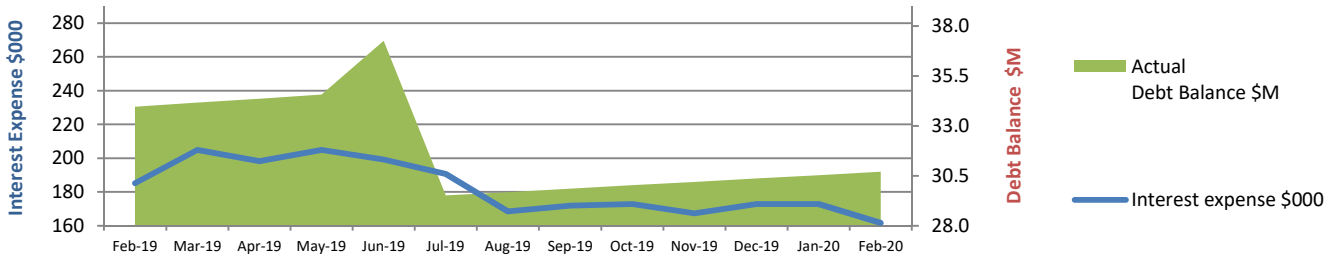
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.75% in the October 2019 sitting. Effective 4 March the Reserve Bank reduced the cash rate to 0.5% with a further reduction down to 0.25% effective 20 March 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 1.63%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its revised Investment Policy (POL-3013) in June 2019 for the 2019/2020 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 \$7.95M, being \$5.53M principal and \$2.42M interest has been made *annually* for 2019/2020 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 2019. Interest will accrue monthly on a daily balance until next ADSP in July 2020 which is reflected in the increasing debt balance.

Total Borrowings at End of Month were \$30.7M

General pool allocated to capital works is 99.66% and 0.34% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2019 for the 2019/2020 financial year

9. CONSTRAINED CASH RESERVES

| Reserves as at 29 February 2020 | Purpose of reserve | Opening Balance | To Reserve | From Reserve | Closing Balance |
|--|--|-----------------|---------------|--|-----------------|
| | | \$000 | \$000 | \$000 | \$000 |
| Special Projects Reserve: | | | | | |
| Weinam Creek Reserve | Maintenance and improvements associated with Weinam Creek projects | 1,542 | 306 | (186) | 1,662 |
| Waste Levy Reserve | To fund Waste Levy Program | - | 4,646 | (3,053) | 1,593 |
| Raby Bay Revetment Wall Reserve | To fund Raby Bay revetment wall works program | 1,766 | 2,224 | (2,148) | 1,842 |
| Aquatic Paradise Revetment Wall Reserve | To fund Aquatic Paradise revetment wall works program | - | 20 | (2) | 18 |
| Fleet Plant & Capital Equipment Reserve | To support the long term fleet replacement program | 4,072 | 1,905 | (1,616) | 4,361 |
| | | 7,380 | 9,101 | (7,005) | 9,476 |
| Constrained Works Reserve: | | | | | |
| Public Parks Trunk Infrastructure Reserve | Capital projects for public parks trunk infrastructure | 7,898 | 1,886 | (1,123) | 8,661 |
| Land for Community Facilities Trunk Infrastructure Reserve | Land for community facilities trunk infrastructure | 2,551 | 297 | - | 2,848 |
| Water Supply Trunk Infrastructure Reserve | Upgrade, expansion or new projects for water supply trunk infrastructure | 14,273 | 331 | - | 14,604 |
| Sewerage Trunk Infrastructure Reserve | Upgrade, expansion or new projects for sewerage trunk infrastructure | 11,414 | 1,896 | (208) | 13,102 |
| Constrained Works Res-Cap Grants & Contribs | Unexpended capital grants and contributions received for specific projects | 327 | - | (327) | - |
| Local Roads Trunk Infrastructure Reserve | Capital projects for local roads trunk infrastructure | 33,680 | 4,243 | (4,187) | 33,736 |
| Cycleways Trunk Infrastructure Reserve | Capital projects for cycleways trunk infrastructure | 12,456 | 1,453 | (2,068) | 11,841 |
| Stormwater Trunk Infrastructure Reserve | Capital projects for stormwater trunk infrastructure | 9,996 | 732 | - | 10,728 |
| Constrained Works Res-Opr Grants & Contribs | Unexpended operating grants and contributions received for specific projects | 224 | - | - | 224 |
| Tree Planting Reserve | Acquisition and planting of trees on footpaths | 85 | 44 | (24) | 105 |
| Koala Tree off-set Planting Reserve | Acquisition and planting of trees for koala habitat | 142 | - | - | 142 |
| | | 93,046 | 10,882 | (7,937) | 95,991 |
| Separate Charge Reserve: | | | | | |
| Environment Charge Acquisition Reserve | Acquisitions of land and facilities to support or enhance environmental outcomes | 1,457 | - | (1,457) | - |
| Environment Charge Maintenance Reserve | Ongoing conservation and maintenance operations | - | 6,516 | (4,604) | 1,912 |
| SES Separate Charge Reserve | On-going costs of maintaining the Redland SES | 39 | 364 | (387) | 16 |
| | | 1,496 | 6,880 | (6,448) | 1,928 |
| Special Charge Reserve - Canals: | | | | | |
| Aquatic Paradise Canal Reserve | Maintenance and repairs of Aquatic Paradise canals | 754 | 3 | - | 757 |
| Sovereign Waters Lake Reserve | Maintenance and repairs of Sovereign Lake | 428 | 2 | - | 430 |
| 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) |
| | | 850 | 5 | - | 855 |
| TOTALS | | 102,772 | 26,868 | (21,390) | 108,250 |
| | | | | Closing cash and cash equivalents | 176,740 |
| | | | | Reserves as percentage of cash balance | 61% |

10. REDLAND WATER STATEMENTS

| REDLAND WATER SUMMARY OPERATING STATEMENT | | | | | |
|--|-----------------------------|----------------------------|----------------------------|-----------------|-------------------|
| For the period ending 29 February 2020 | | | | | |
| | Annual | Annual | YTD | YTD | YTD |
| | Original Budget \$000 | Revised Budget \$000 | Revised Budget \$000 | Actual \$000 | Variance \$000 |
| Total revenue | 116,436 | 116,966 | 78,696 | 77,576 | (1,120) |
| Total expenses | 66,474 | 66,681 | 44,383 | 43,652 | (731) |
| Earnings before interest, tax and depreciation (EBITD) | 49,963 | 50,285 | 34,313 | 33,924 | (389) |
| External interest expense | 136 | 136 | 91 | 91 | - |
| Internal interest expense | 14,867 | 14,867 | 9,911 | 9,911 | - |
| Depreciation | 23,823 | 23,823 | 15,882 | 16,133 | 251 |
| Operating surplus / (deficit) | 11,136 | 11,458 | 8,429 | 7,789 | (640) |

| REDLAND WATER CAPITAL FUNDING STATEMENT | | | | | |
|--|-----------------------------|----------------------------|----------------------------|-----------------|-------------------|
| For the period ending 29 February 2020 | | | | | |
| | Annual | Annual | YTD | YTD | YTD |
| | Original Budget \$000 | Revised Budget \$000 | Revised Budget \$000 | Actual \$000 | Variance \$000 |
| Capital contributions, donations, grants and subsidies | 2,537 | 2,537 | 1,691 | 2,228 | 537 |
| Net transfer (to) / from constrained capital reserves | (1,982) | 495 | (1,195) | (2,015) | (820) |
| Non-cash contributions | 3,399 | 3,399 | 2,266 | 217 | (2,049) |
| Funding from utility revenue | 4,172 | 8,928 | 4,134 | 1,364 | (2,770) |
| Total sources of capital funding | 8,126 | 15,359 | 6,896 | 1,794 | (5,102) |
| Contributed assets | 3,399 | 3,399 | 2,266 | 217 | (2,049) |
| Capitalised expenditure | 4,179 | 11,412 | 4,264 | 1,217 | (3,047) |
| Loan redemption | 549 | 549 | 366 | 360 | (6) |
| Total application of capital funds | 8,126 | 15,359 | 6,896 | 1,794 | (5,102) |

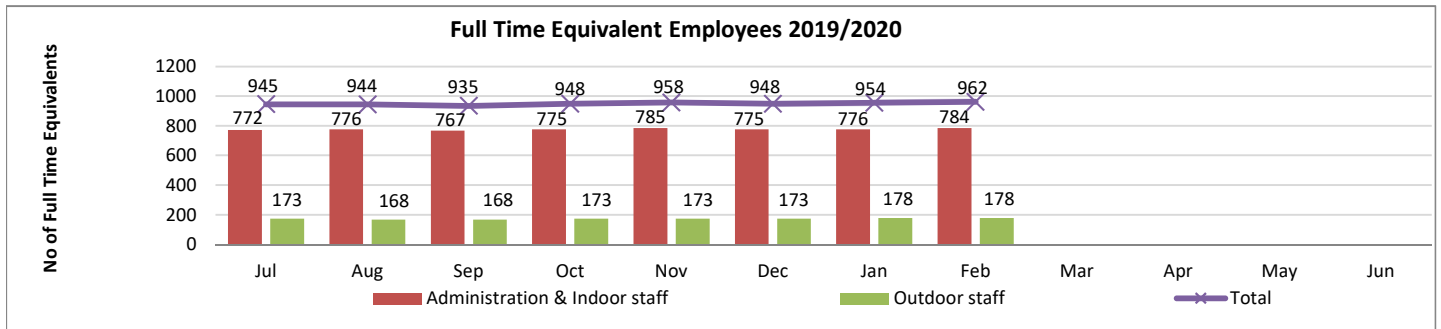
11. REDWASTE STATEMENTS

| REDWASTE OPERATING STATEMENT | | | | | |
|--|-----------------------------|----------------------------|----------------------------|-----------------|-------------------|
| For the period ending 29 February 2020 | | | | | |
| | Annual | Annual | YTD | YTD | YTD |
| | Original Budget \$000 | Revised Budget \$000 | Revised Budget \$000 | Actual \$000 | Variance \$000 |
| Total revenue | 33,701 | 33,701 | 23,847 | 23,582 | (265) |
| Total expenses | 26,197 | 25,862 | 17,324 | 16,916 | (408) |
| Earnings before interest, tax and depreciation (EBITD) | 7,504 | 7,839 | 6,523 | 6,666 | 143 |
| External interest expense | 31 | 31 | 20 | 18 | (2) |
| Depreciation | 278 | 278 | 186 | 199 | 13 |
| Operating surplus / (deficit) | 7,195 | 7,530 | 6,317 | 6,449 | 132 |

| REDWASTE CAPITAL FUNDING STATEMENT | | | | | |
|---|-----------------------------|----------------------------|----------------------------|-----------------|-------------------|
| For the period ending 29 February 2020 | | | | | |
| | Annual | Annual | YTD | YTD | YTD |
| | Original Budget \$000 | Revised Budget \$000 | Revised Budget \$000 | Actual \$000 | Variance \$000 |
| Non-cash contributions | - | - | - | - | - |
| Funding from utility revenue | 746 | 3,046 | 878 | 475 | (403) |
| Total sources of capital funding | 746 | 3,046 | 878 | 475 | (403) |
| Capitalised expenditure | 608 | 2,908 | 756 | 377 | (379) |
| Loan redemption | 138 | 138 | 122 | 98 | (24) |
| Total application of capital funds | 746 | 3,046 | 878 | 475 | (403) |

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



| February 2020: Headcount | Employee Type | | | |
|--------------------------------------|---------------|------------|------------|--------------|
| Department Level | Casual | Full Time | Part Time | Total |
| Office of CEO and People and Culture | 4 | 36 | 10 | 50 |
| Organisational Services | 9 | 208 | 20 | 237 |
| Community and Customer Services | 36 | 274 | 77 | 387 |
| Infrastructure and Operations | 12 | 349 | 18 | 379 |
| Total | 61 | 867 | 125 | 1,053 |

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

| Days Overdue | Feb-20 | % Overdue | Feb-19 | % Overdue | \$ Variance | % Variance | Comment |
|--------------|---------------------|-------------|---------------------|-------------|------------------|--------------|--|
| 0 - 30 | \$7,974,268 | 3.8% | \$7,391,153 | 3.7% | \$583,115 | 0.1% | Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council. |
| 31 - 60 | \$812 | 0.0% | \$1,326 | 0.0% | -\$514 | 0.0% | |
| 61 - 90 | \$0 | 0.0% | \$0 | 0.0% | \$0 | 0.0% | |
| 91 - 180 | \$2,388,153 | 1.1% | \$2,422,731 | 1.2% | -\$34,578 | -0.1% | |
| >180 | \$4,454,972 | 2.1% | \$4,471,200 | 2.2% | -\$16,228 | -0.1% | |
| Total | \$14,818,205 | 7.0% | \$14,286,410 | 7.1% | \$531,795 | -0.1% | |

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

Net Operating Surplus

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

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)

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

Total Liabilities - Current Assets

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)

General Rates - Pensioner Remissions

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

Current Assets

Current Liabilities

Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense** + Loan Redemption

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.

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

Cash Held at Period End

[[Cash Operating Costs + Interest Expense] / 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

Current and Non-current Debt**

Total Assets

Operating Performance:

This ratio provides an indication of Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

Interest Coverage Ratio:

This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges

Net Interest Expense on Debt Service***

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.