

# Monthly Financial Report

May 2019



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 May 2019. The year to date and annual revised budget referred to in this report reflects the final revised budget as adopted by Council on 8 May 2019.

### 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)	(2,900)	6,815	<b>7,606</b>	791	12%	✓
Recurrent Revenue	276,881	258,387	<b>256,204</b>	(2,183)	-1%	✗
Recurrent Expenditure	279,781	251,572	<b>248,598</b>	(2,974)	-1%	✓
Capital Works Expenditure	91,252	65,206	<b>54,808</b>	(10,398)	-16%	✓
Closing Cash & Cash Equivalents	137,269	155,381	<b>164,867</b>	9,486	6%	✓

Council reported a year to date operating surplus of \$7.6M which is favourable to the revised budget by \$791K. The favourable variance in recurrent expenditure is mainly due to underspend in contractor and consultant costs as well as underspend in bulk water costs and vacancies across the organisation.

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 \$10.4M 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. Constrained cash reserves represent 67% 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 May 2019	Target
Operating Surplus Ratio (%)	✓	-1.05%	<b>2.97%</b>	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	70.28%	<b>42.68%</b>	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-29.78%	<b>-46.20%</b>	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✗	35.27%	<b>37.76%</b>	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	3.11	<b>3.99</b>	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.83%	<b>3.06%</b>	Less than or equal to 10%
Cash Balance \$M	✓	\$137.269M	<b>\$164.867M</b>	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.70	<b>9.03</b>	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.34%	<b>1.25%</b>	Less than or equal to 10%
Operating Performance (%)	✓	24.76%	<b>25.13%</b>	Greater than or equal to 15%
Interest Coverage Ratio (%)**	✓	-0.81%	<b>-0.87%</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 May 2019

	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	99,828	<b>99,577</b>	(251)
Levies and utility charges	146,618	145,046	133,909	<b>132,007</b>	(1,902)
Less: Pensioner remissions and rebates	(3,493)	(3,313)	(3,271)	<b>(3,223)</b>	48
Fees	13,673	14,367	13,005	<b>12,075</b>	(930)
Rental income	912	912	798	<b>749</b>	(49)
Interest received	4,289	4,675	4,159	<b>4,454</b>	295
Dividend received	1,000	-	-	-	-
Sales revenue	3,735	3,745	3,420	<b>3,407</b>	(13)
Other income	694	764	714	<b>1,141</b>	427
Grants, subsidies and contributions	11,223	10,199	5,825	<b>6,017</b>	192
<b>Total recurrent revenue</b>	<b>279,136</b>	<b>276,881</b>	<b>258,387</b>	<b>256,204</b>	<b>(2,183)</b>
<b>Recurrent expenses</b>					
Employee benefits	86,248	87,685	80,165	<b>78,933</b>	(1,232)
Materials and services	129,100	126,739	111,494	<b>109,824</b>	(1,670)
Finance costs	2,840	2,856	2,608	<b>2,659</b>	51
Depreciation and amortisation	63,505	62,577	57,375	<b>57,505</b>	130
Other expenditure	507	630	579	<b>418</b>	(161)
Net internal costs	(713)	(705)	(649)	<b>(741)</b>	(92)
<b>Total recurrent expenses</b>	<b>281,487</b>	<b>279,781</b>	<b>251,572</b>	<b>248,598</b>	<b>(2,974)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>(2,351)</b>	<b>(2,900)</b>	<b>6,815</b>	<b>7,606</b>	<b>791</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,501	20,549	15,660	<b>14,860</b>	(800)
Non-cash contributions	6,868	10,219	7,129	<b>4,740</b>	(2,389)
<b>Total capital revenue</b>	<b>39,369</b>	<b>30,768</b>	<b>22,789</b>	<b>19,600</b>	<b>(3,189)</b>
<b>Capital expenses</b>					
(Gain) / loss on disposal of non-current assets	289	101	83	<b>2,596</b>	2,513
<b>Total capital expenses</b>	<b>289</b>	<b>101</b>	<b>83</b>	<b>2,596</b>	<b>2,513</b>
<b>TOTAL INCOME</b>	<b>318,505</b>	<b>307,649</b>	<b>281,176</b>	<b>275,804</b>	<b>(5,372)</b>
<b>TOTAL EXPENSES</b>	<b>281,776</b>	<b>279,882</b>	<b>251,655</b>	<b>251,194</b>	<b>(461)</b>
<b>NET RESULT</b>	<b>36,729</b>	<b>27,767</b>	<b>29,521</b>	<b>24,610</b>	<b>(4,911)</b>
<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>	<b>36,729</b>	<b>27,767</b>	<b>29,521</b>	<b>24,610</b>	<b>(4,911)</b>

### 3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

#### LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 May 2019

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Levies and utility charges</b>					
Refuse collection rate charge	24,307	24,307	22,281	<b>22,141</b>	(140)
Special charges	723	723	723	<b>723</b>	-
SES separate charge	478	478	478	<b>481</b>	3
Environment separate charge	8,180	8,181	8,181	<b>8,162</b>	(19)
Separate charge landfill remediation	3,106	3,106	2,847	<b>2,841</b>	(6)
Wastewater charges	44,951	44,951	41,205	<b>40,482</b>	(723)
Water access charges	18,665	18,591	17,046	<b>17,005</b>	(41)
Water consumption charges	46,207	44,709	41,148	<b>40,172</b>	(976)
<b>Total levies and utility charges</b>	<b>146,618</b>	<b>145,046</b>	<b>133,909</b>	<b>132,007</b>	<b>(1,902)</b>

#### MATERIALS AND SERVICES ANALYSIS

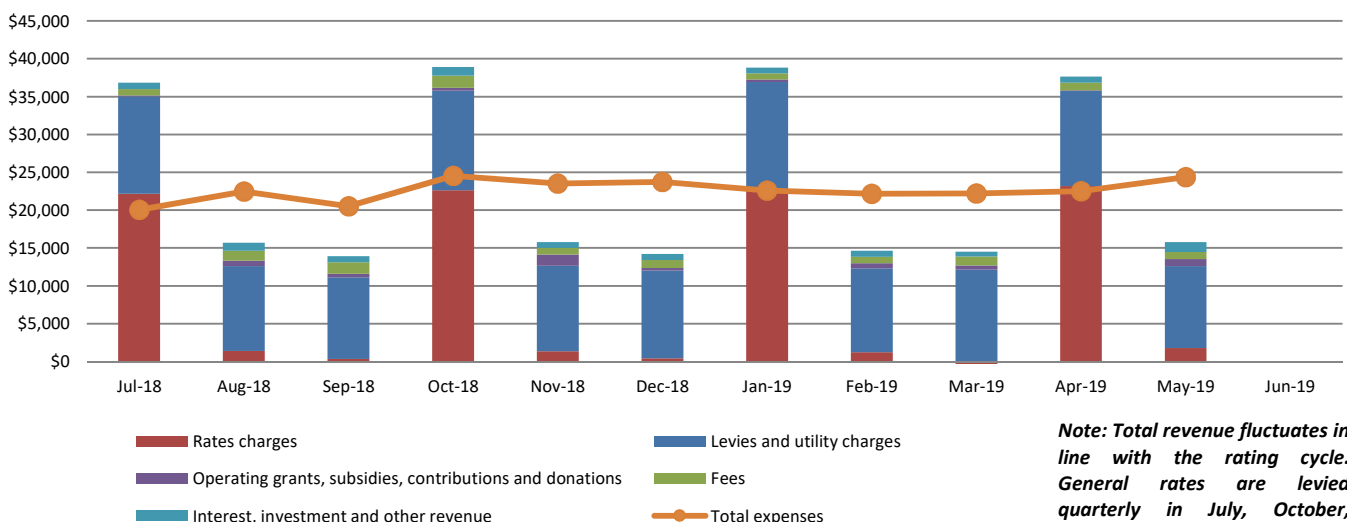
For the period ending 31 May 2019

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Materials and services</b>					
Contractors	33,755	33,882	27,929	<b>27,461</b>	(468)
Consultants	4,500	4,117	3,240	<b>2,746</b>	(494)
Other Council outsourcing costs*	16,902	17,545	15,496	<b>16,366</b>	870
Purchase of materials	48,229	46,349	42,425	<b>41,591</b>	(834)
Office administration costs	8,649	8,052	7,181	<b>7,374</b>	193
Electricity charges	5,786	5,786	5,457	<b>5,009</b>	(448)
Plant operations	4,190	4,302	3,869	<b>3,571</b>	(298)
Information technology resources	2,820	2,605	2,303	<b>2,327</b>	24
General insurance	1,423	1,213	1,119	<b>1,000</b>	(119)
Community assistance**	1,583	1,627	1,497	<b>1,354</b>	(143)
Other material and service expenses	1,263	1,261	978	<b>1,025</b>	47
<b>Total materials and services</b>	<b>129,100</b>	<b>126,739</b>	<b>111,494</b>	<b>109,824</b>	<b>(1,670)</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.

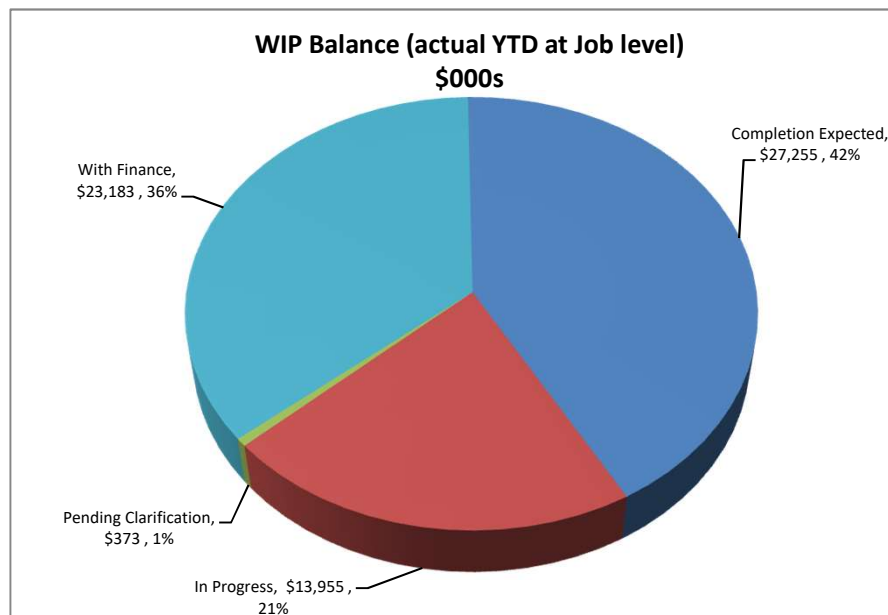
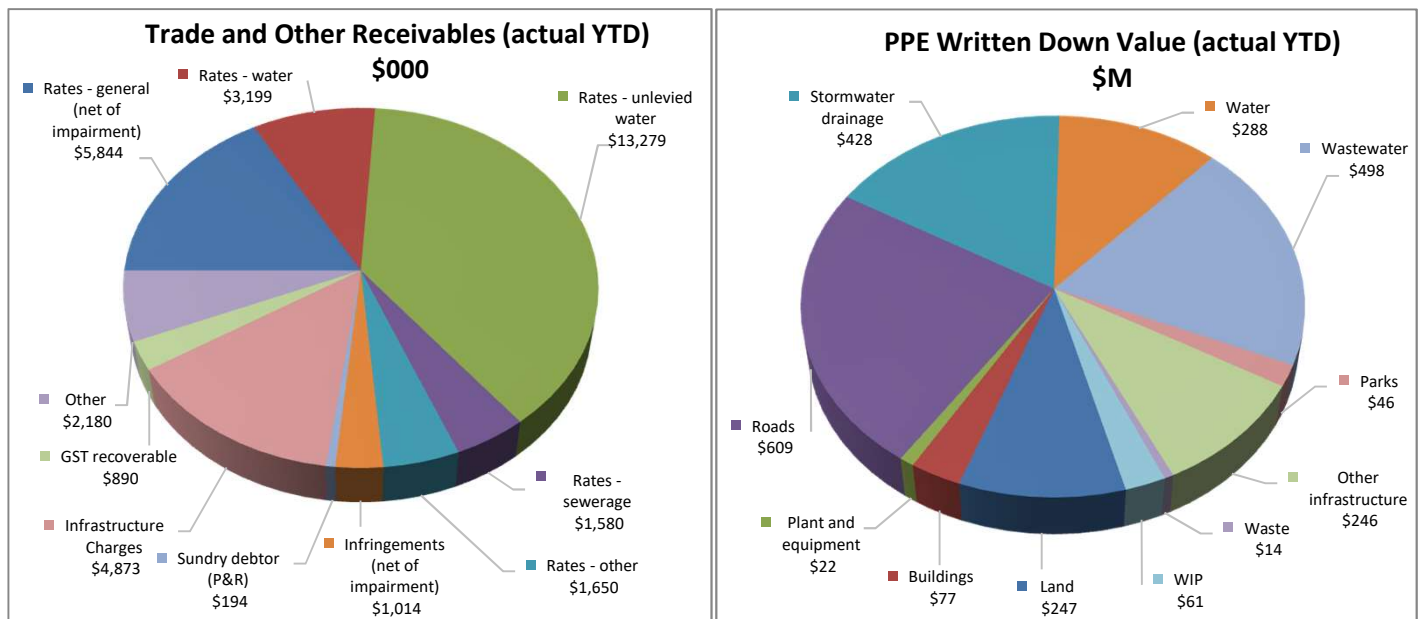


## 4. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 May 2019

	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	137,269	155,381	<b>164,867</b>
Trade and other receivables	27,273	33,477	33,539	<b>34,703</b>
Inventories	556	1,108	1,108	<b>920</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>1,636</b>
<b>Total current assets</b>	<b>197,428</b>	<b>185,000</b>	<b>203,174</b>	<b>213,239</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	2,575,809	2,552,165	<b>2,536,278</b>
Intangible assets	826	1,011	1,091	<b>1,621</b>
Other financial assets	73	73	73	<b>73</b>
Investment in other entities	14,712	14,791	14,791	<b>14,629</b>
<b>Total non-current assets</b>	<b>2,625,178</b>	<b>2,592,775</b>	<b>2,569,211</b>	<b>2,553,692</b>
<b>TOTAL ASSETS</b>	<b>2,822,606</b>	<b>2,777,775</b>	<b>2,772,385</b>	<b>2,766,931</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	40,840	31,435	21,941	<b>22,964</b>
Borrowings - current	7,713	7,728	7,728	<b>7,728</b>
Provisions - current	13,742	15,747	14,223	<b>10,334</b>
Other current liabilities	1,747	4,654	11,767	<b>12,361</b>
<b>Total current liabilities</b>	<b>64,041</b>	<b>59,564</b>	<b>55,659</b>	<b>53,387</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings - non-current	29,651	29,537	26,838	<b>26,838</b>
Provisions - non-current	12,115	13,449	12,905	<b>14,637</b>
<b>Total non-current liabilities</b>	<b>41,766</b>	<b>42,986</b>	<b>39,743</b>	<b>41,475</b>
<b>TOTAL LIABILITIES</b>	<b>105,807</b>	<b>102,550</b>	<b>95,402</b>	<b>94,862</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,716,799</b>	<b>2,675,225</b>	<b>2,676,983</b>	<b>2,672,069</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	1,570,374	1,571,216	<b>1,558,938</b>
Constrained cash reserves	128,918	101,683	102,599	<b>109,963</b>
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,716,799</b>	<b>2,675,225</b>	<b>2,676,983</b>	<b>2,672,069</b>

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



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

For the period ending 31 May 2019

	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	101,455	72,319	59,163
Depreciation in year	(62,532)	(61,585)	(56,463)	(56,591)
Disposals	(1,699)	(1,699)	(1,329)	(4,095)
Other adjustments**	-	-	-	163
<b>Closing balance</b>	<b>2,608,476</b>	<b>2,575,809</b>	<b>2,552,165</b>	<b>2,536,278</b>

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

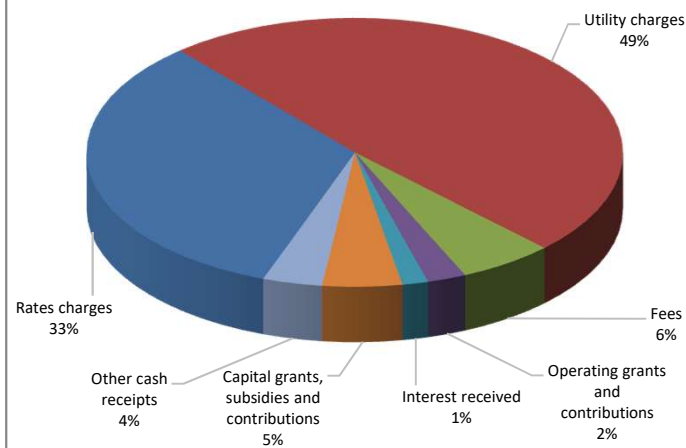
\*\* Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

## 5. STATEMENT OF CASH FLOWS

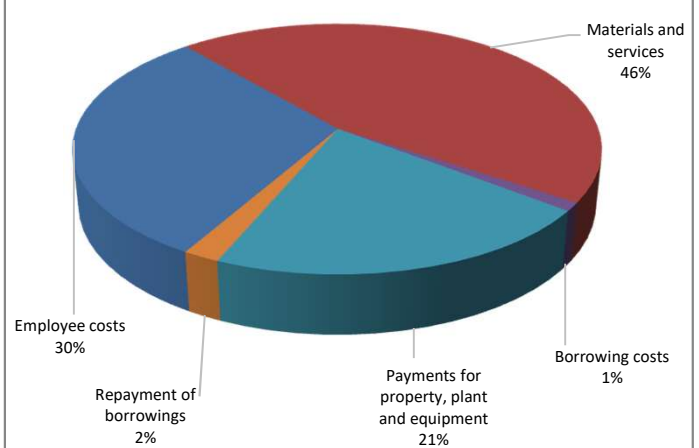
### STATEMENT OF CASH FLOWS For the period ending 31 May 2019

	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	264,862	258,424	<b>254,715</b>
Payments to suppliers and employees	(213,794)	(210,992)	(199,744)	<b>(197,942)</b>
	<b>47,919</b>	<b>53,869</b>	<b>58,680</b>	<b>56,773</b>
Interest received	4,289	4,675	4,159	<b>4,454</b>
Dividend received*	1,000	-	-	<b>1,500</b>
Rental income	912	912	798	<b>749</b>
Non-capital grants and contributions	11,223	10,199	5,825	<b>6,721</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>66,846</b>	<b>66,653</b>	<b>67,388</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(66,880)	(91,236)	(65,189)	<b>(54,393)</b>
Payments for intangible assets	-	(16)	(16)	<b>(415)</b>
Proceeds from sale of property, plant and equipment	1,410	1,598	1,246	<b>1,498</b>
Capital grants, subsidies and contributions	32,501	20,549	15,660	<b>13,762</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>(65,605)</b>	<b>(44,799)</b>	<b>(36,048)</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>(1,293)</b>	<b>16,819</b>	<b>26,305</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>140,234</b>	<b>138,562</b>	<b>138,562</b>	<b>138,562</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>167,263</b>	<b>137,269</b>	<b>155,381</b>	<b>164,867</b>

**Cash Inflow (actual YTD)**



**Cash Outflow (actual YTD)**



<b>Total Cash Funding (Actual YTD)</b>	<b>286,899</b>
Total Cash Funding (Annual Revised Budget)	308,795
% of Budget Achieved YTD	93%

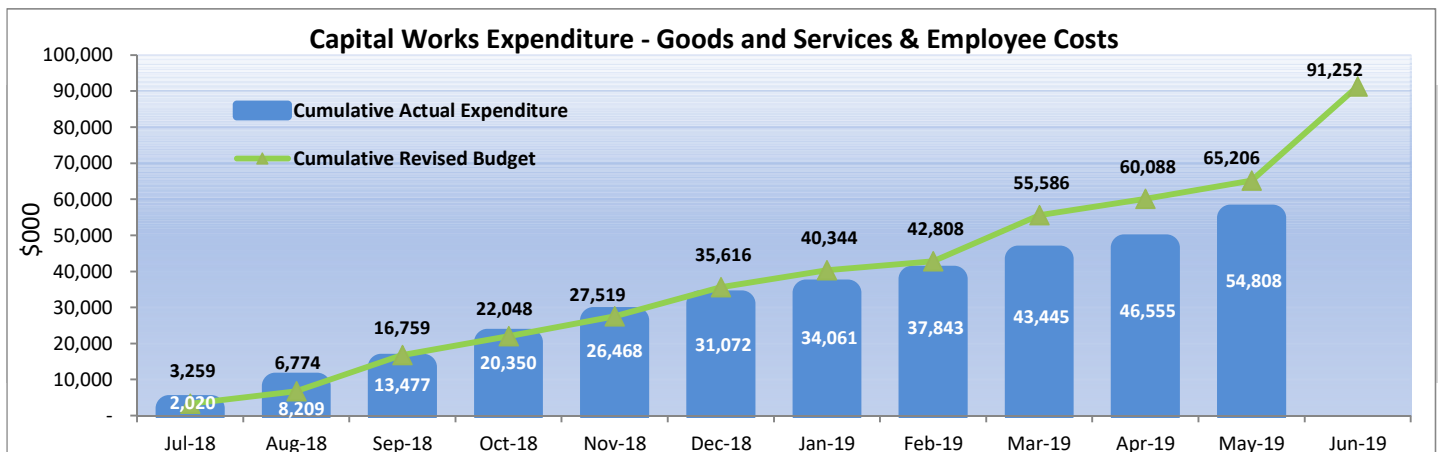
<b>Total Cash Expenditure (Actual YTD)</b>	<b>260,594</b>
Total Cash Expenditure (Annual Revised Budget)	310,088
% of Budget Achieved YTD	84%

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

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



## 6. CAPITAL EXPENDITURE

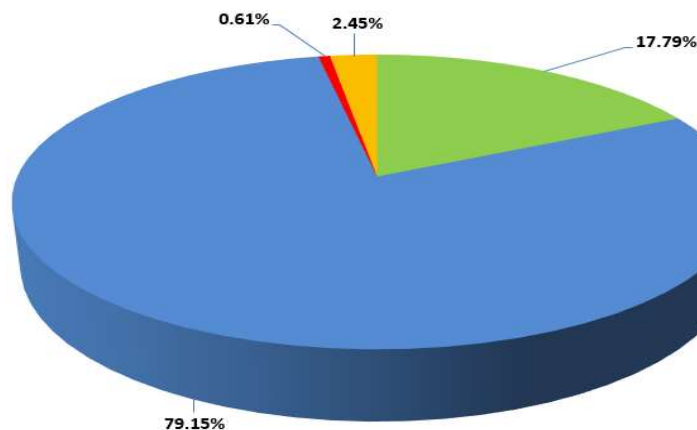


	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services	84,141	59,327	48,282	(11,045)
Capitalised employee costs	7,111	5,879	6,526	647
<b>Total</b>	<b>91,252</b>	<b>65,206</b>	<b>54,808</b>	<b>(10,398)</b>

## 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 (either budget or schedule not on track)	<span style="color: red;">■</span> Unfavourable (budget and schedule not on track)
--	---	---	--

### Progress Evaluation



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 163 programs and projects.

	Annual Revised Budget \$'000	YTD Actual \$'000	Commitments \$'000
Total Programs and Projects in Progress			
Capital*	69,934	43,858	6,230
Operational	8,760	5,944	3,926

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

## Notable Projects

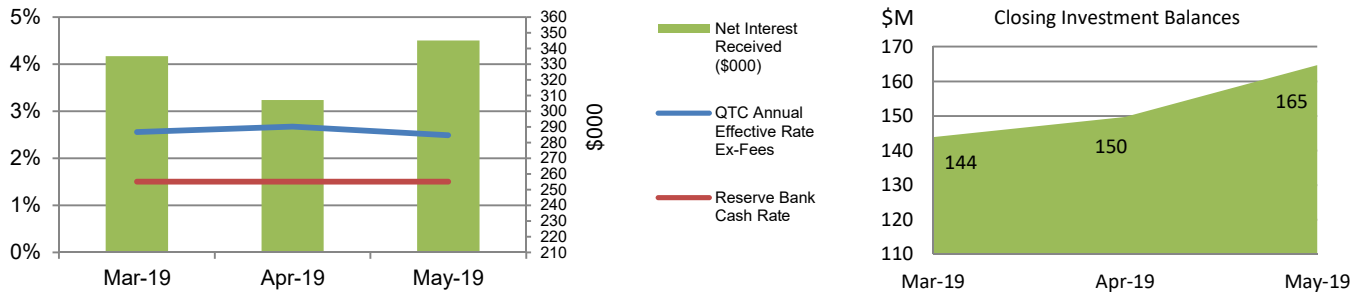
Financially significant programs and projects with an annual budget of more than \$1M constitute 20 programs and projects and accounts for 68.25% of the total programs and projects budget. The status of two notable projects are as follows:

Project description	Progress
Koala Conservation Program aims to retain and sustain a viable koala population and conserve and manage suitable habitats both on the mainland and North Stradbroke Island through addressing various threats faced by the Redlands koala population.	Meeting Expectations
Traffic Safety Improvement Program aims to increase safety for all traffic across the Redlands, currently focussing on West Mt Cotton Road, Thorneside Road pedestrian and cycle access and Shore Street West.	Meeting Expectations

## 8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 May 2019

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



**Total Investment at End of Month was \$164.63M**

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

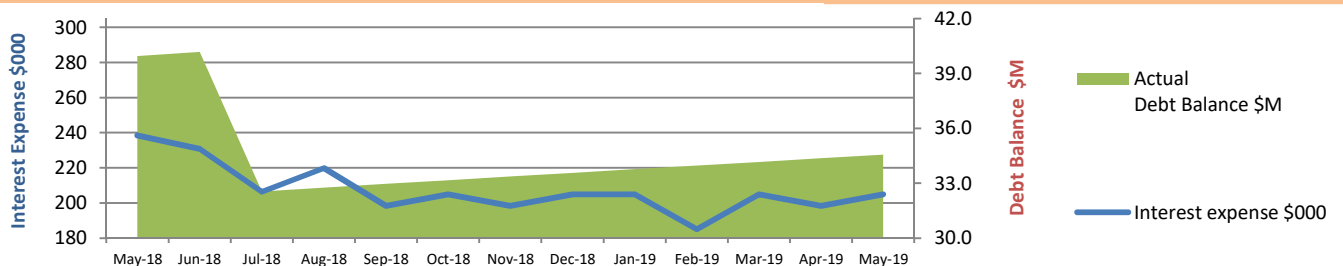
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.63% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.99% as at the end of May 2019 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 \$34.57M**

General pool allocated to capital works is 99.4% and 0.6% 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 May 2019	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	450	(609)	3,466
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	-	2,978	(534)	2,444
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	-	7,452	(3,135)	4,317
		<b>3,632</b>	<b>10,880</b>	<b>(4,285)</b>	<b>10,227</b>
<b>Constrained Works Reserve:</b>					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,324	1,988	(806)	8,506
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,192	314	-	2,506
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	10,107	4,111	-	14,218
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	9,222	2,064	(8)	11,278
Constrained Works Reserve-Capital Grants & Contributions	Unexpended capital grants and contributions received for specific projects	651	-	(225)	426
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	35,922	4,395	(4,817)	35,500
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	10,783	1,588	(33)	12,338
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	8,884	908	-	9,792
Constrained Works Reserve-Operating Grants & Contributions	Unexpended operating grants and contributions received for specific projects	919	-	(711)	208
Tree Planting Reserve	Acquisition and planting of trees on footpaths	88	35	(40)	83
		<b>86,092</b>	<b>15,403</b>	<b>(6,640)</b>	<b>94,855</b>
<b>Separate Charge Reserve - Environment:</b>					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	234	1,224	-	1,458
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	1,708	6,939	(6,415)	2,232
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	-	482	(355)	127
		<b>1,942</b>	<b>8,645</b>	<b>(6,770)</b>	<b>3,817</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	-	215	-	215
SMBI Translink Reserve*	Offset payment made to the State Govt. to assist with transport service to the Bay Islands	(8)	483	(475)	-
		<b>(8)</b>	<b>698</b>	<b>(475)</b>	<b>215</b>
<b>Special Charge Reserve - Canals:</b>					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	743	10	-	753
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	422	5	-	427
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	1,036	-	(816)	220
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>15</b>	<b>(816)</b>	<b>849</b>
<b>TOTALS</b>		<b>93,308</b>	<b>35,641</b>	<b>(18,986)</b>	<b>109,963</b>

\* Note: During the month the SMBI Translink reserve was closed. Prior to its closure the reserve was approximately \$6K overdrawn, which may be attributed to a number of different rating factor calculations. There remains a continuing unpaid rates debt and interest component that Council will continue to recover through normal operations.

Closing cash and cash equivalents	<b>164,867</b>
Reserves as percentage of cash balance	<b>67%</b>

## 10. REDLAND WATER STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 May 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	112,745	111,253	102,158	<b>100,662</b>	(1,496)
Total expenses	66,297	65,023	58,896	<b>57,889</b>	(1,007)
Earnings before interest, tax and depreciation (EBITD)	46,448	46,230	43,262	<b>42,773</b>	(489)
Interest expense	15,352	15,352	14,072	<b>14,072</b>	-
Depreciation	23,228	23,586	21,644	<b>21,969</b>	325
<b>Operating surplus / (deficit)</b>	<b>7,868</b>	<b>7,292</b>	<b>7,546</b>	<b>6,732</b>	<b>(814)</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 May 2019

	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	4,920	<b>2,408</b>	(2,512)
Net transfer (to) / from constrained capital reserves	(6,608)	(4,160)	(2,872)	<b>(6,159)</b>	(3,287)
Non-cash contributions	6,648	6,202	4,135	<b>1,680</b>	(2,455)
Funding from utility revenue	5,614	5,880	1,655	<b>5,351</b>	3,696
<b>Total sources of capital funding</b>	<b>12,452</b>	<b>14,482</b>	<b>7,838</b>	<b>3,280</b>	<b>(4,558)</b>
Contributed assets	6,648	6,202	4,135	<b>1,619</b>	(2,516)
Capitalised expenditure	5,804	8,279	3,703	<b>1,661</b>	(2,042)
<b>Total application of capital funds</b>	<b>12,452</b>	<b>14,482</b>	<b>7,838</b>	<b>3,280</b>	<b>(4,558)</b>

## 11. REDWASTE STATEMENTS

### REDWASTE OPERATING STATEMENT For the period ending 31 May 2019

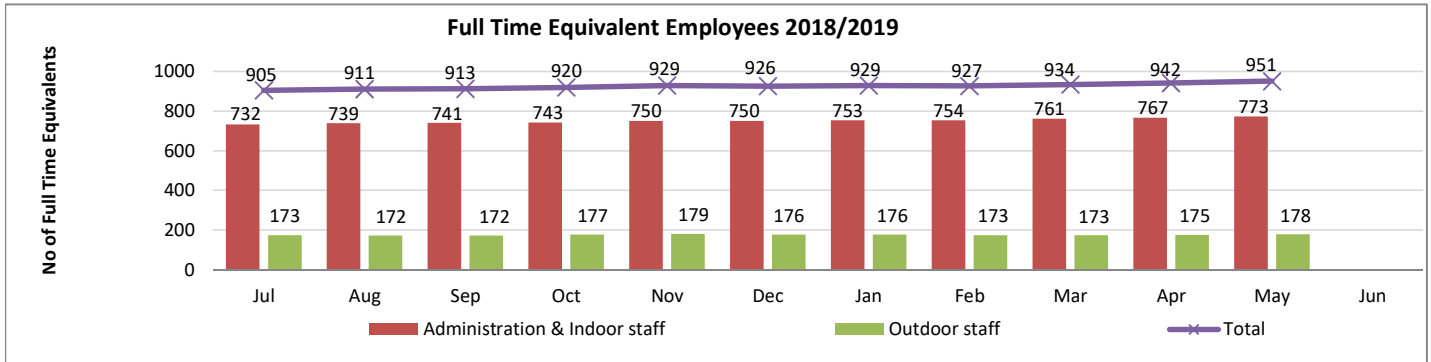
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	25,901	25,901	23,755	<b>24,041</b>	286
Total expenses	19,155	19,557	17,869	<b>18,329</b>	460
Earnings before interest, tax and depreciation (EBITD)	6,746	6,344	5,886	<b>5,712</b>	(174)
Interest expense	30	26	24	<b>24</b>	-
Depreciation	216	266	244	<b>247</b>	3
<b>Operating surplus / (deficit)</b>	<b>6,500</b>	<b>6,052</b>	<b>5,618</b>	<b>5,441</b>	<b>(177)</b>

### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 May 2019

	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	679	588	<b>382</b>	(206)
<b>Total sources of capital funding</b>	<b>547</b>	<b>679</b>	<b>588</b>	<b>382</b>	<b>(206)</b>
Capitalised expenditure	456	589	496	<b>290</b>	(206)
Loan redemption	91	90	92	<b>92</b>	-
<b>Total application of capital funds</b>	<b>547</b>	<b>679</b>	<b>588</b>	<b>382</b>	<b>(206)</b>

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

### Workforce Reporting



May 2019: Headcount	Employee Type						
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total
Office of CEO	8	2	28	4	8	-	50
Organisational Services	8	6	179	12	27	5	237
Community and Customer Services	35	5	234	64	45	12	395
Infrastructure and Operations	29	6	313	15	24	-	387
<b>Total</b>	<b>80</b>	<b>19</b>	<b>754</b>	<b>95</b>	<b>104</b>	<b>17</b>	<b>1,069</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	May-19	% Overdue	May-18	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$5,987,826	2.2%	\$7,155,234	2.8%	-\$1,167,408	-0.6%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$2,518	0.0%	\$1,114	0.0%	\$1,404	0.0%	
61 - 90	\$1,843	0.0%	\$1,285	0.0%	\$558	0.0%	
91 - 180	\$2,174,602	0.8%	\$2,160,646	0.8%	\$13,956	0.0%	
>180	\$4,237,074	1.6%	\$3,793,395	1.5%	\$443,679	0.1%	
<b>Total</b>	<b>\$12,403,863</b>	<b>4.6%</b>	<b>\$13,111,674</b>	<b>5.1%</b>	<b>-\$707,811</b>	<b>-0.5%</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.