



# Monthly Financial Report

September 2015

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## 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 30 September 2015. The revised annual budget referred to in this report incorporates the changes from the budget carryovers adopted by Council on 9 September 2015. Opening balances for the current year are subject to audit finalisation. Queensland Audit Office certification is expected to be received at the end of October 2015.

### 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	(1,147)	4,744	5,891	-514%	✓
Recurrent Revenue	238,152	58,202	61,554	3,352	6%	✓
Recurrent Expenditure	238,046	59,349	56,810	(2,539)	-4%	✓
Capital Works Expenditure	92,267	13,583	11,396	(2,187)	-16%	✓
Closing Cash & Cash Equivalents	84,967	121,880	126,832	4,952	4%	✓

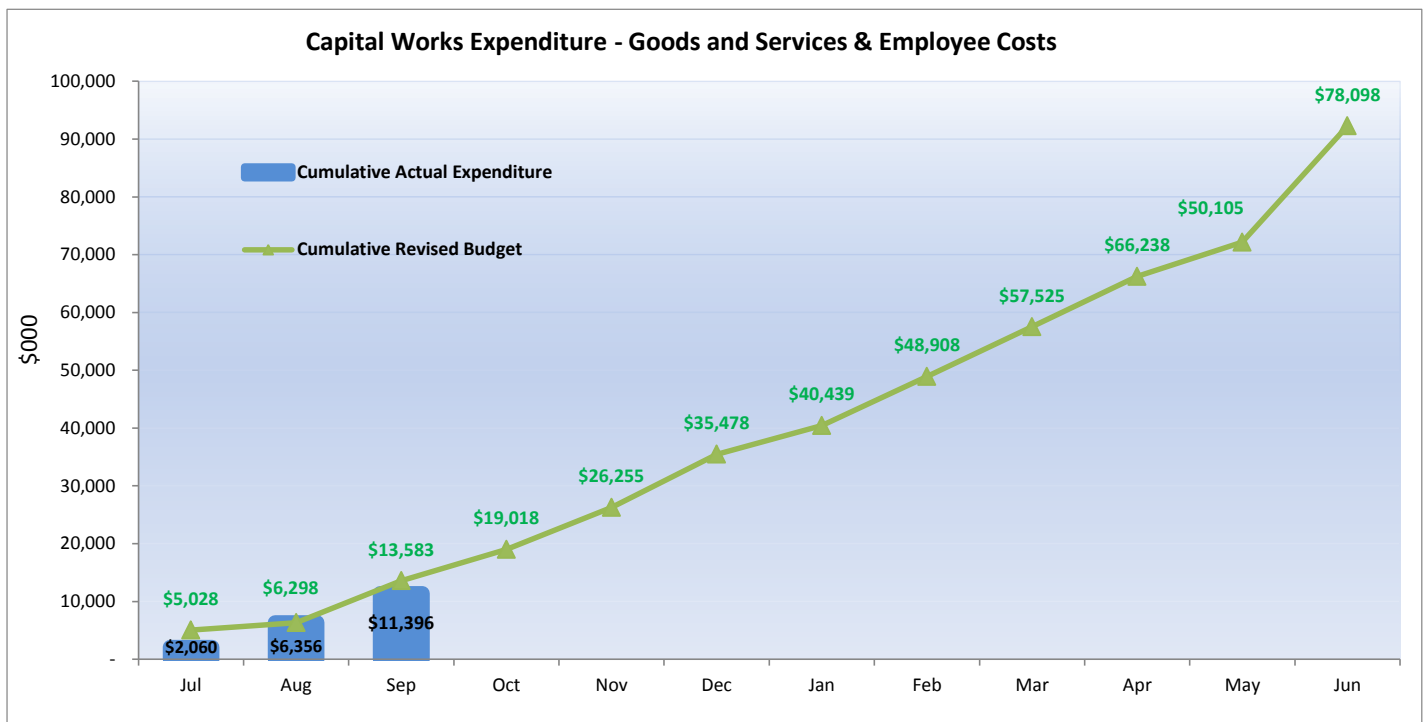
#### Status Legend:

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 \$4.74M exceeded the year to date revised budget by \$5.89M. The favourable variance is primarily due a \$2.58M Financial Assistance Grant received from the Department of Infrastructure, Local Government and Planning (DILGP) during July 2015. The DILGP changed the timing for the payout of this grant post budget adoption, therefore this is a timing variance only. Also material and services costs and employee costs are under budget by \$2.27M and \$241K respectively.

Capitalised goods & services cost is behind budget by \$2.66M. This is mainly attributable to works for a number of projects which have not yet commenced during the 2015/2016 financial year or are still in the early stages of being progressed. Developer cash contributions received during the first 3 months of the year were higher than anticipated and resulted in higher than budgeted transfers to reserves.



## 2. KEY PERFORMANCE INDICATORS

### Key performance indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget 2015/2016	YTD September 2015	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	0.04%	7.71%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	92.21%	24.11%	✗
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	-6.98%	-109.36%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	33.58%	33.05%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	2.91	4.31	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.34%	3.23%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$84.967M	\$126.832M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	5.30	7.33	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.06%	2.21%	✓
Operating Performance (%)	Target greater than or equal to 20%	18.08%	19.82%	✗
Interest Cover Ratio (%)	Target between 0% and 5%	-0.04%	-0.39%	✓

#### Status Legend

KPI target achieved or exceeded	✓	KPI target not achieved	✗
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The revised budgeted ratios for 2015/2016 incorporate the changes from the budget carryovers adopted by Council on 9 September 2015. Both budgeted and actual results are based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained in October 2015.



### 3. STATEMENT OF COMPREHENSIVE INCOME

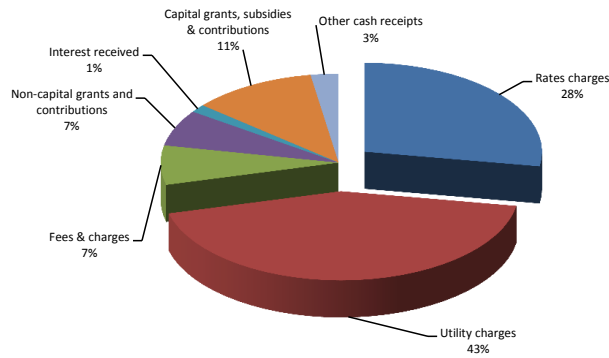
STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 September 2015					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Recurrent revenue</b>					
Rates, levies and charges	207,421	207,421	50,744	51,098	354
Fees and charges	11,638	11,638	3,277	3,817	540
Rental income	890	890	217	231	14
Interest received	3,355	3,355	839	1,055	216
Investment returns	3,234	3,234	-	-	-
Sales revenue	3,385	3,385	898	1,133	235
Other income	645	645	140	284	144
Grants, subsidies and contributions	7,584	7,584	2,087	3,936	1,849
<b>Total recurrent revenue</b>	<b>238,152</b>	<b>238,152</b>	<b>58,202</b>	<b>61,554</b>	<b>3,352</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	13,176	13,176	4,624	8,293	3,669
Non-cash contributions	3,080	3,080	20	-	(20)
<b>Total capital revenue</b>	<b>16,256</b>	<b>16,256</b>	<b>4,644</b>	<b>8,293</b>	<b>3,649</b>
<b>TOTAL INCOME</b>	<b>254,407</b>	<b>254,408</b>	<b>62,846</b>	<b>69,847</b>	<b>7,001</b>
<b>Recurrent expenses</b>					
Employee benefits	77,404	77,404	19,993	19,753	(240)
Materials and services	106,010	106,010	25,967	23,481	(2,486)
Finance costs	4,657	4,657	895	913	18
Depreciation and amortisation	49,975	49,975	12,494	12,663	169
<b>Total recurrent expenses</b>	<b>238,046</b>	<b>238,046</b>	<b>59,349</b>	<b>56,810</b>	<b>(2,539)</b>
<b>Capital expenses</b>					
(Gain)/Loss on disposal of non-current assets	412	412	517	(112)	(629)
<b>Total capital expenses</b>	<b>412</b>	<b>412</b>	<b>517</b>	<b>(112)</b>	<b>(629)</b>
<b>TOTAL EXPENSES</b>	<b>238,458</b>	<b>238,458</b>	<b>59,866</b>	<b>56,698</b>	<b>(3,168)</b>
<b>NET RESULT</b>	<b>15,949</b>	<b>15,950</b>	<b>2,980</b>	<b>13,149</b>	<b>10,169</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>15,950</b>	<b>2,980</b>	<b>13,149</b>	<b>10,169</b>

## 4. STATEMENT OF CASH FLOWS

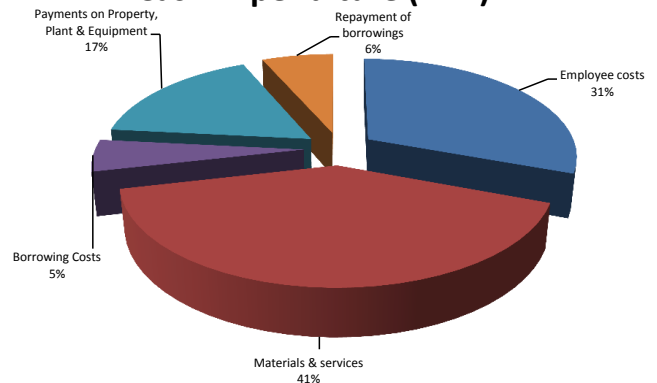
### STATEMENT OF CASH FLOWS For the period ending 30 September 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	223,088	223,088	55,066	58,644
Payments to suppliers and employees	(189,183)	(189,183)	(46,726)	(47,691)
	33,905	33,905	8,340	10,953
Interest received	3,355	3,355	839	1,055
Rental income	890	890	217	231
Non-capital grants and contributions	7,584	7,584	2,087	4,826
Borrowing costs	(3,257)	(3,257)	(814)	(3,521)
Other cash flows from operating activities	-	-	-	(711)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>42,477</b>	<b>42,477</b>	<b>10,669</b>	<b>12,833</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(78,098)	(92,267)	(13,582)	(11,396)
Payments for intangible assets	-	-	-	-
Proceeds from sale of property, plant and equipment	1,716	1,716	15	206
Capital grants, subsidies and contributions	13,176	13,176	4,625	8,294
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>(8,942)</b>	<b>(2,896)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	-	-	-	-
Repayment of borrowings	(4,696)	(4,696)	(1,174)	(4,432)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,696)</b>	<b>(4,696)</b>	<b>(1,174)</b>	<b>(4,432)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(22,191)</b>	<b>(36,360)</b>	<b>553</b>	<b>5,505</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>121,880</b>	<b>126,832</b>

### Cash Funding (YTD)



### Cash Expenditure (YTD)



Total Cash Funding (Actual YTD)	73,257	Total Cash Expenditure (Actual YTD)	67,752
Total Cash Funding (Annual Revised Budget)	253,043	Total Cash Expenditure (Annual Revised Budget)	289,403
% of Budget Achieved YTD	29%	% of Budget Achieved YTD	23%

## 5. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION				
As at 30 September 2015				
	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	121,880	126,832
Trade and other receivables	26,046	25,017	25,017	22,184
Inventories	845	779	779	785
Non-current assets held for sale	354	1,309	7,986	10,212
Other current assets	1,154	1,104	1,104	7,779
<b>Total current assets</b>	<b>90,295</b>	<b>113,176</b>	<b>156,766</b>	<b>167,792</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	893	956	956	956
Property, plant and equipment	2,118,731	2,285,276	2,242,023	2,240,119
Intangible assets	916	2,839	3,414	3,391
Other financial assets	73	73	73	73
Investment in other entities	10,063	10,063	3,386	1,160
<b>Total non-current assets</b>	<b>2,130,676</b>	<b>2,299,207</b>	<b>2,249,852</b>	<b>2,245,699</b>
<b>TOTAL ASSETS</b>	<b>2,220,971</b>	<b>2,412,383</b>	<b>2,406,618</b>	<b>2,413,491</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	15,369	15,551	15,547	11,699
Borrowings	5,559	4,482	4,482	4,482
Provisions	8,053	16,126	19,963	19,378
Other current liabilities	1,282	2,694	2,694	3,388
<b>Total current liabilities</b>	<b>30,263</b>	<b>38,853</b>	<b>42,686</b>	<b>38,947</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	44,200	45,277	48,799	48,798
Provisions	10,769	12,433	12,287	12,729
<b>Total non-current liabilities</b>	<b>54,969</b>	<b>57,710</b>	<b>61,086</b>	<b>61,527</b>
<b>TOTAL LIABILITIES</b>	<b>85,232</b>	<b>96,563</b>	<b>103,772</b>	<b>100,474</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,135,739</b>	<b>2,315,820</b>	<b>2,302,846</b>	<b>2,313,017</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	668,685	827,411	827,411	827,411
Retained surplus	1,415,250	1,436,714	1,397,603	1,400,218
Constrained cash reserves	51,804	51,695	77,832	85,388
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,135,739</b>	<b>2,315,820</b>	<b>2,302,846</b>	<b>2,313,017</b>

The annual revised budget incorporate the changes from the budget carryovers adopted by Council on 9 September 2015. Both budgeted and actual results are based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained in October 2015.

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 30 September 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	20,690	21,021	331
Levies and utility charges	128,121	128,121	30,913	30,878	(35)
<i>Less: Pensioner remissions and rebates</i>	(3,461)	(3,461)	(859)	(801)	58
Fees and charges	11,638	11,638	3,277	3,817	540
Operating grants and subsidies	7,053	7,053	1,954	3,804	1,850
Operating contributions and donations	531	531	133	132	(1)
Interest external	3,355	3,355	839	1,055	216
Investment returns	3,234	3,234	-	-	-
Other revenue	4,919	4,919	1,255	1,648	393
<b>Total revenue</b>	<b>238,152</b>	<b>238,152</b>	<b>58,202</b>	<b>61,554</b>	<b>3,352</b>
<b>Expenses</b>					
Employee benefits	77,404	77,404	19,993	19,753	(240)
Materials and services	106,542	106,542	26,061	23,787	(2,274)
Finance costs other	1,400	1,400	81	100	19
Other expenditure	347	347	126	72	(54)
Net internal costs	(879)	(879)	(220)	(378)	(158)
<b>Total expenses</b>	<b>184,814</b>	<b>184,814</b>	<b>46,041</b>	<b>43,334</b>	<b>(2,707)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>53,338</b>	<b>53,338</b>	<b>12,161</b>	<b>18,220</b>	<b>6,059</b>
Interest expense	3,257	3,257	814	813	(1)
Depreciation and amortisation	49,975	49,975	12,494	12,663	169
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>106</b>	<b>106</b>	<b>(1,147)</b>	<b>4,744</b>	<b>5,891</b>

### Levies and utility charges breakup For the period ending 30 September 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	5,013	4,925	(88)
Special charges	3,874	3,874	984	986	2
Environment levy	5,830	5,830	1,457	1,475	18
Landfill remediation charge	2,677	2,677	669	677	8
Wastewater charges	40,114	40,114	10,028	10,369	341
Water access charges	17,817	17,817	4,454	4,471	17
Water consumption charges	37,759	37,759	8,308	7,975	(333)
<b>Total Levies and utility charges</b>	<b>128,121</b>	<b>128,121</b>	<b>30,913</b>	<b>30,878</b>	<b>(35)</b>





## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 30 September 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	3,967	6,814	2,847
Capital grants and subsidies	7,043	7,043	656	1,479	823
Proceeds on disposal of non-current assets	1,716	1,716	15	206	191
Capital transfers (to)/ from reserves	14,566	26,760	(901)	(5,829)	(4,928)
Non-cash contributions	3,080	3,078	20	-	(20)
New loans	-	-	-	-	-
Funding from general revenue	53,336	55,311	11,020	9,901	(1,119)
<b>Total sources of capital funding</b>	<b>85,873</b>	<b>100,042</b>	<b>14,777</b>	<b>12,571</b>	<b>(2,206)</b>
<b>Application of capital funds</b>					
Contributed assets	3,080	3,078	20	-	(20)
Capitalised goods and services	72,366	86,535	12,708	10,051	(2,657)
Capitalised employee costs	5,732	5,732	875	1,345	470
Loan redemption	4,696	4,696	1,174	1,175	1
<b>Total application of capital funds</b>	<b>85,873</b>	<b>100,042</b>	<b>14,777</b>	<b>12,571</b>	<b>(2,206)</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,131)	(11,131)	(2,542)	(2,816)	(274)
Transfers from constrained operating reserves	10,509	10,509	3,444	1,087	(2,357)
WDV of assets disposed	2,128	2,128	532	94	(438)

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the Period Ending 30 September 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	23,282	23,584	302
Total expenses	53,982	53,982	13,571	11,813	(1,758)
Earnings before interest, tax and depreciation (EBITD)	43,677	43,677	9,711	11,771	2,060
Interest expense	-	-	-	-	-
Depreciation	17,081	17,081	4,270	4,194	(76)
<b>Operating surplus/(deficit)</b>	<b>26,596</b>	<b>26,596</b>	<b>5,441</b>	<b>7,577</b>	<b>2,136</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the Period Ending 30 September 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	1,536	1,630	94
Net transfer (to)/from constrained capital reserves	(2,714)	7,533	(702)	(1,306)	(604)
Other	3,000	3,000	-	-	-
Funding from utility revenue	17,680	14,512	(91)	1,222	1,313
<b>Total sources of capital funding</b>	<b>21,466</b>	<b>28,545</b>	<b>743</b>	<b>1,546</b>	<b>803</b>
Contributed assets	3,000	3,000	-	-	-
Capitalised expenditure	18,466	25,545	743	1,546	803
Loan redemption	-	-	-	-	-
<b>Total applications of capital funds</b>	<b>21,466</b>	<b>28,545</b>	<b>743</b>	<b>1,546</b>	<b>803</b>

### REDWASTE SUMMARY OPERATING STATEMENT For the Period Ending 30 September 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	5,462	5,397	(65)
Total expenses	15,678	15,678	4,117	3,732	(385)
Earnings before interest, tax and depreciation (EBITD)	6,131	6,132	1,345	1,665	320
Interest expense	42	42	10	10	(1)
Depreciation	553	553	138	132	(6)
<b>Operating surplus/(deficit)</b>	<b>5,537</b>	<b>5,537</b>	<b>1,197</b>	<b>1,523</b>	<b>326</b>

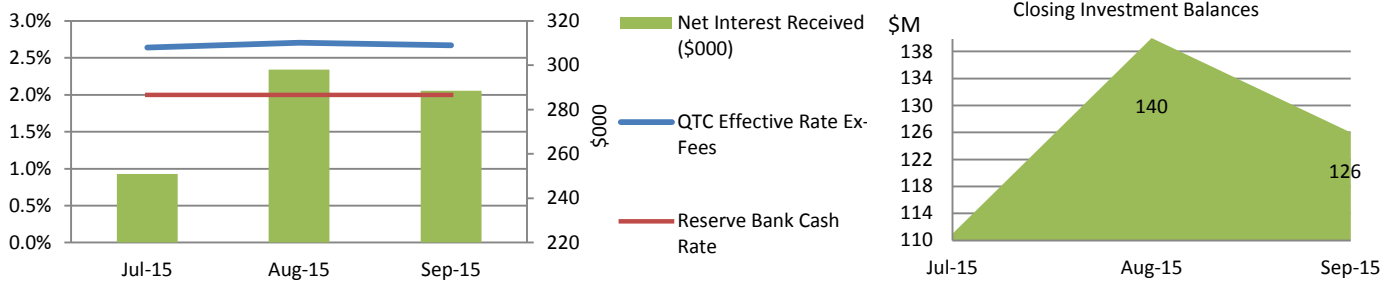
### REDWASTE CAPITAL FUNDING STATEMENT For the Period Ending 30 September 2015

	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	1,166	100	(1,066)
<b>Total sources of capital funding</b>	<b>1,639</b>	<b>2,226</b>	<b>1,166</b>	<b>100</b>	<b>(1,066)</b>
Contributed assets	-	-	-	-	-
Capitalised expenditure	1,570	2,157	1,149	82	(1,067)
Loan redemption	69	69	17	18	1
<b>Total applications of capital funds</b>	<b>1,639</b>	<b>2,226</b>	<b>1,166</b>	<b>100</b>	<b>(1,066)</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 30 September 2015

### INVESTMENT RETURNS



**Total Investment at End of Month was \$126.27M**

#### 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 as well as end of financial year cash flow patterns (as reflected by a low balance and interest earnings in July).

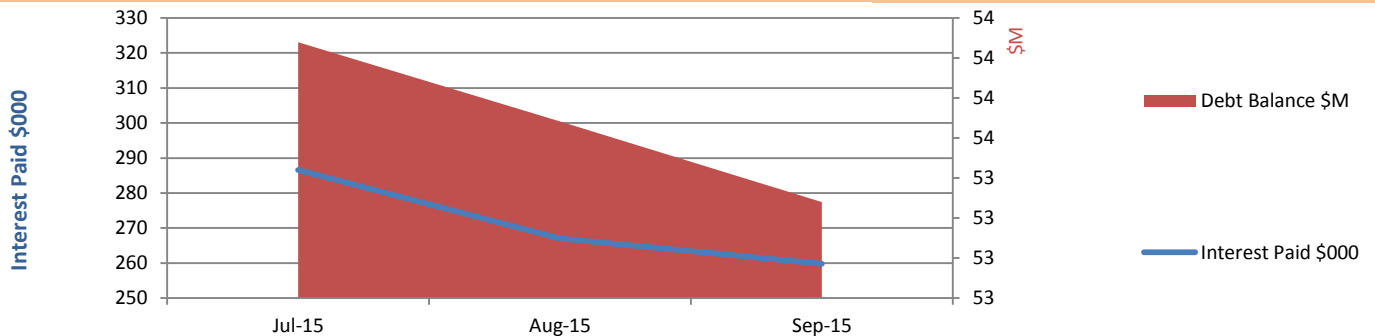
Note: the Reserve Bank reduced the cash rate down to 2% in its May sitting and maintained this position through to its October sitting.

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 \$53.28M**



#### 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 30 September 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	19	-	42
Parks Reserve	6,006	1,266	(1)	7,271
East Thornlands Road Infra Reserve	674	-	-	674
Community Facility Infrastructure Reserve	979	196	-	1,175
Retail Water Renewal & Purchase Reserve	7,478	272	(10)	7,740
Sewerage Renewal & Purchase Reserve	9,500	1,357	(314)	10,543
Constrained Works Res-Cap Grants & Contribs	1,410	584	(576)	1,418
Transport Trunk Infrastructure Reserve	13,565	2,150	-	15,715
Cycling Trunk Infrastructure Reserve	3,099	947	-	4,046
Stormwater Infrastructure Reserve	3,722	583	-	4,305
Constrained Works Res-Opr Grants & Contribs	1,246	-	(68)	1,178
	<b>47,702</b>	<b>7,374</b>	<b>(969)</b>	<b>54,107</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,878	-	-	6,878
Environment Charge Maintenance Reserve	1,729	1,475	(832)	2,372
	<b>8,607</b>	<b>1,475</b>	<b>(832)</b>	<b>9,250</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	55	(51)	4
SMBI Translink Reserve	2	240	-	242
	<b>2</b>	<b>295</b>	<b>(51)</b>	<b>246</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	5,806	686	(756)	5,736
Aquatic Paradise Canal Reserve	2,834	225	(21)	3,038
Sovereign Waters Lake Reserve	487	14	(4)	497
	<b>9,127</b>	<b>925</b>	<b>(781)</b>	<b>9,271</b>
<b>TOTALS</b>	<b>77,832</b>	<b>10,190</b>	<b>(2,634)</b>	<b>85,388</b>

Closing Cash & Cash Equivalents	<b>126,832</b>
Reserves as percentage of cash balance	<b>67%</b>

Opening balances for reserves are unaudited and subject to change until Queensland Audit Office certification is obtained in October 2015.

## 11. GLOSSARY

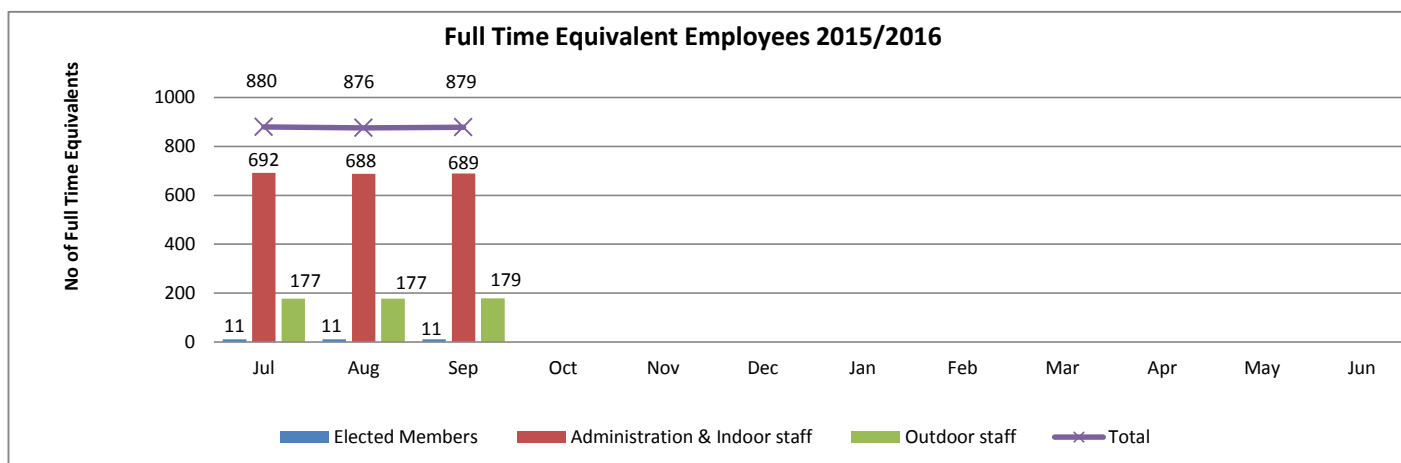
### Definition of ratios

<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>	$\frac{\text{Capital Expenditure on Replacement of Assets (Renewals)}}{\text{Depreciation Expenditure}}$
<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 - September 2015: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	15	5	85	10	7	3	125
Organisational Services	4	6	101	8	8	4	131
Community and Customer Service	33	4	241	49	31	7	365
Infrastructure and Operations	15	5	300	11	16	0	347
<b>Total</b>	<b>67</b>	<b>20</b>	<b>727</b>	<b>78</b>	<b>62</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 September 2014 to September 2015

Days Overdue	Total		Total		\$	%
	Sep-14	%	Sep-15	%		
<90	\$2,953,137	4.6%	\$2,667,717	4.2%	-\$285,420	-0.37%
90 - 180 days	\$1,273,897	2.0%	\$1,058,914	1.7%	-\$214,983	-0.31%
>180 days	\$2,399,640	3.8%	\$2,845,953	4.5%	\$446,314	0.78%
<b>Total</b>	<b>\$6,626,674</b>	<b>10.37%</b>	<b>\$6,572,585</b>	<b>10.47%</b>	<b>-\$54,089</b>	<b>0.10%</b>

Days Overdue	Mainland		Mainland		\$	%
	Sep-14	%	Sep-15	%		
<90	\$2,164,198	3.4%	\$1,950,587	3.1%	-\$213,611	-0.28%
90 - 180 days	\$845,322	1.3%	\$659,883	1.1%	-\$185,438	-0.27%
>180 days	\$1,070,562	1.7%	\$1,382,440	2.2%	\$311,878	0.53%
<b>Total</b>	<b>\$4,080,082</b>	<b>6.38%</b>	<b>\$3,992,910</b>	<b>6.36%</b>	<b>-\$87,171</b>	<b>-0.02%</b>

Days Overdue	Nth Stradbroke Is / Coochiemudlo Is / Garden Is		Nth Stradbroke Is / Coochiemudlo Is / Garden Is		\$	%
	Sep-14	%	Sep-15	%		
<90	\$87,370	0.1%	\$92,129	0.1%	\$4,759	0.01%
90 - 180 days	\$40,406	0.1%	\$50,395	0.1%	\$9,989	0.02%
>180 days	\$39,790	0.1%	\$103,199	0.2%	\$63,410	0.10%
<b>Total</b>	<b>\$167,565</b>	<b>0.26%</b>	<b>\$245,723</b>	<b>0.39%</b>	<b>\$78,158</b>	<b>0.13%</b>

Days Overdue	SMBI		SMBI		\$	%
	Sep-14	%	Sep-15	%		
<90	\$701,570	1.1%	\$625,002	1.0%	-\$76,568	-0.10%
90 - 180 days	\$388,170	0.6%	\$348,636	0.6%	-\$39,534	-0.05%
>180 days	\$1,289,288	2.0%	\$1,360,314	2.2%	\$71,027	0.15%
<b>Total</b>	<b>\$2,379,027</b>	<b>3.72%</b>	<b>\$2,333,952</b>	<b>3.72%</b>	<b>-\$45,075</b>	<b>0.00%</b>