



# Monthly Financial Report

March 2016

## CONTENTS

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

## 1. EXECUTIVE SUMMARY

This monthly report is designed to illustrate the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 March 2016. The year to date and annual revised budget referred to in this report reflects the revised budget as adopted by Council on 18 November 2015. Note: all amounts are rounded to the nearest thousand dollars.

### Key financial highlights and overview

Key Financial Results	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Variance %	Status
Operating Surplus/(Deficit)	263	3,144	6,187	3,043	97%	✓
Recurrent Revenue	240,509	181,317	183,032	1,715	1%	✓
Recurrent Expenditure	240,247	178,173	176,845	(1,328)	-1%	✓
Capital Works Expenditure	84,050	43,118	38,951	(4,167)	-10%	✓
Closing Cash & Cash Equivalents	97,201	132,164	144,308	12,144	9%	✓

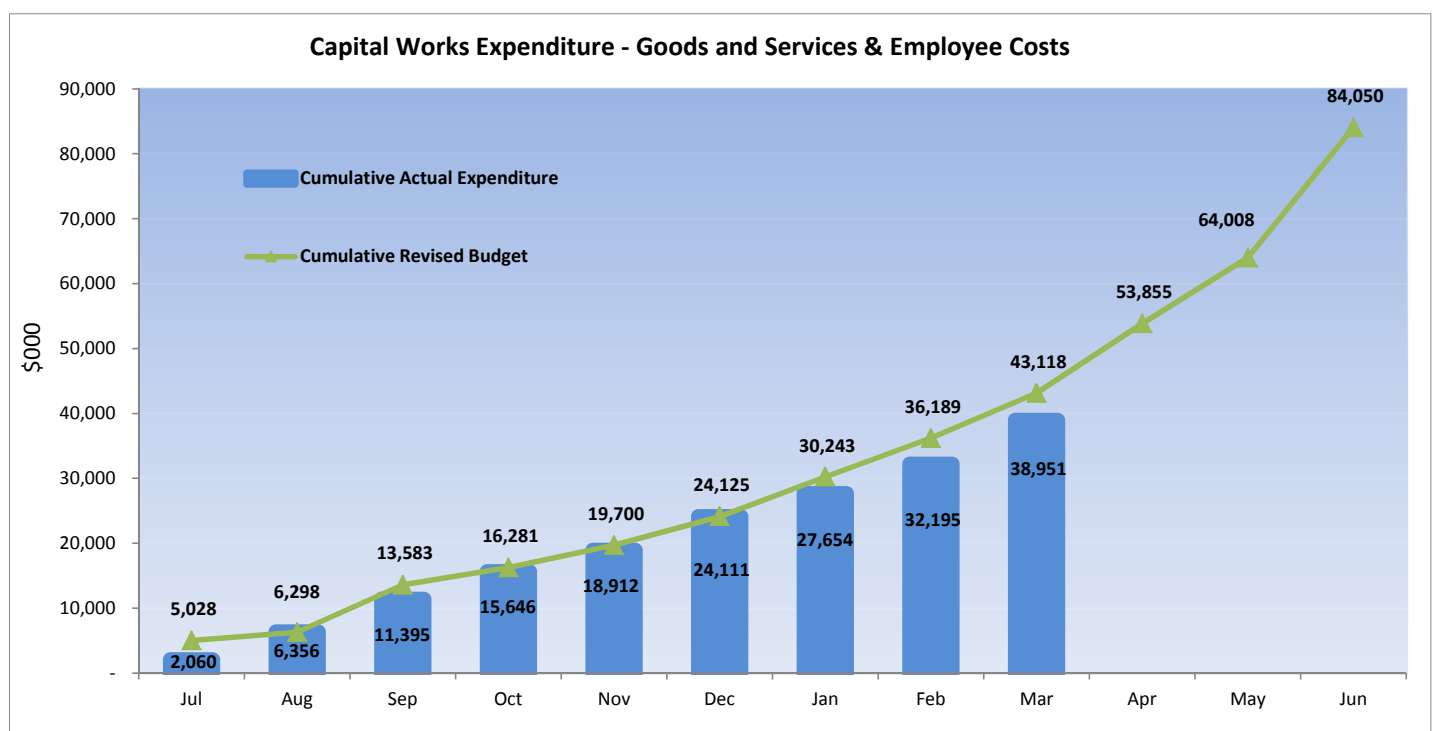
#### Status Legend:

Above budgeted revenue or under budgeted expenditure	✓
Below budgeted revenue or over budgeted expenditure <10%	⚠
Below budgeted revenue or over budgeted expenditure >10%	✗

The year to date operating result shows a favourable variance of \$3.04M to the year to date revised budget. General rates revenue is boosted by payments received in advance as well as a small percentage of growth. Increased development activities continue to boost related fees and charges revenue. The favourable variances in employee costs and material and services expenses contributed to the overall favourable operating result. The final budget review will amend the anticipated investment returns from Redland Investment Corporation.

Capitalised works expenditure is behind budget by \$4.17M due to timing of works for a number of projects which are delayed or are still in the early stages of being progressed. Capital works that are no longer expected to be undertaken in this financial year will be addressed during the final budget review for financial year ended 30 June 2016.

Council's cash balance exceeded the budgeted cash balance due to higher than anticipated receipts from customers and lower than expected payments to suppliers.



## 2. KEY PERFORMANCE INDICATORS

### Key performance indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget 2015/2016	YTD March 2016	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	0.11%	3.38%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	73.06%	33.14%	✗
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	-13.07%	-43.75%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	33.54%	33.66%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	3.44	4.47	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.31%	3.26%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$97.201M	\$144.308M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	5.89	9.11	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.06%	2.10%	✓
Operating Performance (%)	Target greater than or equal to 20%	16.81%	22.15%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.12%	-0.48%	✓

#### Status Legend

KPI target achieved or exceeded	✓	KPI target not achieved	✗
---------------------------------	---	-------------------------	---

### 3. STATEMENT OF COMPREHENSIVE INCOME

#### STATEMENT OF COMPREHENSIVE INCOME

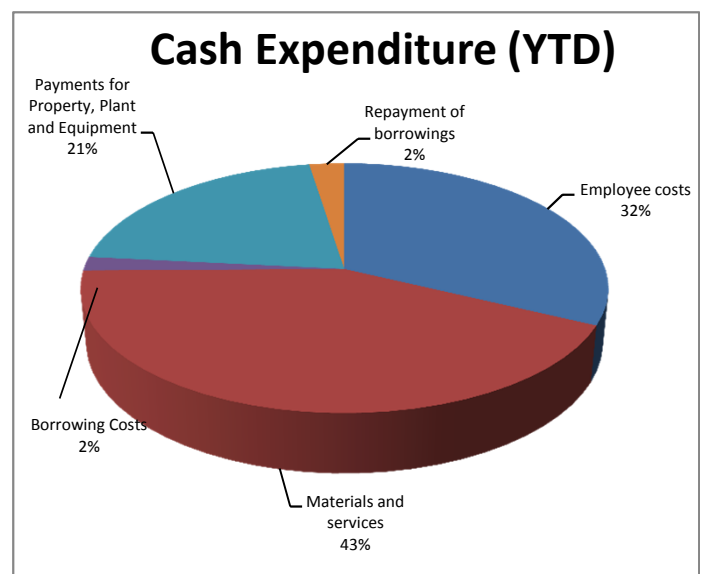
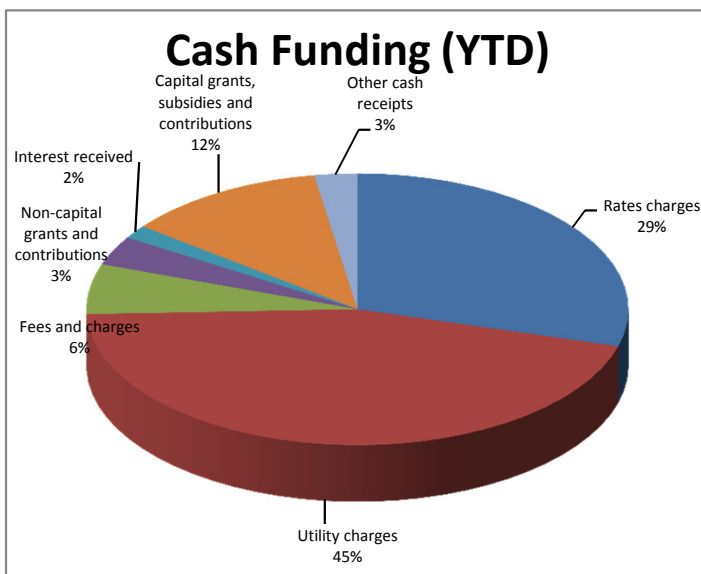
For the period ending 31 March 2016

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Recurrent revenue</b>					
Rates, levies and charges	207,421	208,121	156,724	157,964	1,240
Fees and charges	11,638	12,335	9,498	10,648	1,150
Rental income	890	975	790	628	(162)
Interest received	3,355	3,555	2,741	3,307	566
Investment returns	3,234	3,234	2,000	-	(2,000)
Sales revenue	3,385	3,685	2,837	2,902	65
Other income	645	645	548	957	409
Grants, subsidies and contributions	7,584	7,959	6,179	6,626	447
<b>Total recurrent revenue</b>	<b>238,152</b>	<b>240,509</b>	<b>181,317</b>	<b>183,032</b>	<b>1,715</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	13,176	19,634	17,080	25,123	8,043
Non-cash contributions	3,079	3,079	60	367	307
<b>Total capital revenue</b>	<b>16,256</b>	<b>22,713</b>	<b>17,140</b>	<b>25,490</b>	<b>8,350</b>
<b>TOTAL INCOME</b>	<b>254,407</b>	<b>263,222</b>	<b>198,457</b>	<b>208,522</b>	<b>10,065</b>
<b>Recurrent expenses</b>					
Employee benefits	77,404	78,398	59,975	59,330	(645)
Materials and services	106,010	108,054	78,037	76,533	(1,504)
Finance costs	4,657	3,820	2,680	2,744	64
Depreciation and amortisation	49,975	49,975	37,481	38,238	757
<b>Total recurrent expenses</b>	<b>238,046</b>	<b>240,247</b>	<b>178,173</b>	<b>176,845</b>	<b>(1,328)</b>
<b>Capital expenses</b>					
(Gain)/Loss on disposal of non-current assets	412	412	606	1,895	1,289
<b>Total capital expenses</b>	<b>412</b>	<b>412</b>	<b>606</b>	<b>1,895</b>	<b>1,289</b>
<b>TOTAL EXPENSES</b>	<b>238,458</b>	<b>240,659</b>	<b>178,779</b>	<b>178,740</b>	<b>(39)</b>
<b>NET RESULT</b>	<b>15,949</b>	<b>22,563</b>	<b>19,678</b>	<b>29,782</b>	<b>10,104</b>
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	28	28
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>15,949</b>	<b>22,563</b>	<b>19,678</b>	<b>29,810</b>	<b>10,132</b>

## 4. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 March 2016

	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	223,088	224,738	169,560	171,917
Payments to suppliers and employees	(189,184)	(194,815)	(140,302)	(139,235)
	<b>33,905</b>	<b>29,923</b>	<b>29,258</b>	<b>32,682</b>
Interest received	3,355	3,555	2,741	3,307
Rental income	890	975	790	628
Non-capital grants and contributions	7,584	8,840	7,061	7,279
Borrowing costs	(3,257)	(3,257)	(2,443)	(3,333)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>42,477</b>	<b>40,037</b>	<b>37,407</b>	<b>40,563</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(77,998)	(84,051)	(43,118)	(38,919)
Payments for intangible assets	(100)	-	-	(32)
Proceeds from sale of property, plant and equipment	1,716	1,716	990	865
Capital grants, subsidies and contributions	13,176	19,634	17,080	25,123
Other cash flows from investing activities	3,234	3,234	2,000	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(59,972)</b>	<b>(59,467)</b>	<b>(23,048)</b>	<b>(12,963)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds of borrowings	-	-	-	-
Repayment of borrowings	(4,696)	(4,696)	(3,522)	(4,619)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,696)</b>	<b>(4,696)</b>	<b>(3,522)</b>	<b>(4,619)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(22,191)</b>	<b>(24,127)</b>	<b>10,837</b>	<b>22,981</b>
Cash and cash equivalents at the beginning of the year	84,087	121,327	121,327	121,327
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>61,896</b>	<b>97,201</b>	<b>132,164</b>	<b>144,308</b>



Total Cash Funding (Actual YTD)	209,119
Total Cash Funding (Annual Revised Budget)	262,692
<b>% of Budget Achieved YTD</b>	<b>80%</b>

Total Cash Expenditure (Actual YTD)	186,138
Total Cash Expenditure (Annual Revised Budget)	286,819
<b>% of Budget Achieved YTD</b>	<b>65%</b>

## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 March 2016

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	61,896	97,201	132,164	144,308
Trade and other receivables	26,046	25,017	25,017	25,586
Inventories	845	774	779	772
Non-current assets held for sale	354	1,309	3,535	5,982
Other current assets	1,154	1,104	1,104	3,826
<b>Total current assets</b>	<b>90,295</b>	<b>125,403</b>	<b>162,599</b>	<b>180,474</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	893	956	956	956
Property, plant and equipment	2,118,731	2,277,059	2,245,941	2,240,186
Intangible assets	916	2,839	3,031	3,047
Other financial assets	73	73	73	73
Investment in other entities	10,063	10,063	7,837	5,333
<b>Total non-current assets</b>	<b>2,130,676</b>	<b>2,290,990</b>	<b>2,257,838</b>	<b>2,249,595</b>
<b>TOTAL ASSETS</b>	<b>2,220,971</b>	<b>2,416,395</b>	<b>2,420,437</b>	<b>2,430,069</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	15,369	20,050	20,437	22,207
Borrowings	5,559	4,482	4,482	4,482
Provisions	8,053	8,422	13,701	10,598
Other current liabilities	1,282	3,529	3,529	3,085
<b>Total current liabilities</b>	<b>30,263</b>	<b>36,479</b>	<b>42,149</b>	<b>40,372</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	44,200	45,277	46,451	46,439
Provisions	10,769	12,209	12,290	13,578
<b>Total non-current liabilities</b>	<b>54,969</b>	<b>57,488</b>	<b>58,741</b>	<b>60,017</b>
<b>TOTAL LIABILITIES</b>	<b>85,232</b>	<b>93,967</b>	<b>100,890</b>	<b>100,389</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,135,739</b>	<b>2,322,428</b>	<b>2,319,547</b>	<b>2,329,680</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	668,685	827,411	827,411	827,439
Retained surplus	1,415,250	1,426,496	1,401,074	1,411,245
Constrained cash reserves	51,804	68,521	91,062	90,996
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,135,739</b>	<b>2,322,428</b>	<b>2,319,547</b>	<b>2,329,680</b>

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 March 2016

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Revenue</b>					
Rates charges	82,760	83,460	62,420	63,657	1,237
Levies and utility charges	128,121	128,121	96,891	96,687	(204)
<i>Less: Pensioner remissions and rebates</i>	(3,461)	(3,461)	(2,587)	(2,380)	207
Fees and charges	11,638	12,335	9,498	10,648	1,150
Operating grants and subsidies	7,053	7,427	5,780	6,201	421
Operating contributions and donations	531	531	398	425	27
Interest external	3,355	3,555	2,741	3,307	566
Investment returns	3,234	3,234	2,000	-	(2,000)
Other revenue	4,919	5,305	4,176	4,487	311
<b>Total revenue</b>	<b>238,152</b>	<b>240,509</b>	<b>181,317</b>	<b>183,032</b>	<b>1,715</b>
<b>Expenses</b>					
Employee benefits	77,404	78,398	59,975	59,330	(645)
Materials and services	106,542	108,586	78,461	77,008	(1,453)
Finance costs other	1,400	563	237	313	76
Other expenditure	347	347	234	321	87
Net internal costs	(879)	(879)	(658)	(796)	(138)
<b>Total expenses</b>	<b>184,814</b>	<b>187,014</b>	<b>138,249</b>	<b>136,176</b>	<b>(2,073)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>53,338</b>	<b>53,495</b>	<b>43,068</b>	<b>46,856</b>	<b>3,788</b>
Interest expense	3,257	3,257	2,443	2,431	(12)
Depreciation and amortisation	49,975	49,975	37,481	38,238	757
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>106</b>	<b>263</b>	<b>3,144</b>	<b>6,187</b>	<b>3,043</b>

### Levies and utility charges breakup For the period ending 31 March 2016

	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 charges	20,051	20,051	15,038	14,876	(162)
Special charges	3,874	3,874	2,950	2,958	8
Environment levy	5,830	5,830	4,373	4,451	78
Landfill remediation charge	2,677	2,677	2,008	2,042	34
Wastewater charges	40,114	40,114	30,085	31,604	1,519
Water access charges	17,817	17,817	13,362	13,463	101
Water consumption charges	37,759	37,759	29,075	27,293	(1,782)
<b>Total Levies and utility charges</b>	<b>128,121</b>	<b>128,121</b>	<b>96,891</b>	<b>96,687</b>	<b>(204)</b>



## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 March 2016

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Sources of capital funding</b>					
Capital contributions and donations	6,133	9,993	10,233	17,603	7,370
Capital grants and subsidies	7,043	9,641	6,847	7,520	673
Proceeds on disposal of non-current assets	1,716	1,716	990	865	(125)
Capital transfers (to)/ from reserves	14,566	9,341	(11,453)	(10,193)	1,260
Non-cash contributions	3,079	3,079	60	367	307
Funding from general revenue	53,336	58,056	40,023	26,690	(13,333)
<b>Total sources of capital funding</b>	<b>85,873</b>	<b>91,825</b>	<b>46,700</b>	<b>42,852</b>	<b>(3,848)</b>
<b>Application of capital funds</b>					
Contributed assets	3,079	3,079	60	367	307
Capitalised goods and services	72,366	79,411	39,611	35,082	(4,529)
Capitalised employee costs	5,732	4,639	3,507	3,869	362
Loan redemption	4,696	4,696	3,522	3,534	12
<b>Total application of capital funds</b>	<b>85,873</b>	<b>91,825</b>	<b>46,700</b>	<b>42,852</b>	<b>(3,848)</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,131)	(11,131)	(8,589)	(8,513)	76
Transfers from constrained operating reserves	10,509	11,101	6,813	5,542	(1,271)
WDV of assets disposed	2,128	2,128	1,596	2,760	1,164

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the Period Ending 31 March 2016

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	97,659	97,959	74,300	74,317	17
Total expenses	53,982	53,304	41,019	37,993	(3,026)
Earnings before interest, tax and depreciation (EBITD)	43,677	44,655	33,281	36,324	3,043
Depreciation	17,081	17,081	12,811	12,709	(102)
<b>Operating surplus/(deficit)</b>	<b>26,596</b>	<b>27,574</b>	<b>20,470</b>	<b>23,615</b>	<b>3,145</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the Period Ending 31 March 2016

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	3,500	3,500	3,516	5,876	2,360
Net transfer (to)/from constrained capital reserves	(2,714)	5,812	1,709	(566)	(2,275)
Other	3,000	3,000	-	16	16
Funding from utility revenue	17,680	11,229	5,770	4,573	(1,197)
<b>Total sources of capital funding</b>	<b>21,466</b>	<b>23,541</b>	<b>10,995</b>	<b>9,899</b>	<b>(1,096)</b>
Contributed assets	3,000	3,000	-	16	16
Capitalised expenditure	18,466	20,541	10,995	9,882	(1,113)
<b>Total applications of capital funds</b>	<b>21,466</b>	<b>23,541</b>	<b>10,995</b>	<b>9,898</b>	<b>(1,097)</b>

### REDWASTE OPERATING STATEMENT For the Period Ending 31 March 2016

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	21,810	21,710	16,282	16,215	(67)
Total expenses	15,678	15,662	11,307	11,259	(48)
Earnings before interest, tax and depreciation (EBITD)	6,131	6,047	4,975	4,956	(19)
Interest expense	42	42	31	29	(2)
Depreciation	553	553	415	398	(17)
<b>Operating surplus/(deficit)</b>	<b>5,537</b>	<b>5,453</b>	<b>4,529</b>	<b>4,529</b>	<b>-</b>

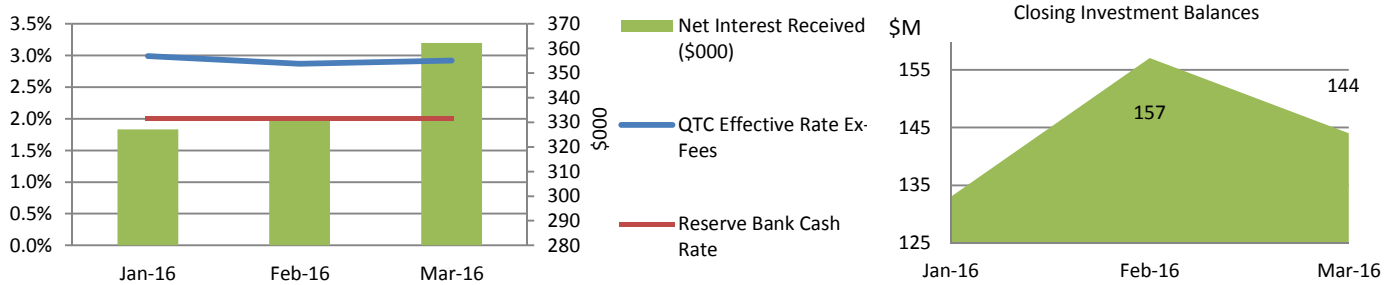
### REDWASTE CAPITAL FUNDING STATEMENT For the Period Ending 31 March 2016

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Funding from utility revenue	1,639	2,226	831	719	(112)
<b>Total sources of capital funding</b>	<b>1,639</b>	<b>2,226</b>	<b>831</b>	<b>719</b>	<b>(112)</b>
Capitalised expenditure	1,570	2,157	779	665	(114)
Loan redemption	69	69	52	54	2
<b>Total applications of capital funds</b>	<b>1,639</b>	<b>2,226</b>	<b>831</b>	<b>719</b>	<b>(112)</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 March 2016

### INVESTMENT RETURNS



**Total Investment at End of Month was \$144.08M**

#### Current Position

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. The movement in investment balance is reflective of the rating cycle.

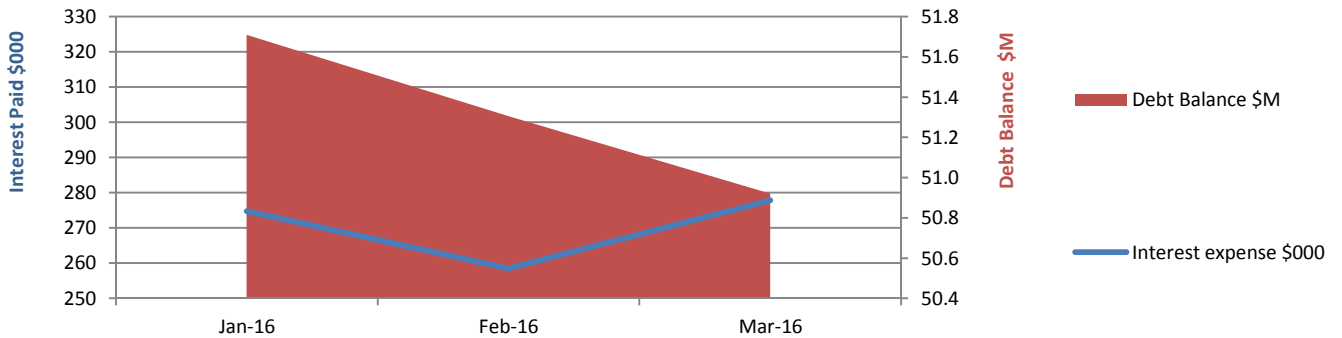
Note: the Reserve Bank reduced the cash rate down to 2% in its May 2015 sitting and maintained this position through to its March 2016 sitting.

The Tax and Treasury team's recommendation that Council diversify its investments outside of QTC to maximise returns has received approval from management. The team is working through the guidelines and will commence reviewing term deposit rates in the market to take advantage of any opportunities.

Where such opportunities are not identified, the team ensures Council maximises its interest earnings on a daily basis by depositing surplus funds at QTC for a higher rate than is achieved from the bank transaction account.

Council adopted its revised Investment Policy in April 2015 for the 2015-16 financial year

### BORROWING COSTS



**Total Borrowings at End of Month was \$50.92M**



#### Current Position

Debt is split into 6, 9 and 12 year pools with repayment made *annually* in advance for 2015-16.

By prepaying the interest annually in 2015-16, it is expected that Council will save in excess of \$50,000 in interest over the financial year.

Council adopted its revised Debt Policy in June 2015 for the 2015-16 financial year

### 10. CONSTRAINED CASH RESERVES

Reserves as at 29 February 2016	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,492	394	(472)	2,414
Red Art Gallery Commissions & Donations Reserve	2	-	-	2
	<b>2,494</b>	<b>394</b>	<b>(472)</b>	<b>2,416</b>
<b>Utilities Reserve:</b>				
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>9,900</b>	<b>-</b>	<b>-</b>	<b>9,900</b>
<b>Constrained Works Reserve:</b>				
Tree Planting Reserve	23	59	-	82
Parks Reserve	6,006	3,021	(165)	8,862
East Thornlands Road Infrastructure Reserve	674	-	-	674
Community Facility Infrastructure Reserve	979	465	-	1,444
Retail Water Renewal & Purchase Reserve	7,478	1,023	(205)	8,296
Sewerage Renewal & Purchase Reserve	9,500	3,837	(4,089)	9,248
Constrained Works Reserve-Cap Grants & Contributions	1,410	584	(699)	1,295
Transport Trunk Infrastructure Reserve	13,565	5,548	- 120.00	18,993
Cycling Trunk Infrastructure Reserve	3,099	2,269	- 72.00	5,296
Stormwater Infrastructure Reserve	3,722	1,269	-	4,991
Constrained Works Reserve-Opr Grants & Contributions	1,246	-	(103)	1,143
	<b>47,702</b>	<b>18,075</b>	<b>(5,453)</b>	<b>60,324</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,878	-	(59)	6,819
Environment Charge Maintenance Reserve	1,729	4,451	(3,637)	2,543
	<b>8,607</b>	<b>4,451</b>	<b>(3,696)</b>	<b>9,362</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	167	(161)	6
SMBI Translink Reserve	2	721	(714)	9
	<b>2</b>	<b>888</b>	<b>(875)</b>	<b>15</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	5,806	2,058	(2,820)	5,044
Aquatic Paradise Canal Reserve	2,834	679	(47)	3,466
Sovereign Waters Lake Reserve	487	43	(61)	469
	<b>9,127</b>	<b>2,780</b>	<b>(2,928)</b>	<b>8,979</b>
<b>TOTALS</b>	<b>77,832</b>	<b>26,588</b>	<b>(13,424)</b>	<b>90,996</b>

Closing Cash and Cash Equivalents	<b>144,308</b>
Reserves as percentage of cash balance	<b>63%</b>

## 11. GLOSSARY

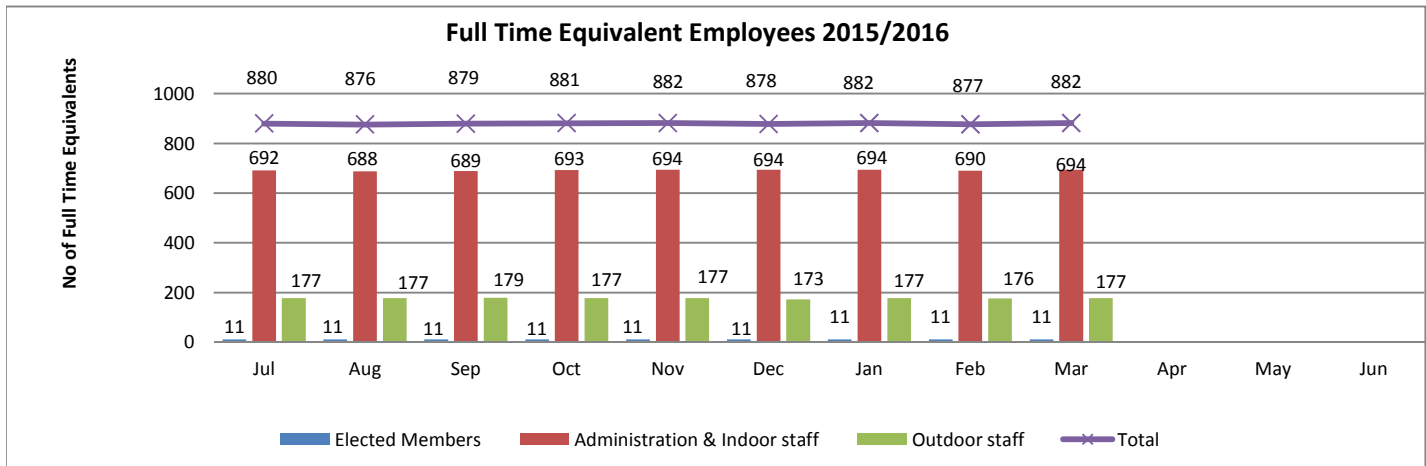
### Definition of ratios

<b>Operating Surplus Ratio*:</b> <i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
<b>Asset Sustainability Ratio*:</b> <i>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</i>	$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$
<b>Net Financial Liabilities*:</b> <i>This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</i>	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$
<b>Level of Dependence on General Rate Revenue:</b> <i>This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)</i>	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Current Ratio:</b> <i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
<b>Debt Servicing Ratio:</b> <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	$\frac{\text{Interest Expense + Loan Redemption}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Cash Balance - \$M:</b>	Cash Held at Period End
<b>Cash Capacity in Months:</b> <i>This provides an indication as to the number of months cash held at period end would cover operating cash outflows</i>	$\frac{\text{Cash Held at Period End}}{\text{[(Cash Operating Costs + Interest Expense) / Period in Year]}}$
<b>Debt to Asset Ratio:</b> <i>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</i>	$\frac{\text{Current and Non-current loans}}{\text{Total Assets}}$
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	$\frac{\text{Net Cash from Operations + Interest Revenue and Expense}}{\text{Cash Operating Revenue + Interest Revenue}}$
<b>Interest Cover Ratio:</b> <i>This ratio demonstrates the extent which operating revenues are being used to meet the financing charges</i>	$\frac{\text{Net Interest Expense on Debt Service}}{\text{Total Operating Revenue}}$

\* 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.

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

### Workforce reporting



Workforce reporting - YTD March 2016: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	12	3	84	10	8	3	120
Organisational Services	4	6	101	11	10	3	135
Community and Customer Service	39	5	245	51	22	6	368
Infrastructure and Operations	17	6	310	11	10	0	354
<b>Total</b>	<b>72</b>	<b>20</b>	<b>740</b>	<b>83</b>	<b>50</b>	<b>12</b>	<b>977</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.

### Comparison March 2015 to March 2016

Total							Mainland						
Days Overdue	Mar-15	% Overdue	Mar-16	% Overdue	\$ Variance	% Variance	Days Overdue	Mar-15	% Overdue	Mar-16	% Overdue	\$ Variance	% Variance
<90	\$2,841,796	1.65%	\$2,836,425	1.6%	-\$5,371	-0.03%	<90	\$2,101,044	1.22%	\$2,126,742	1.2%	\$25,698	-0.01%
90 - 180 days	\$1,250,254	0.73%	\$1,097,688	0.6%	-\$152,566	-0.10%	90 - 180 days	\$864,312	0.50%	\$714,032	0.4%	-\$150,281	-0.10%
>180 days	\$2,676,564	1.56%	\$2,723,491	1.6%	\$46,927	0.00%	>180 days	\$1,393,526	0.81%	\$1,528,169	0.9%	\$134,643	0.06%
<b>Total</b>	<b>\$6,768,614</b>	<b>3.94%</b>	<b>\$6,657,604</b>	<b>3.80%</b>	<b>-\$111,010</b>	<b>-0.14%</b>	<b>Total</b>	<b>\$4,358,882</b>	<b>2.53%</b>	<b>\$4,368,943</b>	<b>2.49%</b>	<b>\$10,061</b>	<b>-0.04%</b>

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Mar-15	% Overdue	Mar-16	% Overdue	\$ Variance	% Variance	Days Overdue	Mar-15	% Overdue	Mar-16	% Overdue	\$ Variance	% Variance
<90	\$79,215	0.05%	\$84,748	0.0%	\$5,533	0.00%	<90	\$661,537	0.38%	\$624,935	0.4%	-\$36,602	-0.03%
90 - 180 days	\$44,339	0.03%	\$39,047	0.0%	-\$5,292	0.00%	90 - 180 days	\$341,603	0.20%	\$344,610	0.2%	\$3,007	0.00%
>180 days	\$58,858	0.03%	\$98,602	0.1%	\$39,744	0.02%	>180 days	\$1,224,180	0.71%	\$1,096,719	0.6%	-\$127,461	-0.09%
<b>Total</b>	<b>\$182,412</b>	<b>0.11%</b>	<b>\$222,397</b>	<b>0.13%</b>	<b>\$39,985</b>	<b>0.02%</b>	<b>Total</b>	<b>\$2,227,320</b>	<b>1.29%</b>	<b>\$2,066,264</b>	<b>1.18%</b>	<b>-\$161,056</b>	<b>-0.12%</b>