



# Monthly Financial Report

October 2015

## CONTENTS

1.	Executive Summary	3
2.	Key Performance Indicators	4
3.	Statement of Comprehensive Income	5
4.	Statement of Cash Flows	6
5.	Statement of Financial Position	7
6.	Operating Statement	8
7.	Capital Funding Statement	9
8.	Redland Water & RedWaste Statements	10
9.	Investment & Borrowings Report	11
10.	Constrained Cash Reserves	12
11.	Glossary	13
12.	Appendix: Additional and Non-financial Information	14

## 1. EXECUTIVE SUMMARY

This monthly report is designed to illustrate the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 October 2015. The revised annual budget referred to in this report incorporates the changes from the budget carryovers adopted by Council on 9 September 2015. The first budget review is currently underway and should address some of the variances in this report.

### Key financial highlights and overview

Key Financial Results	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Variance %	Status
Operating Surplus/(Deficit)	106	18,639	18,736	97	1%	✓
Recurrent Revenue	238,152	92,032	95,328	3,296	4%	✓
Recurrent Expenditure	238,046	73,393	76,592	3,199	4%	⚠
Capital Works Expenditure	92,267	16,281	15,646	(635)	-4%	✓
Closing Cash & Cash Equivalents	84,967	147,793	127,071	(20,722)	-14%	✗

#### Status Legend:

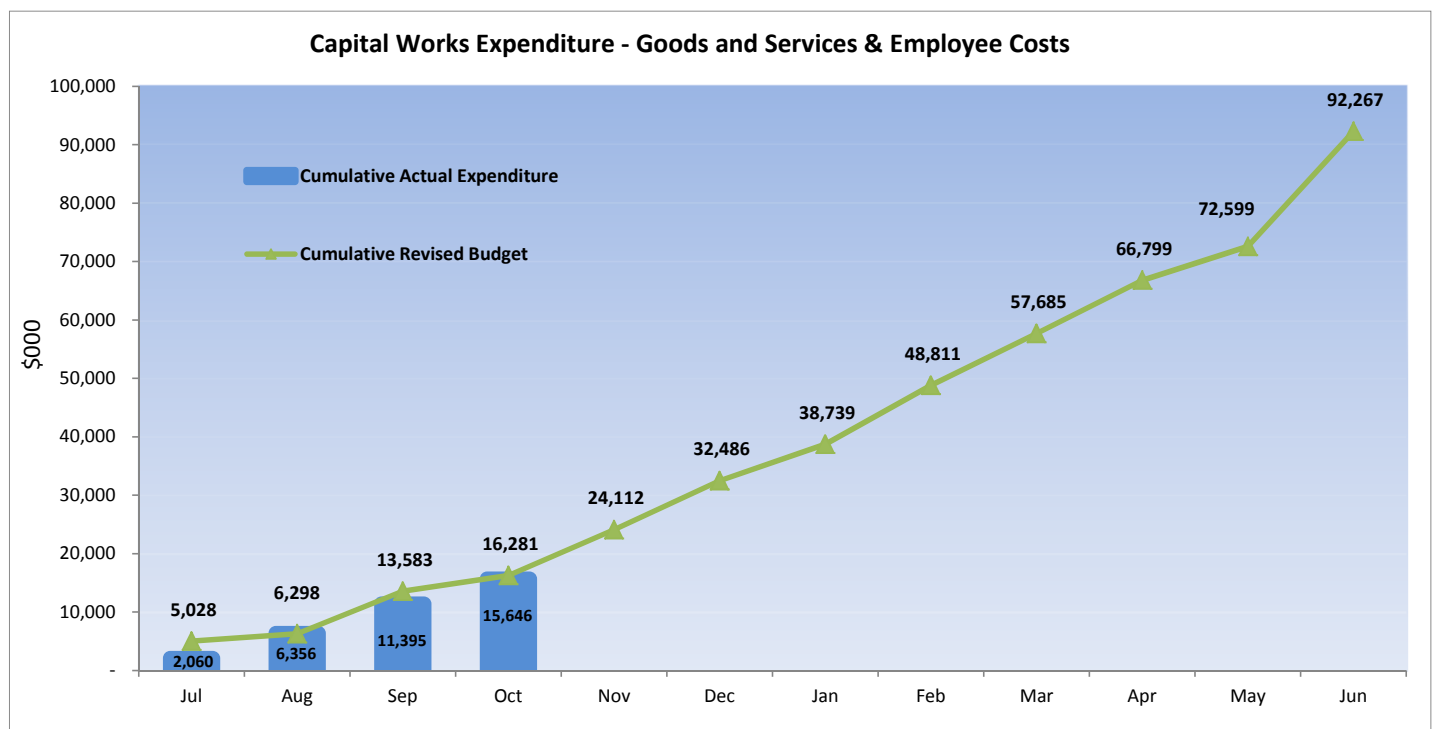
Note: all amounts are rounded to the nearest thousand dollars.

Above budgeted revenue or under budgeted expenditure	✓
Below budgeted revenue or over budgeted expenditure <10%	⚠
Below budgeted revenue or over budgeted expenditure >10%	✗

The year to date operating surplus of \$18.74M appears to be on track with a variance of only \$97K to the year to date revised budget. The favourable variance is a combination of higher than budgeted revenue (due to increased development activities in the Redland area and timing of the Financial Assistance Grant received from the Department of Infrastructure, Local Government and Planning (DILGP)), partly offset by an unfavourable variance in materials and services of \$3.29M.

Capitalised works expenditure is behind budget by \$635K. This is mainly attributable to the timing of works for a number of projects which have not yet commenced or are still in the early stages of being progressed.

Council's cash balance fluctuates in line with the general rating cycle. General rates notices for Q2 were issued in October but these are not due for payment until November. As a result receipts are generally lower in the rating month. Year to date payments to suppliers and employees are higher than anticipated, contributing to a lower than anticipated cash balance at 31 October 2015.



## 2. KEY PERFORMANCE INDICATORS

### Key performance indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget 2015/2016	YTD October 2015	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	0.04%	19.65%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	92.21%	25.53%	✗
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	-6.98%	-90.48%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	33.58%	41.08%	✗
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	2.91	3.82	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.34%	2.78%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$84.967M	\$127.071M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	5.30	7.53	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.06%	2.16%	✓
Operating Performance (%)	Target greater than or equal to 20%	18.08%	15.42%	✗
Interest Cover Ratio (%)	Target between 0% and 5%	-0.04%	-0.34%	✓

#### Status Legend

KPI target achieved or exceeded	✓	KPI target not achieved	✗
---------------------------------	---	-------------------------	---

The revised budgeted ratios for 2015/2016 incorporate the changes from the budget carryovers adopted by Council on 9 September 2015.

### 3. STATEMENT OF COMPREHENSIVE INCOME

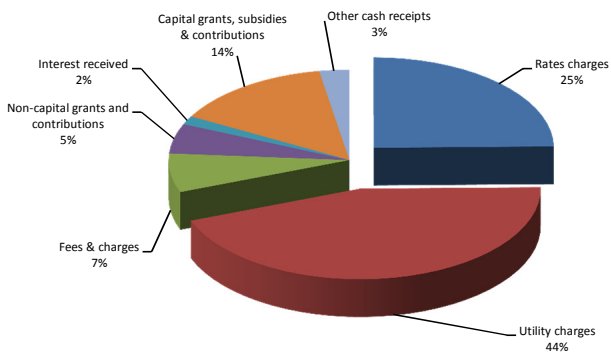
STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 October 2015					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>					
Rates, levies and charges	207,421	207,421	83,175	82,529	(646)
Fees and charges	11,638	11,638	3,672	5,010	1,338
Rental income	890	890	256	265	9
Interest received	3,355	3,355	1,118	1,410	292
Investment returns	3,234	3,234	-	-	-
Sales revenue	3,385	3,385	1,182	1,476	294
Other income	645	645	348	554	206
Grants, subsidies and contributions	7,584	7,584	2,281	4,084	1,803
<b>Total recurrent revenue</b>	<b>238,152</b>	<b>238,152</b>	<b>92,032</b>	<b>95,328</b>	<b>3,296</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	13,176	13,176	9,909	13,342	3,433
Non-cash contributions	3,079	3,079	27	89	62
<b>Total capital revenue</b>	<b>16,255</b>	<b>16,255</b>	<b>9,936</b>	<b>13,431</b>	<b>3,495</b>
<b>TOTAL INCOME</b>	<b>254,407</b>	<b>254,407</b>	<b>101,968</b>	<b>108,759</b>	<b>6,791</b>
<b>Recurrent expenses</b>					
Employee benefits	77,404	77,404	26,612	26,527	(85)
Materials and services	106,010	106,010	28,931	32,056	3,125
Finance costs	4,657	4,657	1,192	1,204	12
Depreciation and amortisation	49,975	49,975	16,658	16,805	147
<b>Total recurrent expenses</b>	<b>238,046</b>	<b>238,046</b>	<b>73,393</b>	<b>76,592</b>	<b>3,199</b>
<b>Capital expenses</b>					
(Gain)/Loss on disposal of non-current assets	412	412	694	(116)	(810)
<b>Total capital expenses</b>	<b>412</b>	<b>412</b>	<b>694</b>	<b>(116)</b>	<b>(810)</b>
<b>TOTAL EXPENSES</b>	<b>238,458</b>	<b>238,458</b>	<b>74,087</b>	<b>76,476</b>	<b>2,389</b>
<b>NET RESULT</b>	<b>15,949</b>	<b>15,949</b>	<b>27,881</b>	<b>32,283</b>	<b>4,402</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>15,949</b>	<b>15,949</b>	<b>27,881</b>	<b>32,283</b>	<b>4,402</b>

## 4. STATEMENT OF CASH FLOWS

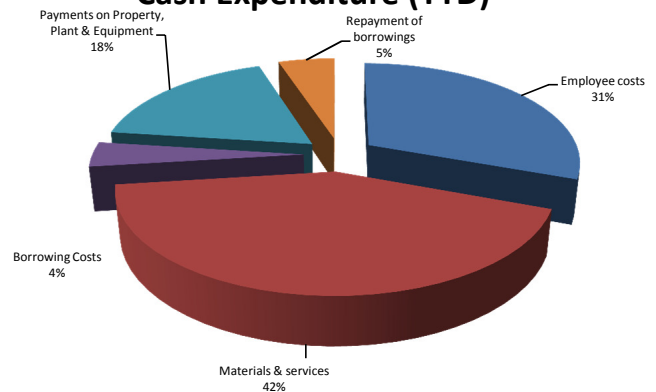
### STATEMENT OF CASH FLOWS For the period ending 31 October 2015

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	223,088	223,088	88,378	73,111
Payments to suppliers and employees	(189,183)	(189,183)	(56,560)	(63,972)
	<b>33,905</b>	<b>33,905</b>	<b>31,818</b>	<b>9,139</b>
Interest received	3,355	3,355	1,118	1,410
Rental income	890	890	256	265
Non-capital grants and contributions	7,584	7,584	2,281	4,975
Borrowing costs	(3,257)	(3,257)	(1,086)	(3,490)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>42,478</b>	<b>42,478</b>	<b>34,387</b>	<b>12,299</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(78,998)	(92,267)	(16,281)	(15,645)
Payments for intangible assets	(100)	-	-	-
Proceeds from sale of property, plant and equipment	1,716	1,716	15	210
Capital grants, subsidies and contributions	13,176	13,176	9,910	13,342
Other cash flows from investing activities	3,234	3,234	-	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(59,972)</b>	<b>(74,142)</b>	<b>(6,356)</b>	<b>(2,093)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	-	-	-	-
Repayment of borrowings	(4,696)	(4,696)	(1,565)	(4,462)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,696)</b>	<b>(4,696)</b>	<b>(1,565)</b>	<b>(4,462)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(22,191)</b>	<b>(36,360)</b>	<b>26,466</b>	<b>5,744</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>84,087</b>	<b>121,327</b>	<b>121,327</b>	<b>121,327</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>61,896</b>	<b>84,967</b>	<b>147,793</b>	<b>127,071</b>

### Cash Funding (YTD)



### Cash Expenditure (YTD)



Total Cash Funding (Actual YTD)	93,314	Total Cash Expenditure (Actual YTD)	87,569
Total Cash Funding (Annual Revised Budget)	253,043	Total Cash Expenditure (Annual Revised Budget)	289,403
% of Budget Achieved YTD	37%	% of Budget Achieved YTD	30%

## 5. STATEMENT OF FINANCIAL POSITION

<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>As at 31 October 2015</b>				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	61,896	84,967	147,793	127,071
Trade and other receivables	26,046	25,017	25,017	54,100
Inventories	845	779	779	791
Non-current assets held for sale	354	1,309	7,244	10,212
Other current assets	1,154	1,104	1,104	7,638
<b>Total current assets</b>	<b>90,295</b>	<b>113,176</b>	<b>181,937</b>	<b>199,812</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	893	956	956	956
Property, plant and equipment	2,118,731	2,285,276	2,240,461	2,240,381
Intangible assets	916	2,839	3,350	3,325
Other financial assets	73	73	73	73
Investment in other entities	10,063	10,063	4,128	1,160
<b>Total non-current assets</b>	<b>2,130,676</b>	<b>2,299,207</b>	<b>2,248,968</b>	<b>2,245,895</b>
<b>TOTAL ASSETS</b>	<b>2,220,971</b>	<b>2,412,383</b>	<b>2,430,905</b>	<b>2,445,707</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	15,369	15,551	15,547	12,716
Borrowings	5,559	4,482	4,482	4,482
Provisions	8,053	16,126	19,734	18,512
Other current liabilities	1,282	2,694	2,694	16,567
<b>Total current liabilities</b>	<b>30,263</b>	<b>38,853</b>	<b>42,457</b>	<b>52,277</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	44,200	45,277	48,408	48,406
Provisions	10,769	12,433	12,287	12,873
<b>Total non-current liabilities</b>	<b>54,969</b>	<b>57,710</b>	<b>60,695</b>	<b>61,279</b>
<b>TOTAL LIABILITIES</b>	<b>85,232</b>	<b>96,563</b>	<b>103,152</b>	<b>113,556</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,135,739</b>	<b>2,315,820</b>	<b>2,327,753</b>	<b>2,332,151</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	668,685	827,411	827,411	827,411
Retained surplus	1,415,250	1,436,714	1,414,910	1,413,027
Constrained cash reserves	51,804	51,695	85,432	91,713
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,135,739</b>	<b>2,315,820</b>	<b>2,327,753</b>	<b>2,332,151</b>

The annual revised budget incorporate the changes from the budget carryovers adopted by Council on 9 September 2015.

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 October 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Revenue</b>					
Rates charges	82,760	82,760	41,380	40,516	(864)
Levies and utility charges	128,121	128,121	43,402	43,540	138
<i>Less: Pensioner remissions and rebates</i>	(3,461)	(3,461)	(1,607)	(1,527)	80
Fees and charges	11,638	11,638	3,672	5,010	1,338
Operating grants and subsidies	7,053	7,053	2,198	3,924	1,726
Operating contributions and donations	531	531	83	160	77
Interest external	3,355	3,355	1,118	1,410	292
Investment returns	3,234	3,234	-	-	-
Other revenue	4,919	4,919	1,786	2,295	509
<b>Total revenue</b>	<b>238,152</b>	<b>238,152</b>	<b>92,032</b>	<b>95,328</b>	<b>3,296</b>
<b>Expenses</b>					
Employee benefits	77,404	77,404	26,612	26,527	(85)
Materials and services	106,542	106,542	29,081	32,374	3,293
Finance costs other	1,400	1,400	106	121	15
Other expenditure	347	347	143	134	(9)
Net internal costs	(879)	(879)	(293)	(453)	(160)
<b>Total expenses</b>	<b>184,814</b>	<b>184,814</b>	<b>55,649</b>	<b>58,703</b>	<b>3,054</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>53,338</b>	<b>53,338</b>	<b>36,383</b>	<b>36,625</b>	<b>242</b>
Interest expense	3,257	3,257	1,086	1,084	(2)
Depreciation and amortisation	49,975	49,975	16,658	16,805	147
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>106</b>	<b>106</b>	<b>18,639</b>	<b>18,736</b>	<b>97</b>

### Levies and utility charges breakup For the period ending 31 October 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Levies and utility charges</b>					
Refuse charges	20,051	20,051	6,684	6,567	(117)
Special charges	3,874	3,874	1,968	1,972	4
Environment levy	5,830	5,830	2,915	2,951	36
Landfill remediation charge	2,677	2,677	892	902	10
Wastewater charges	40,114	40,114	13,372	13,770	398
Water access charges	17,817	17,817	5,939	5,957	18
Water consumption charges	37,759	37,759	11,632	11,421	(211)
<b>Total Levies and utility charges</b>	<b>128,121</b>	<b>128,121</b>	<b>43,402</b>	<b>43,540</b>	<b>138</b>



## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 October 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Sources of capital funding</b>					
Capital contributions and donations	6,133	6,133	8,964	11,318	2,354
Capital grants and subsidies	7,043	7,043	945	2,024	1,079
Proceeds on disposal of non-current assets	1,716	1,716	15	210	195
Capital transfers (to)/ from reserves	14,566	26,760	(4,646)	(10,018)	(5,372)
Non-cash contributions	3,080	3,079	27	89	62
New loans	-	-	-	-	-
Funding from general revenue	53,336	55,311	12,568	13,679	1,111
<b>Total sources of capital funding</b>	<b>85,873</b>	<b>100,042</b>	<b>17,873</b>	<b>17,302</b>	<b>(571)</b>
<b>Application of capital funds</b>					
Contributed assets	3,080	3,079	27	89	62
Capitalised goods and services	72,366	86,535	15,017	13,825	(1,192)
Capitalised employee costs	5,732	5,732	1,264	1,821	557
Loan redemption	4,696	4,696	1,565	1,567	2
<b>Total application of capital funds</b>	<b>85,873</b>	<b>100,042</b>	<b>17,873</b>	<b>17,302</b>	<b>(571)</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,131)	(11,131)	(4,934)	(5,447)	(513)
Transfers from constrained operating reserves	10,509	10,509	1,980	1,585	(395)
WDV of assets disposed	2,128	2,128	709	94	(615)

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the Period Ending 31 October 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	97,659	97,659	31,599	32,137	538
Total expenses	53,982	53,982	17,621	16,374	(1,247)
Earnings before interest, tax and depreciation (EBITD)	43,677	43,677	13,978	15,763	1,785
Interest expense	-	-	-	-	-
Depreciation	17,081	17,081	5,694	5,562	(131)
Operating surplus/(deficit)	26,596	26,596	8,284	10,201	1,916

### REDLAND WATER CAPITAL FUNDING STATEMENT For the Period Ending 31 October 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Original Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants & subsidies	3,500	3,500	2,701	3,148	446
Net transfer (to)/from constrained capital reserves	(2,714)	7,533	(1,423)	(2,774)	(1,351)
Other	3,000	3,000	-	-	-
Funding from utility revenue	17,680	14,512	973	3,091	2,118
<b>Total sources of capital funding</b>	<b>21,466</b>	<b>28,545</b>	<b>2,251</b>	<b>3,465</b>	<b>1,214</b>
Contributed assets	3,000	3,000	-	-	-
Capitalised expenditure	18,466	25,545	2,251	3,465	1,214
Loan redemption	-	-	-	-	-
<b>Total applications of capital funds</b>	<b>21,466</b>	<b>28,545</b>	<b>2,251</b>	<b>3,465</b>	<b>1,214</b>

### REDWASTE SUMMARY OPERATING STATEMENT For the Period Ending 31 October 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Original Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	21,810	21,810	7,275	7,182	(93)
Total expenses	15,678	15,678	5,160	4,987	(173)
Earnings before interest, tax and depreciation (EBITD)	6,131	6,131	2,115	2,195	80
Interest expense	42	42	14	13	(1)
Depreciation	553	553	184	175	(9)
Operating surplus/(deficit)	5,537	5,537	1,917	2,007	90

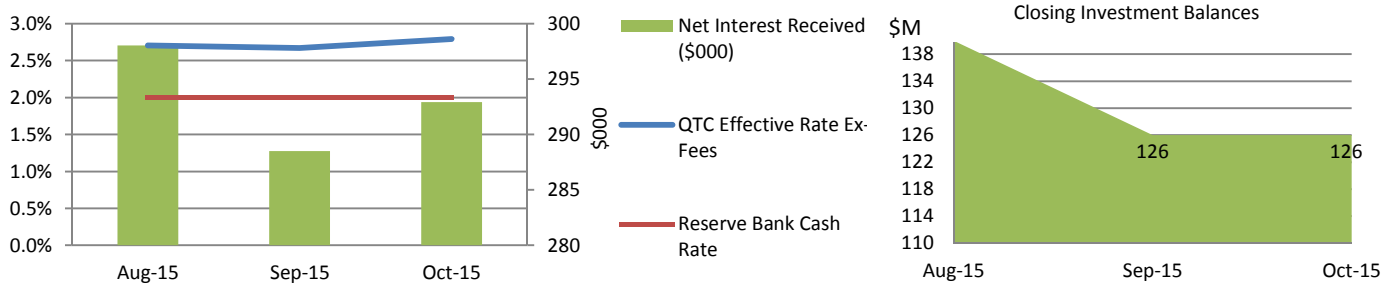
### REDWASTE CAPITAL FUNDING STATEMENT For the Period Ending 31 October 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Original Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants & subsidies	-	-	-	-	-
Net transfer (to)/from constrained capital reserves	-	-	-	-	-
Other	-	-	-	-	-
Funding from utility revenue	1,639	2,226	323	320	(3)
<b>Total sources of capital funding</b>	<b>1,639</b>	<b>2,226</b>	<b>323</b>	<b>320</b>	<b>(3)</b>
Contributed assets	-	-	-	-	-
Capitalised expenditure	1,570	2,157	300	296	(4)
Loan redemption	69	69	23	24	1
<b>Total applications of capital funds</b>	<b>1,639</b>	<b>2,226</b>	<b>323</b>	<b>320</b>	<b>(3)</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 October 2015

### INVESTMENT RETURNS



**Total Investment at End of Month was \$126.23M**

#### Current Position

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. The movement in investment balances are reflective of the rating cycle.

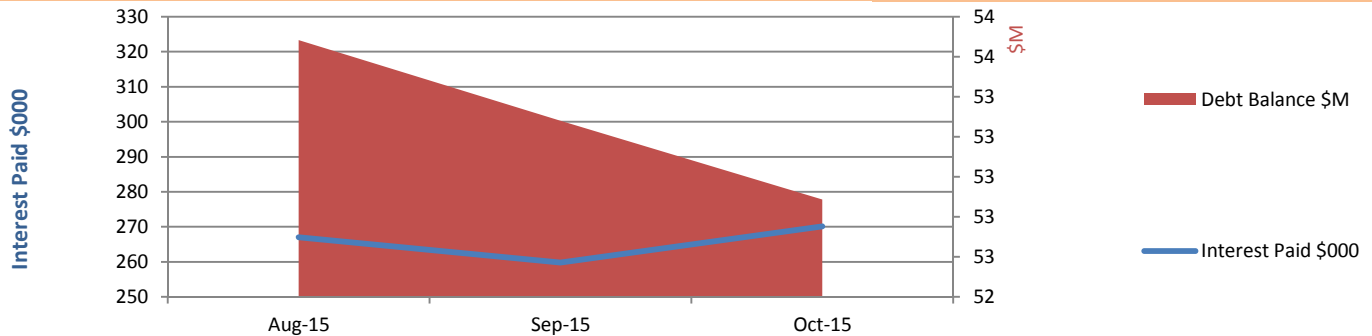
Note: the Reserve Bank reduced the cash rate down to 2% in its May sitting and maintained this position through to its November sitting.

The Tax and Treasury Team's recommendation that Council diversify its investments outside of QTC to maximise returns has received approval from management. The Team has now completed procurement procedures to achieve this outcome and is reviewing term deposit rates in the market to take advantage of any opportunities.

In the meantime the Team ensures Council maximises its interest earnings on a daily basis by depositing surplus funds at QTC for a higher rate than is achieved from the bank transaction account.

Council adopted its revised Investment Policy in April 2015 for the 2015-16 financial year

### BORROWING COSTS



**Total Borrowings at End of Month was \$52.89M**



#### Current Position

Debt is split into 6, 9 and 12 year pools with repayment made *annually* in advance for 2015-16.

By prepaying the interest annually in 2015-16, it is expected that Council will save in excess of \$50,000 in interest over the financial year.

The movement in interest expense is reflective of the capitalisation of the interest each month along with market movements.

Council adopted its revised Debt Policy in June 2015 for the 2015-16 financial year

### 10. CONSTRAINED CASH RESERVES

Reserves as at 31 October 2015	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,492	121	(1)	2,612
Red Art Gallery Commissions & Donations Res	2	-	-	2
	<b>2,494</b>	<b>121</b>	<b>(1)</b>	<b>2,614</b>
<b>Utilities Reserve:</b>				
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>9,900</b>	<b>-</b>	<b>-</b>	<b>9,900</b>
<b>Constrained Works Reserve:</b>				
Tree Planting Reserve	23	32	-	55
Parks Reserve	6,006	1,908	(1)	7,913
East Thornlands Road Infra Reserve	674	-	-	674
Community Facility Infrastructure Reserve	979	296	-	1,275
Retail Water Renewal & Purchase Reserve	7,478	660	(13)	8,125
Sewerage Renewal & Purchase Reserve	9,500	2,427	(300)	11,627
Constrained Works Res-Cap Grants & Contribs	1,410	584	(612)	1,382
Transport Trunk Infrastructure Reserve	13,565	3,416	-	16,981
Cycling Trunk Infrastructure Reserve	3,099	1,448	-	4,547
Stormwater Infrastructure Reserve	3,722	819	-	4,541
Constrained Works Res-Opr Grants & Contribs	1,246	-	(68)	1,178
	<b>47,702</b>	<b>11,590</b>	<b>(994)</b>	<b>58,298</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,878	-	-	6,878
Environment Charge Maintenance Reserve	1,729	2,951	(1,318)	3,362
	<b>8,607</b>	<b>2,951</b>	<b>(1,318)</b>	<b>10,240</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	72	(55)	17
SMBI Translink Reserve	2	480	-	482
	<b>2</b>	<b>552</b>	<b>(55)</b>	<b>499</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	5,806	1,354	(759)	6,401
Aquatic Paradise Canal Reserve	2,834	442	(20)	3,256
Sovereign Waters Lake Reserve	487	27	(9)	505
	<b>9,127</b>	<b>1,823</b>	<b>(788)</b>	<b>10,162</b>
<b>TOTALS</b>	<b>77,832</b>	<b>17,037</b>	<b>(3,156)</b>	<b>91,713</b>

Closing Cash & Cash Equivalents	<b>127,071</b>
Reserves as percentage of cash balance	<b>72%</b>

## 11. GLOSSARY

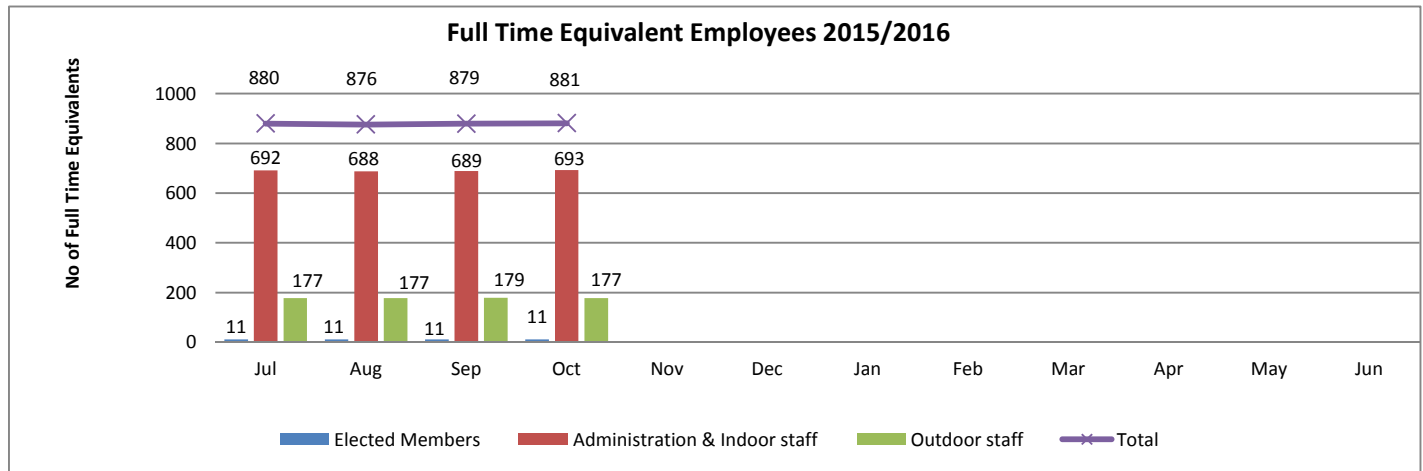
### Definition of ratios

<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>	$\frac{\text{Interest Expense} + \text{Loan Redemption}}{\text{Total Operating Revenue} - \text{Gain on Sale of Developed Land}}$
<b>Cash Balance - \$M:</b>	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>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>	$\frac{\text{Current and Non-current loans}}{\text{Total Assets}}$
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City 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 Cover Ratio:</b> <i>This ratio demonstrates the extent 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.

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

### Workforce reporting



Workforce reporting - YTD October 2015: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	13	5	82	9	9	3	121
Organisational Services	5	6	100	9	9	4	133
Community and Customer Service	32	5	240	48	32	7	364
Infrastructure and Operations	16	5	304	9	16	0	350
<b>Total</b>	<b>66</b>	<b>21</b>	<b>726</b>	<b>75</b>	<b>66</b>	<b>14</b>	<b>968</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 (excluding agency staff) and does not include a workload weighting. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

### Overdue rates debtors

#### Comparison October 2014 to October 2015

Days Overdue	Total		Total		\$	%
	Oct-14	% Overdue	Oct-15	% Overdue		
<90	\$2,247,377	1.94%	\$1,930,085	1.63%	-\$317,292	-0.31%
90 - 180 days	\$990,392	0.85%	\$899,723	0.76%	-\$90,669	-0.10%
>180 days	\$2,160,478	1.86%	\$2,632,599	2.22%	\$472,121	0.36%
<b>Total</b>	<b>\$5,398,247</b>	<b>4.66%</b>	<b>\$5,462,408</b>	<b>4.61%</b>	<b>\$64,160</b>	<b>-0.05%</b>

Days Overdue	Mainland		Mainland		\$	%
	Oct-14	% Overdue	Oct-15	% Overdue		
<90	\$1,600,083	1.38%	\$1,335,991	1.13%	-\$264,092	-0.25%
90 - 180 days	\$646,443	0.56%	\$549,203	0.46%	-\$97,240	-0.09%
>180 days	\$916,729	0.79%	\$1,246,236	1.05%	\$329,507	0.26%
<b>Total</b>	<b>\$3,163,255</b>	<b>2.73%</b>	<b>\$3,131,430</b>	<b>2.64%</b>	<b>-\$31,825</b>	<b>-0.09%</b>

Days Overdue	Nth Stradbroke Is / Coochiemudlo Is / Garden Is		Nth Stradbroke Is / Coochiemudlo Is / Garden Is		\$	%
	Oct-14	% Overdue	Oct-15	% Overdue		
<90	\$72,795	0.06%	\$73,742	0.06%	\$947	0.00%
90 - 180 days	\$29,819	0.03%	\$40,625	0.03%	\$10,806	0.01%
>180 days	\$44,532	0.04%	\$79,089	0.07%	\$34,558	0.03%
<b>Total</b>	<b>\$147,145</b>	<b>0.13%</b>	<b>\$193,456</b>	<b>0.16%</b>	<b>\$46,311</b>	<b>0.04%</b>

Days Overdue	SMBI		SMBI		\$	%
	Oct-14	% Overdue	Oct-15	% Overdue		
<90	\$574,499	0.50%	\$520,353	0.44%	-\$54,147	-0.06%
90 - 180 days	\$314,130	0.27%	\$309,895	0.26%	-\$4,236	-0.01%
>180 days	\$1,199,217	1.03%	\$1,307,274	1.10%	\$108,056	0.07%
<b>Total</b>	<b>\$2,087,847</b>	<b>1.80%</b>	<b>\$2,137,521</b>	<b>1.80%</b>	<b>\$49,674</b>	<b>0.00%</b>