

Redland
CITY COUNCIL

AGENDA

LATE REPORT

**Item 13.1 Interim June 2024 Monthly
Financial Report**

GENERAL MEETING

**Wednesday, 17 July 2024
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

13.1 INTERIM JUNE 2024 MONTHLY FINANCIAL REPORT

Objective Reference: A11252069

Authorising Officer: Peter Paterson, Acting Executive Group Manager Financial Services & Chief Financial Officer

Responsible Officer: Peter Paterson, Acting Executive Group Manager Financial Services & Chief Financial Officer

Report Author: Udaya Panambala Arachchilage, Corporate Financial Reporting Manager

Attachments: 1. Interim June 2024 Monthly Financial Report [↓](#)

PURPOSE

To note the interim year to date financial results as at 30 June 2024.

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

Loan drawdown 2023-2024

Council received approval on 9 May 2024 from the Department of Housing, Local Government, Planning and Public Works to borrow \$20.16M for the 2023-2024 capital works. Accordingly, the borrowing was obtained from Queensland Treasury Corporation and the loan was drawn down on 17 June 2024.

Interim results

The interim June 2024 Monthly Financial Performance Report is prepared based on interim financial results for the year ended 30 June 2024 (prior to the finalisation of the end of year accounts). Significant movement is expected through the finalisation of year-end adjustments over the coming weeks. The final results for the year ended 30 June 2024 will be reflected in the audited annual financial statements.

STRATEGIC IMPLICATIONS

Council has either achieved or favourably exceeded the following key financial sustainability ratios as at the end of June 2024.

- Operating Cash Ratio
- Unrestricted Cash Expense Cover Ratio
- Asset Sustainability Ratio
- Asset Consumption Ratio
- Leverage Ratio
- Net Financial Liabilities Ratio

The Operating Surplus Ratio is below target at the end of June 2024.

The Council-Controlled Revenue, Population Growth, and Asset Renewal Funding Ratios are reported for contextual purposes only. Population Growth and Asset Renewal Funding Ratios will not materially change from month to month.

Legislative Requirements

The June 2024 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 June 2024 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 June 2024.

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 from 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 30 June 2024	Consulted on financial results and outcomes
Financial Services Group officers	Year to date 30 June 2024	Consulted on financial results and outcomes
Executive Leadership Team and Senior Leadership Team	Year to date 30 June 2024	Recipients of variance analysis between actual and budget. Consulted as required

OPTIONS**Option One**

That Council resolves to note the interim financial position, results and ratios for June 2024 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 interim financial position, results and ratios for June 2024 as presented in the attached Monthly Financial Report.



Interim Monthly Financial Report

Interim June 2024

Note: This interim report is prepared at year end pending finalisation of statutory financial statements.



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1. EXECUTIVE SUMMARY

This interim monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 30 June 2024. The year to date annual revised budget referred to in this report incorporates the changes from the budget review adopted by Council on 15 May 2024.

The June 2024 Monthly Financial Report is prepared based on interim financial results for the year ended 30 June 2024 (prior to the finalisation of the end of year accounts) and significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments. The final results for the year ended 30 June 2024 will be reflected in the audited financial statements.

Key Interim Financial Highlights and Overview

Key Interim Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	406	406	(9,368)	(9,774)	-2407%	✗
Recurrent Revenue	359,401	359,401	353,601	(5,800)	-2%	✗
Recurrent Expenditure	358,995	358,995	362,969	3,974	1%	✗
Capital Works Expenditure	135,204	135,204	128,032	(7,172)	-5%	✓
Closing Cash & Cash Equivalents	219,996	219,996	215,381	(4,615)	-2%	✗
Short-Term Investment	50,000	50,000	50,000	-	0%	✓

Council reported a year to date operating deficit of \$9.37M which is behind budget by \$9.77M. This is mainly due to lower than budgeted operating grants, subsidies and contributions and higher than budgeted other expenditure. This is partially offset by higher fees, and higher levies and utility charges.

Council's capital works expenditure is below budget by \$7.17M due to timing of works for a number of infrastructure projects. The program is frequently and actively re-prioritised and managed to ensure that projects continue to be delivered on behalf of the community. Council is on track to deliver the largest annual capital expenditure program to date.

Council's cash balance is behind budget mainly due to lower than budgeted receipts for capital and operating grants, subsidies and contributions and interest received. This is partially offset by higher receipts from customers, and lower payments for property, plant and equipment. Constrained cash reserves represent 54% of the cash balance.

2. INTERIM KEY PERFORMANCE INDICATORS

A new Financial Management (Sustainability) Guideline (the Guideline) has been developed by Department of Housing, Local Government, Planning and Public Works following consultation with local governments and other stakeholders which supersedes the Financial Management (Sustainability) Guideline 2013. The Guideline applies to all Queensland local governments for calculating the relevant financial sustainability measures detailed in the *Local Government Regulation 2012* and are presented below.

Interim Financial Sustainability Measures	Target	Annual Revised Budget	YTD Actual	Status Achieved ✓ Not achieved ✗
Council-Controlled Revenue*	Contextual - No target specified	91.04%	93.06%	N/A
Population Growth Ratio*	Contextual - No target specified	1.00%	1.25%	N/A
Operating Surplus Ratio	Greater than 0%	0.11%	-2.65%	✗
Operating Cash Ratio	Greater than 0%	21.49%	18.84%	✓
Unrestricted Cash Expense Cover Ratio	Greater than 2 months	11.48	11.10	✓
Asset Sustainability Ratio	Greater than 60%	95.44%	80.04%	✓
Asset Consumption Ratio	Greater than 60%	64.28%	61.87%	✓
Asset Renewal Funding Ratio*	Contextual - No target specified	100.00%	100.00%	N/A
Leverage Ratio	0 - 4 times	0.88	1.02	✓
Net Financial Liabilities Ratio**	Less than 60% (on average over the long-term)	-40.21%	-38.45%	✓

* The Council-Controlled Revenue, Population Growth, and Asset Renewal Funding Ratio measures are reported for contextual purposes only. Population Growth and Asset Renewal Funding Ratios will not materially change from month to month.

** The Net Financial Liabilities Ratio is negative as current assets are greater than total liabilities.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME

INTERIM STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 June 2024					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Recurrent revenue					
Rates charges	124,613	124,613	124,613	124,514	(99)
Levies and utility charges	186,457	186,457	186,457	187,438	981
Less: Pensioner remissions and rebates	(3,638)	(3,638)	(3,638)	(3,728)	(90)
Fees	18,526	19,751	19,751	20,827	1,076
Rental income	1,075	1,075	1,075	1,165	90
Interest received	11,796	13,496	13,496	13,817	321
Dividend received	-	-	-	325	325
Sales revenue	4,982	4,982	4,982	4,805	(177)
Other income	847	1,054	1,054	1,304	250
Grants, subsidies and contributions	10,914	11,611	11,611	3,134	(8,477)
Total recurrent revenue	355,572	359,401	359,401	353,601	(5,800)
Recurrent expenses					
Employee benefits	108,385	109,111	109,111	109,962	851
Materials and services	171,662	172,257	172,257	172,725	468
Finance costs	2,690	2,690	2,690	2,281	(409)
Depreciation and amortisation	75,188	75,188	75,188	74,219	(969)
Other expenditure	546	546	546	4,831	4,285
Net internal costs	(796)	(796)	(796)	(1,049)	(253)
Total recurrent expenses	357,674	358,995	358,995	362,969	3,974
OPERATING SURPLUS / (DEFICIT)	(2,103)	406	406	(9,368)	(9,774)
Capital revenue					
Grants, subsidies and contributions	41,307	43,680	43,680	37,675	(6,005)
Non-cash contributions	12,230	12,230	12,230	22	(12,208)
Total capital revenue	53,537	55,910	55,910	37,697	(18,213)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	289	4,643	4,354
Total capital expenses	289	289	289	4,643	4,354
TOTAL INCOME	409,109	415,311	415,311	391,298	(24,013)
TOTAL EXPENSES	357,963	359,284	359,284	367,612	8,328
NET RESULT	51,145	56,027	56,027	23,686	(32,341)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	159	159
TOTAL COMPREHENSIVE INCOME	51,145	56,027	56,027	23,845	(32,182)

The interim Statement of Comprehensive Income will adjust over coming weeks as the accounts are being finalised and final results will be reflected in the audited financial statements for the year ended 30 June 2024. The audited financial statements for the year ended 30 June 2024 will reflect the final revalued position and impact and will be presented as part of the 2023/2024 Annual Report.

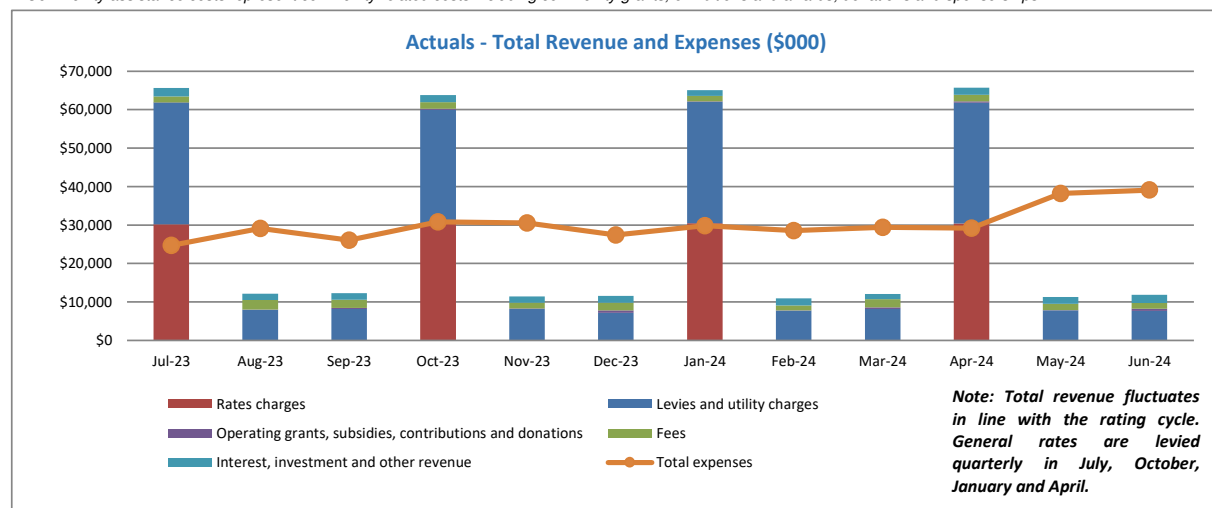
3. INTERIM STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

INTERIM LEVIES AND UTILITY CHARGES ANALYSIS					
For the period ending 30 June 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Levies and utility charges					
Refuse collection rate charge	36,083	36,083	36,083	36,241	158
SES separate charge	458	458	458	460	2
Environment & Coastal Management Separate Charge	12,609	12,609	12,609	12,640	31
Separate charge landfill remediation	4,348	4,348	4,348	4,359	11
Wastewater charges	56,059	56,059	56,059	56,561	502
Water access charges	23,351	23,351	23,351	23,428	77
Water consumption charges	53,549	53,549	53,549	53,749	200
Total levies and utility charges	186,457	186,457	186,457	187,438	981

INTERIM MATERIALS AND SERVICES ANALYSIS					
For the period ending 30 June 2024					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	45,990	49,405	49,405	46,068	(3,337)
Consultants	4,989	6,508	6,508	4,914	(1,594)
Other Council outsourcing costs*	33,588	29,687	29,687	28,172	(1,515)
Purchase of materials	56,984	57,764	57,764	63,628	5,864
Office administration costs	8,017	8,096	8,096	7,642	(454)
Electricity charges	6,282	5,476	5,476	5,367	(109)
Plant operations	3,984	3,821	3,821	4,557	736
Information technology resources	6,549	6,691	6,691	7,909	1,218
General insurance	2,050	1,750	1,750	1,729	(21)
Community assistance**	2,582	2,412	2,412	2,057	(355)
Other material and service expenses	647	647	647	682	35
Total materials and services	171,662	172,257	172,257	172,725	468

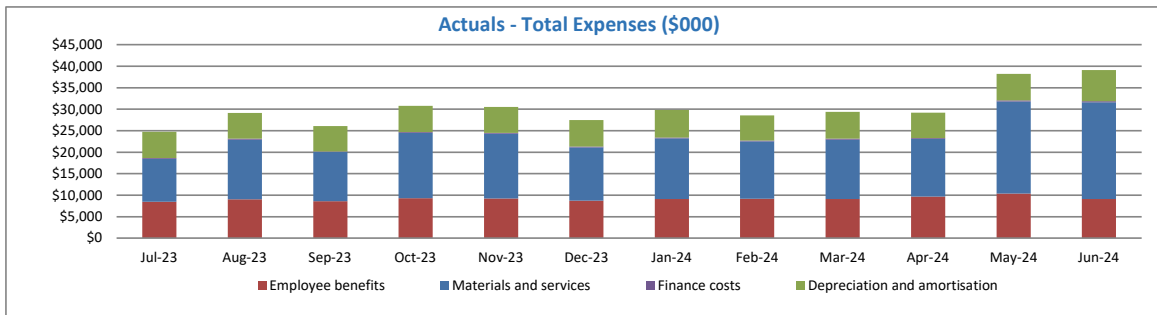
* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

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

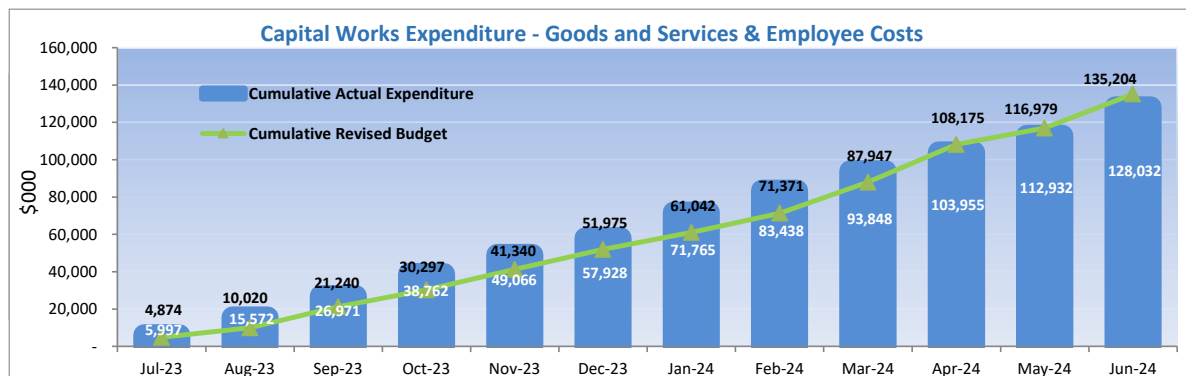


The interim income and expenses will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2024. The financial statements will be presented as part of the 2023/2024 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME - CONTINUED



4. INTERIM CAPITAL EXPENDITURE



	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services*	127,001	127,001	119,778	(7,223)
Capitalised employee costs	8,203	8,203	8,254	51
Total	135,204	135,204	128,032	(7,172)

* Excludes capital prepayments.

Notable Programs and Projects

The table below lists Council's capital expenditure on major programs and projects.

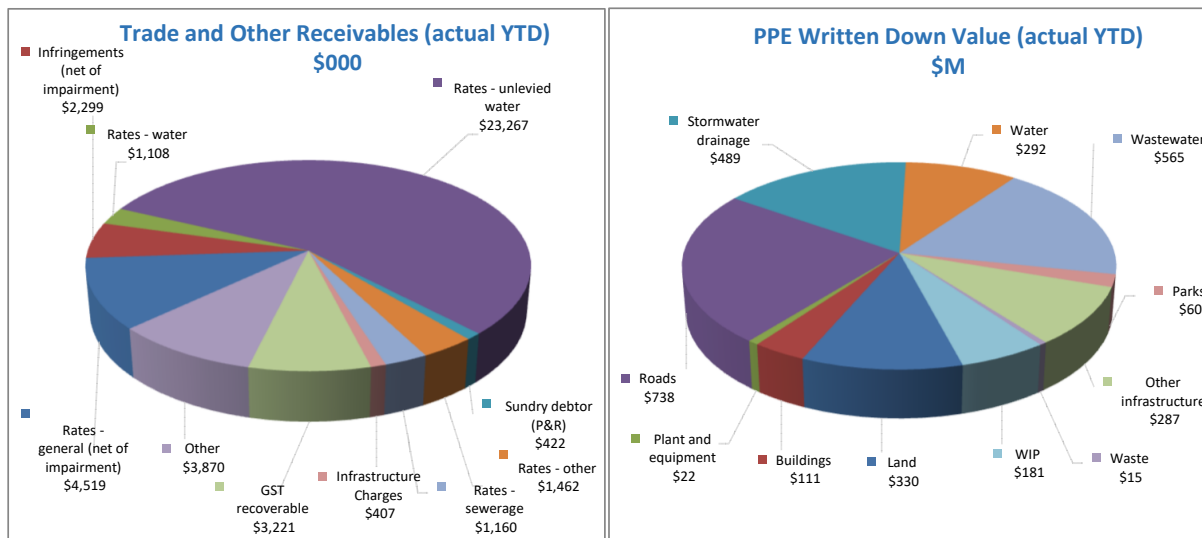
Capital Investment		YTD Actual \$000
Wellington St / Panorama Dr upgrade	Road widening / lane duplication of Wellington St / Panorama Dr.	38,497
Charlie Buckler Sportsfield	Construction of sportsfield building and associated infrastructure.	6,507
Revetment walls renewal	Revetment wall renewal works across the City.	5,732
Willard's Farm restoration program	Make the building safe and preserve the heritage values.	4,446
Fleet replacement	Current fleet replacement program.	4,181

5. INTERIM STATEMENT OF FINANCIAL POSITION

INTERIM STATEMENT OF FINANCIAL POSITION				
As at 30 June 2024				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	231,077	219,996	219,996	215,381
Short-term investment - CBA	10,122	50,000	50,000	50,000
Trade and other receivables	48,805	46,683	46,683	41,735
Inventories	918	947	947	1,047
Other current assets	4,397	3,074	3,074	5,846
Total current assets	295,319	320,701	320,701	314,009
NON-CURRENT ASSETS				
Investment property	1,293	1,403	1,403	1,403
Property, plant and equipment	2,893,904	3,112,285	3,112,285	3,089,883
Intangible assets	635	624	624	649
Right-of-use assets	3,103	3,359	3,359	3,422
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	11,357
Total non-current assets	2,911,665	3,130,401	3,130,401	3,106,787
TOTAL ASSETS	3,206,984	3,451,102	3,451,102	3,420,796
CURRENT LIABILITIES				
Trade and other payables	46,847	40,788	40,788	50,373
Borrowings - current	5,209	5,252	5,252	6,391
Lease liability - current	1,044	1,144	1,144	1,144
Provisions - current	17,573	17,797	17,797	12,687
Other current liabilities	11,632	14,172	14,172	10,682
Total current liabilities	82,305	79,152	79,152	81,277
NON-CURRENT LIABILITIES				
Borrowings - non-current	60,917	60,992	60,992	59,939
Lease liability - non-current	2,582	2,764	2,764	2,658
Provisions - non-current	16,743	19,554	19,554	24,451
Other non-current liabilities	5,020	13,706	13,706	9,717
Total non-current liabilities	85,261	97,017	97,017	96,765
TOTAL LIABILITIES	167,567	176,169	176,169	178,042
NET COMMUNITY ASSETS	3,039,417	3,274,933	3,274,933	3,242,754
COMMUNITY EQUITY				
Asset revaluation surplus	1,225,400	1,441,332	1,441,332	1,441,491
Retained surplus	1,701,576	1,723,346	1,723,346	1,685,247
Constrained cash reserves	112,441	110,255	110,255	116,016
TOTAL COMMUNITY EQUITY	3,039,417	3,274,933	3,274,933	3,242,754

The interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2024. The financial statements will be presented as part of the 2023/2024 Annual Report.

5. INTERIM STATEMENT OF FINANCIAL POSITION - CONTINUED



INTERIM RIGHT-OF-USE ASSETS				
As at 30 June 2024				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Right-of-use asset				
Buildings	815	905	905	908
Land	2,045	2,211	2,211	2,271
Plant and Equipment	243	243	243	243
Closing balance	3,103	3,359	3,359	3,422

INTERIM PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*				
For the period ending 30 June 2024				
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,821,486	3,040,382	3,040,382	3,040,382
Acquisitions and WIP in year movement	147,949	147,435	147,435	127,534
Depreciation in year	(73,800)	(73,800)	(73,800)	(72,760)
Disposals	(1,731)	(1,732)	(1,732)	(5,130)
Other adjustments**	-	-	-	(143)
Closing balance	2,893,904	3,112,285	3,112,285	3,089,883

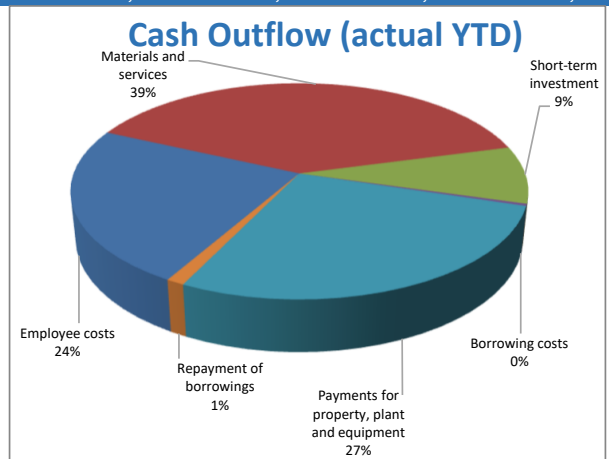
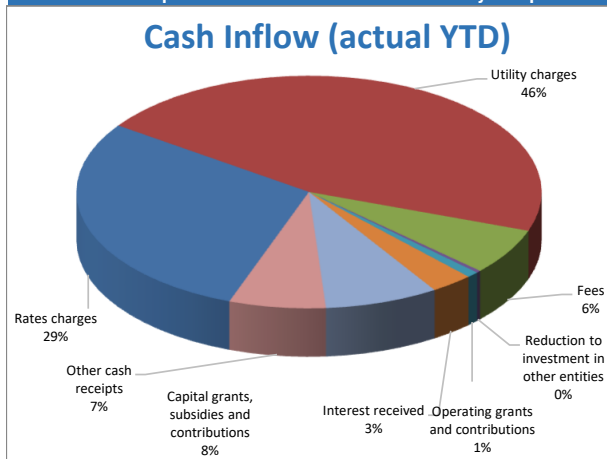
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets. The annual revised budgeted balances for 2023/2024 include the changes from the final budget review adopted by Council on 15 May 2024.

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

The interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2024. The financial statements will be presented as part of the 2023/2024 Annual Report.

6. INTERIM STATEMENT OF CASH FLOWS

INTERIM STATEMENT OF CASH FLOWS				
For the period ending 30 June 2024				
	Annual	Annual	YTD	YTD
	Original	Revised	Budget	Actual
	Budget	Budget	\$000	\$000
	\$000	\$000		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	330,713	332,144	332,144	343,318
Payments to suppliers and employees	(287,755)	(289,105)	(289,105)	(290,557)
	42,958	43,038	43,038	52,761
Interest received	11,796	13,496	13,496	12,254
Dividend received	-	-	-	325
Rental income	1,075	1,075	1,075	1,165
Non-capital grants and contributions	10,884	16,009	16,009	3,378
Borrowing costs	(1,323)	(1,323)	(1,323)	(1,415)
Right-of-use assets interest expense	(100)	(100)	(100)	(93)
Net cash inflow / (outflow) from operating activities	65,290	72,196	72,196	68,375
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(135,719)	(135,205)	(135,205)	(127,557)
Payments for intangible assets	-	-	-	(62)
Proceeds from sale of property, plant and equipment	1,443	1,443	1,443	487
Reduction to investment in other entities	-	-	-	1,300
Capital grants, subsidies and contributions	41,307	41,430	41,430	32,769
Short-term investment - CBA	-	(39,878)	(39,878)	(39,878)
Net cash inflow / (outflow) from investing activities	(92,970)	(132,210)	(132,210)	(132,941)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	20,159	20,159	20,159	20,159
Repayment of borrowings	(3,960)	(3,960)	(3,960)	(3,916)
Right-of-use lease payment	(1,144)	(1,144)	(1,144)	(1,251)
Net cash inflow / (outflow) from financing activities	15,055	15,055	15,055	14,992
Net increase / (decrease) in cash held	(12,625)	(44,959)	(44,959)	(49,574)
Cash and cash equivalents at the beginning of the year	243,701	264,955	264,955	264,955
Cash and cash equivalents at the end of the financial year / period	231,077	219,996	219,996	215,381



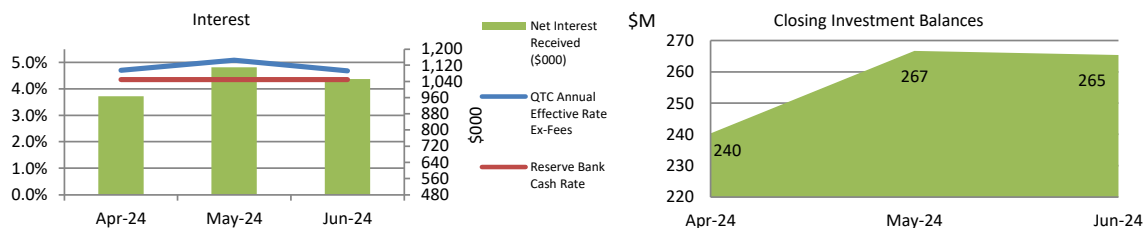
Total Cash Funding (Actual YTD)	415,155	Total Cash Expenditure (Actual YTD)	464,729
Total Cash Funding (Annual Revised Budget)	425,756	Total Cash Expenditure (Annual Revised Budget)	470,715
% of Budget Achieved YTD	98%	% of Budget Achieved YTD	99%

The interim Statement of Cash Flows will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2024. The financial statements will be presented as part of the 2023/2024 Annual Report.

7. INTERIM INVESTMENT & BORROWINGS REPORT

For the period ending 30 June 2024

INVESTMENT RETURNS



Total Investment at End of Month was \$265.38M

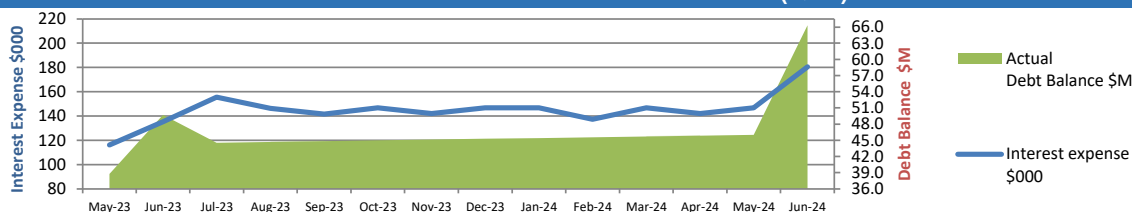
Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2023 \$50M was invested in a term deposit of Commonwealth Bank of Australia (CBA) for a term of 365 days at a rate of 5.25% to maximise risk free interest earnings.

The movement in interest earned is indicative of both the interest rate and the surplus cash balances held with QTC, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income decreased from May to June mainly due to decrease in QTC annual effective rate (excluding fee) from 5.08% to 4.68%.

Note: the Reserve Bank cash rate of 4.35% remains unchanged since November 2023.

Council adopted its Investment Policy (FIN-001-P) in May 2023 for the 2023/2024 financial year

BORROWINGS AND BORROWING COSTS (QTC)



The debt balance increased in June 2024 due to new borrowings of \$20.16M as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$66.33M

Council adopted its Debt Policy (FIN-009-P) in June 2023 for the 2023/2024 financial year

BORROWINGS

For the period ending 30 June 2024

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Borrowings				
Opening balance	(49,607)	(49,724)	(49,724)	(49,724)
Accrued interest on borrowings	(1,643)	(1,644)	(1,644)	(1,778)
Interest paid on borrowings	1,323	1,323	1,323	1,415
Principal repaid	3,960	3,960	3,960	3,916
Loan drawdown	(20,159)	(20,159)	(20,159)	(20,159)
Closing balance	(66,126)	(66,244)	(66,244)	(66,330)

8. INTERIM CONSTRAINED CASH RESERVES

Reserves as at 30 June 2024	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	23	126	(5)	144
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,242	579	(1)	1,820
Waste Levy Reserve	To fund Waste Levy Program	414	5,723	(6,080)	57
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	5,355	2,829	(5,628)	2,556
		7,034	9,257	(11,714)	4,577
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	5,633	3,359	(5,415)	3,577
Marine Trunk Infrastructure Reserve	Provision of marine facilities south of Redland Bay	183	-	-	183
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,389	118	-	5,507
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	15,532	669	-	16,201
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	14,903	2,373	(971)	16,305
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	39,530	7,447	(10,705)	36,272
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,709	1,683	(284)	15,108
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,996	743	-	11,739
Tree Planting Reserve	Acquisition and planting of trees on footpaths	342	92	(6)	428
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	19	-	(19)	-
Special Property Reserve	Acquisition of property in line with the strategic property framework	2,919	864	-	3,783
		109,155	17,348	(17,400)	109,103
Separate Charge Reserve:					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	-	12,640	(11,352)	1,288
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	123	460	(477)	106
		123	13,100	(11,829)	1,394
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	774	30	-	804
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	439	17	-	456
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	224	9	-	233
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)
		886	56	-	942
TOTALS		117,198	39,761	(40,943)	116,016
					Closing cash and cash equivalents 215,381
					Reserves as percentage of cash balance 54%

9. INTRIM CITY WATER STATEMENTS

INTERIM CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 30 June 2024					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	146,602	147,718	147,718	147,411	(307)
Total expenses	80,781	80,284	80,284	84,027	3,743
Earnings before interest, tax and depreciation (EBITD)	65,821	67,434	67,434	63,384	(4,050)
External interest expense	224	224	224	222	(2)
Internal interest expense	15,633	15,633	15,633	15,633	-
Depreciation	27,753	27,753	27,753	29,111	1,358
Operating surplus / (deficit)	22,210	23,823	23,823	18,418	(5,405)
INTERIM CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 30 June 2024					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	9,069	3,696	3,696	3,484	(212)
Net transfer (to) / from constrained capital reserves	1,930	2,045	2,045	(2,070)	(4,115)
Non-cash contributions	1,651	1,651	1,651	-	(1,651)
New loans	4,061	4,061	4,061	4,032	(29)
Funding from utility revenue	1,158	6,507	6,507	7,476	969
Total sources of capital funding	17,869	17,961	17,961	12,922	(5,039)
Contributed assets	1,651	1,651	1,651	-	(1,651)
Capitalised expenditure	15,406	15,498	15,498	12,077	(3,421)
Loan redemption	812	812	812	845	33
Total application of capital funds	17,869	17,961	17,961	12,922	(5,039)

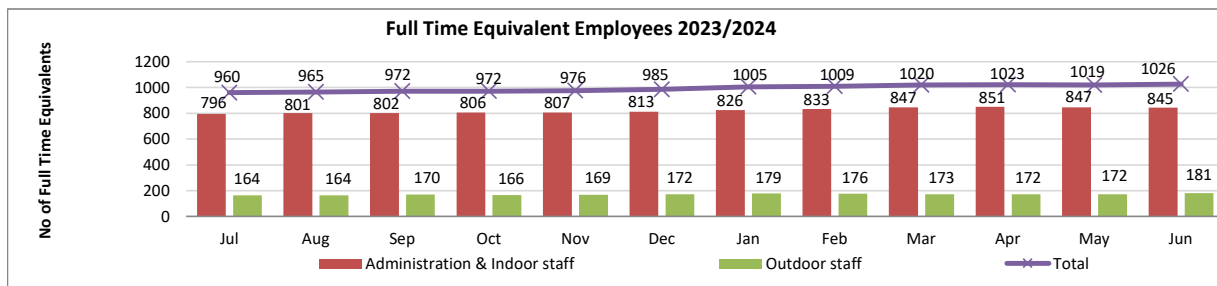
10. INTERIM CITY WASTE STATEMENTS

INTERIM CITY WASTE OPERATING STATEMENT					
For the period ending 30 June 2024					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	39,399	39,508	39,508	39,996	488
Total expenses	30,636	30,783	30,783	30,469	(314)
Earnings before interest, tax and depreciation (EBITD)	8,764	8,725	8,725	9,527	802
External interest expense	6	6	6	6	-
Depreciation	596	596	596	462	(134)
Operating surplus / (deficit)	8,162	8,123	8,123	9,059	936
INTERIM CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 30 June 2024					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	4,820	4,820	4,820	-	(4,820)
Funding from utility revenue	3,046	2,889	2,889	3,151	262
Total sources of capital funding	7,866	7,709	7,709	3,151	(4,558)
Capitalised expenditure	7,826	7,669	7,669	3,111	(4,558)
Loan redemption	40	40	40	40	-
Total application of capital funds	7,866	7,709	7,709	3,151	(4,558)

The Interim Water and Waste Statements will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2024. The financial statements will be presented as part of the 2023/2024 Annual Report.

11. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



June 2024: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance	7	48	8	63
Organisational Services	3	201	29	233
Community and Customer Services	69	301	67	437
Infrastructure and Operations	2	336	15	353
Advocacy, Major Projects and Economic Development	-	37	3	40
Total	81	923	122	1,126

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 June 2024 to June 2023									
Days Overdue	Jun-24	% Overdue	Jun-23	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Jun-24	Jun-23
0 - 30	\$0	0.0%	\$3,250	0.0%	-\$3,250	0.0%	Levied (Billed) Rates & Charges since 1 July 2023	\$332,949,264	\$310,695,632
31 - 60	\$3,701,357	1.1%	\$3,884,594	1.2%	-\$183,237	-0.1%	Rate arrears b/fwd 1 July 2023	\$9,226,293	\$9,031,746
61 - 90	\$0	0.0%	\$355	0.0%	-\$355	0.0%	Total	\$342,175,557	\$319,727,378
91 - 180	\$1,834,881	0.5%	\$1,704,240	0.5%	\$130,641	0.0%	Balance of overdue rates & charges	\$9,598,398	\$9,226,294
>180	\$4,062,160	1.2%	\$3,633,855	1.1%	\$428,305	0.1%	Percentage Overdue	2.8%	2.8%
Total	\$9,598,398	2.8%	\$9,226,294	2.8%	\$372,104	0.0%			

12. 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 (WIP):

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.

Current Replacement Cost:

The amount of money required to replace an existing asset with an equally valued or similar asset at the current market price.

Written Down Replacement Cost:

An asset's current replacement cost less accumulated depreciation.

Book Value of Debt:

The book value of Council's debt (QTC or other loans) as at the reporting date (i.e. 30 June).

Infrastructure Assets:

Those significant, long-life assets that provide ratepayers with access to social and economic facilities. Examples include water and sewerage treatment plants, roads, bridges, drainage, buildings, and other community assets (does not include right of use assets).

Definition of Ratios

<p>Council Controlled Revenue Ratio: This is an indicator of a Council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks</p>	$\frac{\text{Net Rates, Levies and Charges add Fees and Charges}}{\text{Total Operating Revenue}}$
<p>Population Growth: This is a key driver of a Council's operating income, service needs, and infrastructure requirements into the future</p>	$\frac{\text{Prior year estimated population}}{\text{Previous year estimated population}} - 1$
<p>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</p>	$\frac{\text{Operating Result}}{\text{Total Operating Revenue}}$
<p>Operating Cash Ratio: This measures the ability to cover core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs</p>	$\frac{\text{Operating Result add Depreciation and Amortisation add Finance Costs*}}{\text{Total Operating Revenue}}$
<p>Unrestricted Cash Expense Cover Ratio: This is an indicator of the unconstrained liquidity available to meet ongoing and emergent financial demands. It represents the number of months Council can continue operating based on current monthly expenses</p>	$\frac{(\text{Total Cash and Cash Equivalents add Current Investments add Available Ongoing QTC Working Capital Facility Limit less Externally Restricted Cash})}{(\text{Total Operating Expenditure less Depreciation and Amortisation less Finance Costs*})} \times 12$
<p>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</p>	$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$
<p>Asset Consumption Ratio: This measures the extent to which Council's infrastructure assets have been consumed to what it would cost to build a new asset with the same benefit to the community</p>	$\frac{\text{Written Down Replacement Cost of Depreciable Infrastructure Assets}}{\text{Current Replacement Cost of Depreciable Infrastructure Assets}}$
<p>Asset Renewal Funding Ratio: This ratio measures the ability of a Council to fund its projected asset renewal/replacements in the future</p>	$\frac{\text{Total of Planned Capital Expenditure on Asset Renewals over 10 years}}{\text{Total of Required Capital Expenditure on Asset Renewals over 10 years}}$
<p>Leverage Ratio: This is an indicator of a Council's ability to repay its existing debt. It measures the relative size of the Council's debt to its operating performance</p>	$\frac{\text{Book Value of Debt**}}{\text{Total Operating Revenue less Total Operating Expenditure add Depreciation and Amortisation}}$
<p>Net Financial Liabilities: This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</p>	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$

* Finance costs only include interest charged on Council's existing QTC debt balances and any other Council loans

** Book Value of Debt only includes the book value of the Council's debt (QTC or other loans) as at the reporting date