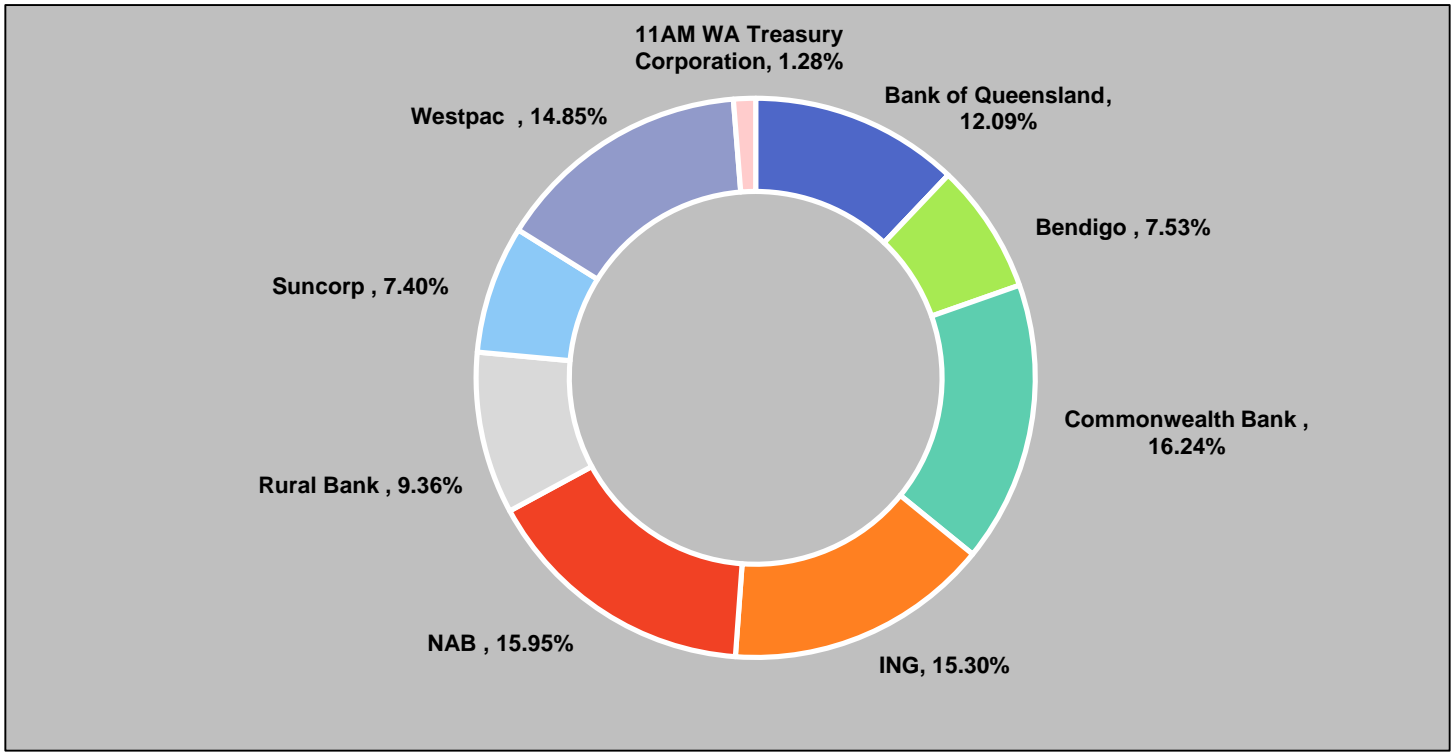


	Notes	Revised Budget	YTD Adopted Budget	YTD Actual	YTD Variance \$	YTD Variance %
<b>OPERATING REVENUE</b>						
Rates		(103,689,389)	(103,689,389)	(103,720,060)	30,671	0%
Specified Area Rates		(708,239)	(708,239)	(708,462)	223	0%
Grants and Subsidies	1	(3,281,243)	(2,327,185)	(2,420,655)	93,470	4%
Contributions Reimbursements and Donations		(1,098,152)	(769,000)	(756,332)	(12,668)	(2)%
Profit on Asset Disposals	2	(330,299)	(280,875)	(337,633)	56,758	20%
Fees and Charges		(41,778,996)	(35,418,250)	(35,427,088)	8,838	0%
Interest Earnings		(3,448,964)	(2,772,004)	(2,788,249)	16,245	1%
Other Revenue/Income	3	(528,651)	(368,651)	(430,466)	61,815	17%
<b>Total Operating Revenue</b>		<b>(154,863,931)</b>	<b>(146,333,593)</b>	<b>(146,588,945)</b>	<b>255,352</b>	<b>(0)%</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	4	64,393,916	43,270,364	42,510,752	759,612	2%
Materials and Contracts	5	53,992,338	31,097,601	29,036,260	2,061,341	7%
Utilities (gas, electricity, water etc.)	6	6,070,714	3,984,623	3,848,415	136,208	3%
Depreciation & Amortisation of Non-Current Assets	7	32,210,956	21,188,559	20,546,122	642,437	3%
Loss on Asset Disposals		662,015	261,818	274,852	(13,034)	(5)%
Interest Expenses		511,296	345,678	360,711	(15,033)	(4)%
Insurance Expenses		1,403,330	1,401,656	1,414,756	(13,100)	(1)%
<b>Total Operating Expenses</b>		<b>159,244,565</b>	<b>101,550,299</b>	<b>97,991,868</b>	<b>3,558,431</b>	<b>4%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS</b>		<b>4,380,636</b>	<b>(44,783,294)</b>	<b>(48,597,077)</b>	<b>3,813,783</b>	<b>9%</b>
<b>OPERATING NON-CASH ADJUSTMENTS</b>						
Depreciation & Amortisation of Non Current Assets		(32,210,956)	(21,188,559)	(20,546,122)	(642,437)	(3)%
Loss on Asset Disposal		(662,015)	(261,818)	(274,852)	13,034	5%
Profit on Asset Disposals		330,299	280,875	337,633	(56,758)	20%
Other Non-Current items						
Movement in Non-current Items	8	(100,000)	(100,000)	184,483	(284,483)	(284)%
<b>OPERATING CASH (SURPLUS)/DEFICIT</b>		<b>(28,262,037)</b>	<b>(66,052,796)</b>	<b>(68,895,935)</b>	<b>2,843,139</b>	<b>4%</b>
<b>NON-OPERATING REVENUE</b>						
Capital Grants and Subsidies		(7,062,993)	(3,108,929)	(3,092,828)	(16,101)	(1)%
Capital Contributions		(1,137,368)	(342,368)	(342,064)	(304)	(0)%
Equity Distribution - TPRC		(500,000)	-	-	-	0%
Other Non-Operating Revenue	9	(19,274)	(19,274)	(47,810)	28,536	100%
<b>Total Non-Operating Revenue</b>		<b>(8,719,635)</b>	<b>(3,470,571)</b>	<b>(3,482,702)</b>	<b>12,131</b>	<b>0%</b>
<b>CAPITAL EXPENDITURE</b>						
Capital Projects	10	3,577,896	1,604,417	1,236,515	367,902	23%
Capital Works		37,400,464	14,256,094	14,236,316	19,778	0%
Vehicle and Plant Replacements	11	2,294,161	688,311	584,201	104,110	15%
Loan Repayment Principal		3,324,328	1,856,056	1,856,056	-	0%
Equity Investment		-	-	-	-	(100)%
<b>Total Capital Expenditure</b>		<b>46,596,849</b>	<b>18,404,878</b>	<b>17,913,088</b>	<b>491,790</b>	<b>3%</b>
<b>CAPITAL (SURPLUS)/DEFICIT</b>		<b>37,877,214</b>	<b>14,934,307</b>	<b>14,430,386</b>	<b>503,921</b>	<b>3%</b>
<b>(SURPLUS)/DEFICIT FROM OPERATIONS AND CAPITAL</b>		<b>9,615,174</b>	<b>(51,118,489)</b>	<b>(54,465,549)</b>	<b>3,347,060</b>	<b>7%</b>
<b>FUNDING</b>						
Proceeds from Disposal	12	(3,222,881)	(1,451,361)	(1,292,398)	(158,963)	(11)%
Loans - New Borrowings		-	-	-	-	0%
Transfer from Trust		(2,189,285)	-	-	-	0%
Transfer from Reserve		(15,292,263)	-	-	-	0%
Transfer to Reserve		13,091,020	-	-	-	0%
Transfer to Accumulated Surplus		-	-	-	-	0%
Transfer from Accumulated Surplus		-	-	-	-	0%
Opening Funds		(5,581,095)	(5,581,095)	(5,581,095)	-	0%
<b>CLOSING FUNDS</b>	13	<b>(3,579,330)</b>	<b>(58,150,945)</b>	<b>(61,339,042)</b>	<b>3,188,097</b>	<b>5%</b>

**INVESTMENT SUMMARY**

February-20

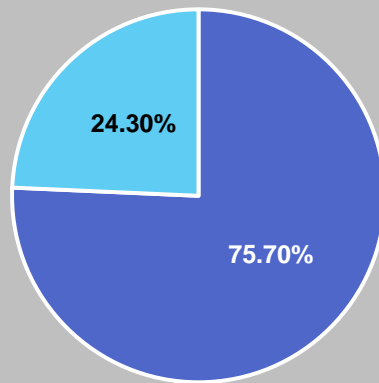


Municipal Funds	\$82,940,228	YTD Return	1.64%
Reserve Funds	\$80,574,772	Benchmark	1.25%
	<u>\$163,515,000</u>	RBA Rate	0.75%

<b>Investment Policy Limits</b>					
	<u>LT Rating</u>	<u>Limit</u>		<u>LT Rating</u>	<u>Limit</u>
Bank of Queensland	A-*	10%	NAB	AA-	25%
Bankwest	AA-	25%	Rural Bank	A-*	10%
Bendigo	A-*	10%	Suncorp	A+	15%
Commonwealth Bank	AA-	25%	Westpac	AA-	25%
ING	A+	15%	11AM WATC	AA+	25%

\*S&P Long Term Rating BBB, Based on the investment policy the Long Term Rating Used is (A-) Based on Moody's and Fitch Rating

**Financial Institutions (FI) Investing Vs Not Investing in Fossil Fuels\***



■ F.I. Investing in Fossil Fuel    ■ F.I. Not Investing in Fossil Fuels

\*Based on Market Forces ratings (<http://marketforces.org.au/>)

**NOTES TO AND FORMING PART OF THE FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 29 FEBRUARY 2020**

**1. Grants and Subsidies \$93,470**

This favourable variance arose from the City being successful in grant applications from the Department of the Environment and Energy. Four projects for \$20,000 was received for Projects Coastal Fencing, Littorina Park Natural Area rehabilitation, Warwick Open Space bushland and Trigonometric park natural area.

**2. Profit on Asset Disposals \$56,758**

This favourable timing variance arose due to the timing of the disposal of surplus land holdings and profit on sale of land at Tamala Park \$120,451, partially offset by an unfavourable timing variance for the disposal of replaced Vehicles, Plant and Equipment (\$63,693).

**3. Other Revenue \$61,815**

This favourable variance arose mainly from Correction & Adjustments-Credit (prior year) \$47,282 that will be adjusted to retained earnings in the end of financial year and additional discount received \$9,252.

**4. Employee Costs \$759,612**

	YTD Budget	YTD Actual	Variance
a) Salaries and Wages	\$41,264,182	\$40,729,367	\$534,815
b) Other Employment Costs	\$2,006,182	\$1,781,385	\$224,797
	<u>\$43,270,364</u>	<u>\$42,510,752</u>	<u>\$759,612</u>

a) Favourable timing variances for Salaries and Wages arose from vacancies in various areas.

b) Favourable timing variances arose mainly from Other Employee Costs \$151,687 and Standard Labour Recoveries Capital \$113,700, offset by agency costs (\$117,759) to cover some vacant positions.

**5. Materials and Contracts \$2,061,341**

	YTD Budget	YTD Actual	Variance
a) Administration	\$845,374	\$685,561	\$159,813

Favourable Variance
Unfavourable Variance

b)	Accommodation & Property	\$727,506	\$676,353	\$51,153
c)	Members Costs	\$508,151	\$450,341	\$57,810
d)	Furniture, Equipment & Artworks	\$1,372,327	\$1,204,740	\$167,587
e)	External Service Expenses	\$12,590,128	\$11,603,640	\$986,488
f)	Contributions & Donations	\$925,797	\$745,753	\$180,044
g)	Other Materials	\$1,366,903	\$1,526,188	(\$159,285)
h)	Computing	\$1,663,726	\$1,546,352	\$117,374
i)	Public Relations, Advertising & Promotions	\$710,287	\$515,040	\$195,247
j)	Professional Fees & Costs	\$1,459,437	\$1,196,909	\$262,528
	Other Materials & Contracts	\$8,927,965	\$8,885,383	\$42,582
		<u>\$31,097,601</u>	<u>\$29,036,360</u>	<u>\$2,061,341</u>

- a) This favourable timing variance arose mainly from Printing \$43,215, Council Election Costs \$32,967 and Photography and Video Production \$26,416. The balances of variances are spread across a number of areas.
- b) This favourable variance arose mainly from Refuse Removal Charges \$35,342 and Rental and Outgoings \$18,269. The balances of variances are spread across a number of areas.
- c) This favourable variance arose mainly from Elected Members Conferences and Training \$48,346.
- d) Favourable timing variances arose mainly from Plant and Equipment Purchase – Minor \$165,987. The balance of variances are spread across a number of areas.
- e) Favourable variances arose mainly from General Waste Tipping Fees \$167,423 and External Contractors and Services \$756,496 spread across various areas due to timing of costs including Natural Areas \$205,220, Recreational Services \$138,839, City Projects \$92,792 and Parks \$43,556. The balances of variances are spread across a number of areas.
- f) This favourable variance arose mainly from Grants & Contributions Made \$115,436 and Community Funding Program \$30,881. The balances of variances are spread across a number of areas.
- g) This unfavourable timing variance arose predominantly from External Material Purchases – Contract (\$135,651) and External Materials-Day Labour-(\$24,122).
- h) This favourable variance arose mainly from Computer Software Subscriptions \$77,154 and Data Communication Links \$46,625. The balances of variances are spread across a number of areas.
- i) Favourable variances arose across a number of areas including Advertising-General \$104,025, Catering \$35,799 and Promotions \$34,698.
- j) Favourable timing variances arose mainly from Consultancy \$113,609 and Legal Expenses Recoverable \$51,894.

**6. Utilities \$136,208**

Favourable timing variances arose mainly from Electricity costs for Roads \$115,705, Buildings \$54,241 partially offset by a favourable timing variance for Parks (\$40,426). The balances of variances are spread across a number of areas.

**7. Depreciation \$642,437**

Favourable variances arose for Impairment/Write off assets \$517,118, Depreciation – Buildings \$48,548 and Depreciation – Road Infrastructure \$39,052. The balances of the variances are spread across a number of areas.

**8. Movement in Non-Current Items (\$284,483)**

This timing variance arose in respect of a decrease to Non-current Long Service Leave Liability, which is long service leave accrued in respect of service less than 7 years and not yet eligible to be paid out or accessed.

**9. Other non-operating revenue \$28,536**

This favourable timing variance arose from GST refunds in respect of TPRC land sales undertaken.

**10. Capital Projects \$367,902**

	YTD Budget	YTD Actual	Variance
a) Automation Accounts Payable	\$267,060	\$83,636	\$183,424
b) Network Infrastructure Upgrade Program	\$179,000	\$125,194	\$53,806
c) Cafes/Restaurants/Kiosks	\$158,231	\$106,045	\$52,186
d) IT Disaster Recovery Facilities	\$59,810	\$114,082	(\$54,272)
Other Projects	\$940,316	\$807,558	\$132,758
	<u>\$1,604,417</u>	<u>\$1,236,515</u>	<u>\$367,902</u>

a) This favourable timing variance arose due to the project progressing behind initial estimates with expenditure to increase over the coming months.

b) Expenditure of this project is anticipated to increase over the coming months, as this project progresses.

c) A favourable timing variance arose for this project which is progressing behind schedule.

d) An unfavourable timing variance arose due to this project progressing ahead of budget phasing.

Favourable Variance
Unfavourable Variance

**11. Vehicle and Plant Replacements****\$104,110**

This favourable timing variance arose from one 4WD Tractor \$104,110 with the order placed awaiting delivery.

**12. Proceeds from Disposal****(\$158,963)**

The timing of the disposal of Fleet and Plant assets generated an unfavourable variance of (\$158,963).

**13. Closing Funds****\$3,188,097**

	<b>June 2019</b>	<b>February 2020</b>
<b>Current Assets</b>		
Cash and Investments	\$111,629,542	\$163,551,961
Rates Outstanding, Sundry Debtors and Other Receivables	\$4,014,542	\$8,392,167
Accrued Income	\$1,437,933	\$1,092,795
Prepayments	\$475,123	\$342,608
Inventories	\$245,434	\$154,394
<b>Total Current Assets</b>	<b>\$117,802,574</b>	<b>\$173,533,925</b>
<b>Current Liabilities</b>		
Trade Creditors	\$4,911,992	\$699,011
Sundry Payables	\$563,195	\$10,642,433
Accrued Expenses	\$5,512,097	\$3,605,569
Other Payables	\$4,150,599	-
Borrowings	\$3,324,328	\$1,468,272
Provision for Annual Leave	\$4,644,369	\$4,390,937
Provision for Long Service Leave	\$6,285,252	\$6,257,142
Provision for Workers Compensation Insurance	\$2,562,776	\$2,879,457
Provision for Sick Leave	\$994,195	\$1,152,503
Other Provisions	\$194,957	\$165,784
<b>Total Current Liabilities</b>	<b>\$33,143,760</b>	<b>\$31,261,108</b>
<b>Net Current Assets</b>	<b>\$84,658,814</b>	<b>\$142,272,817</b>
<b>Add back: Borrowings</b>	<b>\$3,324,328</b>	<b>\$1,468,272</b>
<b>Less: Cash Backed Reserves</b>	<b>\$82,402,047</b>	<b>\$82,402,047</b>
<b>Closing Funds – Surplus/(Deficit)</b>	<b>\$5,581,095</b>	<b>\$61,339,042</b>

**Favourable Variance****Unfavourable Variance**