



# Monthly Financial Report

August 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 31 August 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 opening balances for the current year are still to be finalised and audited. As such, the financial position as at the end of August may adjust over the coming months until Council receives Queensland Audit Office certification 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	9,894	12,967	3,073	31%	✓
Recurrent Revenue	238,152	46,636	49,679	3,043	7%	✓
Recurrent Expenditure	238,046	36,742	36,712	(30)	0%	✓
Capital Works Expenditure	92,268	6,298	6,356	58	1%	🔔
Closing Cash & Cash Equivalents	84,967	133,871	140,717	6,846	5%	✓

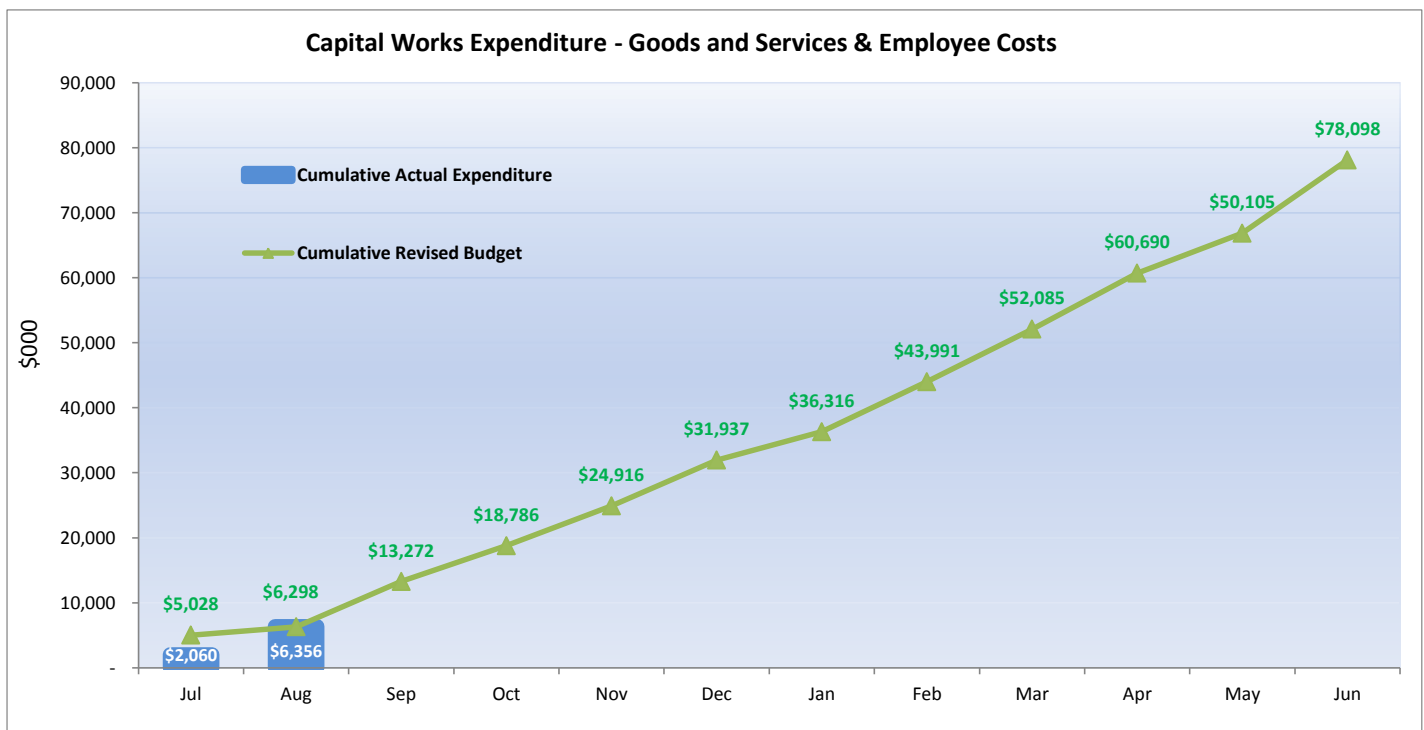
#### Status Legend:

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 \$12.97M exceeded the year to date revised budget by \$3.07M. 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, higher than anticipated water consumption charges contributed to the \$538K favourable variance in levies and utilities charges.

Capital works expenditure appears to be on track with an unfavourable variance of only \$58K to the year to date revised budget. Developer cash contributions received during the first 2 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	Revised Budget 2015/2016	August 2015	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	0.04%	26.10%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	92.21%	26.51%	✗
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	-4.51%	-137.88%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	33.58%	39.79%	✗
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	2.87	3.88	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.34%	2.67%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$84.967M	\$140.717M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	5.30	8.20	✓
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%	40.70%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.04%	-0.23%	✓

#### 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

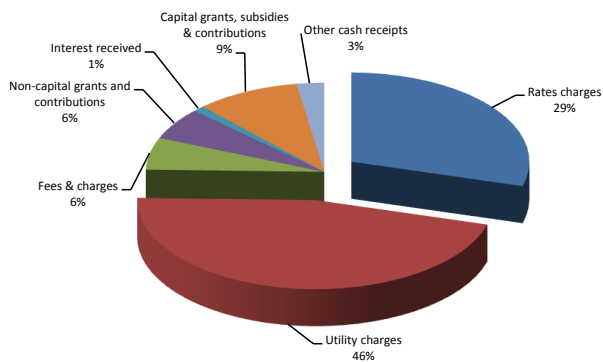
STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 August 2015					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Recurrent revenue</b>					
Rates, levies and charges	207,421	207,421	41,342	41,680	338
Fees and charges	11,638	11,638	1,984	2,457	473
Rental income	890	890	159	166	7
Interest received	3,355	3,355	559	666	107
Investment returns	3,234	3,234	-	-	-
Sales revenue	3,385	3,385	611	743	132
Other income	645	644	66	220	154
Grants, subsidies and contributions	7,584	7,584	1,915	3,747	1,832
<b>Total recurrent revenue</b>	<b>238,152</b>	<b>238,152</b>	<b>46,636</b>	<b>49,679</b>	<b>3,043</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	13,176	13,176	1,840	6,089	4,249
Non-cash contributions	3,079	3,079	13	-	(13)
<b>Total capital revenue</b>	<b>16,255</b>	<b>16,255</b>	<b>1,853</b>	<b>6,089</b>	<b>4,236</b>
<b>TOTAL INCOME</b>	<b>254,407</b>	<b>254,407</b>	<b>48,489</b>	<b>55,768</b>	<b>7,279</b>
<b>Recurrent expenses</b>					
Employee benefits	77,404	77,404	13,287	13,334	47
Materials and services	106,010	106,010	14,527	14,368	(159)
Finance costs	4,657	4,657	599	632	33
Depreciation and amortisation	49,975	49,975	8,329	8,378	49
<b>Total recurrent expenses</b>	<b>238,046</b>	<b>238,046</b>	<b>36,742</b>	<b>36,712</b>	<b>(30)</b>
<b>Capital expenses</b>					
(Gain)/Loss on disposal of non-current assets	412	412	340	(482)	(822)
<b>Total capital expenses</b>	<b>412</b>	<b>412</b>	<b>340</b>	<b>(482)</b>	<b>(822)</b>
<b>TOTAL EXPENSES</b>	<b>238,458</b>	<b>238,458</b>	<b>37,082</b>	<b>36,230</b>	<b>(852)</b>
<b>NET RESULT</b>	<b>15,949</b>	<b>15,949</b>	<b>11,407</b>	<b>19,538</b>	<b>8,131</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>11,407</b>	<b>19,538</b>	<b>8,131</b>

#### 4. STATEMENT OF CASH FLOWS

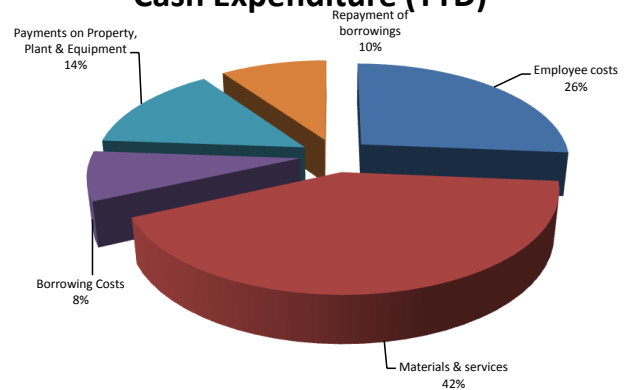
##### STATEMENT OF CASH FLOWS For the period ending 31 August 2015

	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	44,004	53,323
Payments to suppliers and employees	(189,183)	(189,183)	(28,326)	(30,277)
	33,905	33,905	15,678	23,046
Interest received	3,355	3,355	559	666
Rental income	890	890	159	166
Non-capital grants and contributions	7,584	7,584	1,915	3,743
Borrowing costs	(3,257)	(3,257)	(543)	(3,562)
Other cash flows from operating activities	-	-	-	(493)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>42,477</b>	<b>42,477</b>	<b>17,768</b>	<b>23,566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,998)	(92,267)	(6,297)	(6,356)
Payments for intangible assets	(100)	-	-	-
Proceeds from sale of property, plant and equipment	1,716	1,716	15	482
Capital grants, subsidies and contributions	13,176	13,176	1,841	6,089
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>(4,441)</b>	<b>215</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	-	-	-	-
Repayment of borrowings	(4,696)	(4,696)	(783)	(4,391)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,696)</b>	<b>(4,696)</b>	<b>(783)</b>	<b>(4,391)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(22,191)</b>	<b>(36,360)</b>	<b>12,544</b>	<b>19,390</b>
Cash and cash equivalents at the beginning of the year	84,087	121,327	121,327	121,327
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>61,896</b>	<b>84,967</b>	<b>133,871</b>	<b>140,717</b>

#### Cash Funding (YTD)



#### Cash Expenditure (YTD)



Total Cash Funding (Actual YTD)	64,470	Total Cash Expenditure (Actual YTD)	45,080
Total Cash Funding (Annual Revised Budget)	253,043	Total Cash Expenditure (Annual Revised Budget)	289,403
% of Budget Achieved YTD	25%	% of Budget Achieved YTD	16%

## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 August 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	61,896	84,967	133,871	140,717
Trade and other receivables	26,046	25,017	25,017	22,638
Inventories	845	779	779	807
Non-current assets held for sale	354	1,309	8,728	10,212
Other current assets	1,154	1,104	1,104	8,226
<b>Total current assets</b>	<b>90,295</b>	<b>113,176</b>	<b>169,499</b>	<b>182,600</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	893	956	956	956
Property, plant and equipment	2,118,731	2,285,276	2,239,019	2,239,387
Intangible assets	916	2,839	3,478	3,461
Other financial assets	73	73	73	73
Investment in other entities	10,063	10,063	2,644	1,160
<b>Total non-current assets</b>	<b>2,130,676</b>	<b>2,299,207</b>	<b>2,246,170</b>	<b>2,245,037</b>
<b>TOTAL ASSETS</b>	<b>2,220,971</b>	<b>2,412,383</b>	<b>2,415,669</b>	<b>2,427,637</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	15,369	15,551	15,546	13,145
Borrowings	5,559	4,482	4,482	4,482
Provisions	8,053	16,689	20,755	20,196
Other current liabilities	1,282	2,694	2,694	9,183
<b>Total current liabilities</b>	<b>30,263</b>	<b>39,416</b>	<b>43,477</b>	<b>47,006</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	44,200	45,277	49,190	49,201
Provisions	10,769	17,745	17,598	17,897
<b>Total non-current liabilities</b>	<b>54,969</b>	<b>63,022</b>	<b>66,788</b>	<b>67,098</b>
<b>TOTAL LIABILITIES</b>	<b>85,232</b>	<b>102,438</b>	<b>110,265</b>	<b>114,104</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,135,739</b>	<b>2,309,945</b>	<b>2,305,404</b>	<b>2,313,533</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	668,685	827,411	827,411	827,411
Retained surplus	1,415,250	1,436,732	1,402,471	1,401,817
Constrained cash reserves	51,804	45,802	75,522	84,305
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,135,739</b>	<b>2,309,945</b>	<b>2,305,404</b>	<b>2,313,533</b>

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 August 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	20,439	(251)
Levies and utility charges	128,121	128,121	21,455	21,993	538
<i>Less: Pensioner remissions and rebates</i>	(3,460)	(3,460)	(803)	(752)	51
Fees and charges	11,638	11,638	1,984	2,457	473
Operating grants and subsidies	7,053	7,053	1,882	3,714	1,832
Operating contributions and donations	531	531	33	33	-
Interest external	3,355	3,355	559	666	107
Investment returns	3,234	3,234	-	-	-
Other revenue	4,920	4,920	836	1,129	293
<b>Total revenue</b>	<b>238,152</b>	<b>238,152</b>	<b>46,636</b>	<b>49,679</b>	<b>3,043</b>
<b>Expenses</b>					
Employee benefits	77,404	77,404	13,287	13,334	47
Materials and services	106,542	106,542	14,635	14,392	(243)
Finance costs other	1,400	1,400	56	78	22
Other expenditure	347	347	39	55	16
Net internal costs	(879)	(879)	(147)	(79)	68
<b>Total expenses</b>	<b>184,814</b>	<b>184,814</b>	<b>27,870</b>	<b>27,780</b>	<b>(90)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>53,338</b>	<b>53,338</b>	<b>18,766</b>	<b>21,899</b>	<b>3,133</b>
Interest expense	3,257	3,257	543	554	11
Depreciation and amortisation	49,975	49,975	8,329	8,378	49
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>106</b>	<b>106</b>	<b>9,894</b>	<b>12,967</b>	<b>3,073</b>

### Levies and utility charges breakup For the period ending 31 August 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	3,342	3,267	(75)
Special charges	3,874	3,874	968	982	14
Environment levy	5,830	5,830	1,457	1,470	13
Landfill remediation charge	2,677	2,677	446	449	3
Wastewater charges	40,114	40,114	6,686	6,700	14
Water access charges	17,817	17,817	2,969	2,962	(7)
Water consumption charges	37,759	37,759	5,587	6,163	576
<b>Total Levies and utility charges</b>	<b>128,121</b>	<b>128,121</b>	<b>21,455</b>	<b>21,993</b>	<b>538</b>





## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 August 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	1,840	4,279	2,439
Capital grants and subsidies	7,043	7,043	-	1,810	1,810
Proceeds on disposal of non-current assets	1,716	1,716	15	482	467
Capital transfers (to)/ from reserves	14,566	26,760	(1,821)	(4,279)	(2,458)
Non-cash contributions	3,079	3,079	13	-	(13)
New loans	-	-	-	-	-
Funding from general revenue	53,336	55,312	7,047	4,836	(2,211)
<b>Total sources of capital funding</b>	<b>85,873</b>	<b>100,044</b>	<b>7,094</b>	<b>7,128</b>	<b>34</b>
<b>Application of capital funds</b>					
Contributed assets	3,079	3,079	13	-	(13)
Capitalised goods and services	72,366	86,536	5,741	5,458	(283)
Capitalised employee costs	5,732	5,732	557	898	341
Loan redemption	4,696	4,696	783	772	(11)
<b>Total application of capital funds</b>	<b>85,873</b>	<b>100,044</b>	<b>7,094</b>	<b>7,128</b>	<b>34</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,131)	(11,131)	(2,399)	(2,669)	(270)
Transfers from constrained operating reserves	10,509	10,509	637	476	(161)
WDV of assets disposed	2,128	2,128	355	-	(355)

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the Period Ending 31 August 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	15,569	16,294	724
Total expenses	53,982	53,982	8,207	7,268	(938)
Earnings before interest, tax and depreciation (EBITD)	43,677	43,677	7,363	9,025	1,663
Interest expense	-	-	-	-	-
Depreciation	17,081	17,081	2,847	2,774	(73)
<b>Operating surplus/(deficit)</b>	<b>26,596</b>	<b>26,596</b>	<b>4,516</b>	<b>6,252</b>	<b>1,736</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the Period Ending 31 August 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	825	1,085	260
Net transfer (to)/from constrained capital reserves	(2,714)	7,533	(825)	(1,085)	(260)
Other	3,000	3,000	-	-	-
Funding from utility revenue	17,680	14,511	2,129	929	(1,200)
<b>Total sources of capital funding</b>	<b>21,466</b>	<b>28,545</b>	<b>2,129</b>	<b>929</b>	<b>(1,200)</b>
Contributed assets	3,000	3,000	-	-	-
Capitalised expenditure	18,466	25,545	2,129	929	(1,200)
Loan redemption	-	-	-	-	-
<b>Total applications of capital funds</b>	<b>21,466</b>	<b>28,545</b>	<b>2,129</b>	<b>929</b>	<b>(1,200)</b>

### REDWASTE SUMMARY OPERATING STATEMENT For the Period Ending 31 August 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	3,636	3,567	(69)
Total expenses	15,678	15,678	2,669	2,614	(55)
Earnings before interest, tax and depreciation (EBITD)	6,131	6,131	967	953	(14)
Interest expense	42	42	7	7	-
Depreciation	553	553	92	87	(5)
<b>Operating surplus/(deficit)</b>	<b>5,537</b>	<b>5,537</b>	<b>868</b>	<b>860</b>	<b>(8)</b>

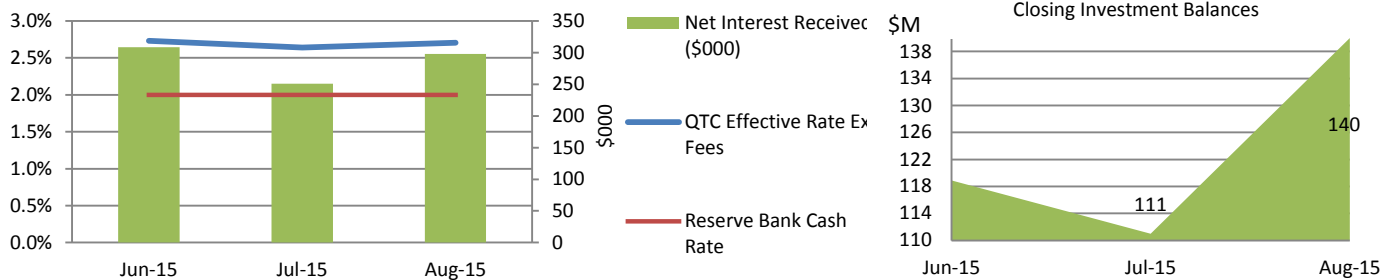
### REDWASTE CAPITAL FUNDING STATEMENT For the Period Ending 31 August 2015

	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	539	86	(453)
<b>Total sources of capital funding</b>	<b>1,639</b>	<b>2,226</b>	<b>539</b>	<b>86</b>	<b>(453)</b>
Contributed assets	-	-	-	-	-
Capitalised expenditure	1,570	2,157	528	74	(453)
Loan redemption	69	69	12	12	-
<b>Total applications of capital funds</b>	<b>1,639</b>	<b>2,226</b>	<b>539</b>	<b>86</b>	<b>(453)</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 August 2015

### INVESTMENT RETURNS



**Total Investment at End of Month was \$140.06M**

#### 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.

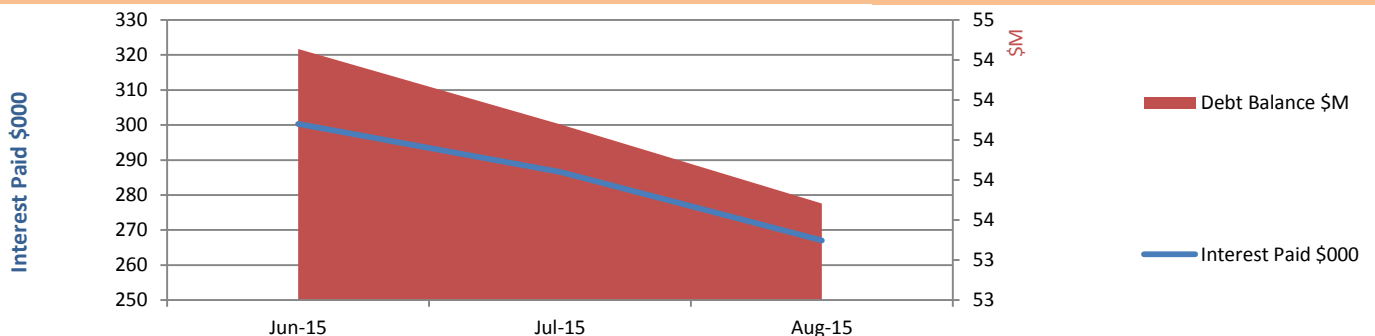
Note: the Reserve Bank reduced the cash rate down to 2% in its May sitting and maintained this position through to its September sitting.

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 \$53.68M**



#### 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 August 2015	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,492	-	-	2,492
Red Art Gallery Commissions & Donations Res	2	-	-	2
	<b>2,494</b>	<b>-</b>	<b>-</b>	<b>2,494</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	12	-	35
Parks Reserve	6,006	795	-	6,801
East Thornlands Road Infra Reserve	674	-	-	674
Community Facility Infrastructure Reserve	979	121	-	1,100
Retail Water Renewal & Purchase Reserve	7,478	194	-	7,672
Sewerage Renewal & Purchase Reserve	9,500	892	-	10,392
Constrained Works Res-Cap Grants & Contribs	1,410	-	-	1,410
Transport Trunk Infrastructure Reserve	13,565	1,282	-	14,847
Cycling Trunk Infrastructure Reserve	3,099	575	-	3,674
Stormwater Infrastructure Reserve	3,722	410	-	4,132
Constrained Works Res-Opr Grants & Contribs	1,246	-	(68)	1,178
	<b>47,702</b>	<b>4,281</b>	<b>(68)</b>	<b>51,915</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,878	-	-	6,878
Environment Charge Maintenance Reserve	1,729	1,470	(391)	2,808
	<b>8,607</b>	<b>1,470</b>	<b>(391)</b>	<b>9,686</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	51	(18)	33
SMBI Translink Reserve	2	240	-	242
	<b>2</b>	<b>291</b>	<b>(18)</b>	<b>275</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	5,806	674	-	6,480
Aquatic Paradise Canal Reserve	2,834	220	-	3,054
Sovereign Waters Lake Reserve	487	14	-	501
	<b>9,127</b>	<b>908</b>	<b>-</b>	<b>10,035</b>
<b>TOTALS</b>	<b>77,832</b>	<b>6,950</b>	<b>(477)</b>	<b>84,305</b>

Closing Cash & Cash Equivalents	<b>140,717</b>
Reserves as percentage of cash balance	<b>60%</b>

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

## 11. GLOSSARY

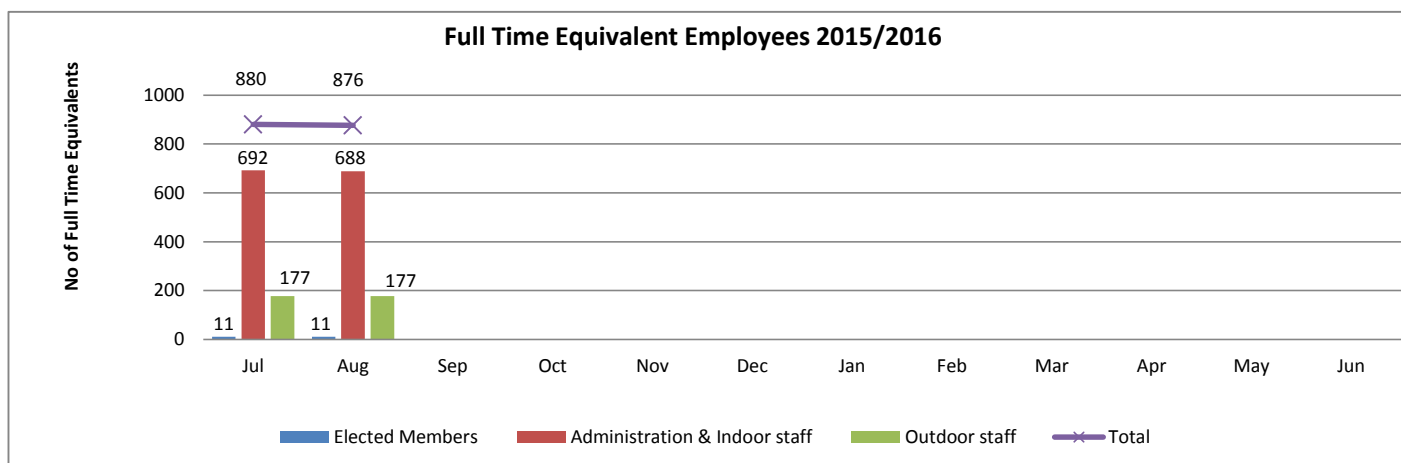
### Definition of ratios

<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 - August 2015: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	17	4	81	10	9	3	124
Organisational Services	4	7	101	9	7	5	133
Community and Customer Service	31	4	248	48	26	7	364
Infrastructure and Operations	13	5	299	10	16	0	343
<b>Total</b>	<b>65</b>	<b>20</b>	<b>729</b>	<b>77</b>	<b>58</b>	<b>15</b>	<b>964</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 August 2014 to August 2015

Days Overdue	Total					
	Aug-14	% Overdue	Aug-15	% Overdue	\$ Variance	% Variance
<90	\$5,035,556	7.87%	\$4,700,994	7.49%	-\$334,562	-0.39%
90 - 180 days	\$1,705,510	2.67%	\$1,350,347	2.15%	-\$355,163	-0.52%
>180 days	\$2,756,439	4.31%	\$3,097,501	4.93%	\$341,062	0.62%
<b>Total</b>	<b>\$9,497,505</b>	<b>14.85%</b>	<b>\$9,148,842</b>	<b>14.57%</b>	<b>-\$348,663</b>	<b>-0.28%</b>

Days Overdue	Mainland					
	Aug-14	% Overdue	Aug-15	% Overdue	\$ Variance	% Variance
<90	\$3,848,218	6.02%	\$3,674,068	5.85%	-\$174,150	-0.17%
90 - 180 days	\$1,169,831	1.83%	\$878,799	1.40%	-\$291,032	-0.43%
>180 days	\$1,256,639	1.96%	\$1,560,652	2.49%	\$304,013	0.52%
<b>Total</b>	<b>\$6,274,688</b>	<b>9.81%</b>	<b>\$6,113,519</b>	<b>9.74%</b>	<b>-\$161,169</b>	<b>-0.07%</b>

Days Overdue	Nth Stradbroke Is / Coochiemudlo Is / Garden Is					
	Aug-14	% Overdue	Aug-15	% Overdue	\$ Variance	% Variance
<90	\$170,739	0.27%	\$139,212	0.22%	-\$31,527	-0.05%
90 - 180 days	\$57,324	0.09%	\$57,356	0.09%	\$32	0.00%
>180 days	\$56,282	0.09%	\$109,208	0.17%	\$52,925	0.09%
<b>Total</b>	<b>\$284,346</b>	<b>0.44%</b>	<b>\$305,776</b>	<b>0.49%</b>	<b>\$21,430</b>	<b>0.04%</b>

Days Overdue	SMBI					
	Aug-14	% Overdue	Aug-15	% Overdue	\$ Variance	% Variance
<90	\$1,016,599	1.59%	\$887,714	1.41%	-\$128,885	-0.18%
90 - 180 days	\$478,355	0.75%	\$414,192	0.66%	-\$64,163	-0.09%
>180 days	\$1,443,517	2.26%	\$1,427,641	2.27%	-\$15,876	0.02%
<b>Total</b>	<b>\$2,938,471</b>	<b>4.59%</b>	<b>\$2,729,548</b>	<b>4.35%</b>	<b>-\$208,924</b>	<b>-0.25%</b>

