

**Redland**  
CITY COUNCIL

# **AGENDA**

**LATE ITEM**

## **GENERAL MEETING**

**Wednesday, 17 August 2022**  
**commencing at 9:30am**

The Council Chambers  
91 - 93 Bloomfield Street  
CLEVELAND QLD

**Order Of Business**

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## 13 REPORTS FROM ORGANISATIONAL SERVICES

### 13.2 JULY 2022 MONTHLY FINANCIAL REPORT

**Objective Reference:** A6866810

**Authorising Officer:** Deborah Corbett-Hall, Executive Group Manager Financial Services & Chief Financial Officer

**Responsible Officer:** Deborah Corbett-Hall, Executive Group Manager Financial Services & Chief Financial Officer

**Report Author:** Udaya Panambala Arachchilage, Corporate Financial Reporting Manager

**Attachments:** 1. July 2022 Monthly Financial Report [↓](#)

#### PURPOSE

To note the year to date financial results as at 31 July 2022.

#### BACKGROUND

Council adopts an annual budget and then reports on performance against the budget on a monthly basis. This is not only a legislative requirement but enables the organisation to periodically review its financial performance and position and respond to changes in community requirements, market forces or other outside influences.

#### ISSUES

##### ***Opening balances for 2022-23 financial year***

The opening balances for the current financial year are still to be finalised and audited. As such, the financial position for the month of July may adjust over the coming months until Council receives Queensland Audit Office certification, expected in September 2022.

##### ***Closure of the Fleet Plant and Capital Equipment Group***

During recent workshops with Councillors, the Chief Financial Officer explained there was no current or future need to constrain cash for fleet plant and capital equipment. This report includes the return of the constrained cash to be made available for general use and subsequently, the closure of the fleet reserve.

#### STRATEGIC IMPLICATIONS

Council has either achieved or favourably exceeded the following key financial stability and sustainability ratios as at the end of July 2022. As this is only the first month of the year, trends will start to emerge as the first quarter progresses.

- Operating surplus ratio
- Net financial liabilities
- Ability to pay our bills – current ratio
- Ability to repay our debt – debt servicing ratio
- Cash balance
- Cash balances – cash capacity in months
- Longer term financial stability – debt to asset ratio
- Interest coverage ratio

In line with Council's KPIs over the last few years and expected every July, the following ratios did not meet the target at the end of July 2022:

- Asset sustainability ratio
- Level of dependence on general rate revenue
- Operating performance

The asset sustainability ratio did not meet the target at the end of July 2022 and continues to be a stretch target for Council with renewal spends of \$2.98M and depreciation expense of \$5.26M year to date on infrastructure assets. This ratio is an indication of how Council currently maintains, replaces and renews its existing infrastructure assets as they reach the end of their useful lives. Capital spend on non-renewal projects increases the asset base and therefore increases depreciation expense, resulting in a lower asset sustainability ratio.

Council's Capital Portfolio Prioritisation Administrative Directive demonstrates its commitment to maintaining existing infrastructure and the adoption of a renewal strategy for its existing assets ahead of 'upgrade' and/or 'new' works.

The first quarter rates run for the 2022-23 financial year occurred in July 2022, resulting in an increase in Council's level of dependence on general rate revenue to 45.49% which is outside the target range of less than 40%. As the financial year progresses, receipt of other revenue is expected to reduce this ratio to standard levels.

The operating performance ratio is below target for the month of July 2022 but is expected to improve with the collection of rates in August 2022 and receipt of other revenue.

### **Legislative Requirements**

The July 2022 financial report is presented in accordance with the legislative requirement of section 204(2) of the *Local Government Regulation 2012*, requiring the Chief Executive Officer to present the financial report to a monthly Council meeting.

### **Risk Management**

The July 2022 financial report has been noted by the Executive Leadership Team and relevant officers who can provide further clarification and advice around actual to budget variances.

### **Financial**

There is no direct financial impact to Council as a result of this report, however it provides an indication of financial outcomes at the end of July 2022.

### **People**

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

### **Environmental**

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

### **Social**

Nil impact expected as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

## Human Rights

There are no human rights implications for this report as the purpose of the attached report is to provide financial information to Council based upon actual versus budgeted financial activity.

## Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's *Our Future Redlands – A Corporate Plan to 2026 and Beyond*:

Efficient and effective organisation objectives

- 7.1 Improve the efficiency and effectiveness of Council's service delivery to decrease costs, and enhance customer experience and community outcomes
- 7.4 Demonstrate good governance through transparent, accountable processes and sustainable practices and asset management

## CONSULTATION

Consulted	Date	Comment
Council departmental officers	Year to date 31 July 2022	Consulted on financial results and outcomes
Financial Services Group officers	Year to date 31 July 2022	Consulted on financial results and outcomes
Executive Leadership Team and Senior Leadership Team	Year to date 31 July 2022	Recipients of variance analysis between actual and budget. Consulted as required

## OPTIONS

### Option One

That Council resolves to note the financial position, results and ratios for July 2022 as presented in the attached Monthly Financial Report.

### Option Two

That Council resolves to request additional information.

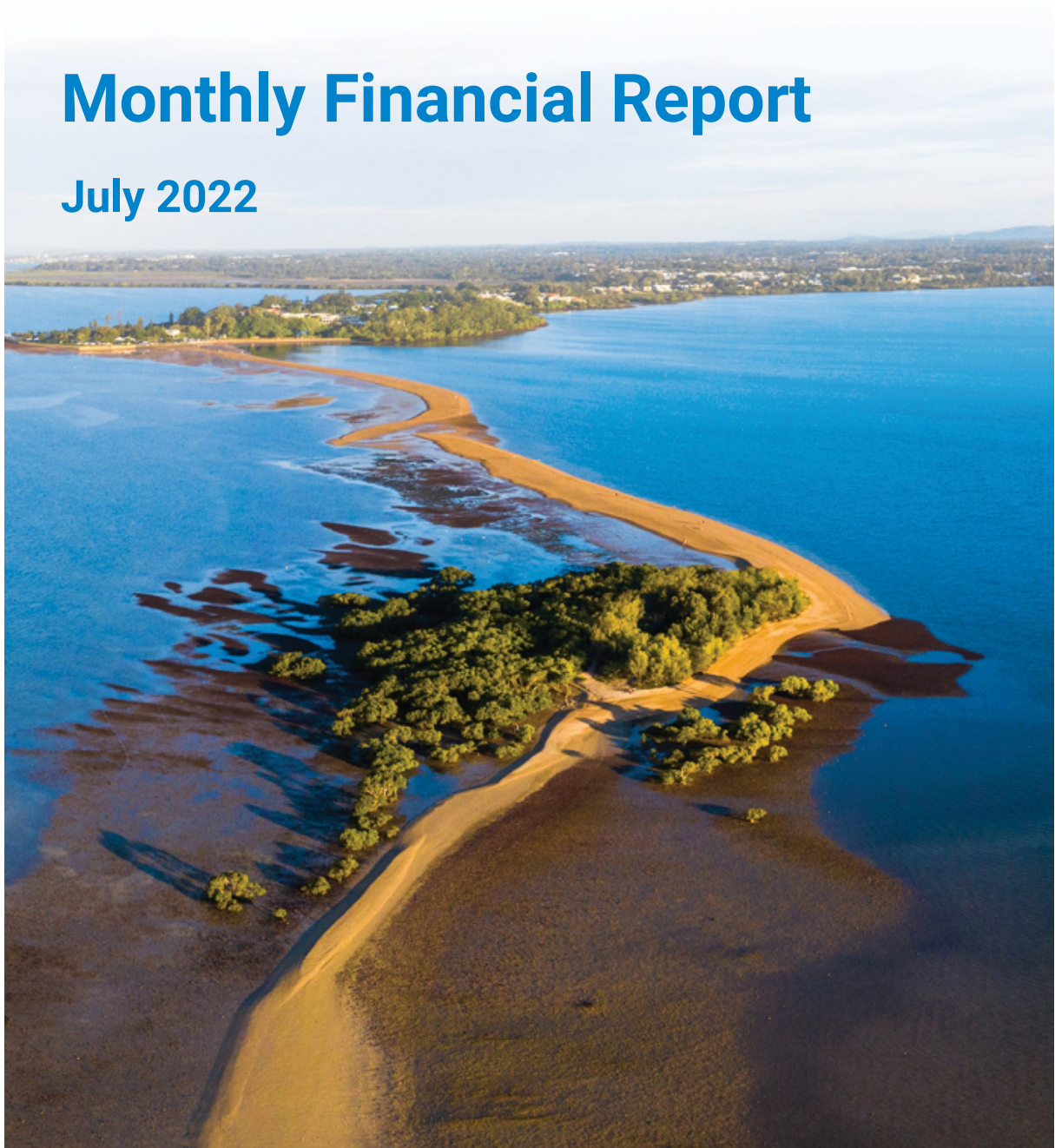
## OFFICER'S RECOMMENDATION

**That Council resolves to note the financial position, results and ratios for July 2022 as presented in the attached Monthly Financial Report.**



# Monthly Financial Report

July 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 31 July 2022. The year to date annual budget referred to in this report reflects the 2022/2023 annual budget as adopted by Council on 23 June 2022.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of July may adjust over the coming months until Council receives Queensland Audit Office (QAO) certification, expected in September 2022.

#### Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Original Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(4,118)	39,511	<b>41,014</b>	1,503	4%	✓
Recurrent Revenue	328,316	62,501	<b>63,608</b>	1,107	2%	✓
Recurrent Expenditure	332,434	22,990	<b>22,594</b>	(396)	-2%	✓
Capital Works Expenditure	115,776	2,677	<b>4,574</b>	1,897	71%	✗
Closing Cash & Cash Equivalents	208,298	280,822	<b>227,971</b>	(52,851)	-19%	✗

Council reported a year to date operating surplus of \$41.01M which is favourable to budget by \$1.50M mainly on account of lower than budgeted employee expenses, higher rates, levies, utility charges and fees offset by higher materials and services costs.

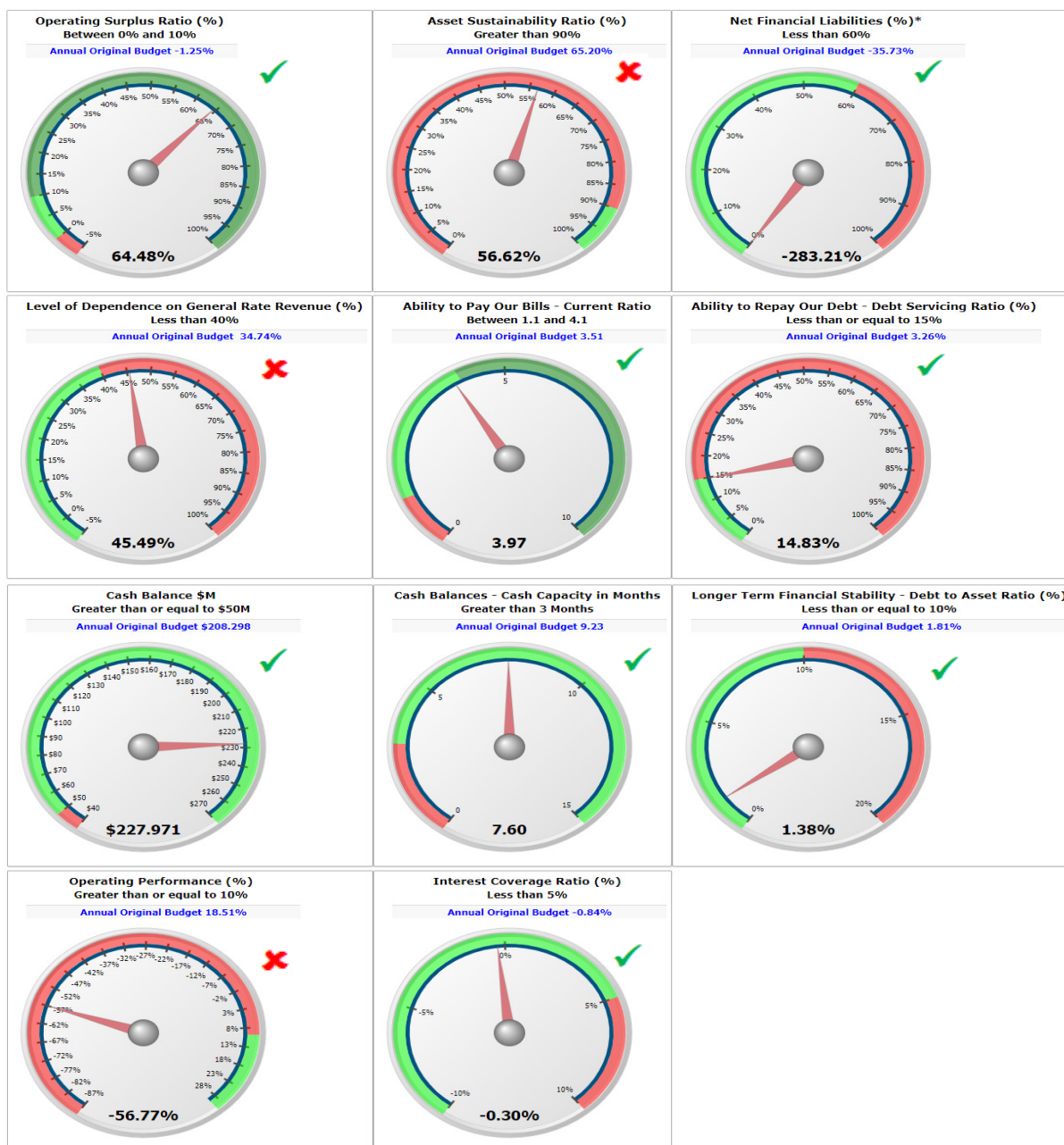
During the month, debt repayment of \$9.43M, being \$7.95M principal and \$1.48M interest has been made.

Council's cash balance is behind budget mainly due to lower than anticipated receipts from customers and higher than anticipated payments to suppliers. Constrained cash reserves represent 51% of the cash balance.



## 2. KEY PERFORMANCE INDICATORS

■ Target met 
 ■ Target exceeded 
 ■ Target not met



\* The net financial liabilities ratio is negative as current assets are greater than total liabilities.



### 3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME				
For the period ending 31 July 2022				
	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>				
Rates charges	117,211	29,303	29,690	387
Levies and utility charges	177,511	31,847	32,145	298
Less: Pensioner remissions and rebates	(3,661)	(827)	(837)	(10)
Fees	18,412	1,262	1,523	261
Rental income	1,140	108	128	20
Interest received	4,196	261	364	103
Sales revenue	3,989	296	369	73
Other income	465	5	38	33
Grants, subsidies and contributions	9,053	246	188	(58)
<b>Total recurrent revenue</b>	<b>328,316</b>	<b>62,501</b>	<b>63,608</b>	<b>1,107</b>
<b>Recurrent expenses</b>				
Employee benefits	101,228	8,162	7,360	(802)
Materials and services	160,436	8,939	9,442	503
Finance costs	1,980	180	184	4
Depreciation and amortisation	70,578	5,882	5,795	(87)
Other expenditure	525	20	21	1
Net internal costs	(2,314)	(193)	(208)	(15)
<b>Total recurrent expenses</b>	<b>332,434</b>	<b>22,990</b>	<b>22,594</b>	<b>(396)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(4,118)</b>	<b>39,511</b>	<b>41,014</b>	<b>1,503</b>
<b>Capital revenue</b>				
Grants, subsidies and contributions	39,249	1,057	185	(872)
Non-cash contributions	2,250	187	-	(187)
<b>Total capital revenue</b>	<b>41,499</b>	<b>1,244</b>	<b>185</b>	<b>(1,059)</b>
<b>Capital expenses</b>				
(Gain) / loss on disposal of non-current assets	289	24	(163)	(187)
<b>Total capital expenses</b>	<b>289</b>	<b>24</b>	<b>(163)</b>	<b>(187)</b>
<b>TOTAL INCOME</b>	<b>369,815</b>	<b>63,745</b>	<b>63,793</b>	<b>48</b>
<b>TOTAL EXPENSES</b>	<b>332,722</b>	<b>23,014</b>	<b>22,431</b>	<b>(583)</b>
<b>NET RESULT</b>	<b>37,093</b>	<b>40,731</b>	<b>41,362</b>	<b>631</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>37,093</b>	<b>40,731</b>	<b>41,362</b>	<b>631</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 July 2022

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Levies and utility charges</b>				
Refuse collection rate charge	33,206	2,767	2,725	(42)
SES separate charge	500	124	125	1
Environment & Coastal Management Separate Charge	11,762	2,921	2,931	10
Separate charge landfill remediation	3,545	477	883	406
Wastewater charges	53,189	13,271	13,364	93
Water access charges	21,740	5,435	5,426	(9)
Water consumption charges	53,569	6,852	6,691	(161)
<b>Total levies and utility charges</b>	<b>177,511</b>	<b>31,847</b>	<b>32,145</b>	<b>298</b>

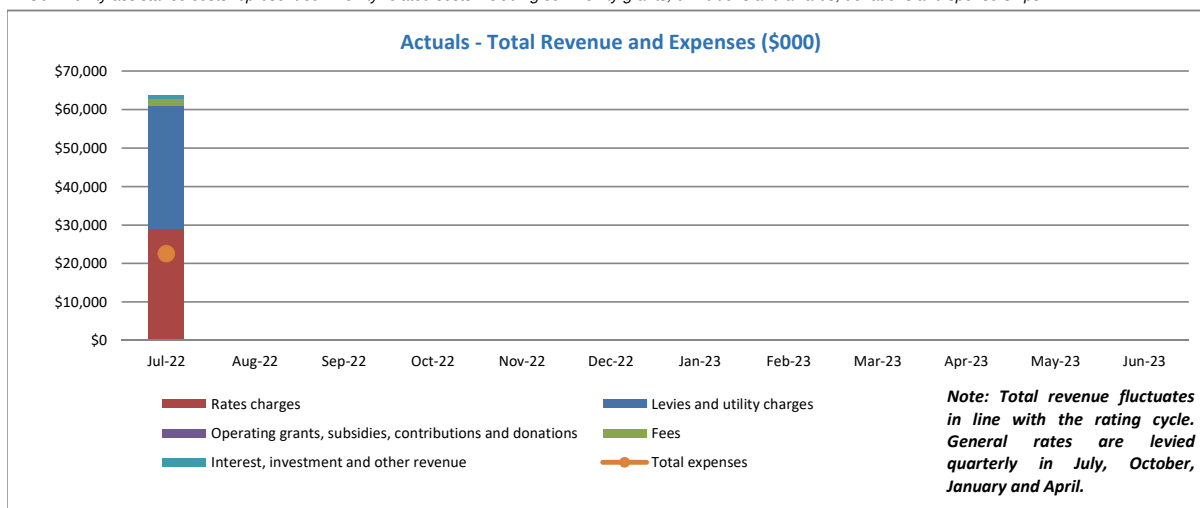
#### MATERIALS AND SERVICES ANALYSIS

For the period ending 31 July 2022

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Materials and services</b>				
Contractors	39,275	894	1,267	373
Consultants	5,435	66	33	(33)
Other Council outsourcing costs*	33,279	1,720	1,879	159
Purchase of materials	56,766	4,169	4,168	(1)
Office administration costs	7,181	558	579	21
Electricity charges	5,921	492	442	(50)
Plant operations	3,682	257	298	41
Information technology resources	4,493	363	397	34
General insurance	1,785	138	149	11
Community assistance**	1,975	192	144	(48)
Other material and service expenses	644	90	86	(4)
<b>Total materials and services</b>	<b>160,436</b>	<b>8,939</b>	<b>9,442</b>	<b>503</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.

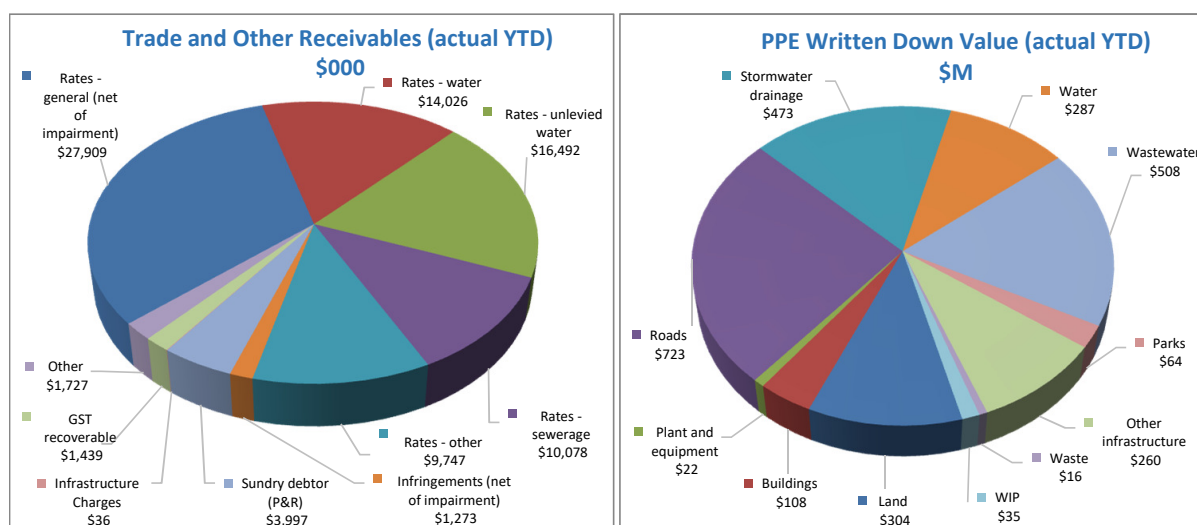
\*\* Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.



## 4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 July 2022			
	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	208,298	280,822	227,971
Short-term investment - CBA	-	10,068	10,068
Trade and other receivables	43,669	82,246	86,724
Inventories	818	883	888
Other current assets	4,172	5,486	5,530
<b>Total current assets</b>	<b>256,956</b>	<b>379,505</b>	<b>331,181</b>
<b>NON-CURRENT ASSETS</b>			
Investment property	1,225	1,293	1,293
Property, plant and equipment	2,735,181	2,797,824	2,799,726
Intangible assets	584	1,824	1,796
Right-of-use assets	3,963	4,944	4,951
Other financial assets	73	73	73
Investment in other entities	12,657	12,657	12,657
<b>Total non-current assets</b>	<b>2,753,683</b>	<b>2,818,615</b>	<b>2,820,496</b>
<b>TOTAL ASSETS</b>	<b>3,010,640</b>	<b>3,198,120</b>	<b>3,151,677</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	43,417	55,333	36,930
Borrowings - current	8,919	9,355	9,355
Lease liability - current	1,130	1,044	1,044
Provisions - current	16,125	19,858	19,777
Other current liabilities	3,569	45,515	16,413
<b>Total current liabilities</b>	<b>73,160</b>	<b>131,105</b>	<b>83,519</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings - non-current	40,684	28,267	28,313
Lease liability - non-current	3,742	4,736	4,842
Provisions - non-current	22,073	17,652	18,013
Other non-current liabilities	-	16,350	16,350
<b>Total non-current liabilities</b>	<b>66,498</b>	<b>67,005</b>	<b>67,518</b>
<b>TOTAL LIABILITIES</b>	<b>139,658</b>	<b>198,110</b>	<b>151,037</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,870,982</b>	<b>3,000,010</b>	<b>3,000,640</b>
<b>COMMUNITY EQUITY</b>			
Asset revaluation surplus	1,106,353	1,225,400	1,225,400
Retained surplus	1,667,474	1,655,743	1,659,730
Constrained cash reserves	97,154	118,867	115,510
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,870,982</b>	<b>3,000,010</b>	<b>3,000,640</b>

## 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS For the period ending 31 July 2022			
	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Right-of-use asset</b>			
Buildings	1,548	1,826	1,832
Land	2,134	2,797	2,798
Plant and Equipment	281	321	321
<b>Closing balance</b>	<b>3,963</b>	<b>4,944</b>	<b>4,951</b>

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 July 2022			
	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>PPE movement</b>			
Opening balance (includes WIP from previous years)	2,687,627	2,800,792	2,800,792
Acquisitions and WIP in year movement	118,025	2,864	4,574
Depreciation in year	(68,978)	(5,748)	(5,640)
Disposals	(1,493)	(84)	-
<b>Closing balance</b>	<b>2,735,181</b>	<b>2,797,824</b>	<b>2,799,726</b>

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

## 5. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 July 2022			
	Annual Original Budget \$'000	YTD Budget \$'000	YTD Actual \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	312,698	53,126	18,639
Payments to suppliers and employees	(269,244)	(10,878)	(28,505)
	43,454	42,248	(9,866)
Interest received	4,196	261	364
Rental income	1,140	108	128
Non-capital grants and contributions*	14,301	652	3
Borrowing costs	(1,466)	(1,466)	(1,483)
Right-of-use assets interest expense	(114)	(10)	(9)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>61,511</b>	<b>41,793</b>	<b>(10,863)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment	(115,776)	(2,677)	(4,416)
Proceeds from sale of property, plant and equipment	1,205	60	163
Capital grants, subsidies and contributions	39,249	1,057	2,505
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(75,322)</b>	<b>(1,560)</b>	<b>(1,748)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds of borrowings	10,805	-	-
Repayment of borrowings	(7,982)	(7,982)	(7,952)
Right-of-use lease payment	(1,143)	(96)	(133)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>1,679</b>	<b>(8,078)</b>	<b>(8,085)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(12,132)</b>	<b>32,155</b>	<b>(20,696)</b>
Cash and cash equivalents at the beginning of the year	220,429	248,667	248,667
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>208,298</b>	<b>280,822</b>	<b>227,971</b>

**Cash Inflow (actual YTD)**

Category	Percentage
Utility charges	44%
Rates charges	28%
Capital grants, subsidies and contributions	12%
Fees	11%
Other cash receipts	3%
Interest received and contributions	2%
Operating grants	0%

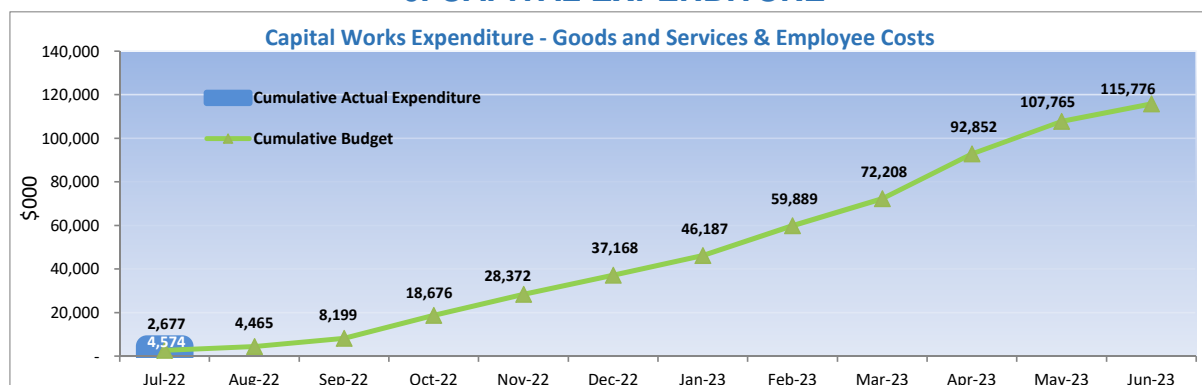
**Cash Outflow (actual YTD)**

Category	Percentage
Materials and services	42%
Employee costs	25%
Repayment of borrowings	19%
Payments for property, plant and equipment	10%
Borrowing costs	4%

<b>Total Cash Funding (Actual YTD)</b>	<b>21,802</b>	<b>Total Cash Expenditure (Actual YTD)</b>	<b>42,498</b>
Total Cash Funding (Annual Original Budget)	383,593	Total Cash Expenditure (Annual Original Budget)	395,725
% of Budget Achieved YTD	6%	% of Budget Achieved YTD	11%

## 6. CAPITAL EXPENDITURE

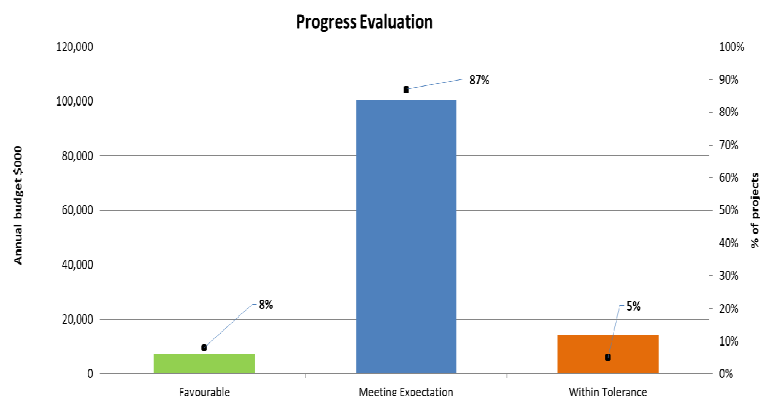


	Annual Original Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	107,515	1,772	3,953	2,181
Capitalised employee costs	8,261	905	621	(284)
<b>Total</b>	<b>115,776</b>	<b>2,677</b>	<b>4,574</b>	<b>1,897</b>

\* Excludes capital prepayments.

## 7. PROGRAM AND PROJECT UPDATE

<span style="color: green;">■</span> Favourable (budget under/schedule on track)	<span style="color: blue;">■</span> Meeting expectations (budget and schedule on track)	<span style="color: orange;">■</span> Within tolerance (either budget and schedule not on track)
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- Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.
- Council is currently progressing more than 100 programs and projects.

### Notable Projects

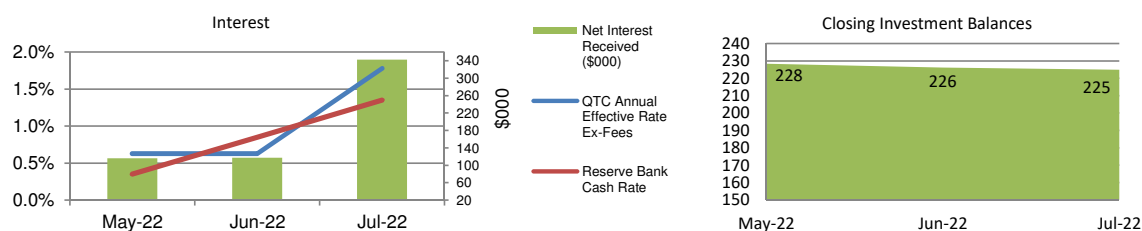
The status of two notable projects are as follows:

Project description	Progress
Customer Experience Strategy Implementation Project - this project will implement the actions identified in the Customer Experience Strategy, and report the progress of key leading stakeholders' in delivering their actions.	Meeting Expectations
Redlands Coast Sports Regional Sport & Recreation Precinct Program - this is progression of Redlands Coast Regional Sports & Recreation Precinct, including master plan, design, construction staging and activity (clubs) transition.	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 July 2022

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



**Total QTC Investment at End of Month was \$224.89M**

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.

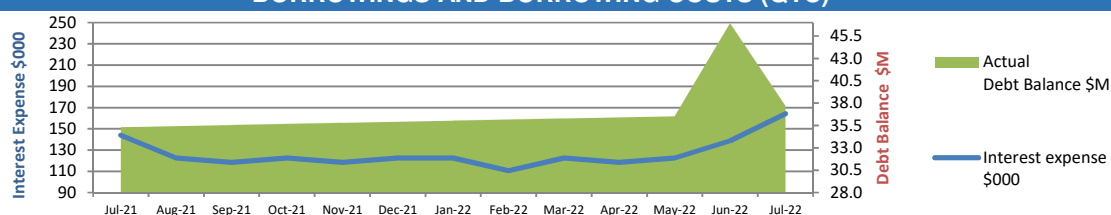
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from June to July due to increase in QTC annual effective rate (excluding fee) from 0.63% to 1.78%.

Note: the Reserve Bank increased the cash rate to 1.35% during July 2022.

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 1.78%. 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 2022 for the 2022/2023 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 \$9.43M, being \$7.95M principal and \$1.48M interest has been made in July 2022 for 2022/2023, which will result in the loans being repaid approximately one year earlier.

The debt balance increased in June 2022 due to new borrowings of \$10.30M as part of Council's Capital Works Plan.

In July 2022 the debt balance showed a decrease due to the Annual Debt Service Payment (ADSP). Interest will accrue monthly on a daily balance until next ADSP in July 2023 which is reflected in the increasing debt balance.

**Total Borrowings at End of Month were \$37.67M**

Council adopted its Debt Policy (FIN-009-P) in June 2022 for the 2022/2023 financial year

### BORROWINGS

For the period ending 31 July 2022

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
<b>Borrowings</b>			
Opening balance	(46,924)	(46,938)	(46,938)
Accrued interest on borrowings	(1,322)	(132)	(165)
Interest paid on borrowings	1,466	1,466	1,483
Principal repaid	7,982	7,982	7,952
Loan drawdown	(10,805)	-	-
<b>Closing balance</b>	<b>(49,603)</b>	<b>(37,622)</b>	<b>(37,668)</b>



## 9. CONSTRAINED CASH RESERVES

Reserves as at 31 July 2022	Purpose of reserve	Opening Balance \$000	To Reserve \$000	From Reserve \$000	Closing Balance \$000
<b>Special Projects Reserve:</b>					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	8	-	8
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	652	-	-	652
Waste Levy Reserve	To fund Waste Levy Program	379	468	(453)	394
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	3,677	707	(8)	4,376
Fleet Plant & Capital Equipment Reserve*	To support the long term fleet replacement program	4,599	-	(4,599)	-
		<b>9,307</b>	<b>1,183</b>	<b>(5,060)</b>	<b>5,430</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	4,309	68	(38)	4,339
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,297	-	-	5,297
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,952	2	-	14,954
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	13,341	28	-	13,369
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	40,631	67	(2)	40,696
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	14,819	28	-	14,847
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,559	7	-	10,566
Tree Planting Reserve	Acquisition and planting of trees on footpaths	259	2	-	261
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	259	-	(1)	258
Special Property Reserve	Acquisition of property in line with the strategic property framework	1,654	181	-	1,835
		<b>106,080</b>	<b>383</b>	<b>(41)</b>	<b>106,422</b>
<b>Separate Charge Reserve:</b>					
Environment & Coastal management Separate Charge Reserve	Ongoing conservation and maintenance operations	2	2,931	(295)	2,638
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	119	125	(80)	164
		<b>121</b>	<b>3,056</b>	<b>(375)</b>	<b>2,802</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	430	-	-	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)
		<b>856</b>	<b>-</b>	<b>-</b>	<b>856</b>
<b>TOTALS</b>		<b>116,364</b>	<b>4,622</b>	<b>(5,476)</b>	<b>115,510</b>
		Closing cash and cash equivalents			<b>227,971</b>
		Reserves as percentage of cash balance			<b>51%</b>

\*Council does not require to constrain cash for fleet plant and capital equipment. The cash has been made available for general use and the reserve was closed following the end of year accounts finalisation.

## 10. CITY WATER STATEMENTS

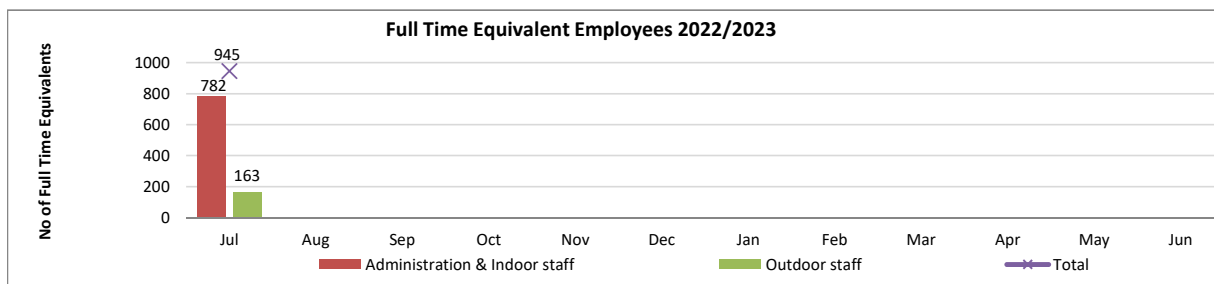
CITY WATER SUMMARY OPERATING STATEMENT				
For the period ending 31 July 2022				
	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	134,826	26,011	25,950	(61)
Total expenses	78,703	5,324	5,399	75
Earnings before interest, tax and depreciation (EBITD)	56,123	20,687	20,551	(136)
External interest expense	355	30	21	(9)
Internal interest expense	14,750	1,229	1,229	-
Depreciation	25,587	2,132	2,155	23
<b>Operating surplus / (deficit)</b>	<b>15,432</b>	<b>17,296</b>	<b>17,146</b>	<b>(150)</b>
CITY WATER CAPITAL FUNDING STATEMENT				
For the period ending 31 July 2022				
	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	4,847	236	30	(206)
Net transfer (to) / from constrained capital reserves	(502)	(236)	(30)	206
Non-cash contributions	652	54	-	(54)
New loans	-	-	-	-
Funding from utility revenue	11,941	766	747	(19)
<b>Total sources of capital funding</b>	<b>16,937</b>	<b>819</b>	<b>747</b>	<b>(72)</b>
Contributed assets	652	54	-	(54)
Capitalised expenditure	15,512	106	239	133
Loan redemption	774	659	508	(151)
<b>Total application of capital funds</b>	<b>16,937</b>	<b>819</b>	<b>747</b>	<b>(72)</b>

## 11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT				
For the period ending 31 July 2022				
	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,765	2,937	3,035	98
Total expenses	26,515	1,939	1,942	3
Earnings before interest, tax and depreciation (EBITD)	9,249	998	1,093	95
External interest expense	6	1	1	-
Depreciation	556	46	36	(10)
<b>Operating surplus / (deficit)</b>	<b>8,687</b>	<b>951</b>	<b>1,056</b>	<b>105</b>
CITY WASTE CAPITAL FUNDING STATEMENT				
For the period ending 31 July 2022				
	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	1,577	-	-	-
Funding from utility revenue	828	3	45	42
<b>Total sources of capital funding</b>	<b>2,405</b>	<b>3</b>	<b>45</b>	<b>42</b>
Capitalised expenditure	2,366	-	46	46
Loan redemption	39	3	(1)	(4)
<b>Total application of capital funds</b>	<b>2,405</b>	<b>3</b>	<b>45</b>	<b>42</b>

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

### Workforce Reporting



July 2022: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	7	41	9	57	
Organisational Services	2	184	21	207	
Community and Customer Services	56	256	64	376	
Infrastructure and Operations	9	349	18	376	
Advocacy Major Projects and Economic Development	1	31	1	33	
<b>Total</b>	<b>75</b>	<b>861</b>	<b>113</b>	<b>1,049</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 July 2022 to July 2021									
Days Overdue	Jul-22	% Overdue	Jul-21	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Jul-22	Jul-21
0 - 30	\$1,801	0.0%	\$445	0.0%	\$1,356	0.0%	Levied (Billed) Rates & Charges since 1 July 2022	\$77,318,116	\$73,625,572
31 - 60	\$1,069	0.0%	\$2,829,351	3.4%	-\$2,828,282	-3.4%	Rate arrears b/fwd 1 July 2022	\$9,031,746	\$10,693,344
61 - 90	\$2,623,579	3.0%	\$0	0.0%	\$2,623,579	3.0%	<b>Total</b>	<b>\$86,349,862</b>	<b>\$84,318,916</b>
91 - 180	\$1,404,282	1.7%	\$1,473,087	1.7%	-\$68,805	0.0%	Balance of overdue rates & charges	\$7,152,783	\$8,360,672
>180	\$3,122,052	3.6%	\$4,057,789	4.8%	-\$935,737	-1.2%	<b>Percentage Overdue</b>	<b>8.3%</b>	<b>9.9%</b>
<b>Total</b>	<b>\$7,152,783</b>	<b>8.3%</b>	<b>\$8,360,672</b>	<b>9.9%</b>	<b>-\$1,207,889</b>	<b>-1.6%</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>	$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue}}$
<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>	$\frac{\text{General Rates} - \text{Pensioner Remissions}}{\text{Total Operating Revenue} - \text{Gain on Sale of Developed Land}}$
<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>	$\frac{\text{Interest Expense}^{***} + \text{Loan Redemption}^{\wedge}}{\text{Total Operating Revenue} - \text{Gain on Sale of Developed Land}}$
<b>Cash Balance - \$M:</b> <i>Cash balance includes cash on hand, cash at bank and other short term investments.</i>	$\text{Cash Held at Period End}$
<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.