

Monthly Financial Report

Interim June 2019



MAKE A
DIFFERENCE
MAKE IT
COUNT

Note: This interim report is prepared at year end pending finalisation of the statutory financial statements due 9 October 2019.

CONTENTS

1.	Executive Summary	3
2.	Interim Key Performance Indicators	3
3.	Interim Statement of Comprehensive Income	4
4.	Interim Statement of Financial Position	6
5.	Interim Statement of Cash Flows	8
6.	Interim Capital Expenditure	9
7.	Interim Program and Project Update	9
8.	Interim Investment & Borrowings Report	10
9.	Interim Constrained Cash Reserves	11
10.	Interim Redland Water Statements	12
11.	Interim 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 30 June 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.

The June 2019 Monthly Financial Report is prepared based on interim financial results for the year ended 30 June 2019 (prior to the finalisation of the end of year accounts) and significant movement is expected through the finalisation of accruals, deferrals and other year-end adjustments. The final results for the year ended 30 June 2019 will be reflected in the audited financial statements.

Key Interim Financial Highlights and Overview

Key Interim Financial Results (\$000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(2,900)	(2,900)	(2,692)	208	7%	✓
Recurrent Revenue	276,881	276,881	274,876	(2,005)	-1%	✗
Recurrent Expenditure	279,781	279,781	277,568	(2,213)	-1%	✓
Capital Works Expenditure	91,252	91,252	62,670	(28,582)	-31%	✓
Closing Cash & Cash Equivalents	137,269	137,269	162,096	24,827	18%	✓

Council reported a year to date interim operating deficit of \$2.7M. Recurrent revenue is below budget mainly due to below budget fee revenue and bulk water consumption being lower than expected, resulting in lower than budgeted revenue. The favourable variance in recurrent expenditure is mainly due to underspend in contractor costs and vacancies across the organisation.

The lower than budget capital revenue is largely the result of developer cash and non-cash contributions decreasing due to building activity moderating. 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 \$28.6M due to underspend in the fleet replacement program, land acquisition and timing of works for a number of infrastructure projects.

In June 2019 additional borrowings of \$2.5M were undertaken as part of Council's Capital Works Plan.

Cash balance is higher than budget mainly due to underspend on payments for property, plant and equipment as well as the receipt of the \$4.7M advanced waste levy payment from the state government. Constrained cash reserves represent 68% of the cash balance.

2. INTERIM KEY PERFORMANCE INDICATORS

Interim Key Performance Indicators

Interim Financial Stability Ratios and Measures of Sustainability	Status Achieved ✓ Not achieved ✗	Annual Revised Budget	YTD June 2019	Target
Operating Surplus Ratio (%)	✗	-1.05%	-0.98%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	70.28%	42.29%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-29.78%	-39.63%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✓	35.27%	35.47%	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	3.11	3.68	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✓	2.83%	2.85%	Less than or equal to 10%
Cash Balance \$M	✓	\$137.269M	\$162.096M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.70	8.96	Greater than 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.34%	1.35%	Less than or equal to 10%
Operating Performance (%)	✓	24.76%	23.13%	Greater than or equal to 15%
Interest Coverage Ratio (%)**	✓	-0.81%	-0.87%	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 Interim Key Performance Indicators above are based on interim financial results prior to the finalisation of end of year accounts. Significant movement is expected over the coming weeks and the final financial results will be reflected in the audited financial statements for the year ended 30 June 2019. The final Key Performance Indicators will be presented as part of the 2018/2019 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME

INTERIM STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 June 2019					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$'000	Revised Budget \$'000	Revised Budget \$'000	Actual \$'000	Variance \$'000
Recurrent revenue					
Rates charges	100,486	100,486	100,486	100,314	(172)
Levies and utility charges	146,618	145,046	145,046	142,668	(2,378)
Less: Pensioner remissions and rebates	(3,493)	(3,313)	(3,313)	(3,247)	66
Fees	13,673	14,367	14,367	13,323	(1,044)
Rental income	912	912	912	763	(149)
Interest received	4,289	4,675	4,675	4,809	134
Dividend received	1,000	-	-	-	-
Sales revenue	3,735	3,745	3,745	3,663	(82)
Other income	694	764	764	1,485	721
Grants, subsidies and contributions	11,223	10,199	10,199	11,098	899
Total recurrent revenue	279,136	276,881	276,881	274,876	(2,005)
Recurrent expenses					
Employee benefits	86,248	87,685	87,685	86,655	(1,030)
Materials and services	129,100	126,739	126,739	125,600	(1,139)
Finance costs	2,840	2,856	2,856	2,914	58
Depreciation and amortisation	63,505	62,577	62,577	62,779	202
Other expenditure	507	630	630	448	(182)
Net internal costs	(713)	(705)	(705)	(828)	(123)
Total recurrent expenses	281,487	279,781	279,781	277,568	(2,213)
OPERATING SURPLUS / (DEFICIT)	(2,351)	(2,900)	(2,900)	(2,692)	208
Capital revenue					
Grants, subsidies and contributions	32,501	20,549	20,549	17,000	(3,549)
Non-cash contributions	6,868	10,219	10,219	6,450	(3,769)
Total capital revenue	39,369	30,768	30,768	23,450	(7,318)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	101	101	3,336	3,235
Total capital expenses	289	101	101	3,336	3,235
TOTAL INCOME	318,505	307,649	307,649	298,326	(9,323)
TOTAL EXPENSES	281,776	279,882	279,882	280,904	1,022
NET RESULT	36,729	27,767	27,767	17,422	(10,345)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	36,729	27,767	27,767	17,422	(10,345)

The Statement of Comprehensive Income will adjust over coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2019. Other Comprehensive Income will change as a result of asset revaluations. The audited financial statements for the year ended 30 June 2019 will reflect the final revalued position and impact and will be presented as part of the 2018/2019 Annual Report.

3. INTERIM STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

INTERIM LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 30 June 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse collection rate charge	24,307	24,307	24,307	24,188	(119)
Special charges	723	723	723	723	-
SES separate charge	478	478	478	482	4
Environment separate charge	8,180	8,181	8,181	8,168	(13)
Separate charge landfill remediation	3,106	3,106	3,106	3,102	(4)
Wastewater charges	44,951	44,951	44,951	44,159	(792)
Water access charges	18,665	18,591	18,591	18,571	(20)
Water consumption charges	46,207	44,709	44,709	43,275	(1,434)
Total levies and utility charges	146,618	145,046	145,046	142,668	(2,378)

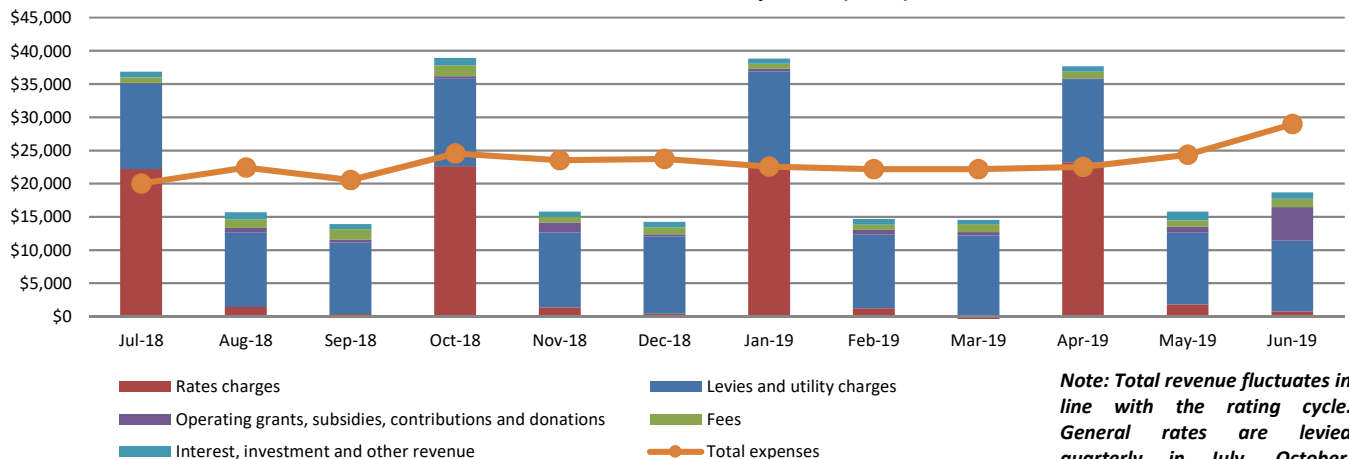
INTERIM MATERIALS AND SERVICES ANALYSIS For the period ending 30 June 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	33,755	33,967	33,967	33,129	(838)
Consultants	4,500	4,106	4,106	3,781	(325)
Other Council outsourcing costs*	16,902	17,529	17,529	18,000	471
Purchase of materials	48,229	46,340	46,340	46,671	331
Office administration costs	8,649	8,056	8,056	7,981	(75)
Electricity charges	5,786	5,786	5,786	5,475	(311)
Plant operations	4,190	4,302	4,302	4,015	(287)
Information technology resources	2,820	2,623	2,623	2,839	216
General insurance	1,423	1,142	1,142	1,092	(50)
Community assistance**	1,583	1,627	1,627	1,334	(293)
Other material and service expenses	1,263	1,261	1,261	1,283	22
Total materials and services	129,100	126,739	126,739	125,600	(1,139)

* 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)



The Interim Operating Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2019. The financial statements will be presented as part of the 2018/2019 Annual Report.

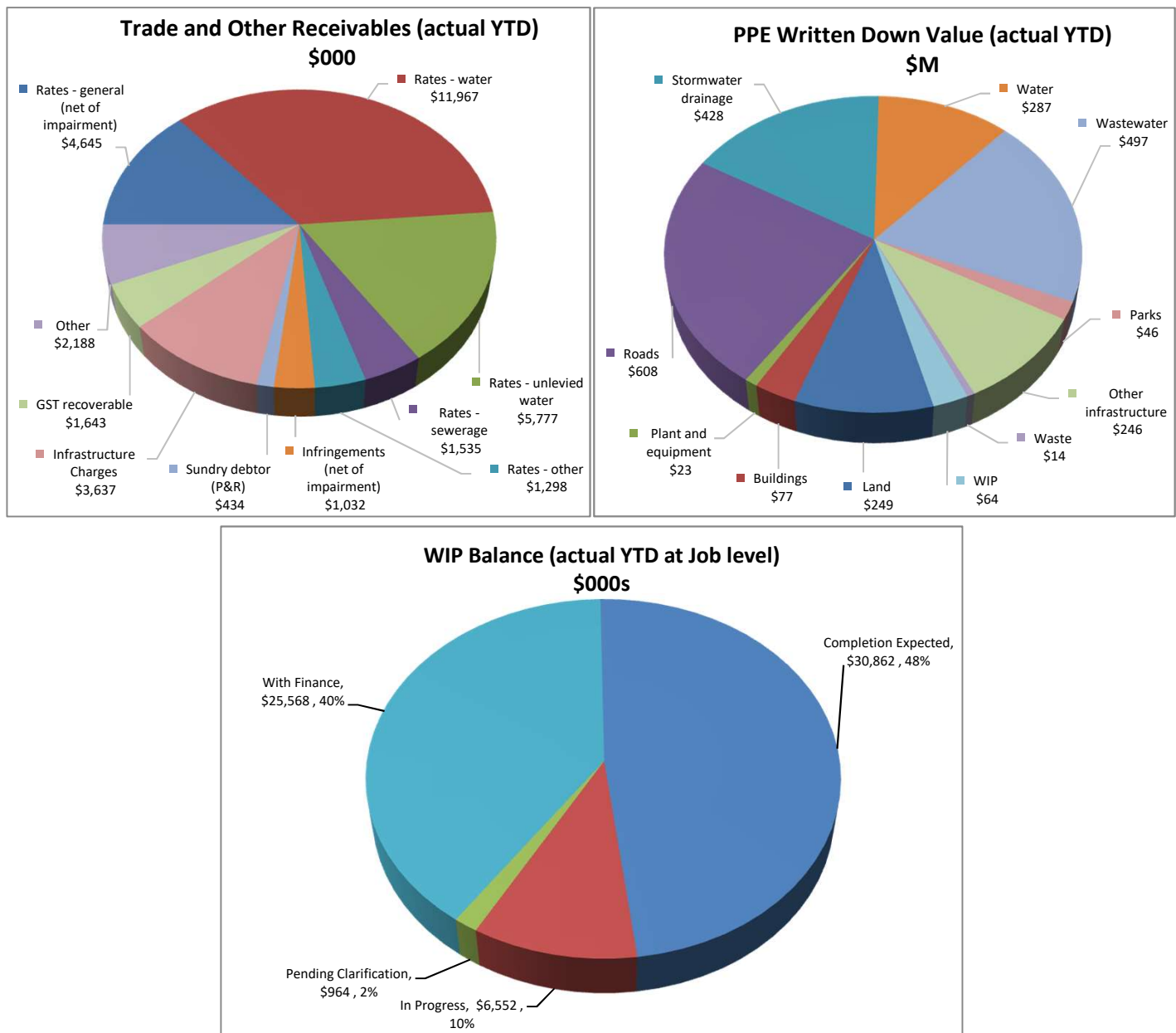
4. INTERIM STATEMENT OF FINANCIAL POSITION

INTERIM STATEMENT OF FINANCIAL POSITION As at 30 June 2019

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	167,263	137,269	137,269	162,096
Trade and other receivables	27,273	33,477	33,477	34,156
Inventories	556	1,108	1,108	857
Non-current assets held for sale	262	11,113	11,113	11,113
Other current assets	2,073	2,033	2,033	2,014
Total current assets	197,428	185,000	185,000	210,236
NON-CURRENT ASSETS				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,608,476	2,575,809	2,575,809	2,538,708
Intangible assets	826	1,011	1,011	1,538
Other financial assets	73	73	73	73
Investment in other entities	14,712	14,791	14,791	14,550
Total non-current assets	2,625,178	2,592,775	2,592,775	2,555,960
TOTAL ASSETS	2,822,606	2,777,775	2,777,775	2,766,196
CURRENT LIABILITIES				
Trade and other payables	40,840	31,435	31,435	31,341
Borrowings - current	7,713	7,728	7,728	7,853
Provisions - current	13,742	15,747	15,747	10,097
Other current liabilities	1,747	4,654	4,654	7,814
Total current liabilities	64,041	59,564	59,564	57,105
NON-CURRENT LIABILITIES				
Borrowings - non-current	29,651	29,537	29,537	29,413
Provisions - non-current	12,115	13,449	13,449	14,799
Total non-current liabilities	41,766	42,986	42,986	44,211
TOTAL LIABILITIES	105,807	102,550	102,550	101,316
NET COMMUNITY ASSETS	2,716,799	2,675,225	2,675,225	2,664,880
COMMUNITY EQUITY				
Asset revaluation surplus	1,070,838	1,003,168	1,003,168	1,003,168
Retained surplus	1,517,043	1,570,374	1,570,375	1,551,781
Constrained cash reserves	128,918	101,683	101,683	109,931
TOTAL COMMUNITY EQUITY	2,716,799	2,675,225	2,675,225	2,664,880

The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2019. The financial statements will be presented as part of the 2018/2019 Annual Report.

4. INTERIM STATEMENT OF FINANCIAL POSITION - CONTINUED



INTERIM PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 June 2019

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,598,959	2,537,638	2,537,638	2,537,638
Acquisitions and WIP in year movement	73,748	101,455	101,455	68,735
Depreciation in year	(62,532)	(61,585)	(61,585)	(61,782)
Disposals	(1,699)	(1,699)	(1,699)	(6,125)
Other adjustments**	-	-	-	242
Closing balance	2,608,476	2,575,809	2,575,809	2,538,708

* 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.

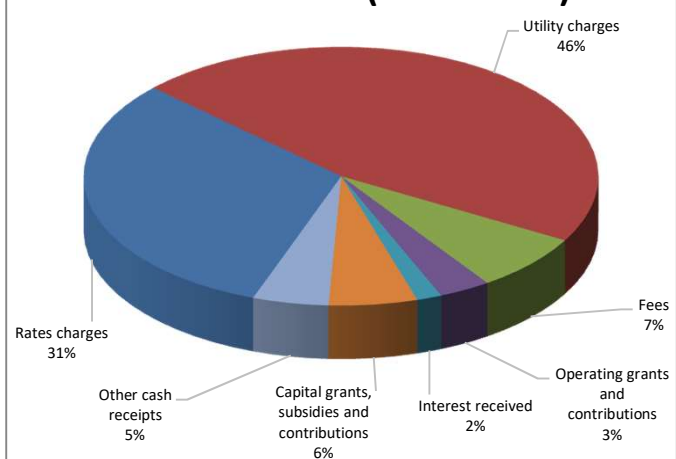
The Interim Statement of Financial Position will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2019. The financial statements will be presented as part of the 2018/2019 Annual Report.

5. INTERIM STATEMENT OF CASH FLOWS

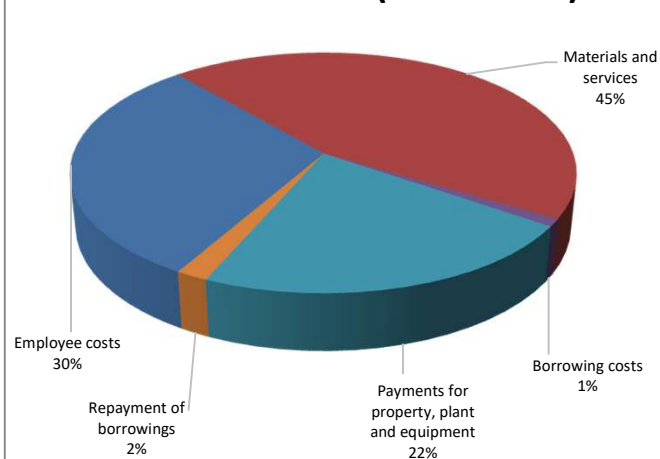
INTERIM STATEMENT OF CASH FLOWS For the period ending 30 June 2019

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	261,712	264,862	264,862	265,273
Payments to suppliers and employees	(213,794)	(210,992)	(210,992)	(214,286)
	47,919	53,869	53,869	50,987
Interest received	4,289	4,675	4,675	4,809
Dividend received*	1,000	-	-	1,500
Rental income	912	912	912	763
Non-capital grants and contributions	11,223	10,199	10,199	10,063
Borrowing costs	(2,809)	(2,809)	(2,809)	(2,809)
Net cash inflow / (outflow) from operating activities	62,533	66,846	66,846	65,313
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(66,880)	(91,236)	(91,236)	(62,255)
Payments for intangible assets	-	(16)	(16)	(415)
Proceeds from sale of property, plant and equipment	1,410	1,598	1,598	2,789
Capital grants, subsidies and contributions	32,501	20,549	20,549	17,137
Other cash flows from investing activities**	-	3,500	3,500	3,500
Net cash inflow / (outflow) from investing activities	(32,969)	(65,605)	(65,605)	(39,244)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	2,500	2,500	2,500	2,500
Repayment of borrowings	(5,035)	(5,035)	(5,035)	(5,035)
Net cash inflow / (outflow) from financing activities	(2,535)	(2,535)	(2,535)	(2,535)
Net increase / (decrease) in cash held	27,030	(1,293)	(1,293)	23,534
Cash and cash equivalents at the beginning of the year	140,234	138,562	138,562	138,562
Cash and cash equivalents at the end of the financial year / period	167,263	137,269	137,269	162,096

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)



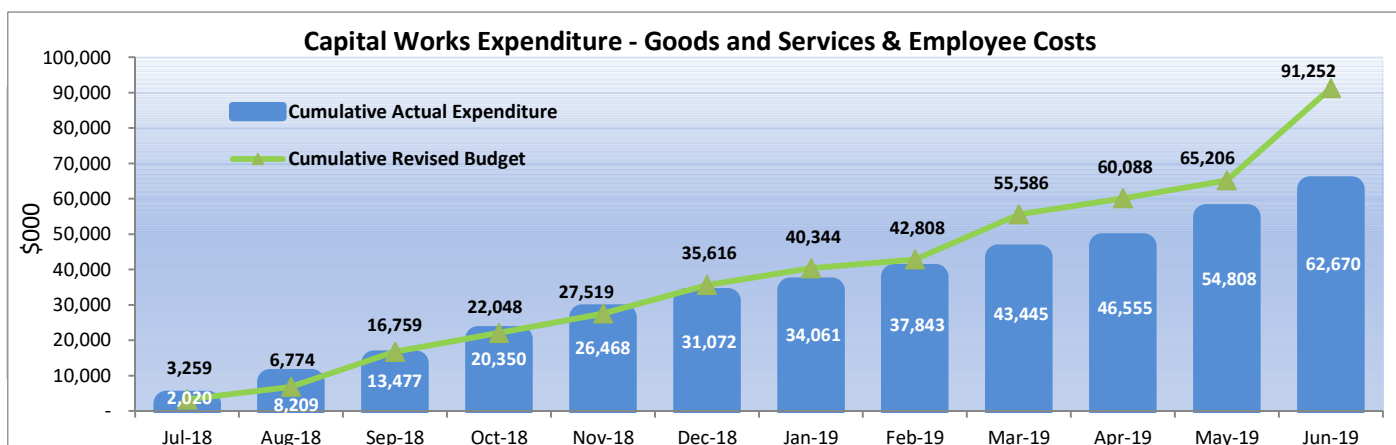
Total Cash Funding (Actual YTD)	308,334	Total Cash Expenditure (Actual YTD)	284,800
Total Cash Funding (Annual Revised Budget)	308,795	Total Cash Expenditure (Annual Revised Budget)	310,088
% of Budget Achieved YTD	100%	% of Budget Achieved YTD	92%

* 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.

The Interim Statement of Cash Flows will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2019. The financial statements will be presented as part of the 2018/2019 Annual Report.

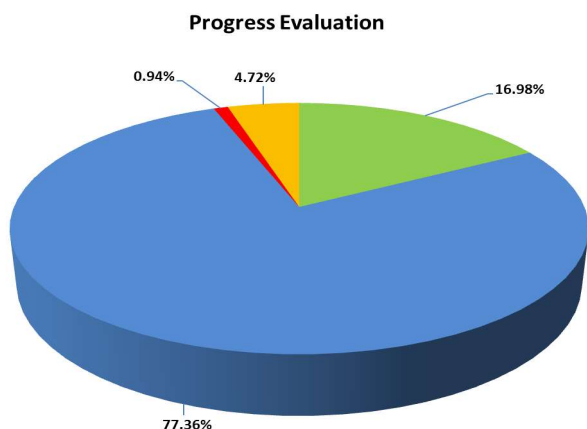
6. INTERIM CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services	84,141	84,141	55,760	(28,381)
Capitalised employee costs	7,111	7,111	6,910	(201)
Total	91,252	91,252	62,670	(28,582)

7. INTERIM PROGRAM AND PROJECT UPDATE

■ Favourable (budget under/schedule on track)	■ Meeting expectations (budget and schedule on track)	■ Within tolerance (either budget or schedule not on track)	■ Unfavourable (budget and schedule not on track)
---	--	--	---



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 154 programs and projects.

Total Programs and Projects in Progress	Annual Revised Budget \$'000	YTD Actual \$'000	Commitments \$'000
Capital*	73,071	52,843	8,370
Operational	7,349	7,156	2,130

*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 21 programs and projects and accounts for 68% of the total programs and projects budget. The status of two notable projects are as follows:

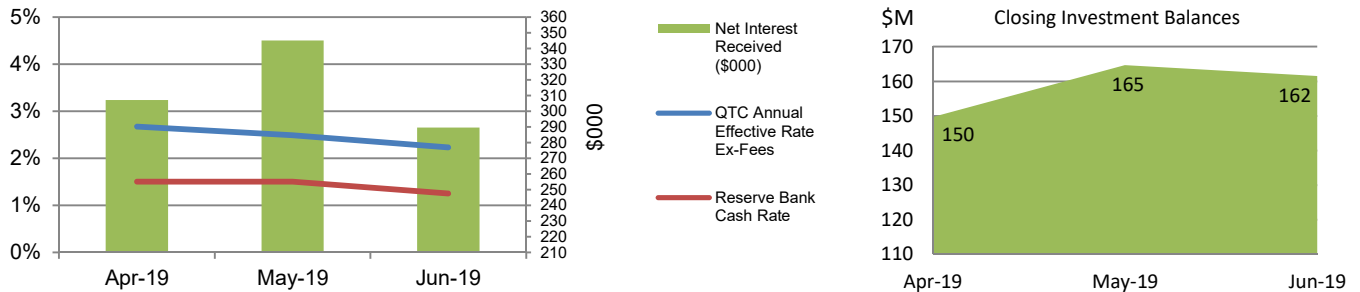
Project description	Progress
Upgrade Sewerage Pump Station #5 (Redland Performing Arts Centre) Project to install new switchboard and generator, two new pumps and associated pipe work, and upgrade to external valve pit at Sewerage Pump Station #5. Project scope completed on schedule and within budget in FY1819. Project benefits realised.	Favourable
Coochiemudlo Island Shoreline Erosion Management Plan (SEMP) Project Consultants have almost completed the Shoreline Erosion Study which informs the Coochiemudlo Shoreline Erosion Management Plan and Operational Plan. Regular meetings are ongoing with Coochiemudlo Shoreline Erosion Community Reference Group. Draft SEMP due in October 2019 as per advice to community reference group. Budget approved to complete in 2019/20.	Meeting Expectations

The Interim Capital Funding Statement will adjust over the coming weeks as the accounts are being finalised and the final results will be reflected in the audited financial statements for the year ended 30 June 2019. The financial statements will be presented as part of the 2018/2019 Annual Report.

8. INTERIM INVESTMENT & BORROWINGS REPORT

For the period ending 30 June 2019

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$161.55M

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

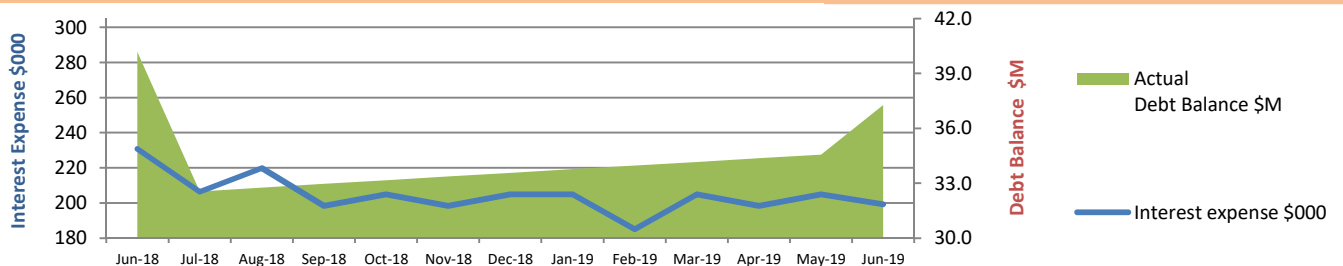
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 1.25% in the June 2019 sitting - further reduction to 1.00% occurred on 2 July 2019.

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 2.23% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.99% as at the end of June 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.

In June 2019 additional borrowings of \$2.5M were undertaken as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$37.27M

General pool allocated to capital works is 99.44% and 0.56% is attributable to RedWaste.

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

9. INTERIM CONSTRAINED CASH RESERVES

Reserves as at 30 June 2019	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	3,625	598	(909)	3,314
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	(1,203)	1,775
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	-	8,159	(3,776)	4,383
		3,632	11,735	(5,895)	9,472
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,324	2,271	(807)	8,788
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,192	359	-	2,551
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	10,107	4,166	-	14,273
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	9,222	2,394	(8)	11,608
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	5,189	(4,870)	36,241
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	10,783	1,812	(33)	12,562
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	8,884	1,112	-	9,996
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	47	(50)	85
		86,092	17,350	(6,704)	96,738
Separate Charge Reserve - Environment:					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	234	1,223	-	1,457
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	1,708	6,934	(7,315)	1,327
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	-	481	(399)	82
		1,942	8,638	(7,714)	2,866
Special Charge Reserve - Other:					
Bay Island Rural Fire Levy Reserve	Pass on revenue collected from levy to the Bay Island Rural Fire Brigade	-	224	(220)	4
SMBI Translink Reserve*	Offset payment made to the State Govt. to assist with transport service to the Bay Islands	(8)	483	(475)	-
		(8)	707	(695)	4
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	743	11	-	754
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	422	6	-	428
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)
		1,650	17	(816)	851
TOTALS		93,308	38,447	(21,824)	109,931

* 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	162,096
Reserves as percentage of cash balance	68%

10. INTERIM REDLAND WATER STATEMENTS

INTERIM REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 30 June 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	111,253	109,199	(2,054)
Total expenses	66,297	65,023	65,023	63,495	(1,528)
Earnings before interest, tax and depreciation (EBITD)	46,448	46,230	46,230	45,704	(526)
Interest expense	15,352	15,352	15,352	15,352	-
Depreciation	23,228	23,586	23,586	23,798	212
Operating surplus / (deficit)	7,868	7,292	7,292	6,554	(738)

INTERIM REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 30 June 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	6,560	2,793	(3,767)
Net transfer (to) / from constrained capital reserves	(6,608)	(4,160)	(4,160)	(6,543)	(2,383)
Non-cash contributions, proceeds on disposal of non-current assets	6,648	6,202	6,202	2,282	(3,920)
Funding from utility revenue	5,614	5,880	5,880	5,835	(45)
Total sources of capital funding	12,452	14,482	14,482	4,367	(10,115)
Contributed assets	6,648	6,202	6,202	2,221	(3,981)
Capitalised expenditure	5,804	8,279	8,280	2,146	(6,134)
Total application of capital funds	12,452	14,482	14,482	4,367	(10,115)

11. INTERIM REDWASTE STATEMENTS

INTERIM REDWASTE OPERATING STATEMENT For the period ending 30 June 2019

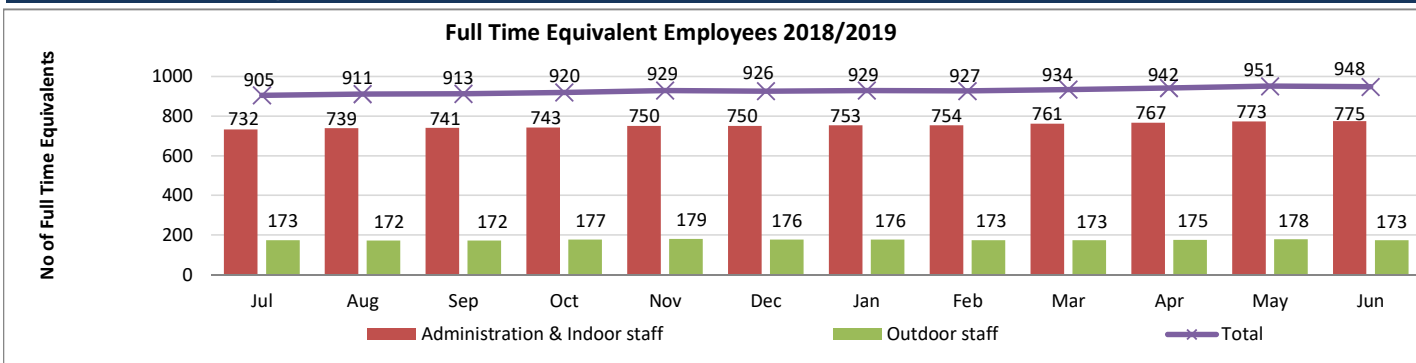
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	25,901	25,901	25,901	26,415	514
Total expenses	19,155	19,557	19,557	19,885	328
Earnings before interest, tax and depreciation (EBITD)	6,746	6,344	6,344	6,530	186
Interest expense	30	26	26	26	-
Depreciation	216	266	266	265	(1)
Operating surplus / (deficit)	6,500	6,052	6,052	6,239	187

INTERIM REDWASTE CAPITAL FUNDING STATEMENT For the period ending 30 June 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	679	683	4
Total sources of capital funding	547	679	679	683	4
Capitalised expenditure	456	589	589	593	4
Loan redemption	91	90	90	90	-
Total application of capital funds	547	679	679	683	4

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



June 2019: Headcount	Employee Type						
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total
Office of CEO	9	2	30	4	8	1	54
Organisational Services	8	6	179	13	27	3	236
Community and Customer Services	35	5	233	63	47	13	396
Infrastructure and Operations	29	6	306	17	23	1	382
Total	81	19	748	97	105	18	1,068

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	Jun-19	% Overdue	Jun-18	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$3,172	0.0%	\$2,072	0.0%	\$1,100	0.0%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$4,110,414	1.5%	\$3,820,249	1.5%	\$290,165	0.0%	
61 - 90	\$1,230	0.0%	\$814	0.0%	\$416	0.0%	
91 - 180	\$1,748,597	0.7%	\$1,744,190	0.7%	\$4,407	0.0%	
>180	\$3,589,357	1.3%	\$3,388,645	1.3%	\$200,712	0.0%	
Total	\$9,452,770	3.5%	\$8,955,970	3.5%	\$496,800	0.0%	

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.