

Monthly Financial Report

April 2018



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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 April 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)	11,113	9,017	(2,096)	-19%	✗
Recurrent Revenue	261,639	232,698	231,297	(1,401)	-1%	✗
Recurrent Expenditure	272,775	221,585	222,280	695	0%	✗
Capital Works Expenditure	94,860	63,978	54,626	(9,352)	-15%	✓
Closing Cash & Cash Equivalents	140,234	144,280	131,193	(13,087)	-9%	✗

Council reported a year to date operating surplus of \$9.02M. The fourth quarter rate notices were issued in April 2018. Recurrent revenue is slightly lower than budget but offset by favourable variance in materials and services expenditure which 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 as well as sewerage network assets capitalised this year from WIP, 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 and parks asset replacement.

Council's capital works expenditure is below budget by \$9.35M due to timing of works for a number of infrastructure projects, asset management project and 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 71% 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 April 2018	Target
Operating Surplus Ratio (%)	✓	-4.26%	3.90%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%) [^]	✗	70.92%	54.06%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%) [*]	✓	-23.95%	-47.21%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✗	33.93%	37.68%	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	2.74	3.54	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.99%	3.39%	Less than or equal to 10%
Cash Balance \$M	✓	\$140.234M	\$131.193M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.87	7.03	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.47%	1.43%	Less than or equal to 10%
Operating Performance (%)	✗	17.65%	11.55%	Greater than or equal to 15%
Interest Coverage Ratio (%) ^{**}	✓	-0.59%	-0.57%	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 30 April 2018

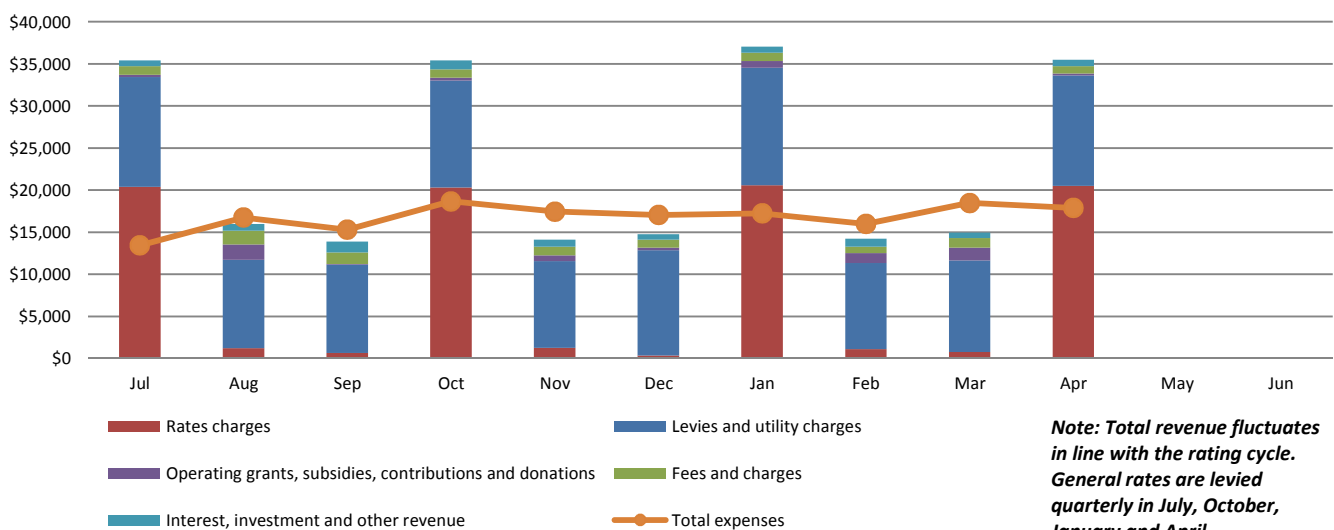
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates, levies and charges	227,186	227,186	206,274	204,916	(1,358)
Fees	13,048	13,048	10,784	10,734	(50)
Rental income	839	839	689	801	112
Interest received	4,361	4,361	3,592	3,679	87
Investment returns	2,200	2,200	500	500	-
Sales revenue	3,823	3,823	3,075	2,603	(472)
Other income	684	684	565	839	274
Grants, subsidies and contributions	9,497	9,497	7,219	7,225	6
Total recurrent revenue	261,639	261,639	232,698	231,297	(1,401)
Capital revenue					
Grants, subsidies and contributions	33,013	33,035	22,020	15,465	(6,555)
Non-cash contributions	3,213	3,213	2,687	656	(2,031)
Total capital revenue	36,226	36,248	24,707	16,121	(8,586)
TOTAL INCOME	297,865	297,887	257,405	247,418	(9,987)
Recurrent expenses					
Employee benefits	85,677	85,677	70,782	70,445	(337)
Materials and services	125,787	125,787	99,721	97,432	(2,289)
Finance costs	3,112	3,112	2,582	2,724	142
Depreciation and amortisation	58,200	58,200	48,500	51,679	3,179
Total recurrent expenses	272,775	272,775	221,585	222,280	695
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	36	(416)	1,283	1,699
Total capital expenses	289	36	(416)	1,283	1,699
TOTAL EXPENSES	273,064	272,811	221,169	223,563	2,394
NET RESULT	24,801	25,076	36,236	23,855	(12,381)
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	36,236	23,788	(12,448)

4. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 30 April 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	91,688	89,985	(1,703)
Levies and utility charges	138,824	138,824	117,873	118,156	283
<i>Less: Pensioner remissions and rebates</i>	(3,325)	(3,325)	(3,287)	(3,225)	62
Fees	13,048	13,048	10,784	10,734	(50)
Operating grants and subsidies	8,795	8,795	6,669	6,908	239
Operating contributions and donations	702	702	550	317	(233)
Interest external	4,361	4,361	3,592	3,679	87
Investment returns	2,200	2,200	500	500	-
Other revenue	5,347	5,347	4,329	4,243	(86)
Total revenue	261,639	261,639	232,698	231,297	(1,401)
Expenses					
Employee benefits	85,677	85,677	70,782	70,445	(337)
Materials and services	126,040	126,040	99,932	96,608	(3,324)
Finance costs other	303	303	243	370	127
Other expenditure	489	489	407	1,456	1,049
Net internal costs	(741)	(741)	(618)	(632)	(14)
Total expenses	211,767	211,767	170,746	168,247	(2,499)
Earnings before interest, tax and depreciation (EBITD)	49,872	49,872	61,952	63,050	1,098
Interest expense	2,809	2,809	2,339	2,354	15
Depreciation and amortisation	58,200	58,200	48,500	51,679	3,179
OPERATING SURPLUS / (DEFICIT)	(11,136)	(11,136)	11,113	9,017	(2,096)

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



4. OPERATING STATEMENT - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 30 April 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse collection rate charge	21,663	21,663	18,032	18,120	88
Special charges	4,083	4,083	4,083	4,074	(9)
SES separate charge	339	339	339	340	1
Environment separate charge	7,568	7,568	7,568	7,631	63
Separate charge landfill remediation	2,911	2,911	2,426	2,445	19
Wastewater charges	43,647	43,647	36,373	36,322	(51)
Water access charges	18,296	18,296	15,246	15,339	93
Water consumption charges	40,317	40,317	33,806	33,885	79
Total levies and utility charges	138,824	138,824	117,873	118,156	283

MATERIALS AND SERVICES ANALYSIS

For the period ending 30 April 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	34,121	34,482	26,269	24,182	(2,087)
Consultants	4,465	4,249	2,729	1,246	(1,483)
Other Council outsourcing costs*	17,355	17,522	14,022	14,943	921
Purchase of materials	44,300	44,052	36,187	35,958	(229)
Office administration costs	7,949	8,070	6,483	6,555	72
Electricity charges	5,751	5,729	4,757	4,493	(264)
Plant operations	4,466	4,480	3,521	3,693	172
Information technology resources	2,811	2,647	2,028	1,879	(149)
General insurance	1,363	1,363	1,137	1,108	(29)
Community assistance**	1,619	1,623	1,364	1,125	(239)
Other material and service expenses	1,840	1,823	1,435	1,426	(9)
Total materials and services	126,040	126,040	99,932	96,608	(3,324)

* 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 30 April 2018

	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
Month							
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
March	925	5,967	710	699	479	383	7,472
April	923	5,581	642	685	471	486	6,893
Total employee benefits YTD		56,538	6,661	6,831	5,111	4,696	70,445

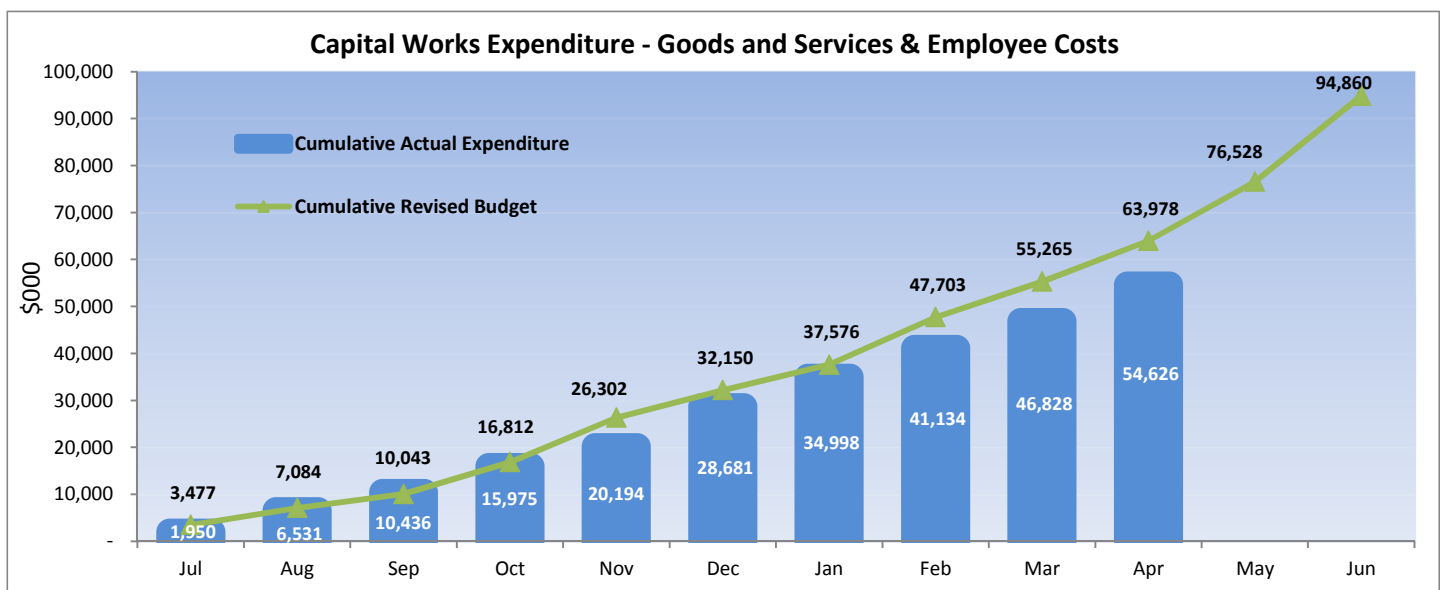
* Refer to page 14 for further information on FTE and headcount.

5. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 30 April 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	18,632	13,476	(5,156)
Capital grants and subsidies	3,763	3,785	3,387	1,989	(1,398)
Proceeds on disposal of non-current assets	1,180	1,433	1,197	718	(479)
Capital transfers (to) / from reserves	(14,106)	(13,493)	(15,698)	(6,530)	9,168
Non-cash contributions	3,213	3,213	2,687	656	(2,031)
New loans	867	867	-	-	-
Funding from general revenue	66,106	78,028	61,939	50,462	(11,477)
Total sources of capital funding	90,272	103,082	72,144	60,771	(11,373)
Application of capital funds					
Contributed assets	3,213	3,213	2,687	656	(2,031)
Capitalised goods and services*	74,965	87,599	58,511	49,930	(8,581)
Capitalised employee costs*	7,085	7,261	5,467	4,696	(771)
Loan redemption	5,010	5,010	5,479	5,489	10
Total application of capital funds	90,272	103,082	72,144	60,771	(11,373)
Other budgeted items					
Transfers to constrained operating reserves	(13,268)	(13,268)	(10,946)	(13,737)	(2,791)
Transfers from constrained operating reserves	11,565	11,565	8,864	16,402	7,538
Written down value (WDV) of assets disposed	1,468	1,468	781	2,001	1,220

* 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 30 April 2018

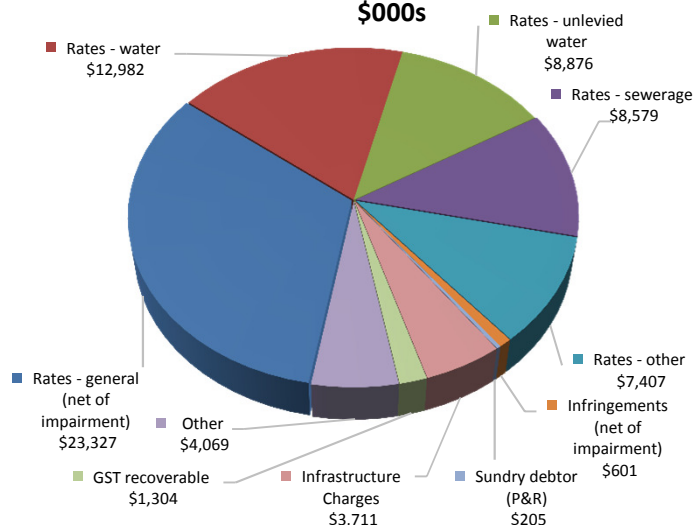
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS				
Cash and cash equivalents	133,650	140,234	144,280	131,193
Trade and other receivables	25,805	27,273	56,841	71,061
Inventories	678	556	556	1,090
Non-current assets held for sale	4,278	262	262	11,203
Other current assets	2,122	2,073	2,073	1,250
Total current assets	166,533	170,398	204,012	215,797
NON-CURRENT ASSETS				
Investment property	1,054	1,091	1,091	1,091
Property, plant and equipment	2,483,228	2,598,914	2,577,704	2,550,827
Intangible assets	1,215	1,845	2,034	2,116
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	2,595,614	2,568,819
TOTAL ASSETS	2,658,064	2,787,033	2,799,626	2,784,616
CURRENT LIABILITIES				
Trade and other payables	21,411	39,792	39,684	24,699
Borrowings	7,701	7,713	7,713	7,713
Provisions	13,126	13,014	12,895	9,698
Other current liabilities	1,755	1,747	4,750	18,870
Total current liabilities	43,993	62,266	65,042	60,980
NON-CURRENT LIABILITIES				
Borrowings	33,461	33,343	32,007	31,997
Provisions	12,356	12,115	12,108	13,618
Total non-current liabilities	45,817	45,458	44,115	45,615
TOTAL LIABILITIES	89,811	107,724	109,157	106,595
NET COMMUNITY ASSETS	2,568,254	2,679,309	2,690,469	2,678,021
COMMUNITY EQUITY				
Asset revaluation surplus	963,349	1,070,838	1,070,838	1,070,771
Retained surplus	1,498,727	1,503,632	1,512,207	1,513,740
Constrained cash reserves	106,178	104,839	107,424	93,510
TOTAL COMMUNITY EQUITY	2,568,254	2,679,309	2,690,469	2,678,021

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

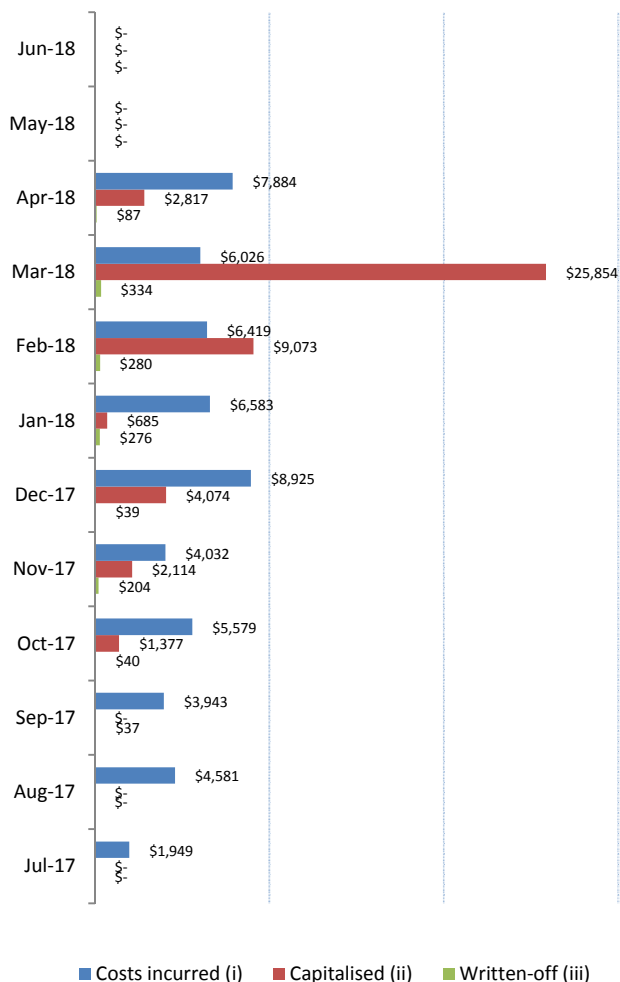
Trade and Other Receivables (actual YTD)

\$'000s



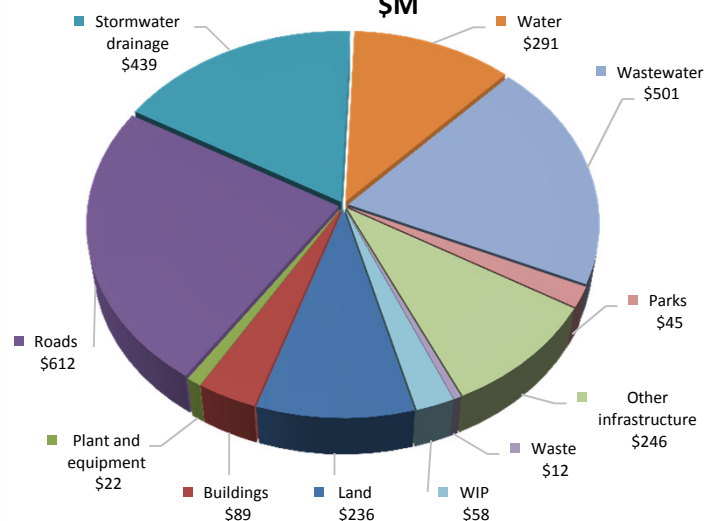
Work In Progress (WIP) In Year Movements (job level only)

\$'000s



PPE Written Down Value (actual YTD)

\$M



- (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 30 April 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	66,620	55,264
Depreciation in year	(57,061)	(57,061)	(47,552)	(50,894)
Disposals	(1,468)	(1,468)	(781)	(1,837)
Other adjustments**	-	-	-	(11,123)
Closing balance	2,483,228	2,598,914	2,577,704	2,550,827

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

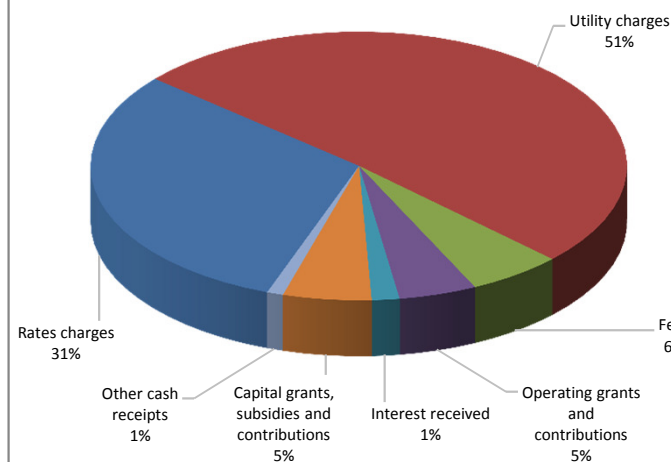
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon. Includes reclassification of \$11.05M from property, plant and equipment to non-current assets held for sale.

7. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 30 April 2018

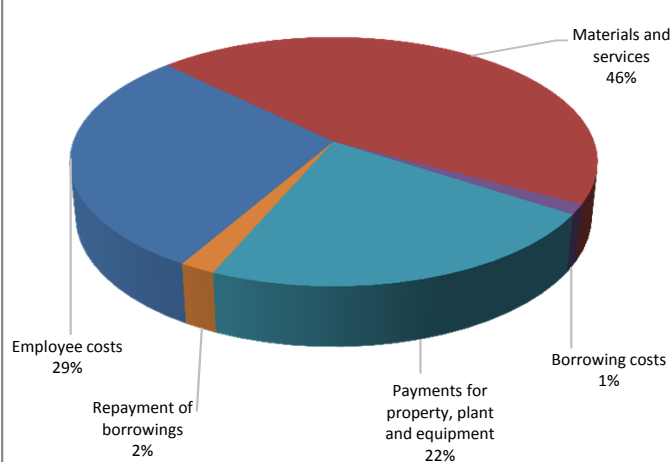
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	244,741	244,741	197,683	196,262
Payments to suppliers and employees	(210,402)	(210,527)	(169,738)	(183,552)
	34,340	34,215	27,945	12,710
Interest received	4,361	4,361	3,592	3,679
Rental income	839	839	689	801
Non-capital grants and contributions	9,547	9,547	7,219	10,375
Borrowing costs	(3,175)	(3,175)	(3,175)	(3,187)
Net cash inflow / (outflow) from operating activities	45,912	45,787	36,270	24,378
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(82,005)	(94,815)	(63,933)	(54,608)
Payments for intangible assets	(45)	(45)	(45)	(17)
Proceeds from sale of property, plant and equipment	1,180	1,433	1,197	718
Capital grants, subsidies and contributions	33,013	33,035	22,020	11,754
Other cash flows from investing activities	2,200	2,200	(3,000)	(2,790)
Net cash inflow / (outflow) from investing activities	(45,656)	(58,192)	(43,761)	(44,943)
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)	(12,135)	(25,222)
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	144,280	131,193

Cash Funding (actual YTD)



Total Cash Funding (Actual YTD)	220,799
Total Cash Funding (Annual Revised Budget)	297,023
% of Budget Achieved YTD	74%

Cash Expenditure (actual YTD)



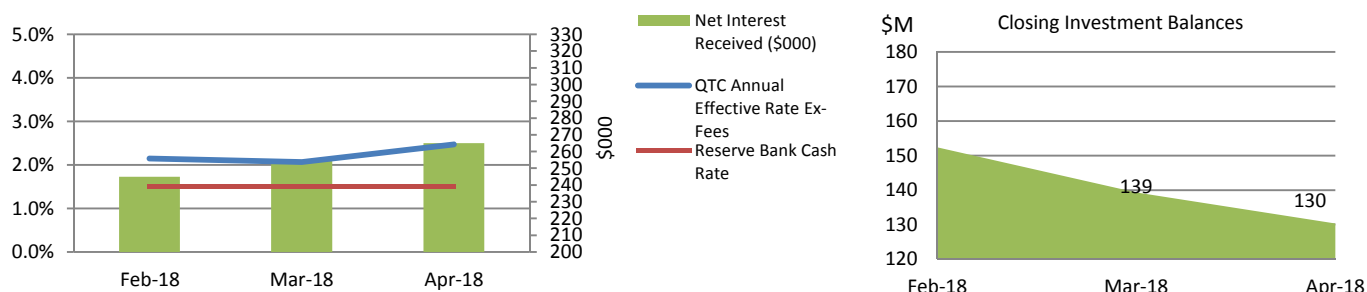
Total Cash Expenditure (Actual YTD)	246,021
Total Cash Expenditure (Annual Revised Budget)	313,204
% of Budget Achieved YTD	79%

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 30 April 2018

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$130.27M

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

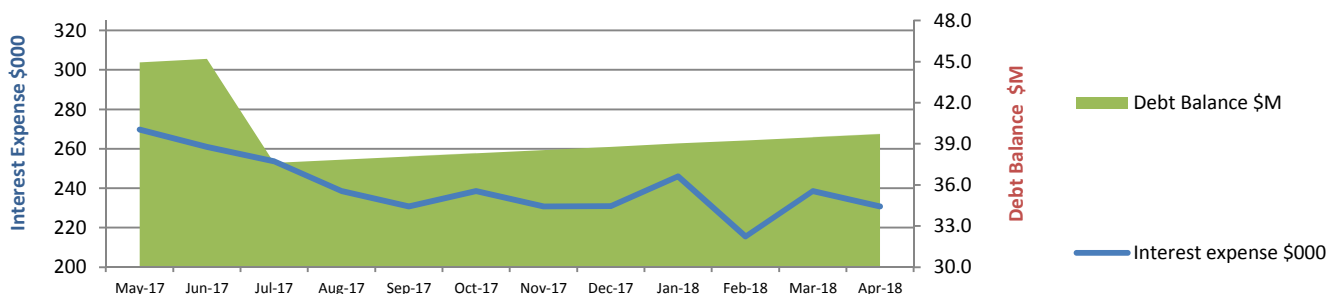
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.47% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.75% as at the end of April 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.

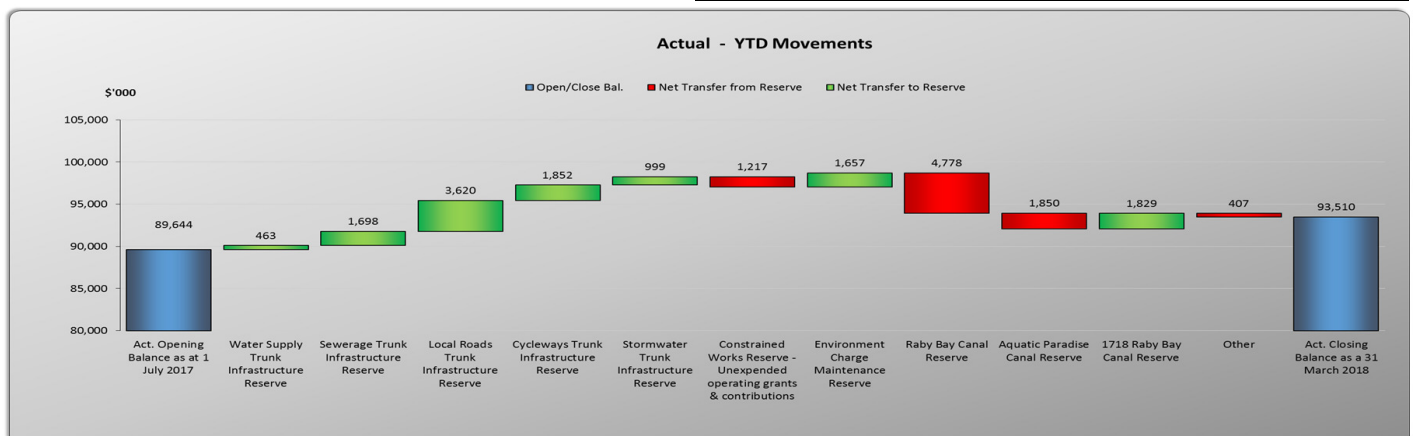
Total Borrowings at End of Month were \$39.71M

General pool allocated to capital works is 99.26% and 0.74% 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 30 April 2018	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	3,075	435	(24)	3,486
Red Art Gallery Commissions & Donations Reserve	4	-	-	4
	3,079	435	(24)	3,490
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	8,693	2,488	(2,944)	8,237
Land for Community Facilities Trunk Infrastructure Reserve	1,675	392	-	2,067
Water Supply Trunk Infrastructure Reserve	9,478	463	-	9,941
Sewerage Trunk Infrastructure Reserve	6,573	2,361	(663)	8,271
Constrained Works Reserve-Capital Grants & Contributions	1,154	-	(367)	787
Local Roads Trunk Infrastructure Reserve	30,570	4,813	(1,193)	34,190
Cycleways Trunk Infrastructure Reserve	8,343	1,960	(108)	10,195
Stormwater Trunk Infrastructure Reserve	7,553	999	-	8,552
Constrained Works Reserve-Operating Grants & Contributions	2,667	140	(1,357)	1,450
Tree Planting Reserve	86	33	(43)	76
	76,792	13,649	(6,675)	83,766
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	618	600	(983)	235
Environment Charge Maintenance Reserve	1,387	7,631	(5,974)	3,044
	2,005	8,231	(6,957)	3,279
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	194	(169)	25
SMBI Translink Reserve	(6)	948	(712)	230
	(6)	1,142	(881)	255
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	4,778	15	(4,793)	-
Aquatic Paradise Canal Reserve	2,592	15	(1,865)	742
Sovereign Waters Lake Reserve	404	4	12	420
1718 Raby Bay Canal Reserve	-	2,798	(969)	1,829
1718 Aquatic Paradise Canal Reserve	-	872	(1,100)	(228)
1718 Sovereign Waters Lake Reserve	-	52	(95)	(43)
	7,774	3,756	(8,810)	2,720
TOTALS	89,644	27,213	(23,347)	93,510
Closing cash and cash equivalents				131,193
Reserves as percentage of cash balance				71%



Total Reserves decreased by \$711K during the month. YTD growth in developer cash contributions totalled \$13.51M with drawdowns of \$4.95M. Increases are predominantly from developments in Cleveland, Victoria Point, Thornlands, Ormiston, Capalaba and Birkdale. YTD growth in other reserves totalled \$13.70M, with drawdowns totalling \$18.40M. \$3.76M 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 April, Council has processed 95% of the refunds. New 2017/2018 canal and lake reserves reflect the current year program for revenue and expenditure. \$1.66M 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 30 April 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	105,147	105,147	87,709	87,486	(223)
Total expenses	59,688	59,688	49,090	47,237	(1,853)
Earnings before interest, tax and depreciation (EBITD)	45,459	45,459	38,619	40,249	1,630
Interest expense	18,265	18,265	15,221	15,221	-
Depreciation	18,457	18,457	15,381	19,264	3,883
Operating surplus / (deficit)	8,737	8,737	8,017	5,764	(2,253)

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 30 April 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	6,631	6,631	1,864	3,158	1,294
Net transfer (to) / from constrained capital reserves	(3,120)	(3,117)	(3,616)	(2,161)	1,455
Non-cash contributions	3,131	3,131	2,609	-	(2,609)
Funding from utility revenue	4,675	6,186	8,293	3,690	(4,603)
Total sources of capital funding	11,316	12,830	9,150	4,687	(4,463)
Contributed assets	3,131	3,131	2,609	-	(2,609)
Capitalised expenditure	8,185	9,699	6,541	4,687	(1,854)
Total application of capital funds	11,316	12,830	9,150	4,687	(4,463)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 30 April 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	24,532	24,532	20,422	21,252	830
Total expenses	17,480	17,480	14,498	16,376	1,878
Earnings before interest, tax and depreciation (EBITD)	7,052	7,052	5,924	4,876	(1,048)
Interest expense	33	33	27	28	1
Depreciation	307	307	256	148	(108)
Operating surplus / (deficit)	6,712	6,712	5,641	4,700	(941)

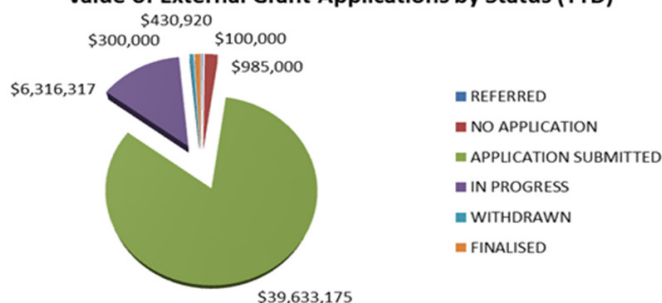
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 30 April 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	317	333	325	364	39
Total sources of capital funding	317	333	325	364	39
Capitalised expenditure	240	249	236	275	39
Loan redemption	77	83	89	89	-
Total application of capital funds	317	333	325	364	39

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

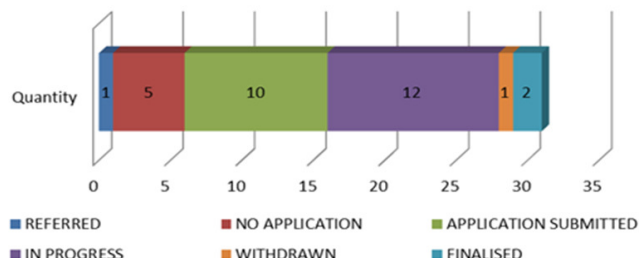
External Funding Summary

Value of External Grant Applications by Status (YTD)



April 2018 Progress

Number of External Grant Applications by Status (YTD)



Successful Funding Submissions YTD 2017/2018

GRANTS REFERRED:

- Indigenous Languages and Arts Grant 2018, internal consultation underway for application, closing 14 May 2018

APPLICATION SUBMITTED:

- Application for Redland Aquatic and Emergency Precinct submitted under Federal Regional Growth fund in partnership with Surf Lifesaving Queensland, total bid \$35,458,225
- Four applications submitted under Maturing the Infrastructure Pipeline Program for projects requiring strategic planning, business case development and detailed designs, total bid \$1,463,480
- Two applications submitted under the Natural Disaster Resilience Program for evacuation centre upgrades and flood warning signs, total bid \$233,838

Environment:

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

Roads and Active Transport:

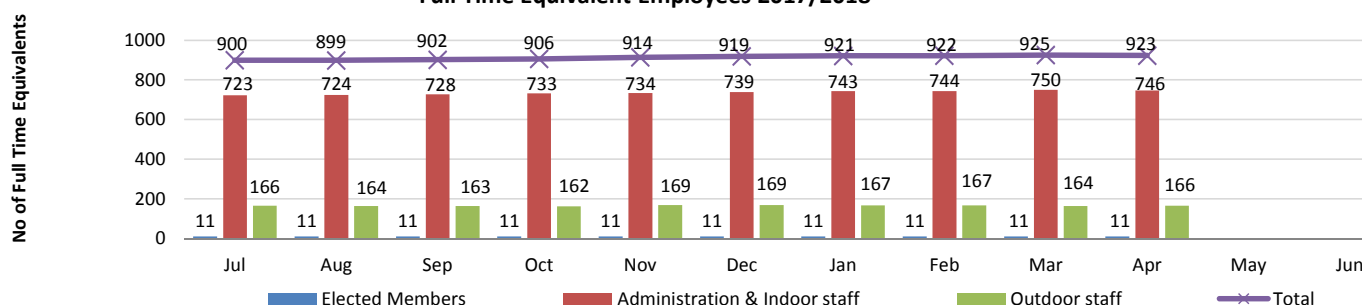
- \$875,000 for two Road Alliance projects to be completed in 2017/2018
- \$456,000 for City wide Bus Shelter Renewals to be completed in 2017/2018

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 - April 2018: Headcount		Employee Type						
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Councillors	Total
Office of CEO	5	2	31	3	7	2		50
Organisational Services	6	6	163	15	24	5		219
Community and Customer Service	26	5	231	68	38	13		381
Infrastructure and Operations	7	5	302	11	18	3		346
Elected members							11	11
Total	44	18	727	97	87	23	11	1007

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.