

# Monthly Financial Report

August 2018



MAKE A  
**DIFFERENCE**  
MAKE IT  
**COUNT**

## CONTENTS

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

## 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 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 22 August 2018.

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 in October 2018.

### 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)	(2,951)	10,584	<b>10,060</b>	(524)	-5%	✗
Recurrent Revenue	279,136	53,518	<b>52,536</b>	(982)	-2%	✗
Recurrent Expenditure	282,087	42,934	<b>42,476</b>	(458)	-1%	✓
Capital Works Expenditure	83,981	6,774	<b>8,209</b>	1,435	21%	✗
Closing Cash & Cash Equivalents	148,305	143,681	<b>145,395</b>	1,714	1%	✓

Council reported an operating surplus for the month of \$10.06M. Bulk water consumption is lower than expected, resulting in lower than expected revenue. The favourable variance in depreciation expense is due to lower opening asset balances for 2018/2019 which include the results from the 2017/2018 asset revaluation decrement primarily in roads and stormwater assets, as well as lower developer contributed assets. These end of year adjustments influenced the decrease in depreciation expense and contributed to the favourable variance in recurrent expenditure.

As this is only the second month of the year, trends will start to emerge as the first quarter progresses.

Capital grants, subsidies and contributions are above budget due to timing of developer cash contributions and recognition of IndigiScapes grant income.

Council's financial position is based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained.

Council's capital works expenditure is above budget by \$1.43M due to timing of works for a number of infrastructure projects which are being progressed earlier ahead of budget timeframe. Capital works identified that were not finalised during 2017/2018 have been carried forward to 2018/2019 in the carryover budget review finalised in August 2018.

Cash balance is higher than budget mainly due to the transfer of the \$3.8M funds held in trust to the general reserve account following Council's resolution dated 8 August. Constrained cash reserves represent 72% 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 2018	Target
Operating Surplus Ratio (%)	✓	-1.06%	<b>19.15%</b>	Between 0% and 10% (on average over the long term)
Asset Sustainability Ratio (%)	✗	54.23%	<b>39.86%</b>	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-36.82%	<b>-200.38%</b>	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✗	34.93%	<b>44.84%</b>	Less than 40%
Ability to Pay Our Bills - Current Ratio	✓	3.50	<b>3.73</b>	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.81%	<b>14.93%</b>	Less than or equal to 15%
Cash Balance \$M	✓	\$148.305M	<b>\$145.395M</b>	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	8.19	<b>6.45</b>	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.34%	<b>1.19%</b>	Less than or equal to 10%
Operating Performance (%)	✓	21.91%	<b>28.31%</b>	Greater than or equal to 10%
Interest Coverage Ratio (%)**	✓	-0.67%	<b>-0.79%</b>	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 2018. The annual revised budgeted balances for 2018/2019 include the changes from the budget carryovers adopted by Council on 22 August 2018. 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 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>					
Rates charges	100,486	100,486	24,744	24,255	(489)
Levies and utility charges	146,618	146,618	25,319	24,138	(1,181)
Less: Pensioner remissions and rebates	(3,493)	(3,493)	(849)	(748)	101
Fees	13,673	13,673	2,056	2,144	88
Rental income	912	912	117	169	52
Interest received	4,289	4,289	729	841	112
Dividend received	1,000	1,000	-	-	-
Sales revenue	3,735	3,735	663	751	88
Other income	694	694	48	172	124
Grants, subsidies and contributions	11,223	11,223	691	814	123
<b>Total recurrent revenue</b>	279,136	279,136	53,518	52,536	(982)
<b>Recurrent expenses</b>					
Employee benefits	86,248	86,758	14,769	14,440	(329)
Materials and services	129,100	129,190	17,201	17,573	372
Finance costs	2,840	2,840	458	510	52
Depreciation and amortisation	63,505	63,505	10,584	9,966	(618)
Other expenditure	507	507	43	96	53
Net internal costs	(713)	(713)	(121)	(109)	12
<b>Total recurrent expenses</b>	281,487	282,087	42,934	42,476	(458)
<b>OPERATING SURPLUS / (DEFICIT)</b>	(2,351)	(2,951)	10,584	10,060	(524)
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,501	32,727	225	1,516	1,291
Non-cash contributions	6,868	6,868	6	-	(6)
<b>Total capital revenue</b>	39,369	39,595	231	1,516	1,285
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	101	35	(61)	(96)
<b>Total capital expenses</b>	289	101	35	(61)	(96)
<b>TOTAL INCOME</b>	318,505	318,731	53,749	54,052	303
<b>TOTAL EXPENSES</b>	281,776	282,188	42,969	42,415	(554)
<b>NET RESULT</b>	36,729	36,543	10,780	11,637	857
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	36,729	36,543	10,780	11,637	857



### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 August 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Levies and utility charges</b>					
Refuse collection rate charge	24,307	24,307	4,051	<b>3,974</b>	(77)
Special charges	723	723	301	<b>302</b>	1
SES separate charge	478	478	120	<b>120</b>	-
Environment separate charge	8,180	8,180	2,045	<b>2,031</b>	(14)
Separate charge landfill remediation	3,106	3,106	518	<b>514</b>	(4)
Wastewater charges	44,951	44,951	7,492	<b>7,317</b>	(175)
Water access charges	18,665	18,665	3,111	<b>3,075</b>	(36)
Water consumption charges	46,207	46,207	7,681	<b>6,805</b>	(876)
<b>Total levies and utility charges</b>	<b>146,618</b>	<b>146,618</b>	<b>25,319</b>	<b>24,138</b>	<b>(1,181)</b>

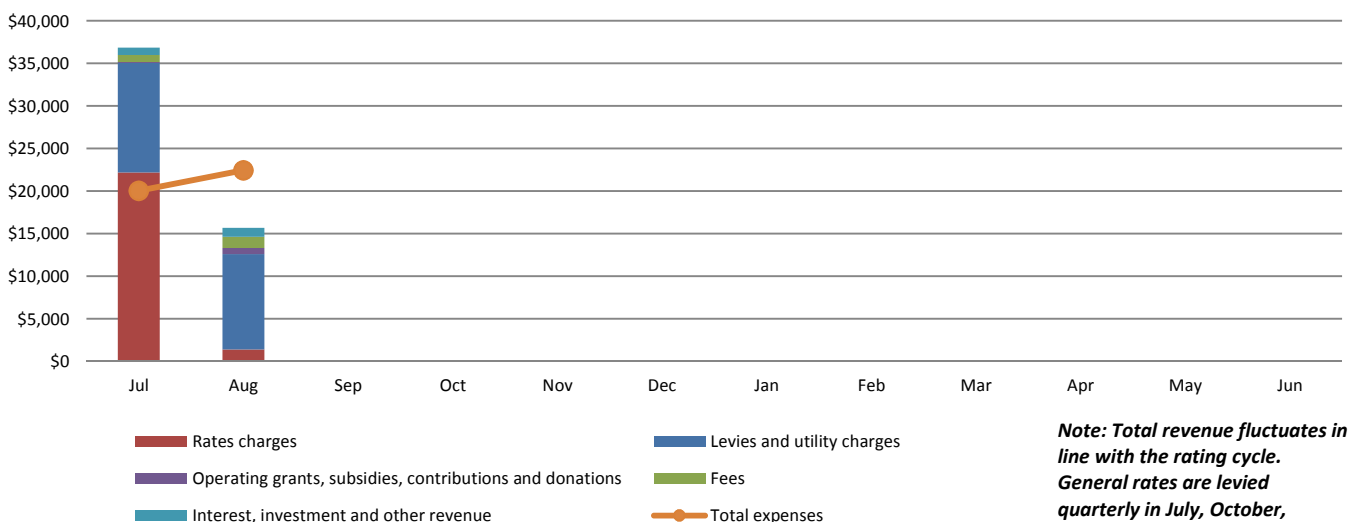
#### MATERIALS AND SERVICES ANALYSIS For the period ending 31 August 2018

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Materials and services</b>					
Contractors	33,755	33,740	3,151	<b>3,924</b>	773
Consultants	4,500	4,602	236	<b>191</b>	(45)
Other Council outsourcing costs*	16,902	16,972	2,472	<b>2,473</b>	1
Purchase of materials	48,229	48,239	7,471	<b>7,185</b>	(286)
Office administration costs	8,649	8,537	1,274	<b>1,359</b>	85
Electricity charges	5,786	5,786	963	<b>929</b>	(34)
Plant operations	4,190	4,220	604	<b>577</b>	(27)
Information technology resources	2,820	2,753	509	<b>419</b>	(90)
General insurance	1,423	1,423	235	<b>229</b>	(6)
Community assistance**	1,583	1,655	159	<b>166</b>	7
Other material and service expenses	1,263	1,263	127	<b>121</b>	(6)
<b>Total materials and services</b>	<b>129,100</b>	<b>129,190</b>	<b>17,201</b>	<b>17,573</b>	<b>372</b>

\* 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.

#### 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.**

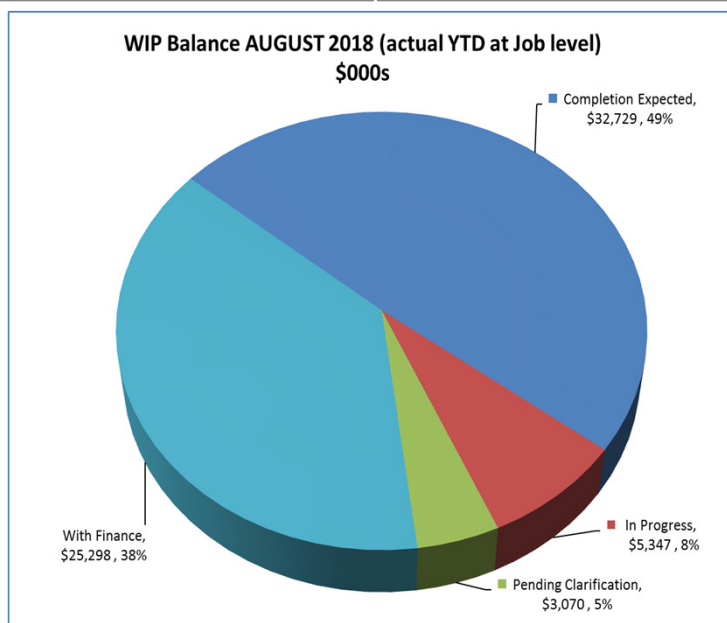
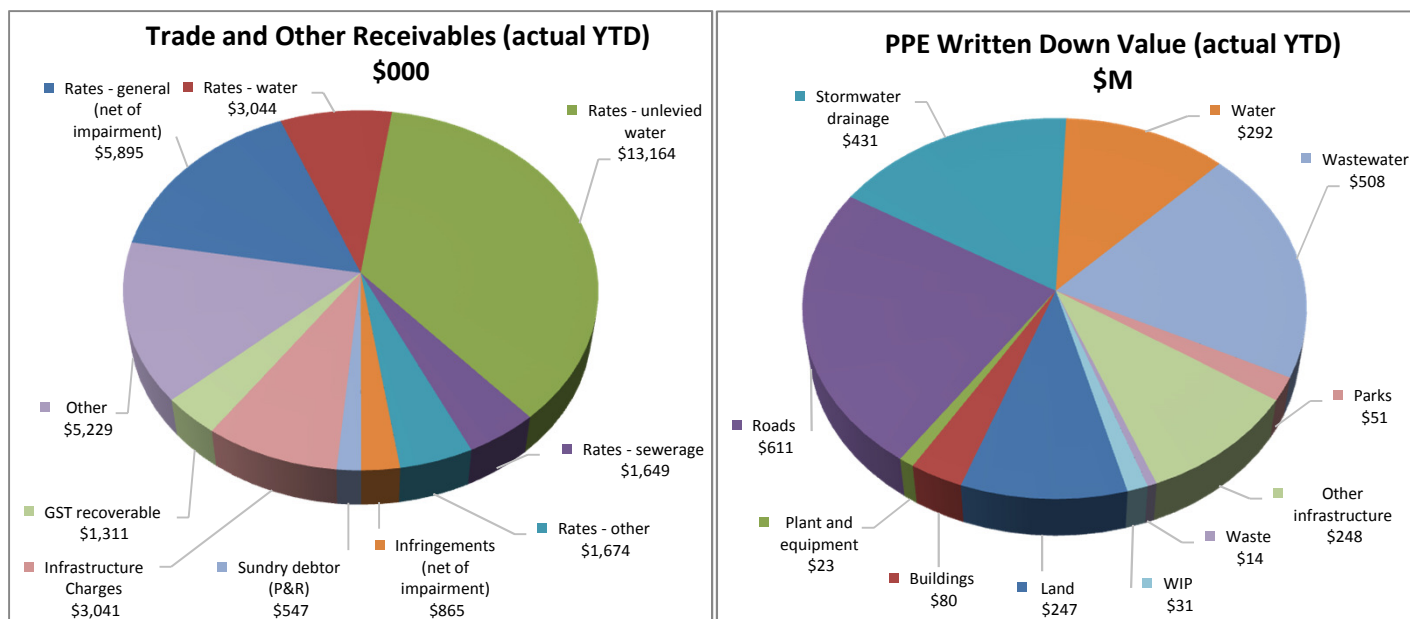
## 4. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 August 2018

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	167,263	148,305	143,681	<b>145,395</b>
Trade and other receivables	27,273	40,744	40,700	<b>36,419</b>
Inventories	556	1,108	1,108	<b>1,012</b>
Non-current assets held for sale	262	11,113	11,113	<b>11,113</b>
Other current assets	2,073	2,033	2,033	<b>2,191</b>
<b>Total current assets</b>	<b>197,428</b>	<b>203,303</b>	<b>198,635</b>	<b>196,130</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,091	1,091	<b>1,091</b>
Property, plant and equipment	2,608,476	2,564,255	2,533,961	<b>2,536,003</b>
Intangible assets	826	1,014	1,825	<b>1,864</b>
Other financial assets	73	73	73	<b>73</b>
Investment in other entities	14,712	14,791	14,791	<b>14,791</b>
<b>Total non-current assets</b>	<b>2,625,178</b>	<b>2,581,224</b>	<b>2,551,741</b>	<b>2,553,822</b>
<b>TOTAL ASSETS</b>	<b>2,822,606</b>	<b>2,784,527</b>	<b>2,750,376</b>	<b>2,749,952</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	40,840	31,435	21,155	<b>20,523</b>
Borrowings - current	7,713	7,728	7,728	<b>7,728</b>
Provisions - current	13,742	14,284	13,677	<b>13,003</b>
Other current liabilities	1,747	4,654	11,662	<b>11,345</b>
<b>Total current liabilities</b>	<b>64,041</b>	<b>58,101</b>	<b>54,222</b>	<b>52,599</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non current	29,651	29,520	25,010	<b>25,034</b>
Provisions - non current	12,115	12,905	12,905	<b>13,223</b>
<b>Total non-current liabilities</b>	<b>41,766</b>	<b>42,425</b>	<b>37,915</b>	<b>38,257</b>
<b>TOTAL LIABILITIES</b>	<b>105,807</b>	<b>100,526</b>	<b>92,137</b>	<b>90,856</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,716,799</b>	<b>2,684,001</b>	<b>2,658,239</b>	<b>2,659,096</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,070,838	1,003,168	1,003,168	<b>1,003,168</b>
Retained surplus	1,517,043	1,567,125	1,555,683	<b>1,550,574</b>
Constrained cash reserves	128,918	113,708	99,388	<b>105,354</b>
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,716,799</b>	<b>2,684,001</b>	<b>2,658,239</b>	<b>2,659,096</b>

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 2018. The annual revised budgeted balances for 2018/2019 include the changes from the budget carryovers adopted by Council on 22 August 2018. 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.

#### 4. STATEMENT OF FINANCIAL POSITION - CONTINUED



#### PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT\*

For the period ending 31 August 2018

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
<b>PPE movement</b>				
Opening balance (includes WIP from previous years)	2,598,959	2,537,638	2,537,638	<b>2,537,638</b>
Acquisitions and WIP in year movement	73,748	90,848	6,780	<b>8,185</b>
Depreciation in year	(62,532)	(62,532)	(10,422)	<b>(9,813)</b>
Disposals	(1,699)	(1,699)	(35)	-
Other adjustments**	-	-	-	<b>(7)</b>
<b>Closing balance</b>	<b>2,608,476</b>	<b>2,564,255</b>	<b>2,533,961</b>	<b>2,536,003</b>

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

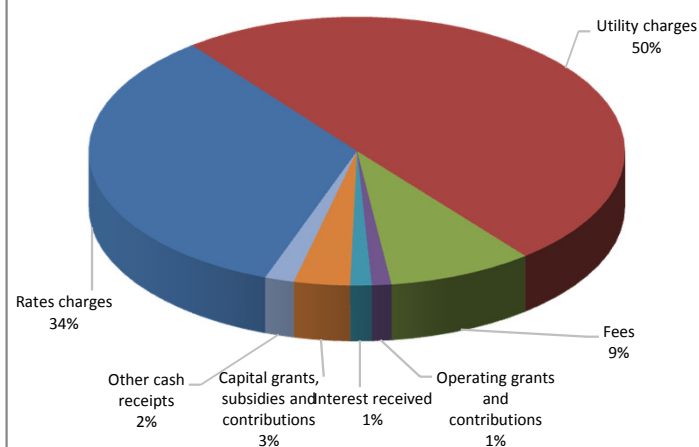
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 August 2018

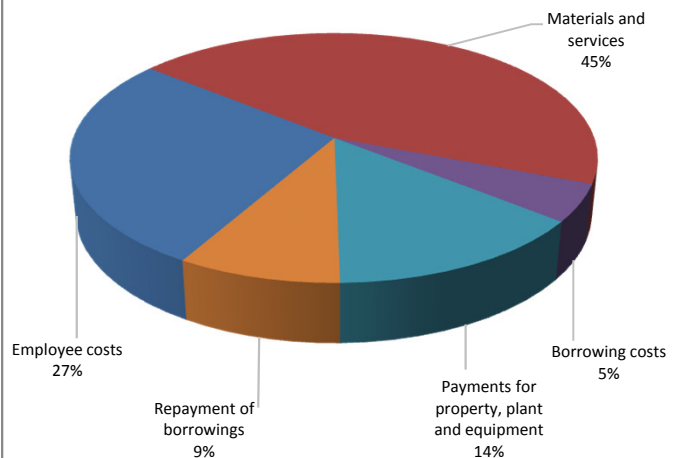
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	261,712	261,712	59,033	<b>61,164</b>
Payments to suppliers and employees	(213,794)	(214,394)	(41,059)	<b>(42,309)</b>
	<b>47,919</b>	<b>47,318</b>	<b>17,974</b>	<b>18,855</b>
Interest received	4,289	4,289	730	<b>841</b>
Rental income	912	912	117	<b>169</b>
Non-capital grants and contributions	11,223	11,223	691	<b>761</b>
Borrowing costs	(2,809)	(2,809)	(2,809)	<b>(2,809)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>61,533</b>	<b>60,933</b>	<b>16,703</b>	<b>17,817</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(66,880)	(83,981)	(6,774)	<b>(8,186)</b>
Payments for intangible assets	-	-	-	<b>(23)</b>
Proceeds from sale of property, plant and equipment	1,410	1,598	-	<b>61</b>
Capital grants, subsidies and contributions	32,501	32,727	225	<b>2,199</b>
Other cash flows from investing activities	1,000	1,000	-	<b>-</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(31,969)</b>	<b>(48,656)</b>	<b>(6,549)</b>	<b>(5,949)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	2,500	2,500	-	<b>-</b>
Repayment of borrowings	(5,035)	(5,035)	(5,035)	<b>(5,035)</b>
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(2,535)</b>	<b>(2,535)</b>	<b>(5,035)</b>	<b>(5,035)</b>
<b>Net increase / (decrease) in cash held</b>	<b>27,030</b>	<b>9,743</b>	<b>5,119</b>	<b>6,833</b>
Cash and cash equivalents at the beginning of the year	140,234	138,562	138,562	<b>138,562</b>
Cash and cash equivalents at the end of the financial year / period	167,263	148,305	143,681	<b>145,395</b>

#### Cash Inflow (actual YTD)



<b>Total Cash Funding (Actual YTD)</b>	<b>65,195</b>
Total Cash Funding (Annual Revised Budget)	315,961
<b>% of Budget Achieved YTD</b>	<b>21%</b>

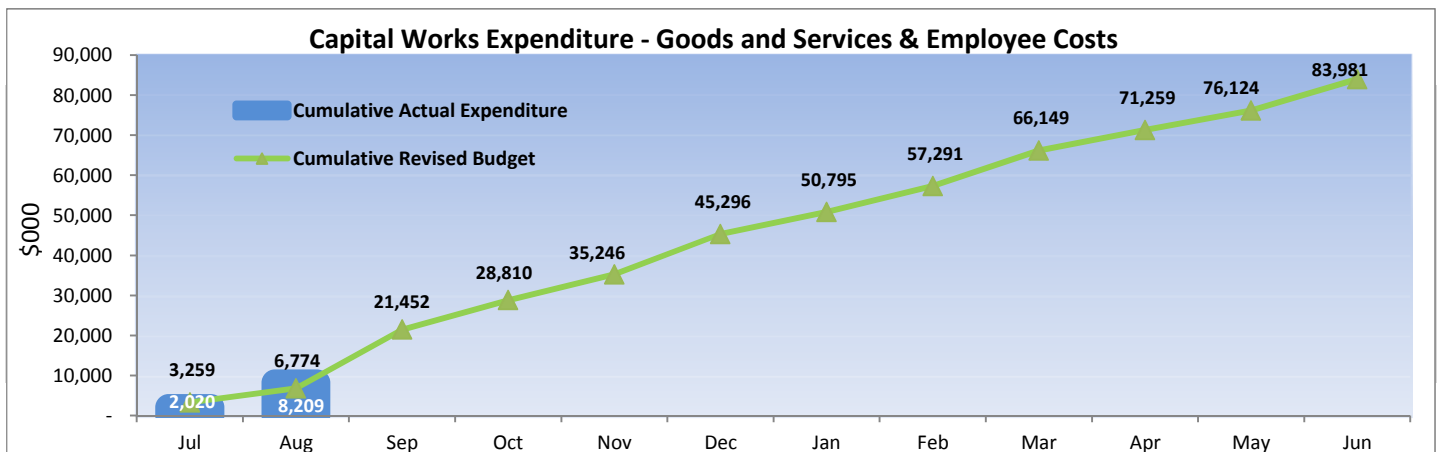
#### Cash Outflow (actual YTD)



<b>Total Cash Expenditure (Actual YTD)</b>	<b>58,362</b>
Total Cash Expenditure (Annual Revised Budget)	306,218
<b>% of Budget Achieved YTD</b>	<b>19%</b>



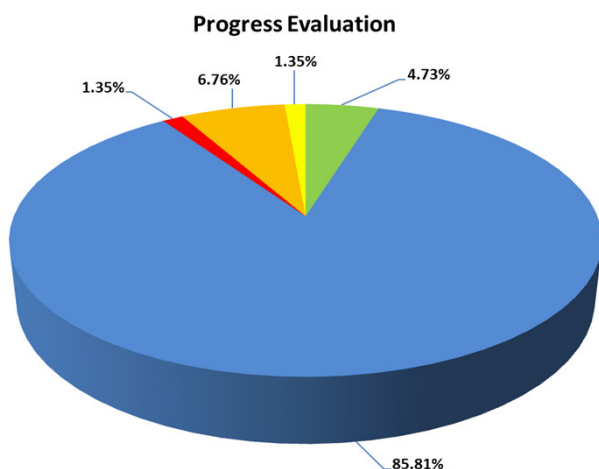
## 6. CAPITAL EXPENDITURE



	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	76,884	6,221	7,010	789
Capitalised employee costs	7,097	553	1,199	646
<b>Total</b>	<b>83,981</b>	<b>6,774</b>	<b>8,209</b>	<b>1,435</b>

## 7. PROGRAM AND PROJECT UPDATE

<span style="color: green;">■</span> Favourable (budget under / schedule on track)	<span style="color: blue;">■</span> Meeting expectations (budget and schedule on track)	<span style="color: orange;">■</span> Within tolerance (one of budget or schedule not on track)	<span style="color: red;">■</span> Unfavourable (budget and schedule not on track)	<span style="color: yellow;">■</span> Others (schedule to be tracked)
--	---	---	--	---



Projects and Programs are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing 148 programs and projects.

	Annual Revised Budget \$000	YTD Actual \$000	Commitments \$000
Total Programs and Projects in Progress			
Capital*	63,944	8,601	8,319
Operational	10,852	1,227	2,435

\*The capital spend on programs and projects is a subset of Council's total capital budget which includes business as usual capital spend such as replacement of computers, fleet etc.

## Notable Projects

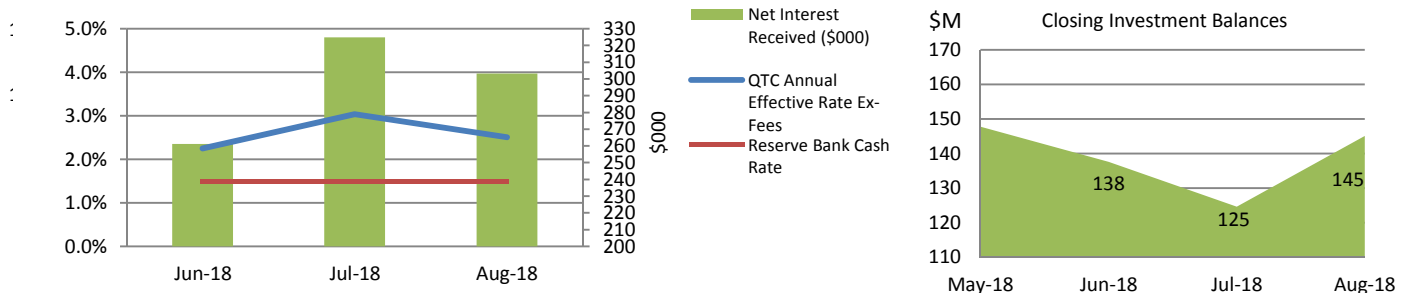
Financially significant projects with an annual budget of more than \$1M constitute 17 projects out of 148 and accounts for 63% of the total programs and project budget. The status of two notable projects are as follows:

Project description	Progress
Dredging of the Toondah Harbour Area. Will be fully funded by Department of Transport and Main Roads and is expected to be completed by December 2018.	This project is on track.
Resurfacing of roads to avoid pavement failure and to prolong the overall pavement life.	This project is on track.

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 August 2018

### INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



#### Total Investment at End of Month was \$145.02M

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

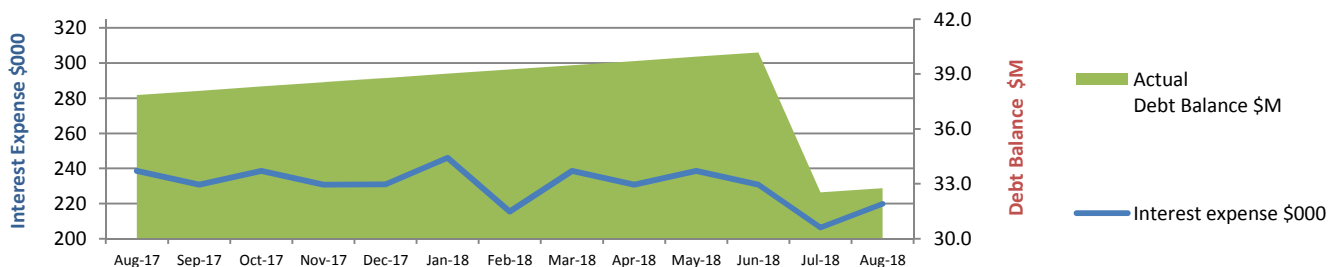
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.51% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.85% as at the end of August 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 June 2018 for the 2018/2019 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, debt repayment of \$7.84M, being \$5.03M principal and \$2.81M interest has been made *annually* in advance for 2018/2019 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 2018. Interest will accrue monthly on a daily balance until next ADSP in July 19 which is reflected in the increasing debt balance.

#### Total Borrowings at End of Month were \$32.76M

General pool allocated to capital works is 99.43% and 0.57% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2018 for the 2018/2019 financial year

## 9. CONSTRAINED CASH RESERVES

Reserves as at 31 August 2018	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	3,625	-	(5)	3,620
Red Art Gallery Commissions & Donations Reserve	Purchases of art work for the RCC art collection	7	-	-	7
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	-	744	(8)	736
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	-	5,398	-	5,398
		<b>3,632</b>	<b>6,142</b>	<b>(13)</b>	<b>9,761</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,324	193	(36)	7,481
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,192	31	-	2,223
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	10,107	3,798	-	13,905
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	9,222	190	-	9,412
Constrained Works Reserve-Capital Grants & Contributions	Unexpended capital grants and contributions received for specific projects	651	-	(16)	635
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	35,922	385	(190)	36,117
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	10,783	152	-	10,935
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	8,884	72	-	8,956
Constrained Works Reserve-Operating Grants & Contributions	Unexpended operating grants and contributions received for specific projects	919	-	(18)	901
Tree Planting Reserve	Acquisition and planting of trees on footpaths	88	8	(1)	95
		<b>86,092</b>	<b>4,829</b>	<b>(261)</b>	<b>90,660</b>
<b>Separate Charge Reserve - Environment:</b>					
Environment Charge Acquisition Reserve	Acquisitions in land and facilities to support or enhance environmental outcomes	234	304	-	538
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	1,708	1,726	(364)	3,070
SES Separate Charge Reserve	On-going costs of maintaining the Redlands SES	-	120	(81)	39
		<b>1,942</b>	<b>2,150</b>	<b>(445)</b>	<b>3,647</b>
<b>Special Charge Reserve - Other:</b>					
Bay Island Rural Fire Levy Reserve	Pass on revenue collected from levy to the Bay Island Rural Fire Brigade	-	48	-	48
SMBI Translink Reserve	Offset payment made to the State Govt. to assist with transport service to the Bay Islands	(8)	242	-	234
		<b>(8)</b>	<b>290</b>	<b>-</b>	<b>282</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	743	1	-	744
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	422	-	-	422
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	1,036	-	(647)	389
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		<b>1,650</b>	<b>1</b>	<b>(647)</b>	<b>1,004</b>
<b>TOTALS</b>		<b>93,308</b>	<b>13,412</b>	<b>(1,366)</b>	<b>105,354</b>
		Closing cash and cash equivalents			<b>145,395</b>
		Reserves as percentage of cash balance			<b>72%</b>

## 10. REDLAND WATER STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 August 2018

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	112,745	112,745	18,752	17,860	(892)
Total expenses	66,297	66,297	9,869	10,398	529
Earnings before interest, tax and depreciation (EBITD)	46,448	46,448	8,883	7,462	(1,421)
Interest expense	15,352	15,352	2,559	2,559	-
Depreciation	23,228	23,228	3,871	3,797	(74)
<b>Operating surplus / (deficit)</b>	<b>7,868</b>	<b>7,868</b>	<b>2,453</b>	<b>1,106</b>	<b>(1,347)</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 August 2018

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	6,798	6,798	-	221	221
Net transfer (to) / from constrained capital reserves	(6,608)	(4,398)	-	(3,988)	(3,988)
Non-cash contributions	6,648	6,648	-	-	-
Funding from utility revenue	5,614	6,261	180	3,869	3,689
<b>Total sources of capital funding</b>	<b>12,452</b>	<b>15,309</b>	<b>180</b>	<b>102</b>	<b>(78)</b>
Contributed assets	6,648	6,648	-	-	-
Capitalised expenditure	5,804	8,661	180	102	(78)
<b>Total application of capital funds</b>	<b>12,452</b>	<b>15,309</b>	<b>180</b>	<b>102</b>	<b>(78)</b>

## 11. REDWASTE STATEMENTS

### REDWASTE OPERATING STATEMENT For the period ending 31 August 2018

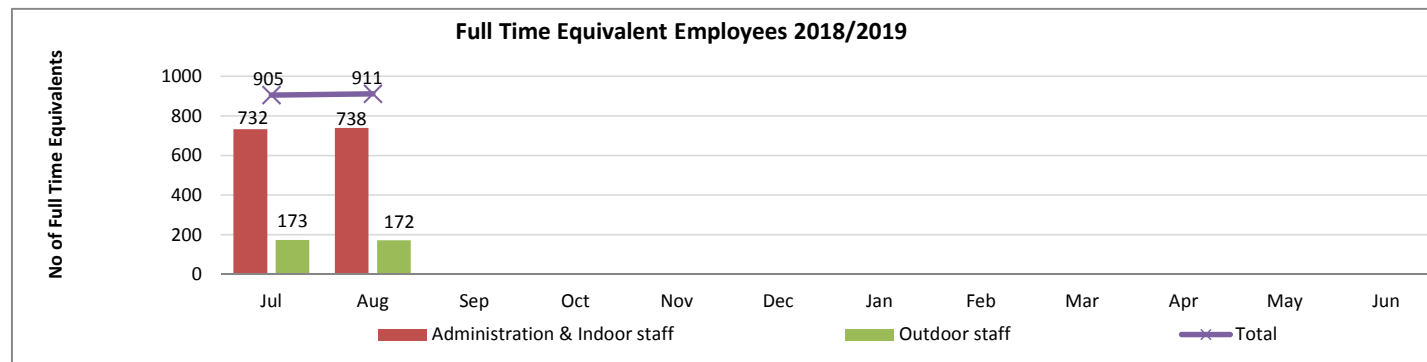
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	25,901	25,901	4,325	4,281	(44)
Total expenses	19,155	19,155	3,140	3,101	(39)
Earnings before interest, tax and depreciation (EBITD)	6,746	6,746	1,185	1,180	(5)
Interest expense	30	30	5	5	-
Depreciation	216	216	36	29	(7)
<b>Operating surplus / (deficit)</b>	<b>6,500</b>	<b>6,500</b>	<b>1,144</b>	<b>1,146</b>	<b>2</b>

### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 August 2018

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	547	547	117	114	(3)
<b>Total sources of capital funding</b>	<b>547</b>	<b>547</b>	<b>117</b>	<b>114</b>	<b>(3)</b>
Capitalised expenditure	456	456	5	2	(3)
Loan redemption	91	91	112	112	-
<b>Total application of capital funds</b>	<b>547</b>	<b>547</b>	<b>117</b>	<b>114</b>	<b>(3)</b>

## 12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

### Workforce Reporting



Workforce reporting - August 2018: Headcount		Employee Type					
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total
Office of CEO	4	2	30	4	5	3	48
Organisational Services	9	5	160	20	24	6	224
Community and Customer Service	28	5	236	62	28	10	369
Infrastructure and Operations	8	6	308	16	19	2	359
<b>Total</b>	<b>49</b>	<b>18</b>	<b>734</b>	<b>102</b>	<b>76</b>	<b>21</b>	<b>1000</b>

*Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department (excluding agency staff) and does not include a workload weighting. It includes casual staff in their non-substantive roles as at the end of the period where relevant.*



## 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.