

Monthly Financial Report

August 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 31 August 2017. The year to date and annual revised budget referred to in this report incorporates the changes from the budget capital carryovers adopted by Council on 23 August 2017.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of August may adjust over the coming months until Council receives Queensland Audit Office (QAO) certification at the end of October 2017.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(11,136)	11,986	10,650	(1,336)	-11%	✗
Recurrent Revenue	261,639	51,237	51,379	142	0%	✓
Recurrent Expenditure	272,775	39,251	40,729	1,478	4%	✗
Capital Works Expenditure	94,860	7,084	6,531	(553)	-8%	✓
Closing Cash & Cash Equivalents	140,234	168,737	165,508	(3,229)	-2%	✗

Council reported an operating surplus for the month of \$10.65M. The income generated from the first quarter rates levy is partially offset by \$313K in credits held. The unfavourable variance in recurrent expenditure is primarily due to above budget contractor and bulk water purchase costs as well as timing of electricity and biosolids cost. As this is only the second month of the year, trends will start to emerge as the first quarter progresses.

Of the \$3.20M for contractors, mowing the city's parks and open spaces was \$290K year to date.

Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is behind budget by \$553K due to timing of works for a number of projects which are delayed or are still in the early stages of being progressed. Capital works identified that are no longer expected to be undertaken during 2016/2017 have been carried forward to 2017/2018 in the carryover budget review finalised in August 2017.

Constrained cash reserves represent 56% of the cash balance.

2. KEY PERFORMANCE INDICATORS

Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Status Achieved ✓ Not achieved ✗	Annual Revised Budget	YTD August 2017	Target
Operating Surplus Ratio (%)	✓	-4.26%	20.73%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	69.34%	29.44%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-23.95%	-179.29%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✗	33.93%	42.04%	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	2.74	3.26	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✗	2.99%	15.26%	Less than or equal to 10%
Cash Balance \$M	✓	\$140.234M	\$165.508M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.87	8.36	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.47%	1.37%	Less than or equal to 10%
Operating Performance (%)	✓	17.65%	31.82%	Greater than or equal to 15%
Interest Coverage Ratio (%)**	✓	-0.59%	-0.50%	Less than 5%

* 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 budgeted and actual results are based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained in October 2017. The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. However, until the accounts are finalised in October, the balances will reconcile to the financial management system and may be different to the published carryover budget.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 August 2017

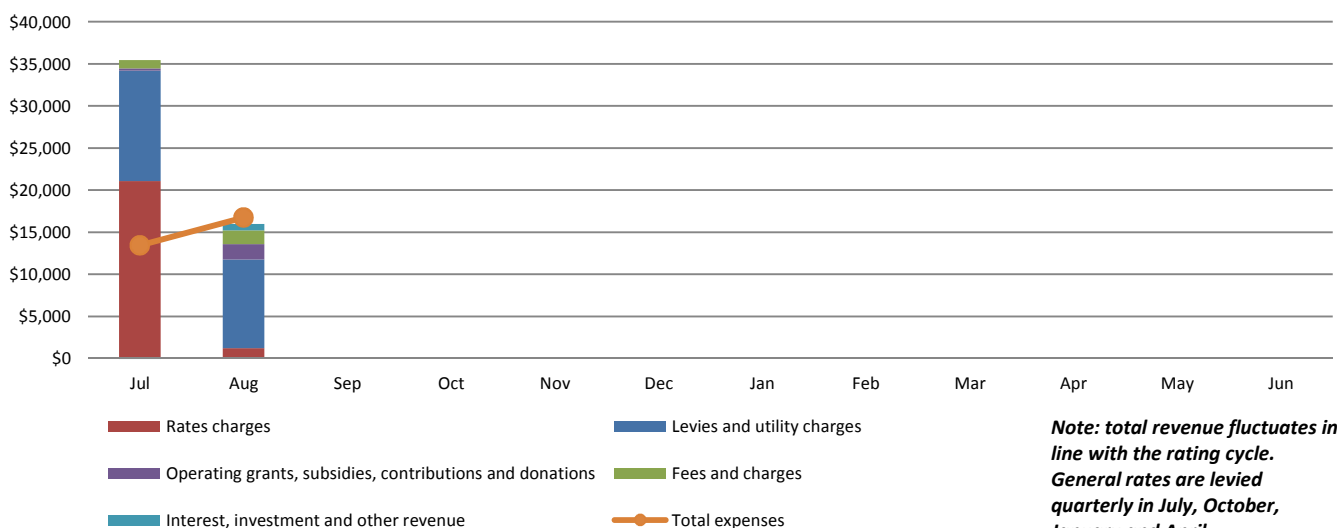
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates, levies and charges	227,186	227,186	45,884	45,155	(729)
Fees and charges	13,048	13,048	1,911	2,623	712
Rental income	839	839	112	194	82
Interest received	4,361	4,361	744	750	6
Investment returns	2,200	2,200	-	-	-
Sales revenue	3,823	3,823	444	512	68
Other income	684	684	24	45	21
Grants, subsidies and contributions	9,497	9,497	2,118	2,100	(18)
Total recurrent revenue	261,639	261,639	51,237	51,379	142
Capital revenue					
Grants, subsidies and contributions	33,013	33,035	4,468	1,835	(2,633)
Non-cash contributions	3,213	3,213	522	-	(522)
Total capital revenue	36,226	36,248	4,990	1,835	(3,155)
TOTAL INCOME	297,865	297,887	56,227	53,214	(3,013)
Recurrent expenses					
Employee benefits	85,677	85,677	14,292	13,948	(344)
Materials and services	125,787	125,787	14,713	16,161	1,448
Finance costs	3,112	3,112	546	569	23
Depreciation and amortisation	58,200	58,200	9,700	10,051	351
Total recurrent expenses	272,775	272,775	39,251	40,729	1,478
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	36	-	(96)	(96)
Total capital expenses	289	36	-	(96)	(96)
TOTAL EXPENSES	273,064	272,811	39,251	40,633	1,382
NET RESULT	24,801	25,076	16,976	12,581	(4,395)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	24,801	25,076	16,976	12,581	(4,395)

4. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Revenue					
Rates charges	91,688	91,688	22,922	22,309	(613)
Levies and utility charges	138,824	138,824	23,770	23,641	(129)
<i>Less: Pensioner remissions and rebates</i>	(3,325)	(3,325)	(807)	(795)	12
Fees and charges	13,048	13,048	1,911	2,623	712
Operating grants and subsidies	8,795	8,795	2,015	2,072	57
Operating contributions and donations	702	702	103	28	(75)
Interest external	4,361	4,361	743	750	7
Investment returns	2,200	2,200	-	-	-
Other revenue	5,347	5,347	580	751	171
Total revenue	261,639	261,639	51,237	51,379	142
Expenses					
Employee benefits	85,677	85,677	14,292	13,948	(344)
Materials and services	126,040	126,040	14,785	16,255	1,470
Finance costs other	303	303	69	77	8
Other expenditure	489	489	51	34	(17)
Net internal costs	(741)	(741)	(123)	(128)	(5)
Total expenses	211,767	211,767	29,074	30,186	1,112
Earnings before interest, tax and depreciation (EBITD)	49,872	49,872	22,163	21,193	(970)
Interest expense	2,809	2,809	477	492	15
Depreciation and amortisation	58,200	58,200	9,700	10,051	351
OPERATING SURPLUS / (DEFICIT)	(11,136)	(11,136)	11,986	10,650	(1,336)

Actuals - Total Revenue and Expenses (\$000)



Note: total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.

4. OPERATING STATEMENT - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse collection rate charge	21,663	21,663	4,315	3,584	(731)
Special charges	4,083	4,083	783	1,020	237
SES separate charge	339	339	85	84	(1)
Environment separate charge	7,568	7,568	1,892	1,891	(1)
Separate charge landfill remediation	2,911	2,911	485	485	-
Wastewater charges	43,647	43,647	7,275	7,172	(103)
Water access charges	18,296	18,296	3,049	3,033	(16)
Water consumption charges	40,317	40,317	5,886	6,372	486
Total levies and utility charges	138,824	138,824	23,770	23,641	(129)

MATERIALS AND SERVICES ANALYSIS

For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	34,121	34,131	2,916	3,236	320
Consultants	4,465	4,455	277	133	(144)
Other Council outsourcing costs*	17,355	17,376	2,702	2,596	(106)
Purchase of materials	44,300	44,300	5,755	6,646	891
Office administration costs	7,949	7,950	1,308	1,260	(48)
Electricity charges	5,751	5,751	432	791	359
Plant operations	4,466	4,466	580	784	204
Information technology resources	2,811	2,789	340	333	(7)
General insurance	1,363	1,363	227	222	(5)
Community assistance**	1,619	1,619	147	128	(19)
Other material and service expenses	1,840	1,840	101	126	25
Total materials and services	126,040	126,040	14,785	16,255	1,470

* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

** Community assistance costs represent community related costs including community grants, exhibitions & awards, donations and sponsorships.

EMPLOYEE BENEFITS AND FULL TIME EQUIVALENTS (FTE)

For the period ending 31 August 2017

	FTE (Council employees and Councillors)*	Total staff wages and salaries (including Councillors) \$000	Annual leave and long service leave entitlements \$000	Superannuation \$000	Other employee related expenses (including agency costs) \$000	Less: capitalised employee expenses \$000	Total operating employee benefits \$000
Month							
July	900	5,336	626	635	333	481	6,449
August	899	6,005	702	685	627	520	7,499
Total employee benefits YTD		11,341	1,328	1,320	960	1,001	13,948

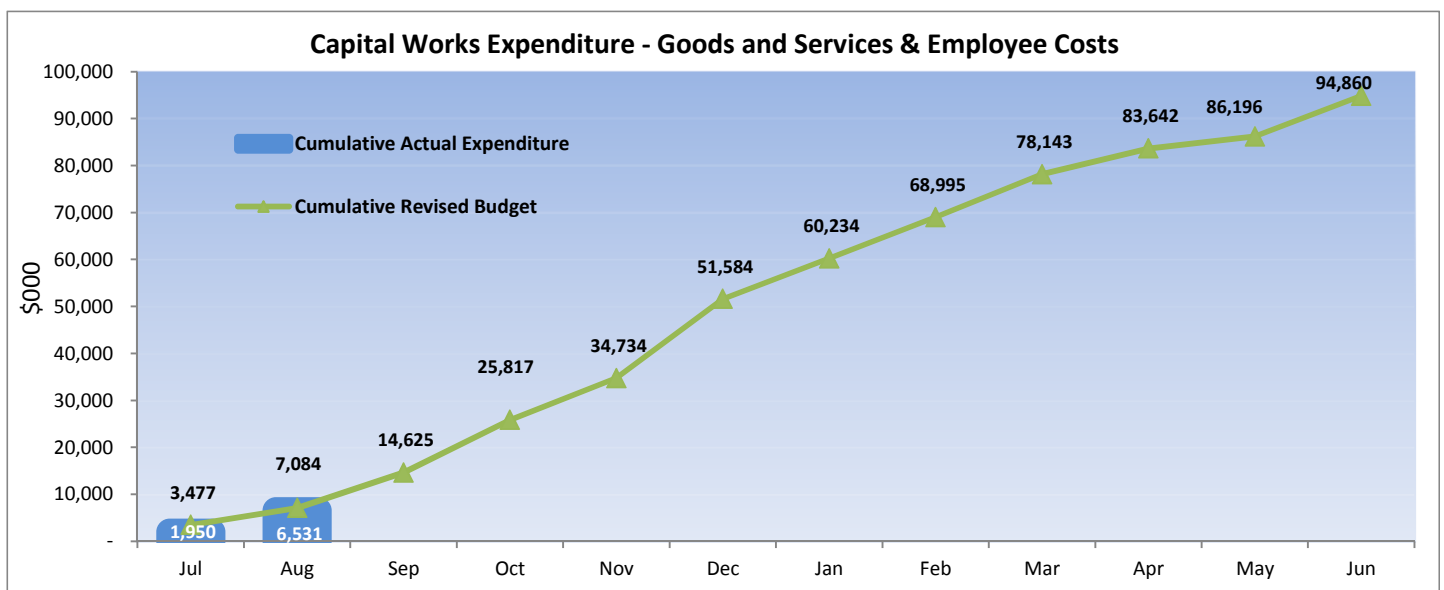
* Refer to page 14 for further information on FTE and headcount.

5. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Sources of capital funding					
Capital contributions and donations	29,250	29,250	4,287	1,428	(2,859)
Capital grants and subsidies	3,763	3,785	181	407	226
Proceeds on disposal of non-current assets	1,180	1,433	-	109	109
Capital transfers (to) / from reserves	(14,106)	(13,493)	(3,861)	(1,109)	2,752
Non-cash contributions	3,213	3,213	522	-	(522)
New loans	867	867	867	-	(867)
Funding from general revenue	66,106	78,028	12,952	13,047	95
Total sources of capital funding	90,272	103,082	14,948	13,882	(1,066)
Application of capital funds					
Contributed assets	3,213	3,213	522	-	(522)
Capitalised goods and services*	74,965	87,599	6,187	5,530	(657)
Capitalised employee costs*	7,085	7,261	897	1,001	104
Loan redemption	5,010	5,010	7,342	7,351	9
Total application of capital funds	90,272	103,082	14,948	13,882	(1,066)
Other budgeted items					
Transfers to constrained operating reserves	(13,268)	(13,268)	(1,093)	(3,135)	(2,042)
Transfers from constrained operating reserves	11,565	11,565	896	511	(385)
Written down value (WDV) of assets disposed	1,468	1,468	-	13	13

* Total capital works expenditure depicted in the graph below is the total of capitalised goods and services and capitalised employee costs.



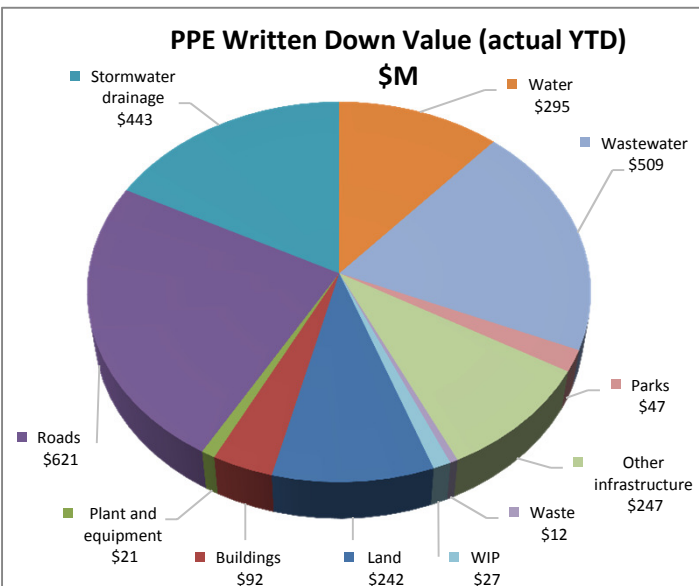
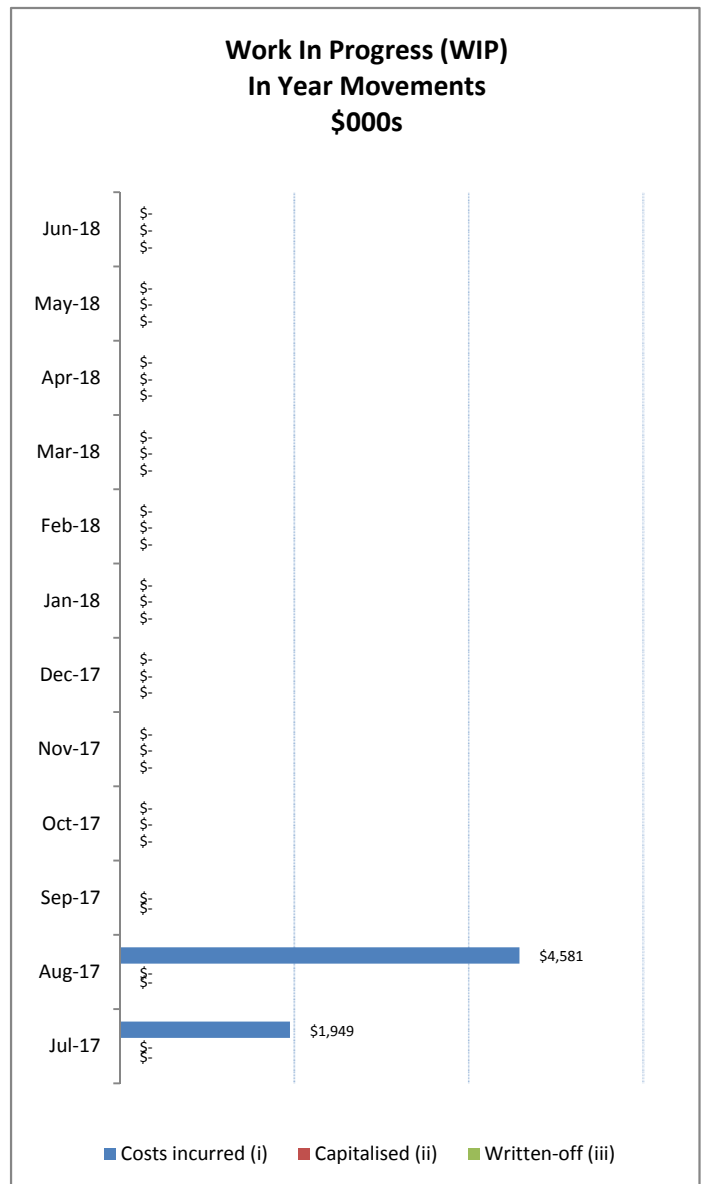
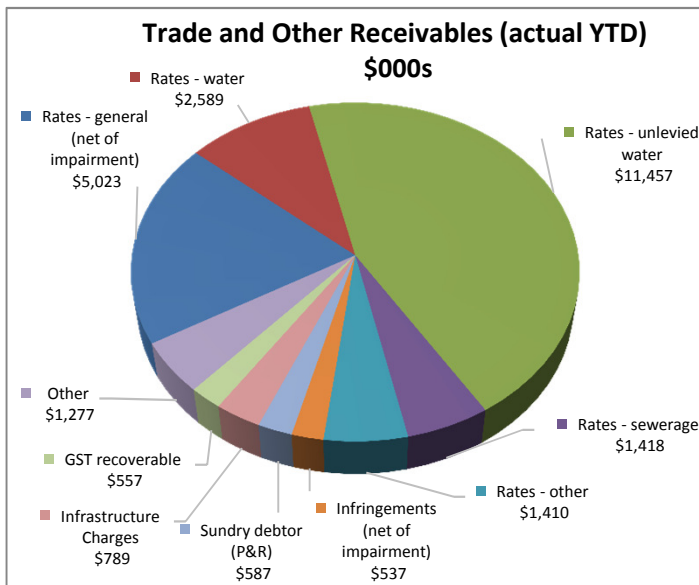
6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 August 2017

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual Balance \$000
CURRENT ASSETS				
Cash and cash equivalents	133,650	140,234	168,737	165,508
Trade and other receivables	25,805	27,273	27,723	25,644
Inventories	678	556	556	576
Non-current assets held for sale	4,278	262	262	262
Other current assets	2,122	2,073	2,073	2,250
Total current assets	166,533	170,398	199,351	194,240
NON-CURRENT ASSETS				
Investment property	1,054	1,091	1,091	1,091
Property, plant and equipment	2,483,228	2,598,914	2,557,511	2,556,057
Intangible assets	1,215	1,844	2,749	2,763
Other financial assets	73	73	73	73
Investment in other entities	5,961	14,712	14,712	14,712
Total non-current assets	2,491,531	2,616,634	2,576,136	2,574,696
TOTAL ASSETS	2,658,064	2,787,032	2,775,487	2,768,936
CURRENT LIABILITIES				
Trade and other payables	21,411	39,792	39,252	31,518
Borrowings	7,701	7,713	7,713	7,713
Provisions	13,126	13,014	12,497	11,855
Other current liabilities	1,755	1,747	1,697	8,492
Total current liabilities	43,993	62,266	61,159	59,578
NON-CURRENT LIABILITIES				
Borrowings	33,461	33,343	31,011	30,135
Provisions	12,356	12,115	12,108	12,409
Total non-current liabilities	45,817	45,458	43,119	42,544
TOTAL LIABILITIES	89,811	107,724	104,278	102,122
NET COMMUNITY ASSETS	2,568,254	2,679,308	2,671,209	2,666,814
COMMUNITY EQUITY				
Asset revaluation surplus	963,349	1,070,838	1,070,838	1,070,838
Retained surplus	1,498,727	1,503,631	1,506,669	1,502,598
Constrained cash reserves	106,178	104,839	93,702	93,378
TOTAL COMMUNITY EQUITY	2,568,254	2,679,308	2,671,209	2,666,814

The budgeted and actual results are based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained in October 2017. The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. However, until the accounts are finalised in October, the balances will reconcile to the financial management system and may be different to the published carryover budget.

6. STATEMENT OF FINANCIAL POSITION - CONTINUED



(i) Costs incurred: costs transferred into WIP for the construction or acquisition of fixed assets and at this point are non-depreciating.

(ii) Capitalised: costs transferred from WIP to recognise commissioned fixed assets and will be depreciated if applicable.

(iii) Written-off: costs transferred from WIP to operational expenditure. These costs are operational in nature and therefore will not be capitalised.

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*

For the period ending 31 August 2017

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,456,540	2,559,416	2,559,416	2,559,416
Acquisitions	3,215	3,215	522	-
Depreciation in year	(57,061)	(57,061)	(9,510)	(9,851)
Disposals	(1,468)	(1,468)	-	(13)
WIP in year movement	82,002	94,812	7,083	6,505
Closing balance	2,483,228	2,598,914	2,557,511	2,556,057

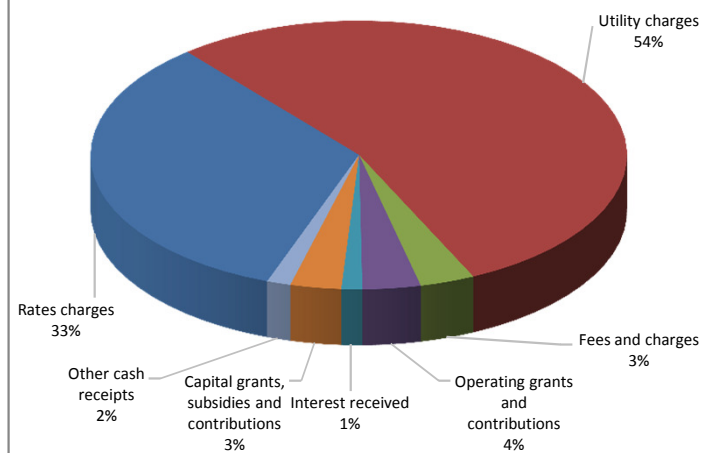
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

7. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 August 2017

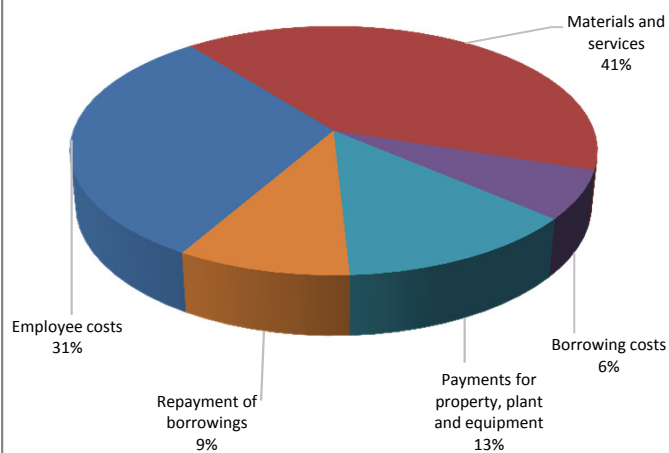
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	244,741	244,741	48,265	55,053
Payments to suppliers and employees	(210,402)	(210,527)	(28,898)	(36,424)
	34,340	34,215	19,367	18,629
Interest received	4,361	4,361	744	750
Rental income	839	839	112	194
Non-capital grants and contributions	9,547	9,547	2,118	2,100
Borrowing costs	(3,175)	(3,175)	(3,175)	(3,187)
Net cash inflow / (outflow) from operating activities	45,912	45,787	19,166	18,486
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(82,005)	(94,815)	(7,083)	(6,505)
Payments for intangible assets	(45)	(45)	-	(25)
Proceeds from sale of property, plant and equipment	1,180	1,433	-	109
Capital grants, subsidies and contributions	33,013	33,035	4,468	1,835
Other cash flows from investing activities	2,200	2,200	(452)	(150)
Net cash inflow / (outflow) from investing activities	(45,656)	(58,192)	(3,067)	(4,736)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	867	867	867	-
Repayment of borrowings	(4,644)	(4,644)	(4,644)	(4,657)
Net cash inflow / (outflow) from financing activities	(3,777)	(3,777)	(3,777)	(4,657)
Net increase / (decrease) in cash held	(3,521)	(16,181)	12,322	9,093
Cash and cash equivalents at the beginning of the year	137,171	156,415	156,415	156,415
Cash and cash equivalents at the end of the financial year / period	133,650	140,234	168,737	165,508

Cash Funding (actual YTD)



Total Cash Funding (Actual YTD)	59,891
Total Cash Funding (Annual Revised Budget)	297,023
% of Budget Achieved YTD	20%

Cash Expenditure (actual YTD)

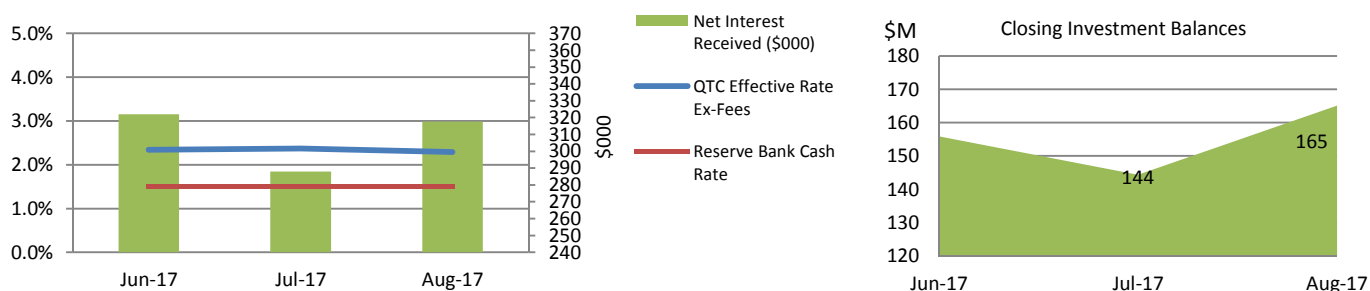


Total Cash Expenditure (Actual YTD)	50,798
Total Cash Expenditure (Annual Revised Budget)	313,204
% of Budget Achieved YTD	16%

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 August 2017

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$165.15M

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

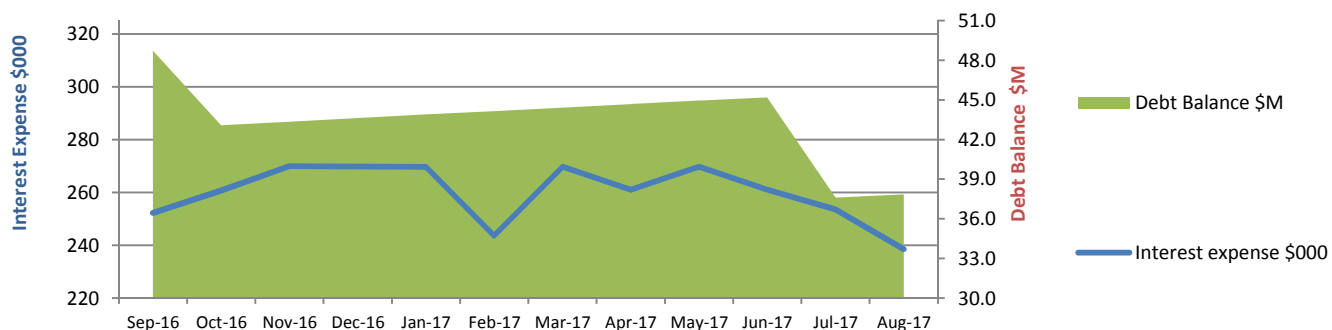
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 is 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 2.29% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.76% as at the end of August 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 2017 for the 2017/2018 financial year

BORROWINGS AND 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 2017/2018 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment was made during July 2017. Interest will accrue monthly based on the reduced debt balance.

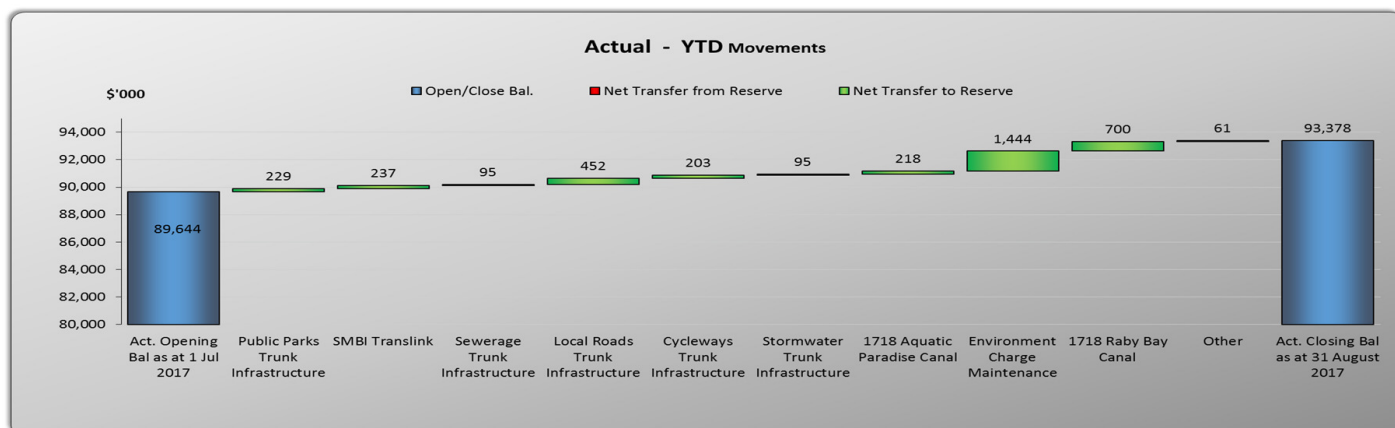
Total Borrowings at End of Month were \$37.85M

General pool allocated to capital works is 98.97% and 1.03% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2017 for the 2017/2018 financial year

9. CONSTRAINED CASH RESERVES

Reserves as at 31 August 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	3,075	2	(1)	3,076
Red Art Gallery Commissions & Donations Reserve	4	-	-	4
	3,079	2	(1)	3,080
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	8,693	257	(28)	8,922
Land for Community Facilities Trunk Infrastructure Reserve	1,675	40	-	1,715
Water Supply Trunk Infrastructure Reserve	9,478	40	-	9,518
Sewerage Trunk Infrastructure Reserve	6,573	240	(145)	6,668
Constrained Works Reserve-Capital Grants & Contributions	1,154	-	(7)	1,147
Local Roads Trunk Infrastructure Reserve	30,570	478	(26)	31,022
Cycleways Trunk Infrastructure Reserve	8,343	203	-	8,546
Stormwater Trunk Infrastructure Reserve	7,553	95	-	7,648
Constrained Works Reserve-Operating Grants & Contributions	2,667	-	(35)	2,632
Tree Planting Reserve	86	2	-	88
	76,792	1,355	(241)	77,906
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	618	-	(37)	581
Environment Charge Maintenance Reserve	1,387	1,892	(448)	2,831
	2,005	1,892	(485)	3,412
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	52	(23)	29
SMBI Translink Reserve	(6)	237	-	231
	(6)	289	(23)	260
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	4,778	11	-	4,789
Aquatic Paradise Canal Reserve	2,592	6	-	2,598
Sovereign Waters Lake Reserve	404	1	-	405
1718 Raby Bay Canal Reserve	-	701	(1)	700
1718 Aquatic Paradise Canal Reserve	-	218	-	218
1718 Sovereign Waters Lake Reserve	-	13	(3)	10
	7,774	950	(4)	8,720
TOTALS	89,644	4,488	(754)	93,378
Closing cash and cash equivalents				165,508
Reserves as percentage of cash balance				56%



Total Reserves increased by \$231K during the month. YTD growth in developer contributions totalled \$1.35M with drawdowns of \$199K. Increases are predominantly from developments in Cleveland, Ormiston, Capalaba and Birkdale. YTD growth in other reserves totalled \$3.13M, with drawdowns totalling \$555K. \$950K of the increase is attributed to canals and lakes. The existing reserves for special charges levied on canal and lake-front homeowners remain temporarily frozen, the only increases are interest. New 2017/2018 reserves reflect the current year program for revenue and expenditure. \$1.89M increase in the Environment Charge Maintenance Reserve is associated with the Environment Separate Charge (which was part of the July rate run).

Opening balances for reserves are unaudited and subject to change until Queensland Audit Office certification is obtained in October 2017.

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	105,147	105,147	16,497	16,915	418
Total expenses	59,688	59,688	7,143	8,776	1,633
Earnings before interest, tax and depreciation (EBITD)	45,459	45,459	9,354	8,139	(1,215)
Interest expense	18,265	18,265	3,044	3,044	-
Depreciation	18,457	18,457	3,076	3,682	606
Operating surplus / (deficit)	8,737	8,737	3,234	1,413	(1,821)

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	6,631	6,631	1,059	298	(761)
Net transfer (to) / from constrained capital reserves	(3,120)	(3,117)	(911)	(135)	776
Non-cash contributions	3,131	3,131	522	-	(522)
Funding from utility revenue	4,675	6,186	1,398	1,320	(78)
Total sources of capital funding	11,316	12,830	2,068	1,483	(585)
Contributed assets	3,131	3,131	522	-	(522)
Capitalised expenditure	8,185	9,699	1,546	1,483	(63)
Total application of capital funds	11,316	12,830	2,068	1,483	(585)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	24,532	24,532	4,793	4,140	(653)
Total expenses	17,480	17,480	3,029	3,276	247
Earnings before interest, tax and depreciation (EBITD)	7,052	7,052	1,764	864	(900)
Interest expense	33	33	6	6	-
Depreciation	307	307	51	28	(23)
Operating surplus / (deficit)	6,712	6,712	1,707	830	(877)

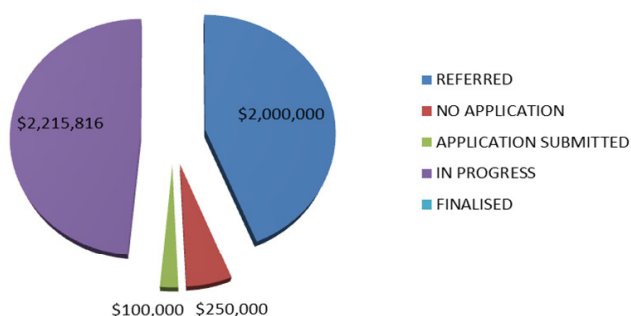
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 August 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Funding from utility revenue	317	333	158	28	(130)
Total sources of capital funding	317	333	158	28	(130)
Capitalised expenditure	240	249	47	34	(13)
Loan redemption	77	83	111	(6)	(117)
Total application of capital funds	317	333	158	28	(130)

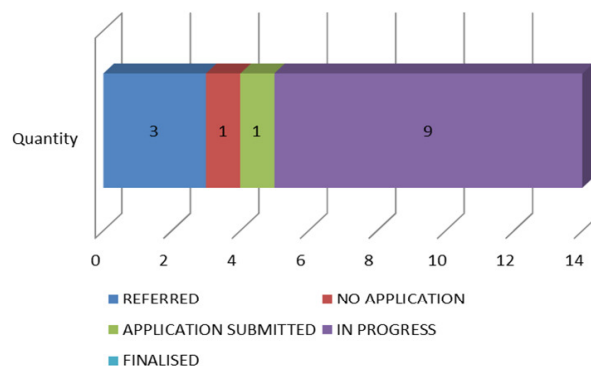
12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

External Funding Summary

Value of External Grant Applications by Status



Number of External Grant Applications by Status



August 2017 Progress

REFERRED

- Applications underway for Local Government Grants and Subsidies Program, up to 9 projects under consideration
- Applications underway for Game On Grant for up to 4 events/programs for Commonwealth Games, total potential value of \$110,000

APPLICATIONS SUBMITTED

- 20 Million Trees, \$100,000 applied for South Street Cleveland site revegetation

Successful Funding Submissions YTD 2017/2018

Road and Active Transport Related Funding:

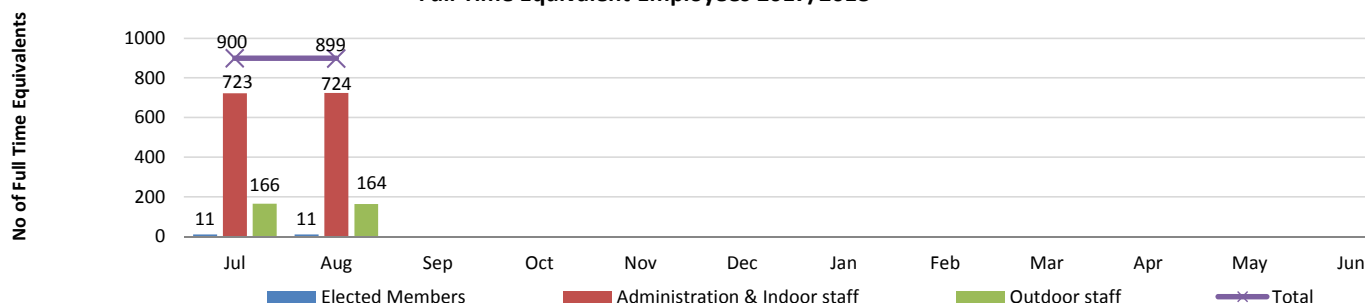
- \$875,000 for two Road Alliance projects to be completed in 2017/2018
- \$406,000 for city wide bus shelter renewals to be completed in 2017/2018
- \$15,000 for cycle network shared path design in 2017/2018

Tourism Demand Driver Infrastructure:

- \$300,000 for Snapper Street Link North Stradbroke Island for completion in 2017/2018

Workforce Reporting

Full Time Equivalent Employees 2017/2018



Workforce reporting - August 2017: Headcount

Department Level	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total by Department
Office of CEO	8	2	29	7	5	0	51
Organisational Services	8	8	158	15	18	7	214
Community and Customer Service	33	5	242	59	33	10	382
Infrastructure and Operations	13	5	304	8	9	4	343
Total	62	20	733	89	65	21	990

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. Due to a change in the reporting structure in August 2017, Finance and Legal Services (including procurement) will move from the Office of CEO and join Organisational Services.

13. GLOSSARY

Key Terms

Written Down Value:

This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.

Work In Progress:

This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.

Definition of Ratios

Operating Surplus Ratio*:

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes

Net Operating Surplus

Total Operating Revenue

Asset Sustainability Ratio*:

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

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)

Depreciation Expenditure on Infrastructure Assets

Net Financial Liabilities*:

This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues

Total Liabilities - Current Assets

Total Operating Revenue

Level of Dependence on General Rate Revenue:

This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)

General Rates - Pensioner Remissions

Total Operating Revenue - Gain on Sale of Developed Land

Current Ratio:

This measures the extent to which Council has liquid assets available to meet short term financial obligations

Current Assets

Current Liabilities

Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense + Loan Redemption

Total Operating Revenue - Gain on Sale of Developed Land

Cash Balance - \$M:

Cash balance include cash on hand, cash at bank and other short term investments.

Cash Held at Period End

Cash Capacity in Months:

This provides an indication as to the number of months cash held at period end would cover operating cash outflows

Cash Held at Period End

$[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]$

Longer Term Financial Stability - Debt to Asset Ratio:

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

Current and Non-current loans

Total Assets

Operating Performance:

This ratio provides an indication of Redland City Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

Interest Coverage Ratio:

This ratio demonstrates the extent which operating revenues are being used to meet the financing charges

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.