

Monthly Financial Report

February 2018



CONTENTS

1.	Executive Summary	3
2.	Key Performance Indicators	3
3.	Statement of Comprehensive Income	4
4.	Operating Statement	5
5.	Capital Funding Statement	7
6.	Statement of Financial Position	8
7.	Statement of Cash Flows	10
8.	Investment & Borrowings Report	11
9.	Constrained Cash Reserves	12
10.	Redland Water Statements	13
11.	RedWaste Statements	13
12.	Appendix: Additional and Non-financial Information	14
13.	Glossary	15

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 28 February 2018. 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.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(11,136)	4,585	6,960	2,375	52%	✓
Recurrent Revenue	261,639	180,345	180,861	516	0%	✓
Recurrent Expenditure	272,775	175,760	173,901	(1,859)	-1%	✓
Capital Works Expenditure	94,860	47,703	41,134	(6,569)	-14%	✓
Closing Cash & Cash Equivalents	140,234	165,396	152,533	(12,863)	-8%	✗

Council reported an operating surplus for the month of \$6.96M. The income generated from the third quarter general rates levy is partially offset by \$605K in credits held, representing rates received in advance in previous periods. Operating grants and subsidies income is above budget by \$901K mainly due to timing of grant monies received for Macleay Island boat ramp (\$394K) and unbudgeted tropical cyclone Debbie (\$189K).

The favourable variance in recurrent expenditure is primarily due to underspend in consultant and contractor costs. The unfavourable variance in depreciation expense is due to higher opening asset balances for 2017/2018 which include the results from the 2016/2017 asset revaluations, as well as the recognition of developer contributed assets. These end of year adjustments influenced the increase in depreciation expense.

Capital grants, subsidies and contributions are below budget mainly due to timing of developer cash contributions. Additionally, non-cash contributions are below budget due to timing of developer non-cash contributions. Loss on disposal of non-current assets is mainly due to sale of fleet assets and infrastructure asset replacement.

Council's capital works expenditure is below budget by \$6.57M due to timing of works for a number of infrastructure projects, timing of capital acquisitions and fleet replacement.

Council's cash balance is below budget due to higher than anticipated payments to suppliers which includes \$7.85M for canal and lake special charges refund and below budget receipt of capital grants, subsidies and contributions. This is partially offset by below budget expenditure for property, plant and equipment and above budget operating grants. Constrained cash reserves represent 61% 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 February 2018	Target
Operating Surplus Ratio (%)	✓	-4.26%	3.85%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%) [^]	✗	70.92%	49.72%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%) [*]	✓	-23.95%	-57.96%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✓	33.93%	36.43%	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	2.74	3.93	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.99%	4.34%	Less than or equal to 10%
Cash Balance \$M	✓	\$140.234M	\$152.533M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.87	7.94	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.47%	1.42%	Less than or equal to 10%
Operating Performance (%)	✓	17.65%	18.13%	Greater than or equal to 15%
Interest Coverage Ratio (%) ^{**}	✓	-0.59%	-0.59%	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 annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. The differences between the carryover budget figures and those published are due to the actual opening balances on 1 July 2017, which are now finalised following end of year accounts finalisation.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME

For the period ending 28 February 2018

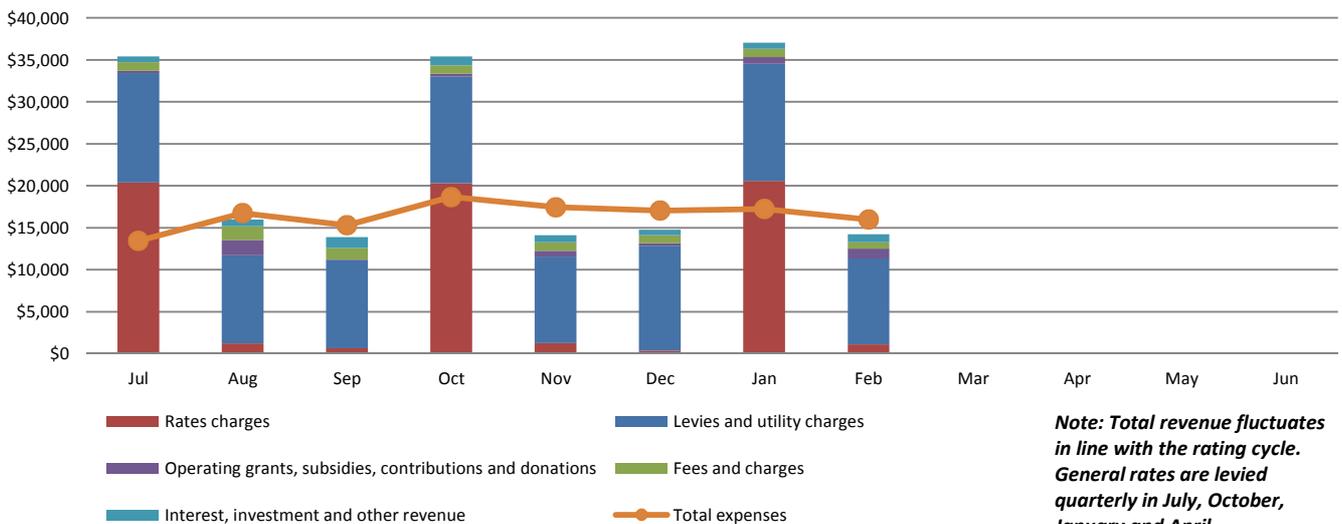
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates, levies and charges	227,186	227,186	159,920	159,640	(280)
Fees and charges	13,048	13,048	8,893	8,696	(197)
Rental income	839	839	541	809	268
Interest received	4,361	4,361	2,892	2,944	52
Investment returns	2,200	2,200	500	500	-
Sales revenue	3,823	3,823	2,356	2,119	(237)
Other income	684	684	469	657	188
Grants, subsidies and contributions	9,497	9,497	4,774	5,496	722
Total recurrent revenue	261,639	261,639	180,345	180,861	516
Capital revenue					
Grants, subsidies and contributions	33,013	33,035	16,685	11,075	(5,610)
Non-cash contributions	3,213	3,213	2,161	134	(2,027)
Total capital revenue	36,226	36,248	18,846	11,209	(7,637)
TOTAL INCOME	297,865	297,887	199,191	192,070	(7,121)
Recurrent expenses					
Employee benefits	85,677	85,677	56,581	56,080	(501)
Materials and services	125,787	125,787	78,293	75,542	(2,751)
Finance costs	3,112	3,112	2,086	2,151	65
Depreciation and amortisation	58,200	58,200	38,800	40,128	1,328
Total recurrent expenses	272,775	272,775	175,760	173,901	(1,859)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	36	(664)	782	1,446
Total capital expenses	289	36	(664)	782	1,446
TOTAL EXPENSES	273,064	272,811	175,096	174,683	(413)
NET RESULT	24,801	25,076	24,095	17,387	(6,708)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	(67)	(67)
TOTAL COMPREHENSIVE INCOME	24,801	25,076	24,095	17,320	(6,775)

4. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 28 February 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Revenue					
Rates charges	91,688	91,688	68,766	68,028	(738)
Levies and utility charges	138,824	138,824	93,628	94,058	430
<i>Less: Pensioner remissions and rebates</i>	(3,325)	(3,325)	(2,474)	(2,446)	28
Fees and charges	13,048	13,048	8,893	8,696	(197)
Operating grants and subsidies	8,795	8,795	4,375	5,276	901
Operating contributions and donations	702	702	399	220	(179)
Interest external	4,361	4,361	2,892	2,944	52
Investment returns	2,200	2,200	500	500	-
Other revenue	5,347	5,347	3,366	3,585	219
Total revenue	261,639	261,639	180,345	180,861	516
Expenses					
Employee benefits	85,677	85,677	56,581	56,080	(501)
Materials and services	126,040	126,040	78,470	75,432	(3,038)
Finance costs other	303	303	216	266	50
Other expenditure	489	489	316	602	286
Net internal costs	(741)	(741)	(493)	(492)	1
Total expenses	211,767	211,767	135,090	131,888	(3,202)
Earnings before interest, tax and depreciation (EBITD)	49,872	49,872	45,255	48,973	3,718
Interest expense	2,809	2,809	1,870	1,885	15
Depreciation and amortisation	58,200	58,200	38,800	40,128	1,328
OPERATING SURPLUS / (DEFICIT)	(11,136)	(11,136)	4,585	6,960	2,375

Actuals - Total Revenue and Expenses (before interest and depreciation) (\$000)



4. OPERATING STATEMENT - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 28 February 2018

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Levies and utility charges					
Refuse collection rate charge	21,663	21,663	14,401	14,459	58
Special charges	4,083	4,083	3,062	3,054	(8)
SES separate charge	339	339	254	255	1
Environment separate charge	7,568	7,568	5,676	5,712	36
Separate charge landfill remediation	2,911	2,911	1,941	1,953	12
Wastewater charges	43,647	43,647	29,098	28,941	(157)
Water access charges	18,296	18,296	12,197	12,250	53
Water consumption charges	40,317	40,317	26,999	27,434	435
Total levies and utility charges	138,824	138,824	93,628	94,058	430

MATERIALS AND SERVICES ANALYSIS For the period ending 28 February 2018

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Materials and services					
Contractors	34,121	34,456	20,244	18,330	(1,914)
Consultants	4,465	4,249	2,046	904	(1,142)
Other Council outsourcing costs*	17,355	17,498	11,124	11,526	402
Purchase of materials	44,300	44,090	28,776	29,015	239
Office administration costs	7,949	8,071	5,254	5,135	(119)
Electricity charges	5,751	5,729	3,794	3,538	(256)
Plant operations	4,466	4,480	2,787	2,757	(30)
Information technology resources	2,811	2,647	1,544	1,453	(91)
General insurance	1,363	1,363	912	891	(21)
Community assistance**	1,619	1,623	954	879	(75)
Other material and service expenses	1,840	1,834	1,035	1,004	(31)
Total materials and services	126,040	126,040	78,470	75,432	(3,038)

* 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 28 February 2018

Month	FTE (Council employees and Councillors)*	Total staff wages and salaries (including Councillors) \$000	Annual leave and long service leave entitlements \$000	Superannuation (including Councillors) \$000	Other employee related expenses (including agency costs) \$000	Less: capitalised employee expenses \$000	Total operating employee benefits \$000
July	900	5,324	626	647	333	481	6,449
August	899	5,992	702	698	627	520	7,499
September	902	5,213	617	653	597	471	6,609
October	906	6,080	724	722	525	531	7,520
November	914	5,961	698	703	598	383	7,577
December	919	5,508	650	674	452	389	6,895
January	921	5,496	646	713	560	414	7,001
February	922	5,416	646	637	469	638	6,530
Total employee benefits YTD		44,990	5,309	5,447	4,161	3,827	56,080

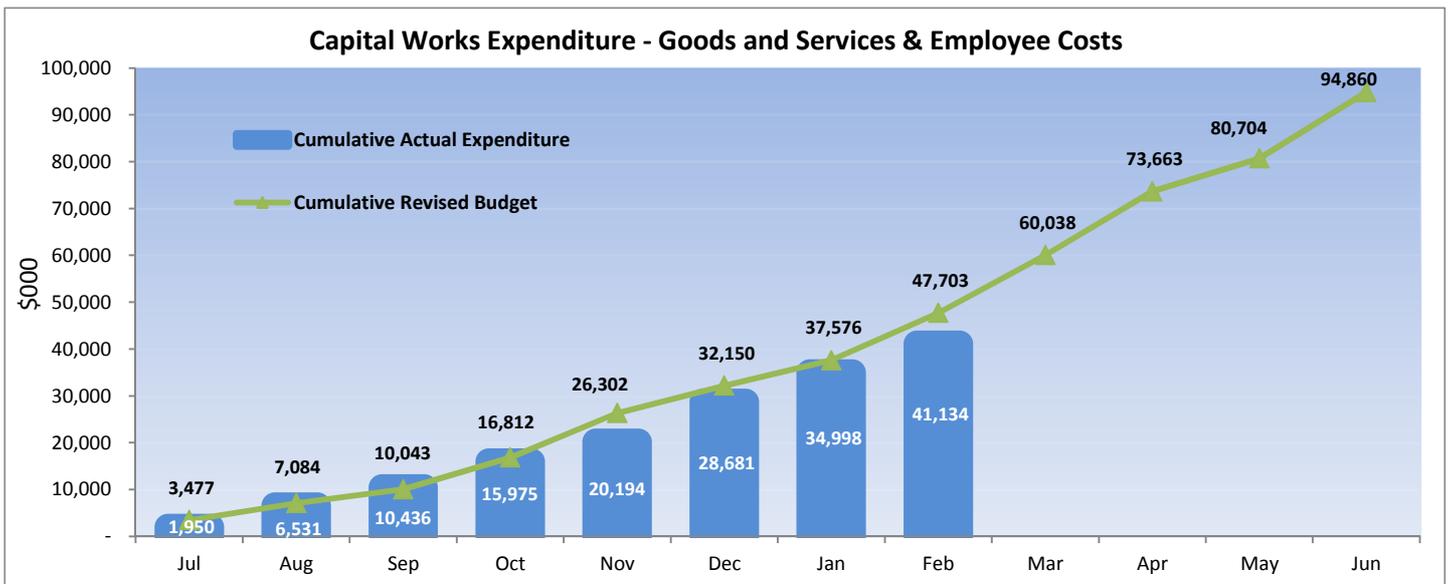
* Refer to page 14 for further information on FTE and headcount.

5. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 28 February 2018

	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	29,250	29,250	14,055	9,634	(4,421)
Capital grants and subsidies	3,763	3,785	2,630	1,441	(1,189)
Proceeds on disposal of non-current assets	1,180	1,433	1,064	687	(377)
Capital transfers (to) / from reserves	(14,106)	(13,493)	(11,430)	(5,883)	5,547
Non-cash contributions	3,213	3,213	2,161	134	(2,027)
New loans	867	867	-	-	-
Funding from general revenue	66,106	78,028	47,333	41,214	(6,119)
Total sources of capital funding	90,272	103,082	55,813	47,227	(8,586)
Application of capital funds					
Contributed assets	3,213	3,213	2,161	134	(2,027)
Capitalised goods and services*	74,965	87,599	44,181	37,307	(6,874)
Capitalised employee costs*	7,085	7,261	3,522	3,827	305
Loan redemption	5,010	5,010	5,949	5,959	10
Total application of capital funds	90,272	103,082	55,813	47,227	(8,586)
Other budgeted items					
Transfers to constrained operating reserves	(13,268)	(13,268)	(7,698)	(9,731)	(2,033)
Transfers from constrained operating reserves	11,565	11,565	7,329	12,374	5,045
Written down value (WDV) of assets disposed	1,468	1,468	400	1,469	1,069

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



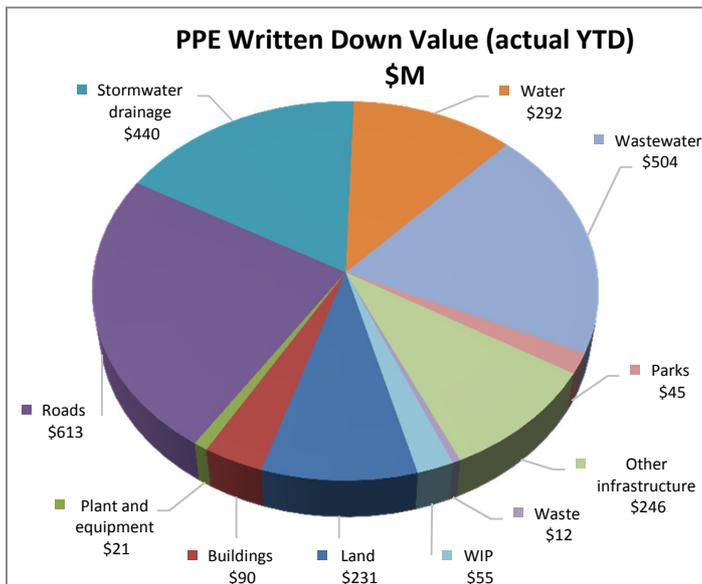
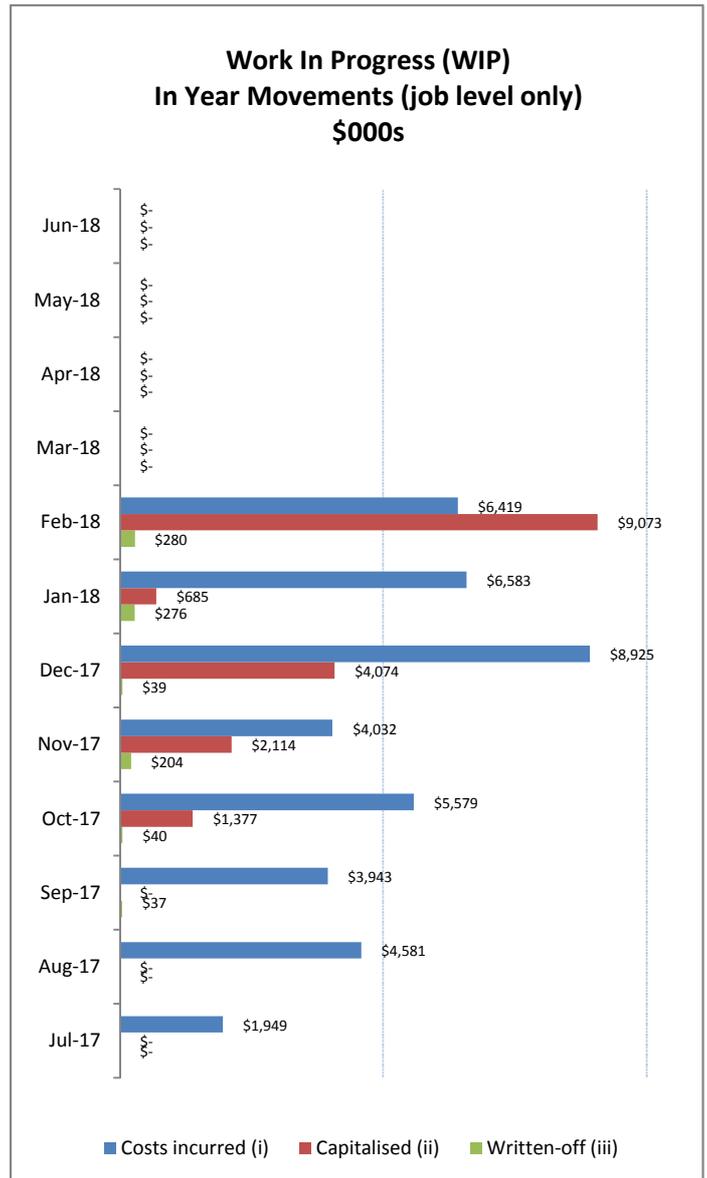
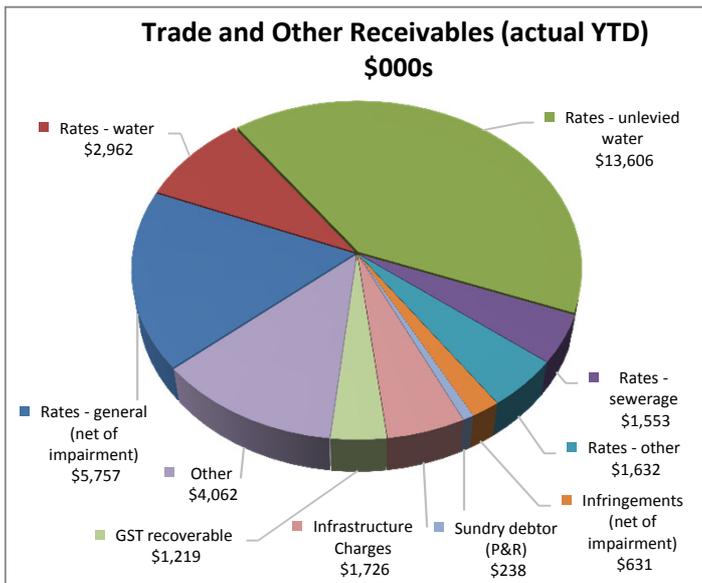
6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 28 February 2018

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS				
Cash and cash equivalents	133,650	140,234	165,396	152,533
Trade and other receivables	25,805	27,273	28,075	33,386
Inventories	678	556	556	1,259
Non-current assets held for sale	4,278	262	262	11,203
Other current assets	2,122	2,073	2,073	2,430
Total current assets	166,533	170,398	196,362	200,811
NON-CURRENT ASSETS				
Investment property	1,054	1,091	1,091	1,091
Property, plant and equipment	2,483,228	2,598,914	2,570,839	2,548,618
Intangible assets	1,215	1,845	2,179	2,230
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	2,616,635	2,588,894	2,566,724
TOTAL ASSETS	2,658,064	2,787,033	2,785,256	2,767,535
CURRENT LIABILITIES				
Trade and other payables	21,411	39,792	39,576	21,951
Borrowings	7,701	7,713	7,713	7,713
Provisions	13,126	13,014	12,777	10,359
Other current liabilities	1,755	1,747	3,217	11,123
Total current liabilities	43,993	62,266	63,283	51,146
NON-CURRENT LIABILITIES				
Borrowings	33,461	33,343	31,538	31,528
Provisions	12,356	12,115	12,108	13,311
Total non-current liabilities	45,817	45,458	43,646	44,839
TOTAL LIABILITIES	89,811	107,724	106,929	95,985
NET COMMUNITY ASSETS	2,568,254	2,679,309	2,678,327	2,671,550
COMMUNITY EQUITY				
Asset revaluation surplus	963,349	1,070,838	1,070,838	1,070,771
Retained surplus	1,498,727	1,503,632	1,506,046	1,507,895
Constrained cash reserves	106,178	104,839	101,443	92,884
TOTAL COMMUNITY EQUITY	2,568,254	2,679,309	2,678,327	2,671,550

The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. The differences between the carryover budget figures and those published are due to the actual opening balances on 1 July 2017, which are now finalised following end of year accounts finalisation.

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) *Assets registered*: additions to the asset register which includes unwinding of 2016/2017 accruals and new capitalisations.
(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 28 February 2018

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,456,540	2,559,417	2,559,417	2,559,417
Acquisitions and WIP in year movement	85,217	98,026	49,864	41,292
Depreciation in year	(57,061)	(57,061)	(38,041)	(39,498)
Disposals	(1,468)	(1,468)	(401)	(1,305)
Other adjustments**	-	-	-	(11,288)
Closing balance	2,483,228	2,598,914	2,570,839	2,548,618

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

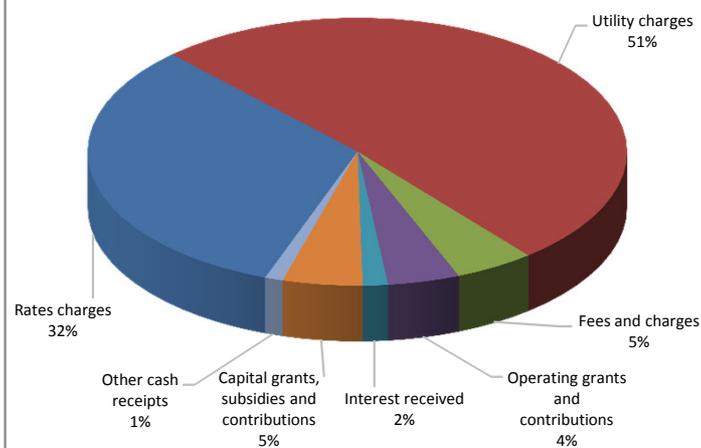
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon. Includes reclassification of \$11.05M from property, plant and equipment to non-current assets held for sale.

7. STATEMENT OF CASH FLOWS

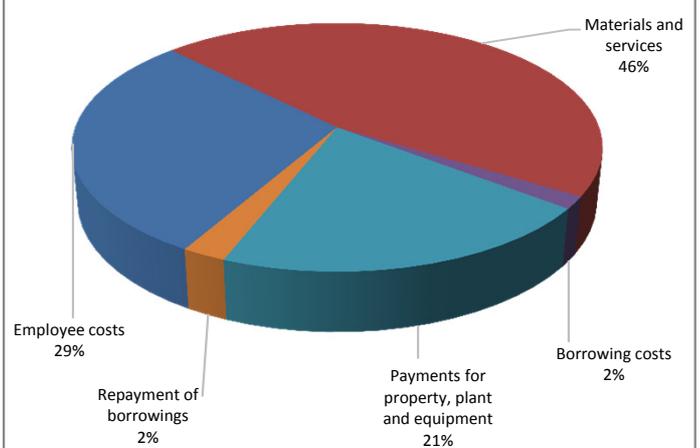
STATEMENT OF CASH FLOWS For the period ending 28 February 2018

	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	175,331	175,560
Payments to suppliers and employees	(210,402)	(210,527)	(134,309)	(150,539)
	34,340	34,215	41,022	25,021
Interest received	4,361	4,361	2,892	2,944
Rental income	839	839	541	809
Non-capital grants and contributions	9,547	9,547	4,774	8,446
Borrowing costs	(3,175)	(3,175)	(3,175)	(3,187)
Net cash inflow / (outflow) from operating activities	45,912	45,787	46,054	34,033
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(82,005)	(94,815)	(47,703)	(41,158)
Payments for intangible assets	(45)	(45)	-	24
Proceeds from sale of property, plant and equipment	1,180	1,433	1,064	687
Capital grants, subsidies and contributions	33,013	33,035	16,685	9,349
Other cash flows from investing activities	2,200	2,200	(2,475)	(2,160)
Net cash inflow / (outflow) from investing activities	(45,656)	(58,192)	(32,429)	(33,258)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	867	867	-	-
Repayment of borrowings	(4,644)	(4,644)	(4,644)	(4,657)
Net cash inflow / (outflow) from financing activities	(3,777)	(3,777)	(4,644)	(4,657)
Net increase / (decrease) in cash held	(3,521)	(16,181)	8,981	(3,882)
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	165,396	152,533

Cash Funding (actual YTD)



Cash Expenditure (actual YTD)



Total Cash Funding (Actual YTD)	195,635
Total Cash Funding (Annual Revised Budget)	297,023
% of Budget Achieved YTD	66%

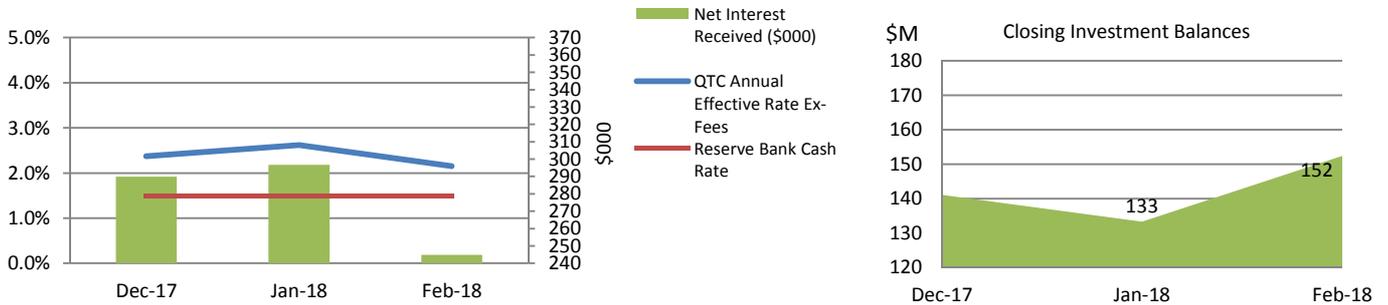
Total Cash Expenditure (Actual YTD)	199,517
Total Cash Expenditure (Annual Revised Budget)	313,204
% of Budget Achieved YTD	64%

The annual revised budgeted balances for 2017/2018 include the changes from the budget carryovers adopted by Council on 23 August 2017. The differences between the carryover budget figures and those published are due to the actual opening balances on 1 July 2017, which are now finalised following end of year accounts finalisation.

8. INVESTMENT & BORROWINGS REPORT

For the period ending 28 February 2018

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$152.40M

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

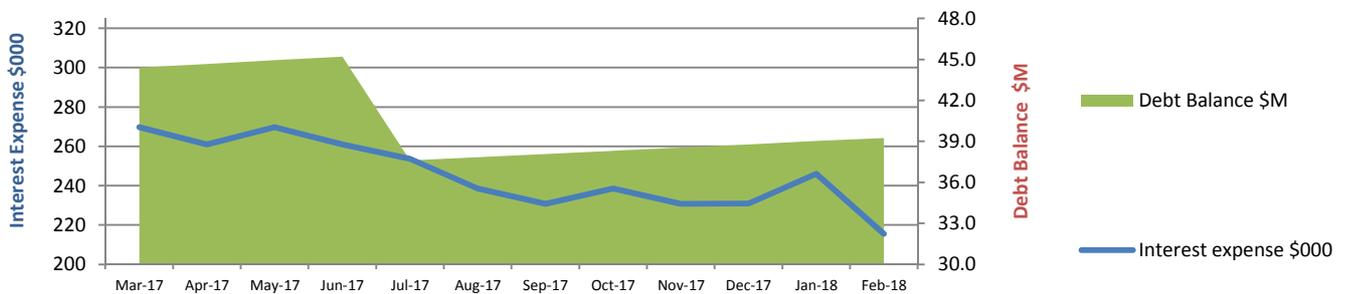
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.15% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.75% as at the end of February 2018 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 (ADSP) was made during July 2017. Interest will accrue monthly on a daily balance until next ADSP in July 18 which is reflected in the increasing debt balance. Interest expense for February 2018 shows a decrease due to days in calendar month.

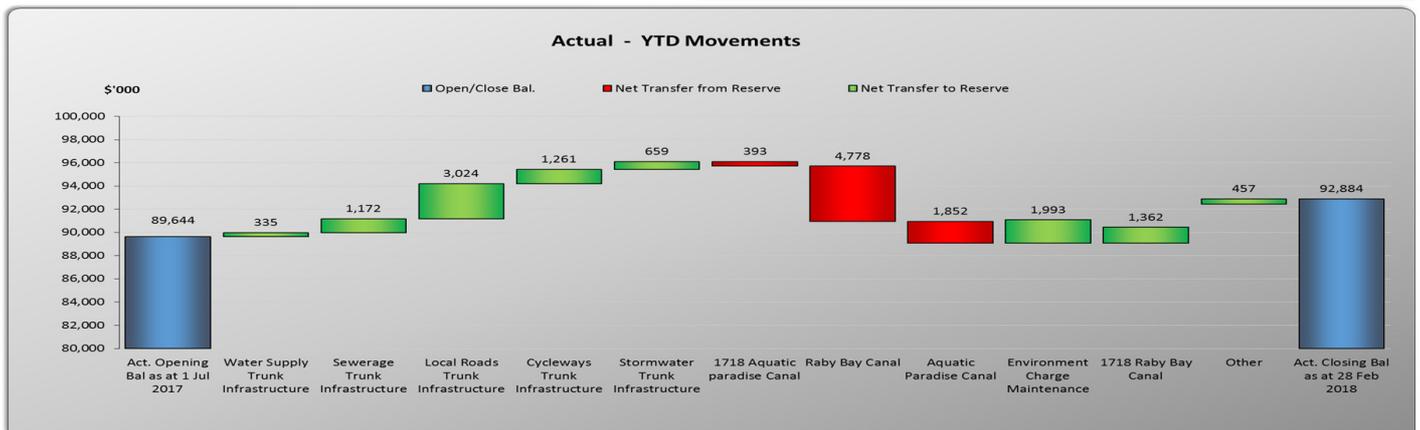
Total Borrowings at End of Month were \$39.24M

General pool allocated to capital works is 99.27% and 0.73% 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 28 February 2018	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	3,075	290	(24)	3,341
Red Art Gallery Commissions & Donations Reserve	4	-	-	4
	3,079	290	(24)	3,345
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	8,693	1,714	(1,756)	8,651
Land for Community Facilities Trunk Infrastructure Reserve	1,675	270	-	1,945
Water Supply Trunk Infrastructure Reserve	9,478	335	-	9,813
Sewerage Trunk Infrastructure Reserve	6,573	1,604	(432)	7,745
Constrained Works Reserve-Capital Grants & Contributions	1,154	-	(108)	1,046
Local Roads Trunk Infrastructure Reserve	30,570	3,334	(310)	33,594
Cycleways Trunk Infrastructure Reserve	8,343	1,349	(88)	9,604
Stormwater Trunk Infrastructure Reserve	7,553	659	-	8,212
Constrained Works Reserve-Operating Grants & Contributions	2,667	-	(171)	2,496
Tree Planting Reserve	86	27	-	113
	76,792	9,292	(2,865)	83,219
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	618	-	(77)	541
Environment Charge Maintenance Reserve	1,387	5,712	(3,719)	3,380
	2,005	5,712	(3,796)	3,921
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	168	(115)	53
SMBI Translink Reserve	(6)	712	(475)	231
	(6)	880	(590)	284
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	4,778	15	(4,793)	-
Aquatic Paradise Canal Reserve	2,592	13	(1,865)	740
Sovereign Waters Lake Reserve	404	4	12	420
1718 Raby Bay Canal Reserve	-	2,097	(735)	1,362
1718 Aquatic Paradise Canal Reserve	-	653	(1,046)	(393)
1718 Sovereign Waters Lake Reserve	-	39	(53)	(14)
	7,774	2,821	(8,480)	2,115
TOTALS	89,644	18,995	(15,755)	92,884
	Closing cash and cash equivalents			152,533
	Reserves as percentage of cash balance			61%



Total Reserves decreased by \$788K during the month. YTD growth in developer cash contributions totalled \$9.29M with drawdowns of \$2.59M. Increases are predominantly from developments in Cleveland, Victoria Point, Thornlands, Ormiston, Capalaba and Birkdale. YTD growth in other reserves totalled \$9.70M, with drawdowns totalling \$13.17M. \$2.82M of the increase in reserves is attributed to canals and lakes. The process for issuing refunds for the reserve balances quarantined for maintenance and repairs since 2011-12, has been worked through and as at end of February, Council has processed 95% of the refunds. New 2017/2018 canal and lake reserves reflect the current year program for revenue and expenditure. \$1.99M movement in the Environment Charge Maintenance Reserve is associated with the Environment Separate Charge (which is recognised in line with the rating cycle), offset by YTD spending on designated projects.

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 28 February 2018

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Total revenue	105,147	105,147	70,020	70,118	98
Total expenses	59,688	59,688	39,248	38,719	(529)
Earnings before interest, tax and depreciation (EBITD)	45,459	45,459	30,772	31,399	627
Interest expense	18,265	18,265	12,177	12,177	-
Depreciation	18,457	18,457	12,305	14,703	2,398
Operating surplus / (deficit)	8,737	8,737	6,290	4,519	(1,771)

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 28 February 2018

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Capital contributions, donations, grants and subsidies	6,631	6,631	1,864	2,350	486
Net transfer (to) / from constrained capital reserves	(3,120)	(3,117)	(3,781)	(1,507)	2,274
Non-cash contributions	3,131	3,131	2,087	-	(2,087)
Funding from utility revenue	4,675	6,186	6,615	2,602	(4,013)
Total sources of capital funding	11,316	12,830	6,785	3,445	(3,340)
Contributed assets	3,131	3,131	2,087	-	(2,087)
Capitalised expenditure	8,185	9,699	4,698	3,445	(1,253)
Total application of capital funds	11,316	12,830	6,785	3,445	(3,340)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 28 February 2018

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Total revenue	24,532	24,532	16,313	16,898	585
Total expenses	17,480	17,480	11,653	12,797	1,144
Earnings before interest, tax and depreciation (EBITD)	7,052	7,052	4,660	4,101	(559)
Interest expense	33	33	22	22	-
Depreciation	307	307	205	110	(95)
Operating surplus / (deficit)	6,712	6,712	4,433	3,969	(464)

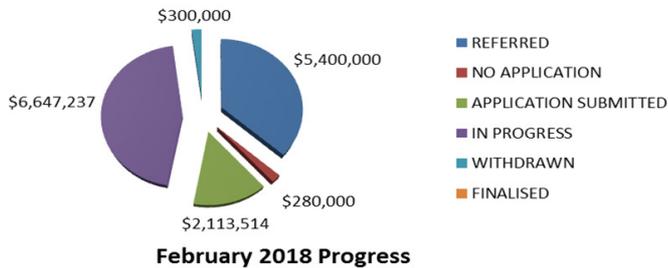
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 28 February 2018

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	317	333	262	324	62
Total sources of capital funding	317	333	262	324	62
Capitalised expenditure	240	249	168	230	62
Loan redemption	77	83	94	94	-
Total application of capital funds	317	333	262	324	62

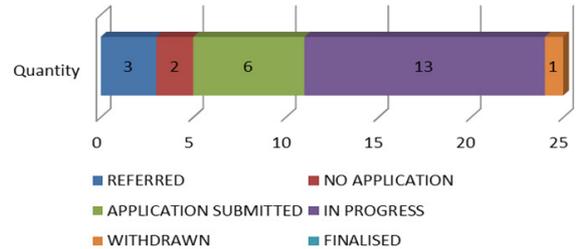
12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

External Funding Summary

Value of External Grant Applications by Status (YTD)



Number of External Grant Applications by Status (YTD)



GRANTS REFERRED:

- Applications open for Heavy Vehicle and Productivity Program, work is now underway on concept design for Woodlands Drive Culvert Upgrades as potential bid
- Transport Infrastructure Development Scheme and Passenger Transport Accessible Infrastructure Fund expressions of interest are now open, programs are now being finalised for applications due by end of March

APPLICATION SUBMITTED:

- Application for Coochiemudlo Island War Memorial reflection space and connecting pathway submitted under last round of Lasting Legacies Grant for completion in 2018/2019, \$32,200

UPCOMING GRANTS:

- Natural Disaster Resilience Program (NDRP) due to open shortly, projects ready for application include evacuation centre upgrades and flood warning signs

Successful Funding Submissions YTD 2017/2018

Environment:

- \$6,977 for revegetation of the Coolwypin Creek Corridor Koala Refuge under the Nature Refuge Landholder Grant to be completed in late 2017/2018

Roads and Active Transport:

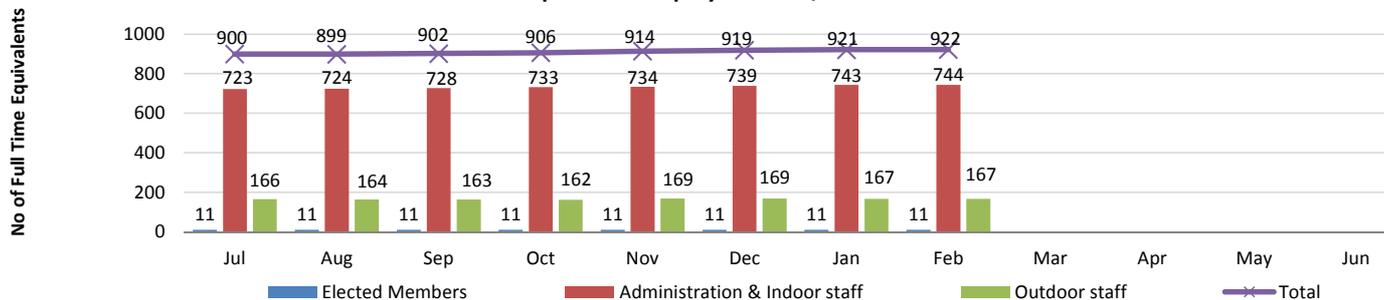
- \$875,000 for two Road Alliance projects to be completed in 2017/2018
- \$456,000 for City wide Bus Shelter Renewals to be completed in 2017/2018

Economic Development:

- \$500,000 between 2017-2019 as part of the Advancing Regional Innovation Program (multiple partners including Logan City Council and Griffith University)
- \$916,137 between 2017-2019 for Indigiscapes Expansion Stage 2 under the Local Government Grants and Subsidies Program

Workforce Reporting

Full Time Equivalent Employees 2017/2018



Workforce reporting - February 2018: Headcount

Department Level	Employee Type							Councillors	Total
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part			
Office of CEO	8	2	31	4	7	0		52	
Organisational Services	7	7	164	15	25	6		224	
Community and Customer Service	27	5	235	66	37	10		380	
Infrastructure and Operations	8	5	303	10	15	2		343	
Elected members							11	11	
Total	50	19	733	95	84	18	11	1010	

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. Commencing February 2018 elected members were included in the head count to be consistent with the FTE reporting. 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) moved from the Office of CEO to 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

[[Cash Operating Costs + Interest Expense] / 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.