

Monthly Financial Report

Interim June 2017



Note: This interim report is prepared at year end pending finalisation of the statutory financial statements due 31 October 2017.

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1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 30 June 2017. The year to date and annual revised budget referred to in this report reflects the final revised budget as adopted by Council on 10 May 2017.

The June 2017 Monthly Financial Report is prepared based on interim financial results for the year ended 30 June 2017 (prior to the finalisation of the end of year accounts) and significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments. The final results for the year ended 30 June 2017 will be reflected in the audited annual financial statements.

Key Interim Financial Highlights and Overview

Key Interim Financial Results	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Variance %	Status
Operating Surplus / (Deficit)	(3,767)	(3,767)	802	4,569	121%	✓
Recurrent Revenue	255,373	255,373	258,389	3,016	1%	✓
Recurrent Expenditure	259,140	259,140	257,587	(1,553)	-1%	✓
Capital Works Expenditure	83,824	83,824	68,772	(15,052)	-18%	✓
Closing Cash & Cash Equivalents	137,171	137,171	156,416	19,245	14%	✓

Status Legend:

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

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

The year to date interim operating surplus of \$0.80M exceeded the year to date revised budgeted deficit by \$4.57M. A conscious effort to ensure expenses are recorded in the correct financial year has seen an increase in operational as well as capital works expenditure during the month, resulting in the significantly reduced operating surplus from May.

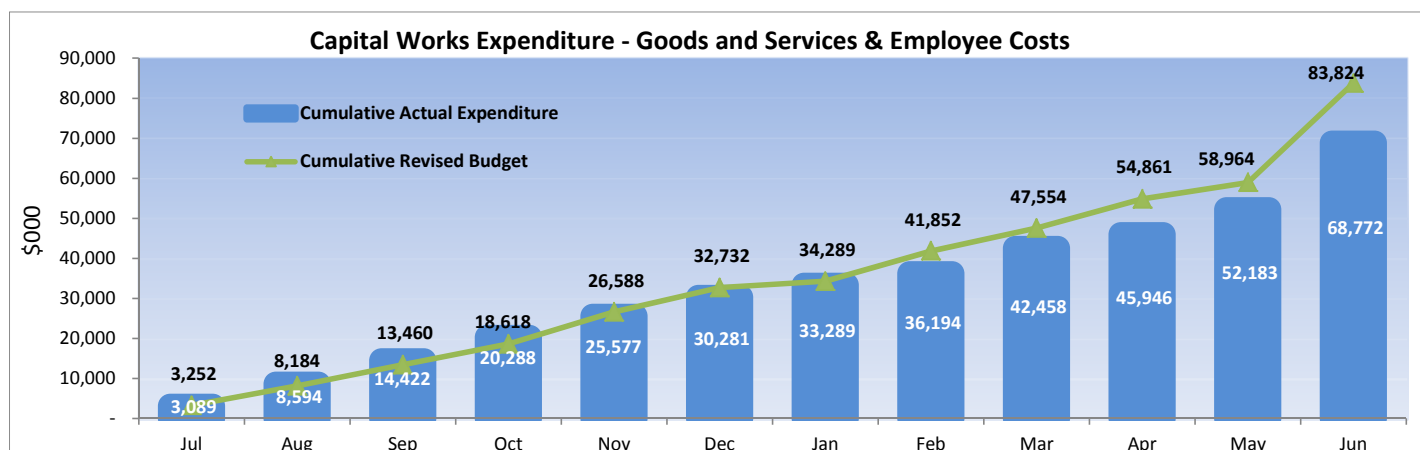
Higher than expected water consumption YTD has contributed to higher than expected levies and utility charges revenue, especially water consumption and wastewater charges revenue with a combined \$1.44M favourable variance to budget. In addition, operating grants and subsidies income is \$3.59M above budget mainly due to receipt of earlier than expected grant funding during the month.

The favourable variance in recurrent expenditure is primarily due to underspends in contractor, consultant and operational costs in capital jobs as well as vacancies across the organisation. The unfavourable variance depreciation expense is mainly due to timing of works for a number of projects capitalised.

Please note end of year adjustment, accruals and deferrals might adjust the reported revenue and expenses in this report.

Council's capital works expenditure is behind budget by \$15.05M due to timing of works for a number of projects which are delayed or are still in the early stages of being progressed. Similar to the above, capital expenditure might change with end of year adjustments and other considerations. Capital works identified to date that are no longer expected to be undertaken in this financial year have been carried forward during the final budget review. The carryover budget review is expected to be finalised in August 2017.

Council's cash balance exceeds the budgeted cash balance due to lower than expected payments to suppliers and for property, plant and equipment. Constrained cash reserves represent 57% of the cash balance.



2. INTERIM KEY PERFORMANCE INDICATORS

Interim Key Performance Indicators

Interim Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget	YTD June 2017	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-1.48%	0.31%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	69.31%	58.19%	✗
Net Financial Liabilities (%)*	Target less than 60% (on average over the long-term)	-30.35%	-33.91%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	32.83%	32.45%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	3.99	3.92	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.03%	3.04%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$137.171M	\$156.416M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	8.06	9.53	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	1.72%	1.71%	✓
Operating Performance (%)	Target greater than or equal to 20%	18.94%	23.33%	✓
Interest Coverage Ratio (%)**	Target between 0% and 5%	-0.50%	-0.50%	✓

Status Legend

KPI target achieved or exceeded	✓	KPI target not achieved	✗
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* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

** The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

The Interim Key Performance Indicators above are based on interim financial results prior to the finalisation of end of year accounts. Significant movement is expected over the coming weeks and the final financial results will be reflected in the audited financial statements for the year ended 30 June 2017. The final Key Performance Indicators will be presented as part of the 2016/2017 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates, levies and charges	214,758	216,484	216,484	218,064	1,580
Fees and charges	13,291	13,026	13,026	13,107	81
Rental income	811	811	811	906	95
Interest received	4,271	4,481	4,481	4,469	(12)
Investment returns	4,685	1,800	1,800	-	(1,800)
Sales revenue	4,030	4,398	4,398	3,875	(523)
Other income	763	1,132	1,132	1,236	104
Grants, subsidies and contributions	11,959	13,241	13,241	16,732	3,491
Total recurrent revenue	254,569	255,373	255,373	258,389	3,016
Capital revenue					
Grants, subsidies and contributions	32,248	35,864	35,864	29,928	(5,936)
Non-cash contributions	3,144	3,144	3,144	9,277	6,133
Total capital revenue	35,393	39,008	39,008	39,205	197
TOTAL INCOME	289,962	294,381	294,381	297,594	3,213
Recurrent expenses					
Employee benefits	80,389	81,988	81,988	83,469	1,481
Materials and services	119,315	118,237	118,237	114,114	(4,123)
Finance costs	3,758	3,520	3,520	3,532	12
Depreciation and amortisation	50,628	55,395	55,395	56,472	1,077
Total recurrent expenses	254,090	259,140	259,140	257,587	(1,553)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	(172)	(172)	5,960	6,132
Total capital expenses	289	(172)	(172)	5,960	6,132
TOTAL EXPENSES	254,379	258,968	258,968	263,547	4,579
NET RESULT	35,583	35,413	35,413	34,047	(1,366)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	820	820
TOTAL COMPREHENSIVE INCOME	35,583	35,413	35,413	34,867	(546)

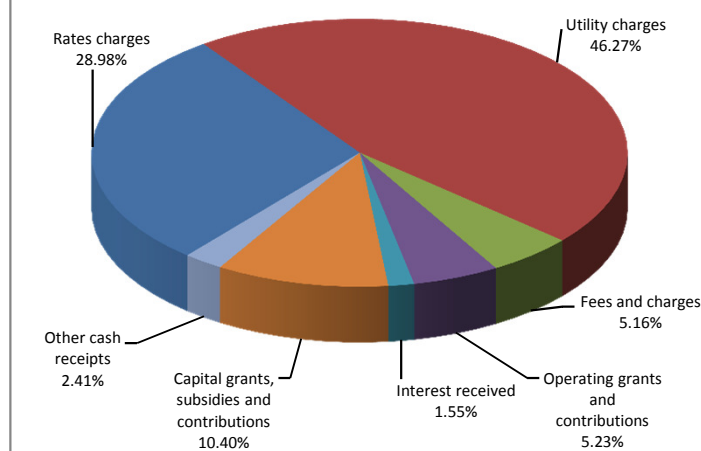
The Statement of Other Comprehensive Income will adjust over coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2017. Other Comprehensive Income will change as a result of asset revaluations. The audited financial statements for the year ended 30 June 2017 will reflect the final revalued position and impact and will be presented as part of the 2016/2017 Annual Report.

4. INTERIM STATEMENT OF CASH FLOWS

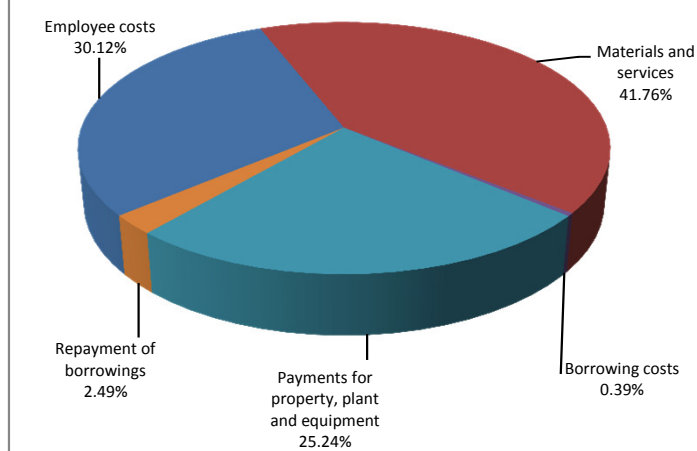
INTERIM STATEMENT OF CASH FLOWS For the period ending 30 June 2017

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	232,889	235,087	235,087	236,455
Payments to suppliers and employees	(202,780)	(203,113)	(203,113)	(195,885)
	30,110	31,974	31,974	40,570
Interest received	4,271	4,481	4,481	4,469
Rental income	811	811	811	906
Non-capital grants and contributions	11,056	11,508	11,508	15,035
Borrowing costs	(3,195)	(1,066)	(1,066)	(1,066)
Net cash inflow / (outflow) from operating activities	43,053	47,708	47,708	59,914
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(76,938)	(83,799)	(83,799)	(68,450)
Payments for intangible assets	(100)	(25)	(25)	(322)
Proceeds from sale of property, plant and equipment	630	1,091	1,091	912
Capital grants, subsidies and contributions	32,248	35,864	35,864	29,928
Other cash flows from investing activities	4,685	1,800	1,800	-
Net cash inflow / (outflow) from investing activities	(39,474)	(45,069)	(45,069)	(37,932)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	(4,551)	(6,680)	(6,680)	(6,778)
Net cash inflow / (outflow) from financing activities	(4,551)	(6,680)	(6,680)	(6,778)
Net increase / (decrease) in cash held	(972)	(4,041)	(4,041)	15,204
Cash and cash equivalents at the beginning of the year	119,449	141,212	141,212	141,212
Cash and cash equivalents at the end of the financial year / period	118,477	137,171	137,171	156,416

Cash Funding (YTD)



Cash Expenditure (YTD)



Total Cash Funding (Actual YTD)	287,705	Total Cash Expenditure (Actual YTD)	272,501
Total Cash Funding (Annual Revised Budget)	290,642	Total Cash Expenditure (Annual Revised Budget)	294,683
% of Budget Achieved YTD	99%	% of Budget Achieved YTD	92%

The Interim Statement of Cash Flows will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2017. The financial statements will be presented as part of the 2016/2017 Annual Report. Of note, cash at the end June 2017 will not change, movements will be due to classification within the accounts.

5. INTERIM STATEMENT OF FINANCIAL POSITION

INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2017

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS				
Cash and cash equivalents	118,477	137,171	137,171	156,416
Trade and other receivables	25,017	25,805	25,805	27,486
Inventories	779	678	678	706
Non-current assets held for sale	1,309	4,278	4,278	432
Other current assets	1,104	2,122	2,122	1,958
Total current assets	146,686	170,054	170,054	186,998
NON-CURRENT ASSETS				
Investment property	956	1,054	1,054	1,054
Property, plant and equipment	2,293,906	2,456,540	2,456,540	2,436,984
Intangible assets	2,000	2,309	2,309	2,509
Other financial assets	73	73	73	73
Investment in other entities	10,063	5,961	5,961	14,672
Total non-current assets	2,306,999	2,465,937	2,465,937	2,455,292
TOTAL ASSETS	2,453,685	2,635,991	2,635,991	2,642,290
CURRENT LIABILITIES				
Trade and other payables	18,454	20,763	20,763	28,273
Borrowings	4,482	7,701	7,701	7,701
Provisions	7,571	12,415	12,415	10,082
Other current liabilities	2,673	1,705	1,705	1,616
Total current liabilities	33,179	42,585	42,585	47,672
NON-CURRENT LIABILITIES				
Borrowings	40,727	37,604	37,604	37,498
Provisions	12,143	12,350	12,350	14,212
Total non-current liabilities	52,869	49,954	49,954	51,710
TOTAL LIABILITIES	86,048	92,539	92,539	99,382
NET COMMUNITY ASSETS	2,367,637	2,543,452	2,543,452	2,542,908
COMMUNITY EQUITY				
Asset revaluation surplus	827,411	963,349	963,349	964,169
Retained surplus	1,443,724	1,479,834	1,479,834	1,490,345
Constrained cash reserves	96,502	100,269	100,269	88,394
TOTAL COMMUNITY EQUITY	2,367,637	2,543,452	2,543,452	2,542,908

The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2017. The financial statements will be presented as part of the 2016/2017 Annual Report.

6. INTERIM OPERATING STATEMENT

INTERIM OPERATING STATEMENT For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Revenue					
Rates charges	85,691	86,742	86,742	86,711	(31)
Levies and utility charges	132,436	133,111	133,111	134,650	1,539
<i>Less: Pensioner remissions and rebates</i>	(3,370)	(3,370)	(3,370)	(3,297)	73
Fees and charges	13,291	13,026	13,026	13,107	81
Operating grants and subsidies	11,370	12,320	12,320	15,906	3,586
Operating contributions and donations	589	921	921	826	(95)
Interest external	4,271	4,481	4,481	4,469	(12)
Investment returns	4,685	1,800	1,800	-	(1,800)
Other revenue	5,604	6,341	6,341	6,017	(324)
Total revenue	254,569	255,373	255,373	258,389	3,016
Expenses					
Employee benefits	80,389	81,988	81,988	83,469	1,481
Materials and services	119,731	118,999	118,999	115,217	(3,782)
Finance costs other	562	325	325	346	21
Other expenditure	398	74	74	(51)	(125)
Net internal costs	(814)	(836)	(836)	(1,052)	(216)
Total expenses	200,266	200,550	200,550	197,929	(2,621)
Earnings before interest, tax and depreciation (EBITD)	54,303	54,823	54,823	60,460	5,637
Interest expense	3,195	3,195	3,195	3,186	(9)
Depreciation and amortisation	50,628	55,395	55,395	56,472	1,077
OPERATING SURPLUS / (DEFICIT)	479	(3,767)	(3,767)	802	4,569

Interim levies and utility charges breakup For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse charges	20,903	20,903	20,903	20,809	(94)
Special charges	3,974	3,285	3,285	3,280	(5)
SES Separate charge	331	331	331	336	5
Environment levy	6,093	6,093	6,093	6,159	66
Landfill remediation charge	2,795	2,795	2,795	2,824	29
Wastewater charges	42,254	42,816	42,816	43,119	303
Water access charges	17,989	18,121	18,121	18,218	97
Water consumption charges	38,098	38,767	38,767	39,905	1,138
Total Levies and utility charges	132,436	133,111	133,111	134,650	1,539

The Interim Operating Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2017. The financial statements will be presented as part of the 2016/2017 Annual Report.

7. INTERIM CAPITAL FUNDING STATEMENT

INTERIM CAPITAL FUNDING STATEMENT For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Sources of capital funding					
Capital contributions and donations	29,425	29,425	29,425	23,863	(5,562)
Capital grants and subsidies	2,824	6,439	6,439	6,065	(374)
Proceeds on disposal of non-current assets	630	1,091	1,091	912	(179)
Capital transfers (to) / from reserves	(15,839)	(7,441)	(7,441)	(4,784)	2,657
Non-cash contributions	3,144	3,144	3,144	9,277	6,133
Funding from general revenue	64,549	58,860	58,860	47,373	(11,487)
Total sources of capital funding	84,733	91,519	91,519	82,706	(8,813)
Application of capital funds					
Contributed assets	3,144	3,144	3,144	9,277	6,133
Capitalised goods and services	71,905	80,571	80,571	63,452	(17,119)
Capitalised employee costs	5,133	3,253	3,253	5,320	2,067
Loan redemption	4,551	4,551	4,551	4,657	106
Total application of capital funds	84,733	91,519	91,519	82,706	(8,813)
Other budgeted items					
Transfers to constrained operating reserves	(11,683)	(10,848)	(10,848)	(11,073)	(225)
Transfers from constrained operating reserves	10,321	10,193	10,193	19,637	9,444
Written down value (WDV) of assets disposed	919	919	919	6,872	5,953

The Interim Capital Funding Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2017. The financial statements will be presented as part of the 2016/2017 Annual Report.

8. INTERIM REDLAND WATER & REDWASTE STATEMENTS

INTERIM REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	102,096	103,459	103,459	104,503	1,044
Total expenses	57,907	55,696	55,696	53,252	(2,444)
Earnings before interest, tax and depreciation (EBITD)	44,189	47,763	47,763	51,251	3,488
Depreciation	16,505	18,062	18,062	18,490	428
Operating surplus / (deficit)	27,684	29,701	29,701	32,761	3,060

INTERIM REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	6,539	9,282	9,282	9,148	(134)
Net transfer (to) / from constrained capital reserves	(713)	(221)	(221)	(458)	(237)
Non-cash contributions	3,065	3,065	3,065	1,928	(1,137)
Funding from utility revenue	7,993	7,440	7,440	5,980	(1,460)
Total sources of capital funding	16,883	19,566	19,566	16,598	(2,968)
Contributed assets	3,065	3,065	3,065	1,928	(1,137)
Capitalised expenditure	13,818	16,501	16,501	14,670	(1,831)
Total application of capital funds	16,883	19,566	19,566	16,598	(2,968)

INTERIM REDWASTE OPERATING STATEMENT For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	24,137	24,188	24,188	23,705	(483)
Total expenses	18,155	17,364	17,364	17,526	162
Earnings before interest, tax and depreciation (EBITD)	5,982	6,824	6,824	6,179	(645)
Interest expense	40	40	40	40	-
Depreciation	572	225	225	185	(40)
Operating surplus / (deficit)	5,371	6,559	6,559	5,954	(605)

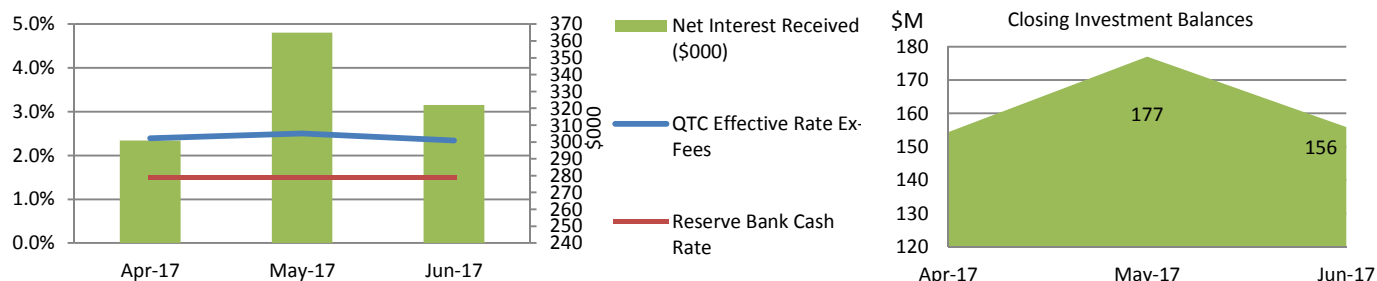
INTERIM REDWASTE CAPITAL FUNDING STATEMENT For the period ending 30 June 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Funding from utility revenue	307	1,967	1,967	1,905	(62)
Total sources of capital funding	307	1,967	1,967	1,905	(62)
Capitalised expenditure	233	1,892	1,892	1,828	(64)
Loan redemption	75	75	75	77	2
Total application of capital funds	307	1,967	1,967	1,905	(62)

9. INTERIM INVESTMENT & BORROWINGS REPORT

For the period ending 30 June 2017

INVESTMENT RETURNS



Total Investment at End of Month was \$155.91M

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

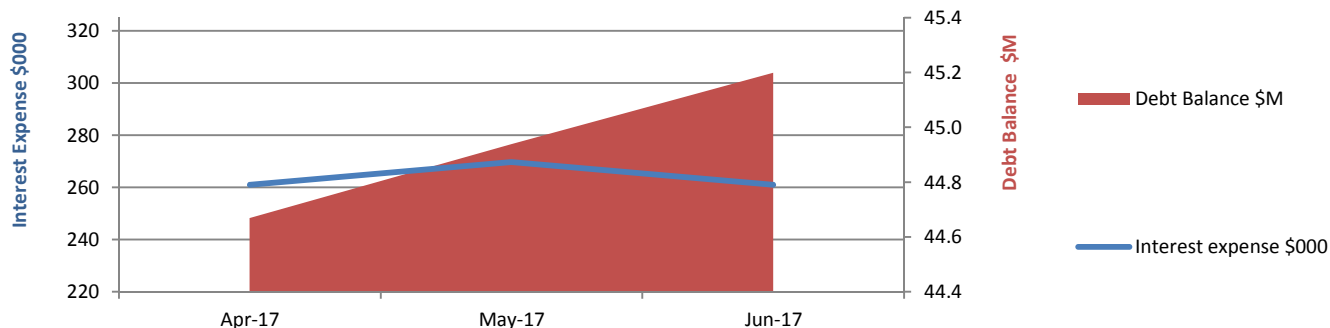
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 1.5% in the August 2016 sitting - this has not changed in subsequent months.

On a daily basis, cash surplus to requirements are deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC of 2.34% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.82% as at the end of June 2017 in accordance with Corporate POL-3013. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its revised Investment Policy (POL-3013) in May 2016 for the 2016/2017 financial year

BORROWING COSTS



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, the principal debt repayment has been made *annually* in advance for 2016/2017 which will result in the loans being repaid approximately one year earlier.

The debt balance shows an increase due to interest being accrued. The total borrowings will decrease when the 2017/2018 repayment is made in July 2017 and interest will accrue monthly based on the reduced debt balance.

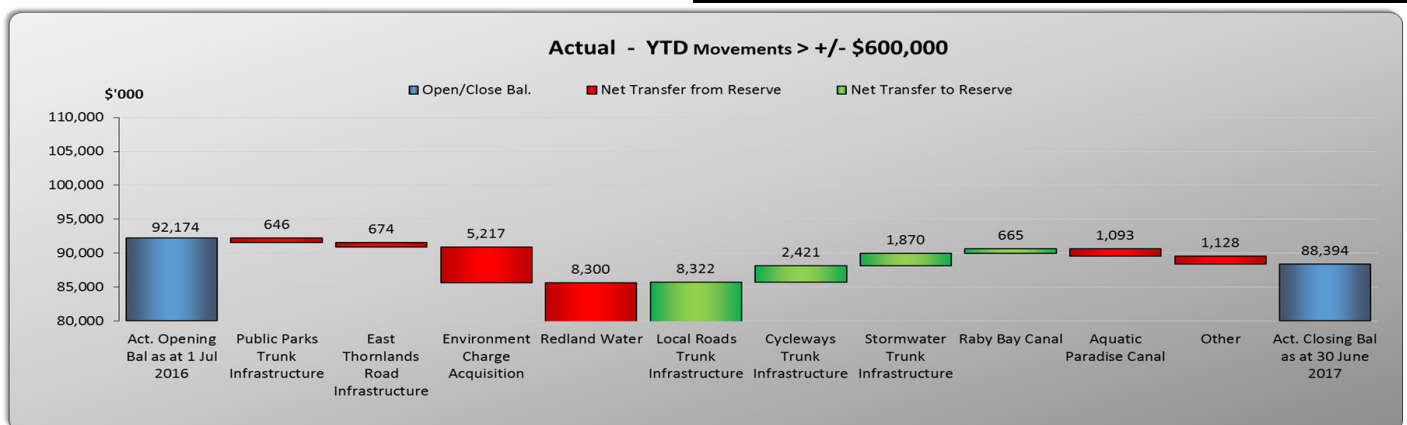
Total Borrowings at End of Month were \$45.2M



Council adopted its revised Debt Policy (POL-1838) in July 2016 for the 2016/2017 financial year

10. INTERIM CONSTRAINED CASH RESERVES

Reserves as at 30 June 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	2,406	697	(28)	3,075
Red Art Gallery Commissions & Donations Reserve	2	2	-	4
	2,408	699	(28)	3,079
Utilities Reserve:				
Redland Water Reserve	8,300	-	(8,300)	-
Redland WasteWater Reserve	1,600	-	(1,600)	-
	9,900	-	(9,900)	-
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	9,150	4,291	(4,937)	8,504
East Thornlands Road Infrastructure Reserve	674	-	(674)	-
Land for Community Facilities Trunk Infrastructure Reserve	1,696	726	(762)	1,660
Water Supply Trunk Infrastructure Reserve	8,911	1,076	(495)	9,492
Sewerage Trunk Infrastructure Reserve	6,516	4,985	(5,107)	6,394
Constrained Works Res-Cap Grants & Contribs	1,549	-	(526)	1,023
Local Roads Trunk Infrastructure Reserve	21,897	8,679	(357)	30,219
Cycleways Trunk Infrastructure Reserve	5,844	2,911	(490)	8,265
Stormwater Trunk Infrastructure Reserve	5,613	1,870	-	7,483
Constrained Works Reserve-Operational Grants & Contributions	1,666	140	(355)	1,451
Tree Planting Reserve	64	59	(38)	85
	63,580	24,737	(13,741)	74,576
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	6,794	-	(5,217)	1,577
Environment Charge Maintenance Reserve	1,243	6,159	(6,013)	1,389
	8,037	6,159	(11,230)	2,966
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	237	(232)	5
SMBI Translink Reserve	13	931	(950)	(6)
	13	1,168	(1,182)	(1)
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve *	4,113	2,116	(1,451)	4,778
Aquatic Paradise Canal Reserve *	3,685	688	(1,781)	2,592
Sovereign Waters Lake Reserve *	438	44	(78)	404
	8,236	2,848	(3,310)	7,774
TOTALS	92,174	35,611	(39,391)	88,394
Closing cash and cash equivalents				156,416
Reserves as percentage of cash balance				57%



Total Reserves increased by \$18.02M during the month and the movement relates primarily to various infrastructure reserves. YTD growth in infrastructure reserves is predominantly from developments in Thornlands, Capalaba and Cleveland. Movement in the East Thornlands Road Infrastructure Reserve is due to closure of the fund and funds transferred to the Transport Trunk Infrastructure Reserve. Movement in the Environment Charge Acquisition Reserve is due to land acquisition in Redland Bay. The \$9.9M drawdown in the Redland Water Reserve and Redland WasteWater Reserve is due to closure of the funds.

* Special charges levied on canal and lake-front homeowners has been temporarily suspended as per media release on 30/03/2017.

11. GLOSSARY

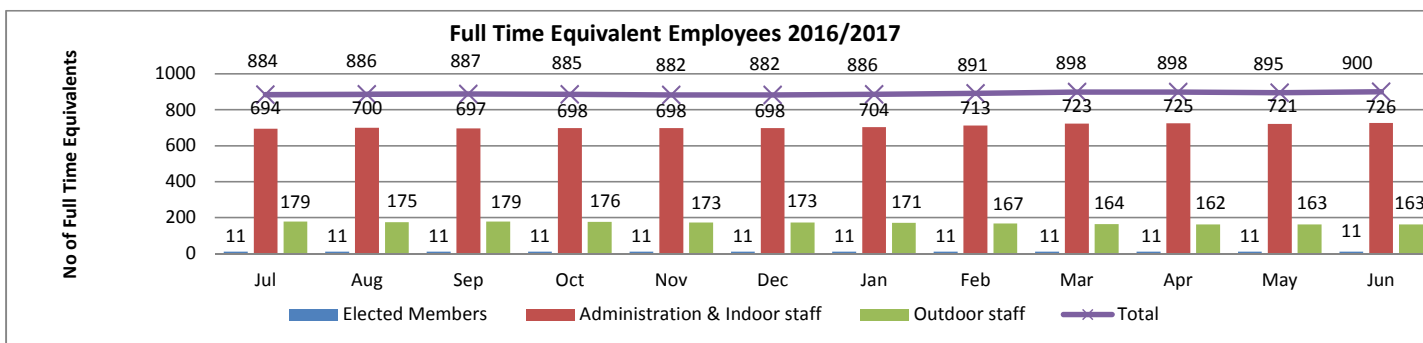
Definition of Ratios

Operating Surplus Ratio*: <i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	Net Operating Surplus Total Operating Revenue
Asset Sustainability Ratio*: <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>	Capital Expenditure on Replacement of Infrastructure Assets (Renewals) Depreciation Expenditure on Infrastructure Assets
Net Financial Liabilities*: <i>This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</i>	Total Liabilities - Current Assets Total Operating Revenue
Level of Dependence on General Rate Revenue: <i>This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)</i>	General Rates - Pensioner Remissions Total Operating Revenue - Gain on Sale of Developed Land
Current Ratio: <i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	Current Assets Current Liabilities
Debt Servicing Ratio: <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	Interest Expense + Loan Redemption Total Operating Revenue - Gain on Sale of Developed Land
Cash Balance - \$M:	Cash Held at Period End
Cash Capacity in Months: <i>This provides an indication as to the number of months cash held at period end would cover operating cash outflows</i>	Cash Held at Period End [[Cash Operating Costs + Interest Expense] / Period in Year]
Longer Term Financial Stability - Debt to Asset Ratio: <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>	Current and Non-current loans Total Assets
Operating Performance: <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	Net Cash from Operations + Interest Revenue and Expense Cash Operating Revenue + Interest Revenue
Interest Coverage Ratio: <i>This ratio demonstrates the extent which operating revenues are being used to meet the financing charges</i>	Net Interest Expense on Debt Service 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



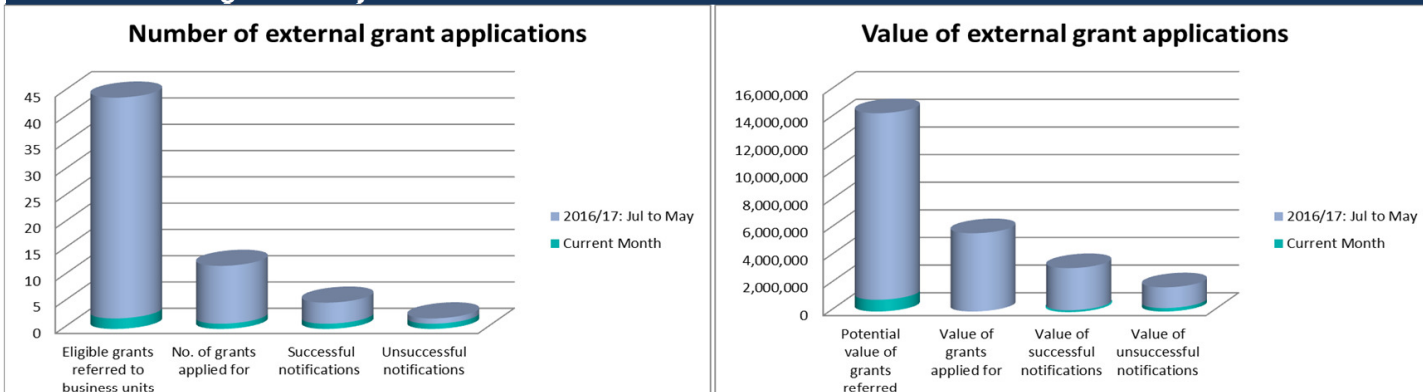
Workforce reporting - June 2017: Headcount		Employee Type					
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total by Department
Office of CEO	12	4	93	11	15	2	137
Organisational Services	4	6	100	9	12	3	134
Community and Customer Service	38	5	247	58	30	10	388
Infrastructure and Operations	17	5	298	9	9	3	341
Total	71	20	738	87	66	18	1,000

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

Days Overdue	Jun-16	% Overdue	Jun-17	% Overdue	\$ Variance	% Variance
0 - 30	\$0	0.0%	\$246	0.0%	\$246	0.00%
31 - 60	\$2,692,372	1.2%	\$1,313	0.0%	-\$2,691,059	-1.15%
61 - 90	\$440	0.0%	\$3,083,486	1.3%	\$3,083,047	1.27%
>90	\$3,757,591	1.6%	\$3,773,898	1.6%	\$16,308	-0.05%
Total	\$6,450,402	2.77%	\$6,858,944	2.83%	\$408,541	0.07%

External Funding Summary



Month of June 2017

In the current month referred funding opportunities include:

- 20 Million Trees - potential value between \$0.02M and \$0.1M

In the current month submitted applications include:

- Endorsement letter provided for Smart Cities COMSEQ application, no financial contribution.

In the current month successful applications include:

- \$0.05M bonus funds secured for 2016/2017 PTAIP Public Transport renewals

In the current month unsuccessful applications include:

- \$0.25M for 2017/2018 Blackspot Project, very competitive round, will be resubmitted for 2018/2019

YTD 2016/2017

The YTD main funding applications submitted & successful include:

Local Government Subsidy Scheme Program x 2 applications:

- Thorneside WWTP (package of 5 separate projects) - \$2.75M
- Indigiscapes Native Plant Nursery - \$0.11M

Queensland ANZAC Centenary Lasting Legacies Program:

- Remembering them: Honouring the First World War soldiers of the Redlands project - \$0.02M

QCoast2100 Program for Coastal Adaptation Study:

- 4 phases of work over 2016/2017 and 2017/2018 - \$0.2M

The YTD main funding applications submitted & not successful include:

- Ex-HMAS Tobruk EOI - economic benefit in first year - \$1.50M