

# Monthly Financial Report

December 2018



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

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## 1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 December 2018. The revised annual budget referred to in this report incorporates the changes from the first budget review adopted by Council on 12 December 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)	(838)	<b>586</b>	1,424	170%	✓
Recurrent Revenue	279,319	138,047	<b>135,376</b>	(2,671)	-2%	✗
Recurrent Expenditure	282,270	138,885	<b>134,790</b>	(4,095)	-3%	✓
Capital Works Expenditure	83,980	35,616	<b>31,072</b>	(4,544)	-13%	✓
Closing Cash & Cash Equivalents	143,149	136,053	<b>142,584</b>	6,531	5%	✓

Council reported a year to date operating surplus of \$586K which is favourable to the revised budget by \$1.4M. Bulk water consumption is lower than expected, resulting in lower than expected revenue. The favourable variance in recurrent expenditure is mainly due to underspend in bulk water costs as well as contractor and consultant costs.

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

Council's capital works expenditure is below budget by \$4.5M mainly due to underspend in the fleet replacement program and timing of works for a number of infrastructure projects.

Cash balance is higher than budget mainly due to underspend on payments for property, plant and equipment and receipt of \$1.5M dividend from subsidiary. The dividend is 2017/2018 dividend declared by Redland Investment Corporation on 27 June 2018 and paid on 18 December 2018. Constrained cash reserves represent 74% 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 December 2018	Target
Operating Surplus Ratio (%)	✓	-1.06%	<b>0.43%</b>	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	75.05%	<b>51.21%</b>	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-32.15%	<b>-74.06%</b>	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✓	34.92%	<b>35.68%</b>	Less than 40%
Ability to Pay Our Bills - Current Ratio	✓	3.29	<b>3.72</b>	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.81%	<b>5.79%</b>	Less than or equal to 15%
Cash Balance \$M	✓	\$143.149M	<b>\$142.584M</b>	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.89	<b>7.73</b>	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.34%	<b>1.22%</b>	Less than or equal to 10%
Operating Performance (%)	✓	23.79%	<b>19.97%</b>	Greater than or equal to 10%
Interest Coverage Ratio (%)**	✓	-0.67%	<b>-0.82%</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)

### 3. STATEMENT OF COMPREHENSIVE INCOME

#### STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 December 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	50,029	<b>49,709</b>	(320)
Levies and utility charges	146,618	145,046	73,178	<b>71,151</b>	(2,027)
Less: Pensioner remissions and rebates	(3,493)	(3,413)	(1,682)	<b>(1,639)</b>	43
Fees	13,673	14,357	7,797	<b>7,271</b>	(526)
Rental income	912	912	461	<b>397</b>	(64)
Interest received	4,289	4,305	2,166	<b>2,340</b>	174
Dividend received	1,000	1,000	-	<b>-</b>	-
Sales revenue	3,735	3,745	1,969	<b>2,088</b>	119
Other income	694	841	581	<b>625</b>	44
Grants, subsidies and contributions	11,223	12,040	3,548	<b>3,434</b>	(114)
<b>Total recurrent revenue</b>	<b>279,136</b>	<b>279,319</b>	<b>138,047</b>	<b>135,376</b>	<b>(2,671)</b>
<b>Recurrent expenses</b>					
Employee benefits	86,248	87,379	43,502	<b>43,223</b>	(279)
Materials and services	129,100	129,391	62,439	<b>58,985</b>	(3,454)
Finance costs	2,840	2,856	1,445	<b>1,464</b>	19
Depreciation and amortisation	63,505	62,719	31,514	<b>31,087</b>	(427)
Other expenditure	507	630	343	<b>485</b>	142
Net internal costs	(713)	(705)	(358)	<b>(454)</b>	(96)
<b>Total recurrent expenses</b>	<b>281,487</b>	<b>282,270</b>	<b>138,885</b>	<b>134,790</b>	<b>(4,095)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(2,351)</b>	<b>(2,951)</b>	<b>(838)</b>	<b>586</b>	<b>1,424</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,501	20,549	9,402	<b>7,081</b>	(2,321)
Non-cash contributions	6,868	10,219	1,899	<b>-</b>	(1,899)
<b>Total capital revenue</b>	<b>39,369</b>	<b>30,768</b>	<b>11,301</b>	<b>7,081</b>	<b>(4,220)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	101	(55)	<b>2,247</b>	2,302
<b>Total capital expenses</b>	<b>289</b>	<b>101</b>	<b>(55)</b>	<b>2,247</b>	<b>2,302</b>
<b>TOTAL INCOME</b>	<b>318,505</b>	<b>310,087</b>	<b>149,348</b>	<b>142,457</b>	<b>(6,891)</b>
<b>TOTAL EXPENSES</b>	<b>281,776</b>	<b>282,370</b>	<b>138,830</b>	<b>137,037</b>	<b>(1,793)</b>
<b>NET RESULT</b>	<b>36,729</b>	<b>27,716</b>	<b>10,518</b>	<b>5,420</b>	<b>(5,098)</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	<b>-</b>	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>36,729</b>	<b>27,716</b>	<b>10,518</b>	<b>5,420</b>	<b>(5,098)</b>



### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 December 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	12,153	12,027	(126)
Special charges	723	723	602	605	3
SES separate charge	478	478	239	240	1
Environment separate charge	8,180	8,181	4,090	4,077	(13)
Separate charge landfill remediation	3,106	3,106	1,553	1,548	(5)
Wastewater charges	44,951	44,951	22,476	22,033	(443)
Water access charges	18,665	18,591	9,309	9,265	(44)
Water consumption charges	46,207	44,709	22,756	21,356	(1,400)
<b>Total levies and utility charges</b>	<b>146,618</b>	<b>145,046</b>	<b>73,178</b>	<b>71,151</b>	<b>(2,027)</b>

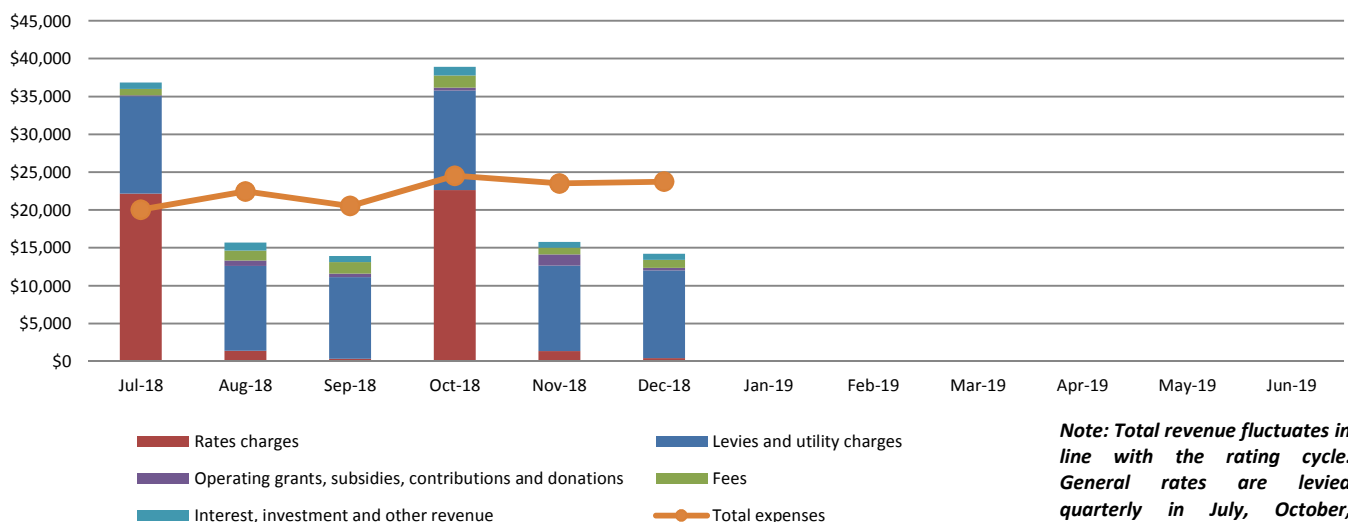
#### MATERIALS AND SERVICES ANALYSIS For the period ending 31 December 2018

	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	35,362	15,969	15,095	(874)
Consultants	4,500	4,400	1,652	1,223	(429)
Other Council outsourcing costs*	16,902	17,518	8,226	8,567	341
Purchase of materials	48,229	46,709	23,916	22,230	(1,686)
Office administration costs	8,649	8,455	4,190	3,871	(319)
Electricity charges	5,786	5,786	2,971	2,680	(291)
Plant operations	4,190	4,321	2,130	1,866	(264)
Information technology resources	2,820	2,737	1,268	1,220	(48)
General insurance	1,423	1,213	648	632	(16)
Community assistance**	1,583	1,628	948	821	(127)
Other material and service expenses	1,263	1,262	521	780	259
<b>Total materials and services</b>	<b>129,100</b>	<b>129,391</b>	<b>62,439</b>	<b>58,985</b>	<b>(3,454)</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 and awards, donations and sponsorships.

#### Actuals - Total Revenue and Expenses (\$000)



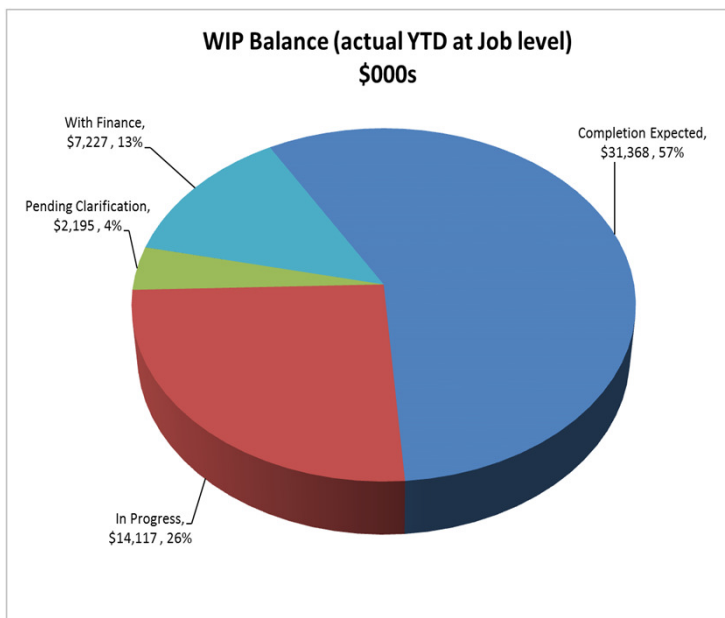
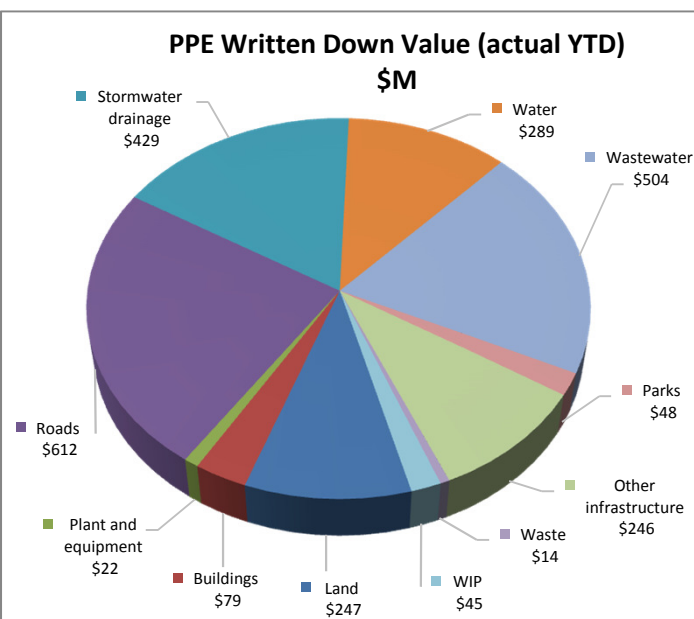
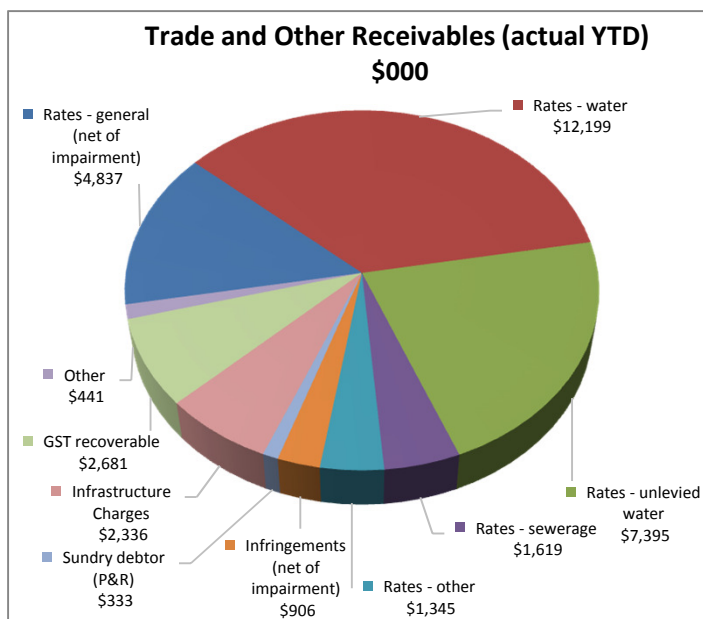
**Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.**

## 4. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 December 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	143,149	136,053	142,584
Trade and other receivables	27,273	33,477	33,477	34,092
Inventories	556	1,108	1,108	937
Non-current assets held for sale	262	11,113	11,113	11,113
Other current assets	2,073	2,033	2,033	2,608
<b>Total current assets</b>	<b>197,428</b>	<b>190,880</b>	<b>183,784</b>	<b>191,334</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,608,476	2,568,368	2,543,270	2,534,747
Intangible assets	826	1,038	1,518	1,918
Other financial assets	73	73	73	73
Investment in other entities	14,712	14,791	14,791	14,791
<b>Total non-current assets</b>	<b>2,625,178</b>	<b>2,585,361</b>	<b>2,560,743</b>	<b>2,552,620</b>
<b>TOTAL ASSETS</b>	<b>2,822,606</b>	<b>2,776,241</b>	<b>2,744,527</b>	<b>2,743,954</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	40,840	31,435	21,505	27,914
Borrowings - current	7,713	7,728	7,728	7,728
Provisions - current	13,742	14,284	13,920	11,813
Other current liabilities	1,747	4,654	4,654	3,941
<b>Total current liabilities</b>	<b>64,041</b>	<b>58,101</b>	<b>47,807</b>	<b>51,396</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	29,651	29,537	25,840	25,840
Provisions - non-current	12,115	13,428	12,905	13,841
<b>Total non-current liabilities</b>	<b>41,766</b>	<b>42,965</b>	<b>38,745</b>	<b>39,681</b>
<b>TOTAL LIABILITIES</b>	<b>105,807</b>	<b>101,066</b>	<b>86,552</b>	<b>91,077</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,716,799</b>	<b>2,675,175</b>	<b>2,657,975</b>	<b>2,652,877</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	1,070,838	1,003,168	1,003,168	1,003,168
Retained surplus	1,517,043	1,572,813	1,554,816	1,544,747
Constrained cash reserves	128,918	99,194	99,991	104,962
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,716,799</b>	<b>2,675,175</b>	<b>2,657,975</b>	<b>2,652,877</b>

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



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

For the period ending 31 December 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	2,537,638
Acquisitions and WIP in year movement	73,748	94,183	37,499	30,685
Depreciation in year	(62,532)	(61,754)	(31,029)	(30,559)
Disposals	(1,699)	(1,699)	(838)	(2,811)
Other adjustments**	-	-	-	(206)
<b>Closing balance</b>	<b>2,608,476</b>	<b>2,568,368</b>	<b>2,543,270</b>	<b>2,534,747</b>

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

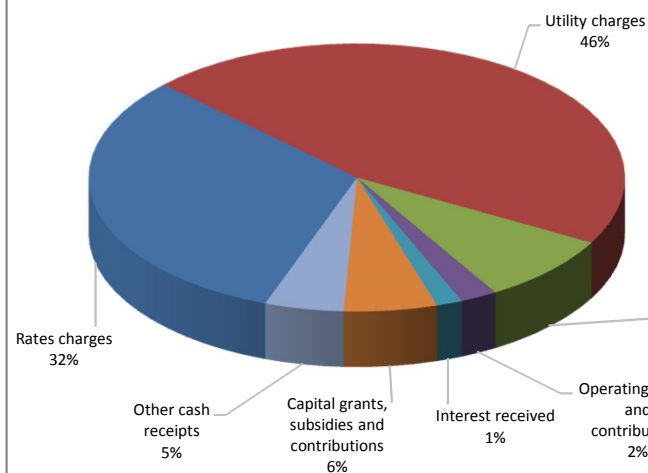
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

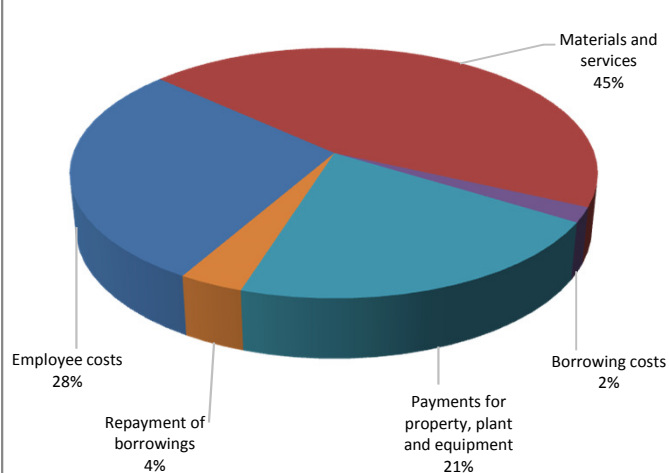
### STATEMENT OF CASH FLOWS For the period ending 31 December 2018

	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	264,828	135,639	<b>130,582</b>
Payments to suppliers and employees	(213,794)	(214,822)	(114,658)	<b>(107,795)</b>
	<b>47,919</b>	<b>50,006</b>	<b>20,981</b>	<b>22,787</b>
Interest received	4,289	4,305	2,166	<b>2,340</b>
Dividend received*	1,000	1,000	-	<b>1,500</b>
Rental income	912	912	461	<b>397</b>
Non-capital grants and contributions	11,223	12,040	3,548	<b>3,381</b>
Borrowing costs	(2,809)	(2,809)	(2,809)	<b>(2,809)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>62,533</b>	<b>65,455</b>	<b>24,347</b>	<b>27,596</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(66,880)	(83,964)	(35,600)	<b>(30,686)</b>
Payments for intangible assets	-	(16)	(16)	<b>(386)</b>
Proceeds from sale of property, plant and equipment	1,410	1,598	893	<b>564</b>
Capital grants, subsidies and contributions	32,501	20,549	9,402	<b>8,469</b>
Other cash flows from investing activities	-	3,500	3,500	<b>3,500</b>
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(32,969)</b>	<b>(58,333)</b>	<b>(21,821)</b>	<b>(18,539)</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>4,587</b>	<b>(2,509)</b>	<b>4,022</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	143,149	136,053	<b>142,584</b>

#### Cash Inflow (actual YTD)



#### Cash Outflow (actual YTD)



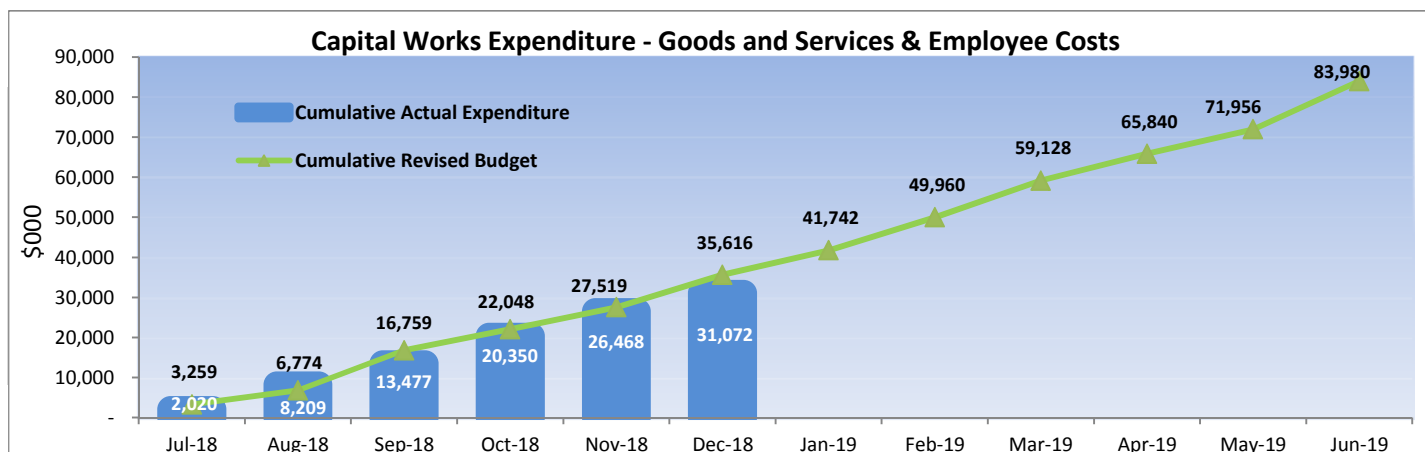
<b>Total Cash Funding (Actual YTD)</b>	<b>150,733</b>
Total Cash Funding (Annual Revised Budget)	311,233
<b>% of Budget Achieved YTD</b>	<b>48%</b>

<b>Total Cash Expenditure (Actual YTD)</b>	<b>146,711</b>
Total Cash Expenditure (Annual Revised Budget)	306,646
<b>% of Budget Achieved YTD</b>	<b>48%</b>

\* Reclassified as operating cash flow to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.



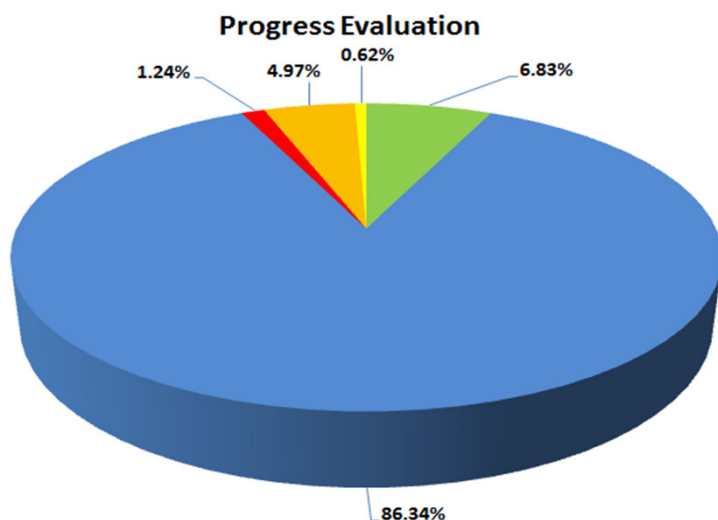
## 6. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services	76,484	31,615	27,233	(4,382)
Capitalised employee costs	7,496	4,001	3,839	(162)
<b>Total</b>	<b>83,980</b>	<b>35,616</b>	<b>31,072</b>	<b>(4,544)</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)
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Programs and projects 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 161 programs and projects.

	Annual Revised Budget \$'000	YTD Actual \$'000	Commitments \$'000
Total Programs and Projects in Progress			
Capital*	71,709	27,234	9,963
Operational	12,040	3,407	1,332

\*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

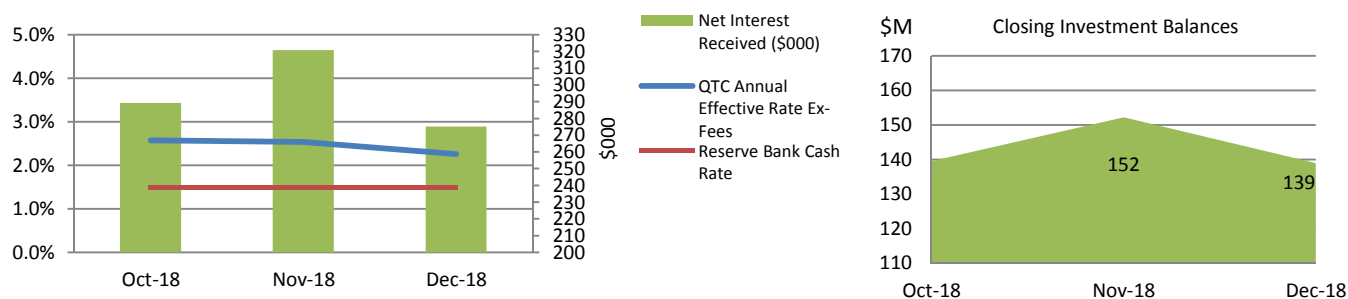
Financially significant programs and projects with an annual budget of more than \$1M constitute 21 programs and projects out of 161 and accounts for 66.76% of the total programs and projects budget. The status of two notable projects are as follows:

Project description	Progress
Public amenities expansion program - design and construction of new public amenities	This project is on track.
Melaleuca Street tree removal and replacement with suitable species project	This project is on track.

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 December 2018

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



#### Total Investment at End of Month was \$138.90M

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

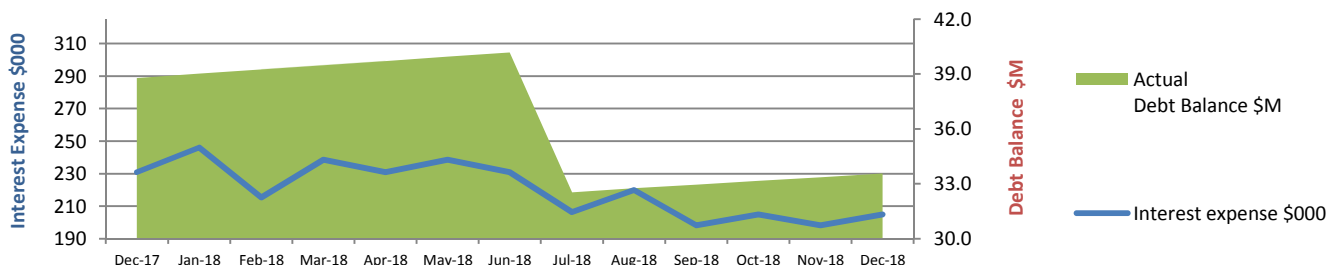
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.26% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.92% as at the end of December 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 2019 which is reflected in the increasing debt balance.

#### Total Borrowings at End of Month were \$33.57M

General pool allocated to capital works is 99.42% and 0.58% 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 December 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	300	(17)	3,908
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	-	1,489	(27)	1,462
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	-	6,265	(1,857)	4,408
		<b>3,632</b>	<b>8,054</b>	<b>(1,908)</b>	<b>9,778</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,324	1,009	(2,004)	6,329
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,192	159	-	2,351
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	10,107	3,950	-	14,057
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	9,222	1,104	(8)	10,318
Constrained Works Reserve-Capital Grants & Contributions	Unexpended capital grants and contributions received for specific projects	651	-	(109)	542
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	35,922	2,452	(2,047)	36,327
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	10,783	813	(3)	11,593
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	8,884	519	-	9,403
Constrained Works Reserve-Operating Grants & Contributions	Unexpended operating grants and contributions received for specific projects	919	-	(682)	237
Tree Planting Reserve	Acquisition and planting of trees on footpaths	88	17	(17)	88
		<b>86,092</b>	<b>10,023</b>	<b>(4,870)</b>	<b>91,245</b>
<b>Separate Charge Reserve - Environment:</b>					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	234	611	-	845
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	1,708	3,461	(3,154)	2,015
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	-	240	(154)	86
		<b>1,942</b>	<b>4,312</b>	<b>(3,308)</b>	<b>2,946</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	-	114	-	114
SMBI Translink Reserve	Offset payment made to the State Govt. to assist with transport service to the Bay Islands	(8)	483	(483)	(8)
		<b>(8)</b>	<b>597</b>	<b>(483)</b>	<b>106</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	743	5	-	748
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	422	3	-	425
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	1,036	-	(771)	265
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>8</b>	<b>(771)</b>	<b>887</b>
<b>TOTALS</b>		<b>93,308</b>	<b>22,994</b>	<b>(11,340)</b>	<b>104,962</b>
		Closing cash and cash equivalents			<b>142,584</b>
		Reserves as percentage of cash balance			<b>74%</b>

## 10. REDLAND WATER STATEMENTS

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

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	112,745	111,173	56,001	54,352	(1,649)
Total expenses	66,297	65,023	33,449	31,455	(1,994)
Earnings before interest, tax and depreciation (EBITD)	46,448	46,150	22,552	22,897	345
Interest expense	15,352	15,352	7,676	7,676	-
Depreciation	23,228	23,268	11,620	11,814	194
<b>Operating surplus / (deficit)</b>	<b>7,868</b>	<b>7,530</b>	<b>3,256</b>	<b>3,407</b>	<b>151</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 December 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	6,798	6,560	3,280	1,299	(1,981)
Net transfer (to) / from constrained capital reserves	(6,608)	(4,160)	(2,905)	(5,046)	(2,141)
Non-cash contributions	6,648	6,202	-	38	38
Funding from utility revenue	5,614	6,261	790	4,603	3,813
<b>Total sources of capital funding</b>	<b>12,452</b>	<b>14,863</b>	<b>1,165</b>	<b>894</b>	<b>(271)</b>
Contributed assets	6,648	6,202	-	-	-
Capitalised expenditure	5,804	8,661	1,165	894	(271)
<b>Total application of capital funds</b>	<b>12,452</b>	<b>14,863</b>	<b>1,165</b>	<b>894</b>	<b>(271)</b>

## 11. REDWASTE STATEMENTS

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

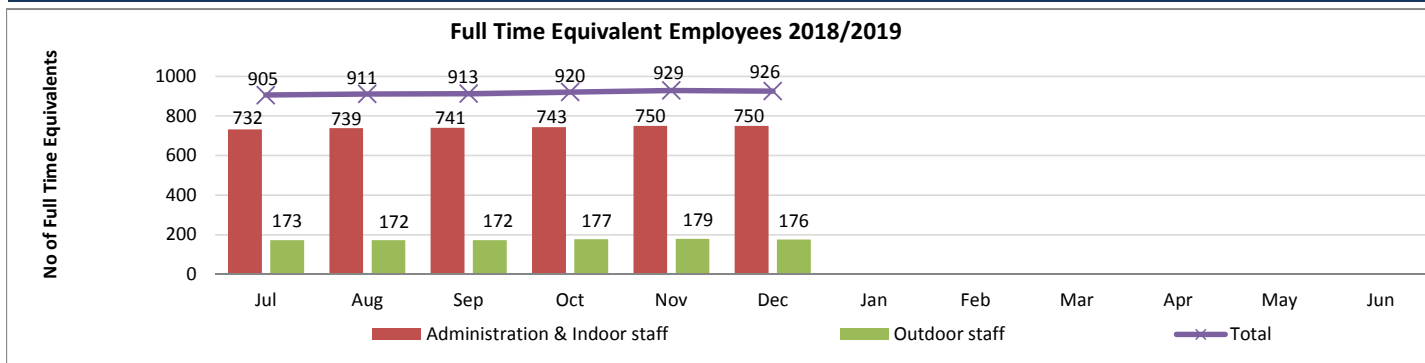
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	25,901	25,901	12,949	12,971	22
Total expenses	19,155	19,607	9,709	9,556	(153)
Earnings before interest, tax and depreciation (EBITD)	6,746	6,294	3,240	3,415	175
Interest expense	30	26	13	13	-
Depreciation	216	242	112	161	49
<b>Operating surplus / (deficit)</b>	<b>6,500</b>	<b>6,026</b>	<b>3,115</b>	<b>3,241</b>	<b>126</b>

### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 December 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	547	546	331	264	(67)
<b>Total sources of capital funding</b>	<b>547</b>	<b>546</b>	<b>331</b>	<b>264</b>	<b>(67)</b>
Capitalised expenditure	456	456	228	161	(67)
Loan redemption	91	90	103	103	-
<b>Total application of capital funds</b>	<b>547</b>	<b>546</b>	<b>331</b>	<b>264</b>	<b>(67)</b>

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

### Workforce Reporting



December 2018: Headcount	Employee Type						
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total
Office of CEO	7	3	32	3	6	2	53
Organisational Services	10	5	166	15	24	5	225
Community and Customer Services	37	5	238	61	31	10	382
Infrastructure and Operations	28	7	311	12	24	1	383
<b>Total</b>	<b>82</b>	<b>20</b>	<b>747</b>	<b>91</b>	<b>85</b>	<b>18</b>	<b>1,043</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.

### Overdue Rates Debtors

Days Overdue	Dec-18	% Overdue	Dec-17	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$39	0.0%	\$0	0.0%	\$39	0.0%	Monitoring of overdue rates will be continuously implemented. The Revenue Collection team has been running a campaign at collecting accounts overdue between 2 and 4 quarters which aims to collect \$1M within a quarter. This campaign has recovered \$560,894 between 13 November and 31 December.
31 - 60	\$3,980,475	2.9%	\$3,555,952	2.8%	\$424,523	0.1%	
61 - 90	\$157	0.0%	\$1,999	0.0%	-\$1,842	0.0%	
91 - 180	\$1,864,862	1.4%	\$1,509,368	1.2%	\$355,494	0.2%	
>180	\$3,697,187	2.7%	\$2,802,196	2.2%	\$894,991	0.5%	
<b>Total</b>	<b>\$9,542,720</b>	<b>7.0%</b>	<b>\$7,869,515</b>	<b>6.2%</b>	<b>\$1,673,205</b>	<b>0.8%</b>	



## 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 includes 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 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 to 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.