

## Monthly Financial Report

January 2017



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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 January 2017. The revised annual budget referred to in this report incorporates the changes from the first budget review adopted by Council on 23 November 2016.

### 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)	(7,396)	12,269	16,159	3,890	32%	✓
Recurrent Revenue	253,697	160,893	159,980	(913)	-1%	⚠
Recurrent Expenditure	261,094	148,624	143,821	(4,803)	-3%	✓
Capital Works Expenditure	90,469	34,289	33,289	(1,000)	-3%	✓
Closing Cash & Cash Equivalents	124,990	135,551	146,360	10,809	8%	✓

#### 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% ✗

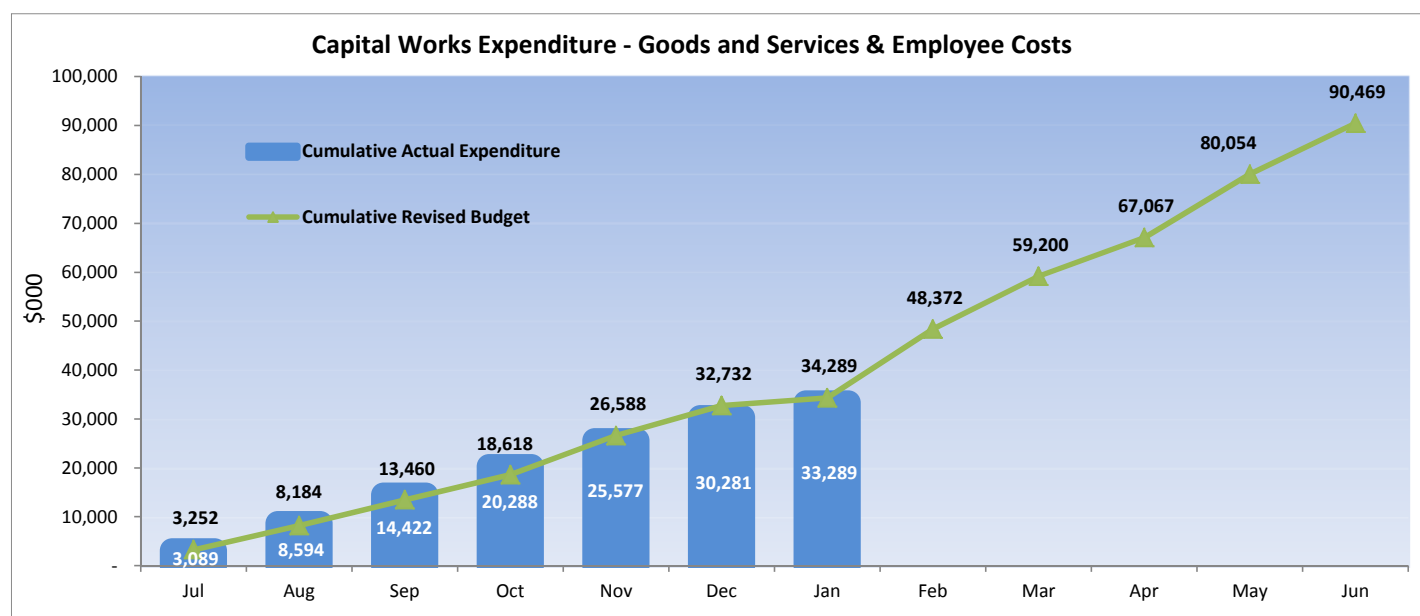
*Note: all amounts are rounded to the nearest thousand dollars.*

The year to date operating surplus of \$16.16M exceeded the year to date revised budget by \$3.89M. The favourable variance is primarily due to the underspends in contractor, consultant, bulk water purchase costs, as well as vacancies across the organisation.

The Q3 general rates notices were issued in January 2017, however income generated from the general rates levy was partially offset by \$1.96M in credits held representing rates received in advance.

The favourable variance in depreciation expense is mainly due to timing of works for a number of projects in progress and awaiting capitalisation.

Council's capital works expenditure is below budget by \$1.00M. This is mainly due to timing of works for a number of projects which are delayed, have not yet commenced or are still in the early stages of being progressed.



## 2. KEY PERFORMANCE INDICATORS

### Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget	YTD January 2017	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-2.92%	10.10%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	65.68%	59.66%	✗
Net Financial Liabilities (%)*	Target less than 60% (on average over the long-term)	-25.75%	-63.28%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	32.69%	38.10%	✗
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	3.71	3.61	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.05%	4.90%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$124.990M	\$146.360M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	7.28	9.05	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	1.72%	1.66%	✓
Operating Performance (%)	Target greater than or equal to 20%	17.62%	19.64%	✗
Interest Coverage Ratio (%)**	Target between 0% and 5%	-0.51%	-0.41%	✓

#### Status Legend

KPI target achieved or exceeded	✓	KPI target not achieved	✗
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\* 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 January 2017

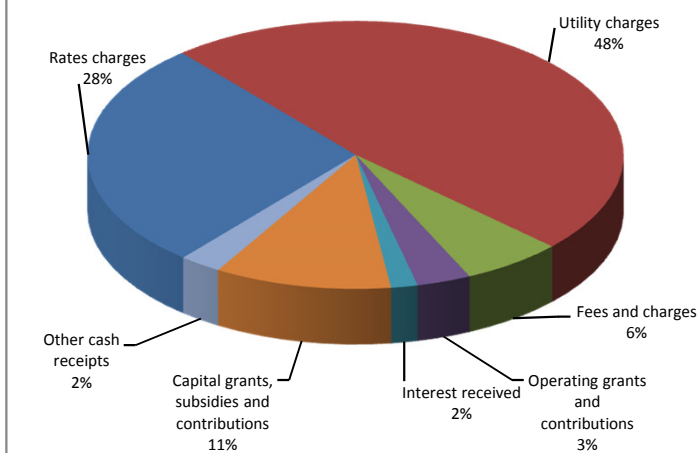
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>					
Rates, levies and charges	214,758	214,908	140,849	140,859	10
Fees and charges	13,291	13,391	8,196	7,798	(398)
Rental income	811	811	431	350	(81)
Interest received	4,271	4,481	2,633	2,532	(101)
Investment returns	4,685	1,800	-	-	-
Sales revenue	4,030	4,070	2,435	2,237	(198)
Other income	763	1,096	761	782	21
Grants, subsidies and contributions	11,959	13,140	5,588	5,422	(166)
<b>Total recurrent revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>160,893</b>	<b>159,980</b>	<b>(913)</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,248	33,955	16,101	16,900	799
Non-cash contributions	3,144	3,144	46	477	431
<b>Total capital revenue</b>	<b>35,393</b>	<b>37,100</b>	<b>16,147</b>	<b>17,377</b>	<b>1,230</b>
<b>TOTAL INCOME</b>	<b>289,962</b>	<b>290,797</b>	<b>177,040</b>	<b>177,357</b>	<b>317</b>
<b>Recurrent expenses</b>					
Employee benefits	80,389	81,514	48,926	48,276	(650)
Materials and services	119,315	120,431	65,345	61,702	(3,643)
Finance costs	3,758	3,763	2,073	2,068	(5)
Depreciation and amortisation	50,628	55,386	32,280	31,775	(505)
<b>Total recurrent expenses</b>	<b>254,090</b>	<b>261,094</b>	<b>148,624</b>	<b>143,821</b>	<b>(4,803)</b>
<b>Capital expenses</b>					
(Gain)/loss on disposal of non-current assets	289	(172)	(94)	1	95
<b>Total capital expenses</b>	<b>289</b>	<b>(172)</b>	<b>(94)</b>	<b>1</b>	<b>95</b>
<b>TOTAL EXPENSES</b>	<b>254,379</b>	<b>260,922</b>	<b>148,530</b>	<b>143,822</b>	<b>(4,708)</b>
<b>NET RESULT</b>	<b>35,583</b>	<b>29,876</b>	<b>28,510</b>	<b>33,535</b>	<b>5,025</b>
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	(796)	(796)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>35,583</b>	<b>29,876</b>	<b>28,510</b>	<b>32,739</b>	<b>4,229</b>

## 4. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 January 2017

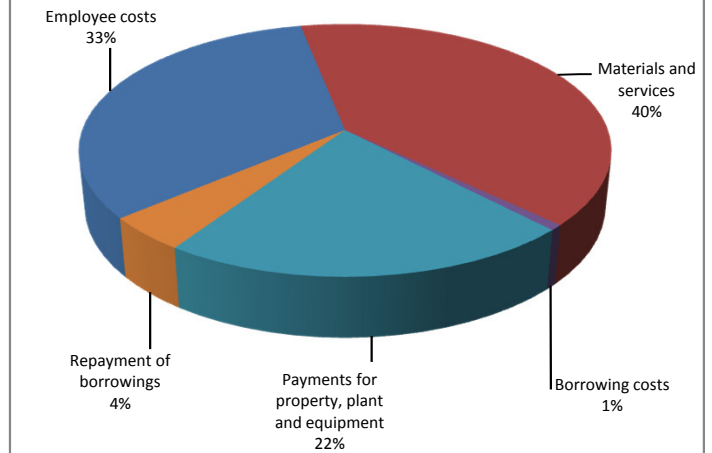
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	232,889	233,512	128,596	132,791
Payments to suppliers and employees	(202,780)	(205,026)	(115,862)	(112,117)
	<b>30,110</b>	<b>28,486</b>	<b>12,734</b>	<b>20,674</b>
Interest received	4,271	4,481	2,633	2,532
Rental income	811	811	431	350
Non-capital grants and contributions	11,056	11,367	3,844	5,167
Borrowing costs	(3,195)	(1,066)	(1,066)	(1,066)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>43,053</b>	<b>44,080</b>	<b>18,576</b>	<b>27,657</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(76,938)	(90,469)	(34,289)	(33,190)
Payments for intangible assets	(100)	-	-	(99)
Proceeds from sale of property, plant and equipment	630	1,091	631	658
Capital grants, subsidies and contributions	32,248	33,955	16,101	16,900
Other cash flows from investing activities	4,685	1,800	-	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(39,474)</b>	<b>(53,622)</b>	<b>(17,557)</b>	<b>(15,731)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(4,551)	(6,680)	(6,680)	(6,778)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,551)</b>	<b>(6,680)</b>	<b>(6,680)</b>	<b>(6,778)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(972)</b>	<b>(16,222)</b>	<b>(5,661)</b>	<b>5,148</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>119,449</b>	<b>141,212</b>	<b>141,212</b>	<b>141,212</b>
<b>Cash and cash equivalents at the end of the financial year / period</b>	<b>118,477</b>	<b>124,990</b>	<b>135,551</b>	<b>146,360</b>

### Cash Funding (YTD)



Total Cash Funding (Actual YTD)	158,398
Total Cash Funding (Annual Revised Budget)	287,019
% of Budget Achieved YTD	55%

### Cash Expenditure (YTD)



Total Cash Expenditure (Actual YTD)	153,250
Total Cash Expenditure (Annual Revised Budget)	303,241
% of Budget Achieved YTD	51%

## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 January 2017

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	118,477	124,990	135,551	146,360
Trade and other receivables	25,017	25,805	52,468	57,959
Inventories	779	678	678	711
Non-current assets held for sale	1,309	4,278	4,278	1,029
Other current assets	1,104	2,122	2,122	2,523
<b>Total current assets</b>	<b>146,686</b>	<b>157,873</b>	<b>195,097</b>	<b>208,582</b>
<b>NON-CURRENT ASSETS</b>				
Investment property	956	1,054	1,054	1,054
Property, plant and equipment	2,293,906	2,463,219	2,427,016	2,426,659
Intangible assets	2,000	2,284	2,698	2,752
Other financial assets	73	73	73	73
Investment in other entities	10,063	5,961	5,961	9,004
<b>Total non-current assets</b>	<b>2,306,999</b>	<b>2,472,591</b>	<b>2,436,802</b>	<b>2,439,542</b>
<b>TOTAL ASSETS</b>	<b>2,453,685</b>	<b>2,630,464</b>	<b>2,631,899</b>	<b>2,648,124</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18,454	20,763	21,426	21,968
Borrowings	4,482	7,701	7,701	7,701
Provisions	7,571	12,465	12,852	11,326
Other current liabilities	2,673	1,665	4,664	16,716
<b>Total current liabilities</b>	<b>33,179</b>	<b>42,595</b>	<b>46,643</b>	<b>57,711</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	40,727	37,604	36,291	36,193
Provisions	12,143	12,350	12,414	13,443
<b>Total non-current liabilities</b>	<b>52,869</b>	<b>49,954</b>	<b>48,705</b>	<b>49,636</b>
<b>TOTAL LIABILITIES</b>	<b>86,048</b>	<b>92,549</b>	<b>95,348</b>	<b>107,347</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,536,551</b>	<b>2,540,777</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	827,411	963,349	963,349	962,553
Retained surplus	1,443,724	1,471,259	1,472,685	1,472,436
Constrained cash reserves	96,502	103,307	100,517	105,788
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,536,551</b>	<b>2,540,777</b>

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Revenue</b>					
Rates charges	85,691	85,841	64,343	63,103	(1,240)
Levies and utility charges	132,436	132,436	78,987	80,167	1,180
<i>Less: Pensioner remissions and rebates</i>	(3,370)	(3,370)	(2,481)	(2,411)	70
Fees and charges	13,291	13,391	8,196	7,798	(398)
Operating grants and subsidies	11,370	12,339	5,177	4,879	(298)
Operating contributions and donations	589	801	411	543	132
Interest external	4,271	4,481	2,633	2,532	(101)
Investment returns	4,685	1,800	-	-	-
Other revenue	5,604	5,977	3,627	3,369	(258)
<b>Total revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>160,893</b>	<b>159,980</b>	<b>(913)</b>
<b>Expenses</b>					
Employee benefits	80,389	81,514	48,926	48,276	(650)
Materials and services	119,731	121,237	66,022	62,610	(3,412)
Finance costs other	562	567	191	186	(5)
Other expenditure	398	73	(160)	(130)	30
Net internal costs	(814)	(878)	(517)	(778)	(261)
<b>Total expenses</b>	<b>200,266</b>	<b>202,512</b>	<b>114,462</b>	<b>110,164</b>	<b>(4,298)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>54,303</b>	<b>51,185</b>	<b>46,431</b>	<b>49,816</b>	<b>3,385</b>
Interest expense	3,195	3,195	1,882	1,882	-
Depreciation and amortisation	50,628	55,386	32,280	31,775	(505)
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>479</b>	<b>(7,396)</b>	<b>12,269</b>	<b>16,159</b>	<b>3,890</b>

### Levies and utility charges breakup For the period ending 31 January 2017

	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	20,903	20,903	12,193	12,074	(119)
Special charges	3,974	3,974	2,981	2,987	6
SES Separate charge	331	331	248	252	4
Environment levy	6,093	6,093	4,570	4,609	39
Landfill remediation charge	2,795	2,795	1,630	1,643	13
Wastewater charges	42,254	42,254	24,648	25,097	449
Water access charges	17,989	17,989	10,493	10,591	98
Water consumption charges	38,098	38,098	22,224	22,914	690
<b>Total Levies and utility charges</b>	<b>132,436</b>	<b>132,436</b>	<b>78,987</b>	<b>80,167</b>	<b>1,180</b>

## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 January 2017

	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	29,425	29,425	13,729	15,088	1,359
Capital grants and subsidies	2,824	4,531	2,372	1,812	(560)
Proceeds on disposal of non-current assets	630	1,091	631	658	27
Capital transfers (to)/ from reserves	(15,839)	(10,179)	(5,179)	(9,419)	(4,240)
Non-cash contributions	3,144	3,144	46	477	431
Funding from general revenue	64,549	70,153	28,600	31,112	2,512
<b>Total sources of capital funding</b>	<b>84,733</b>	<b>98,164</b>	<b>40,199</b>	<b>39,728</b>	<b>(471)</b>
<b>Application of capital funds</b>					
Contributed assets	3,144	3,144	46	477	431
Capitalised goods and services	71,905	85,854	31,989	30,368	(1,621)
Capitalised employee costs	5,133	4,615	2,300	2,921	621
Loan redemption	4,551	4,551	5,864	5,962	98
<b>Total application of capital funds</b>	<b>84,733</b>	<b>98,164</b>	<b>40,199</b>	<b>39,728</b>	<b>(471)</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,683)	(11,683)	(8,311)	(8,699)	(388)
Transfers from constrained operating reserves	10,321	10,730	5,146	4,505	(641)
WDV of assets disposed	919	919	536	659	123

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	102,096	102,096	59,530	60,452	922
Total expenses	57,907	57,703	33,067	30,996	(2,071)
Earnings before interest, tax and depreciation (EBITD)	44,189	44,392	26,463	29,456	2,993
Depreciation	16,505	18,062	10,526	10,380	(146)
Operating surplus/(deficit)	27,684	26,330	15,937	19,076	3,139

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	6,539	6,539	3,955	4,862	907
Net transfer (to)/from constrained capital reserves	(713)	1,615	1,324	(76)	(1,400)
Other	3,065	3,065	-	-	-
Funding from utility revenue	7,993	8,790	2,694	3,236	542
<b>Total sources of capital funding</b>	<b>16,883</b>	<b>20,008</b>	<b>7,973</b>	<b>8,022</b>	<b>49</b>
Contributed assets	3,065	3,065	-	-	-
Capitalised expenditure	13,818	16,943	7,973	8,022	49
<b>Total applications of capital funds</b>	<b>16,883</b>	<b>20,008</b>	<b>7,973</b>	<b>8,022</b>	<b>49</b>

### REDWASTE OPERATING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	24,137	24,137	13,951	13,790	(161)
Total expenses	18,155	17,958	10,356	10,253	(103)
Earnings before interest, tax and depreciation (EBITD)	5,982	6,179	3,595	3,537	(58)
Interest expense	40	40	23	24	1
Depreciation	572	225	130	91	(39)
Operating surplus/(deficit)	5,371	5,915	3,442	3,422	(20)

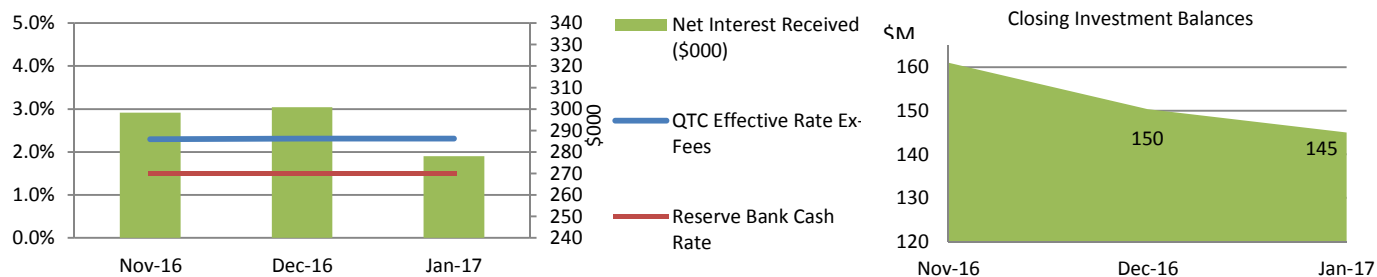
### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 January 2017

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Funding from utility revenue	307	1,737	786	1,107	321
<b>Total sources of capital funding</b>	<b>307</b>	<b>1,737</b>	<b>786</b>	<b>1,107</b>	<b>321</b>
Capitalised expenditure	233	1,662	711	991	280
Loan redemption	75	75	75	116	41
<b>Total applications of capital funds</b>	<b>307</b>	<b>1,737</b>	<b>786</b>	<b>1,107</b>	<b>321</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the period ending 31 January 2017

### INVESTMENT RETURNS



**Total Investment at End of Month was \$145.79M**

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

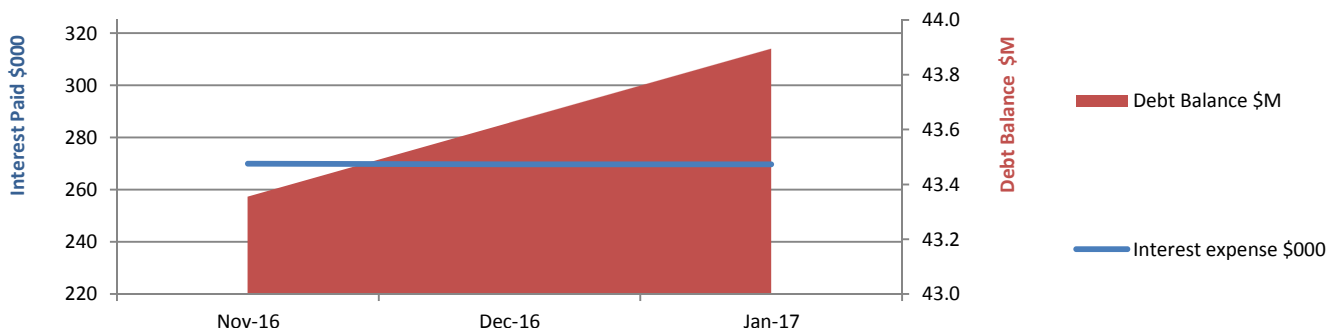
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 1.5% in the August 2016 sitting - this has not changed in subsequent months.

Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings. On a daily basis, cash surplus to requirements are deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. Currently the interest rate offered on a daily basis by QTC is comparable to the interest rate offered on a daily basis by external brokers.

Council adopted its revised Investment Policy (POL-3013) in May 2016 for the 2016/2017 financial year

### BORROWING COSTS



**Total Borrowings at End of Month were \$43.89M**



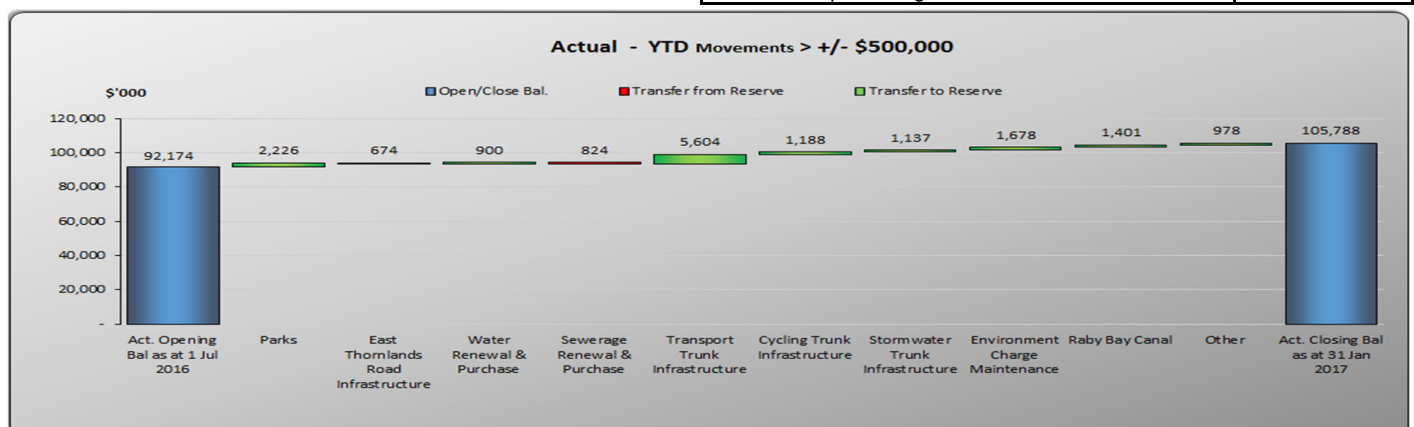
The existing loan accounts were converted to fixed rate loans on 1 April 2016 in line with QTC policies. In line with Council's debt policy, debt repayment has been made *annually* in advance for 2016/2017.

Dependent upon timing of monthly QTC statements, interest is accrued based on the prior month's actual interest. Once statements are received in the following month, interest is adjusted accordingly.

Council adopted its revised Debt Policy (POL-1838) in July 2016 for the 2016/2017 financial year

## 10. CONSTRAINED CASH RESERVES

Reserves as at 31 January 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,406	420	(15)	2,811
Red Art Gallery Commissions & Donations Reserve	2	-	-	2
	<b>2,408</b>	<b>420</b>	<b>(15)</b>	<b>2,813</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>				
Parks Reserve	9,150	2,596	(370)	11,376
East Thornlands Road Infrastructure Reserve	674	-	(674)	-
Community Facility Infrastructure Reserve	1,696	455	-	2,151
Retail Water Renewal & Purchase Reserve	8,911	901	(1)	9,811
Sewerage Renewal & Purchase Reserve	6,516	3,360	(4,184)	5,692
Constrained Works Reserve-Capital Grants & Contributions	1,549	-	(8)	1,541
Transport Trunk Infrastructure Reserve	21,897	5,637	(33)	27,501
Cycling Trunk Infrastructure Reserve	5,844	1,676	(488)	7,032
Stormwater Infrastructure Reserve	5,613	1,137	-	6,750
Constrained Works Reserve-Operational Grants & Contributions	1,666	-	(168)	1,498
Tree Planting Reserve	64	31	(11)	84
	<b>63,580</b>	<b>15,793</b>	<b>(5,937)</b>	<b>73,436</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,794	-	(43)	6,751
Environment Charge Maintenance Reserve	1,243	4,609	(2,931)	2,921
	<b>8,037</b>	<b>4,609</b>	<b>(2,974)</b>	<b>9,672</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	139	(120)	19
SMBI Translink Reserve	13	698	(475)	236
	<b>13</b>	<b>837</b>	<b>(595)</b>	<b>255</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	4,113	2,088	(687)	5,514
Aquatic Paradise Canal Reserve	3,685	672	(565)	3,792
Sovereign Waters Lake Reserve	438	42	(74)	406
	<b>8,236</b>	<b>2,802</b>	<b>(1,326)</b>	<b>9,712</b>
<b>TOTALS</b>	<b>92,174</b>	<b>24,461</b>	<b>(10,847)</b>	<b>105,788</b>
Closing cash and cash equivalents				<b>146,360</b>
Reserves as percentage of cash balance				<b>72%</b>



Infrastructure reserves - YTD growth predominantly from developments in Thornlands and Capalaba.

Movement in the Sewerage Renewal & Purchase Reserve is mainly due to \$3.12M spend at Pt Lookout waste water treatment plant. Movement in the East Thornlands Road Infrastructure Reserve is due to closure of the fund and funds transferred to the Transport Trunk Infrastructure Reserve.

## 11. GLOSSARY

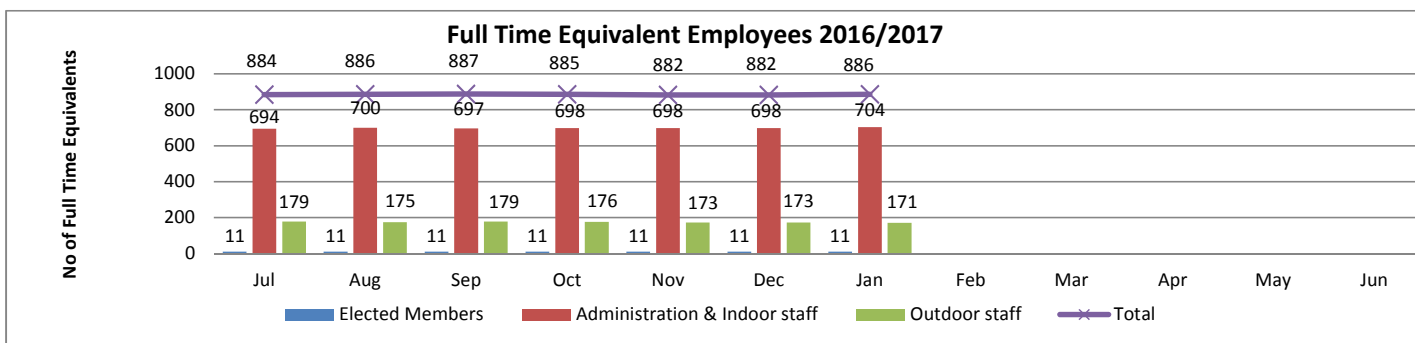
### Definition of Ratios

<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>	<div>Net Operating Surplus</div> <div>Total Operating Revenue</div>
<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>	<div>Capital Expenditure on Replacement of Infrastructure Assets (Renewals)</div> <div>Depreciation Expenditure on Infrastructure Assets</div>
<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>	<div>Total Liabilities - Current Assets</div> <div>Total Operating Revenue</div>
<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>	<div>General Rates - Pensioner Remissions</div> <div>Total Operating Revenue - Gain on Sale of Developed Land</div>
<b>Current Ratio:</b> <i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	<div>Current Assets</div> <div>Current Liabilities</div>
<b>Debt Servicing Ratio:</b> <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	<div>Interest Expense + Loan Redemption</div> <div>Total Operating Revenue - Gain on Sale of Developed Land</div>
<b>Cash Balance - \$M:</b>	<div>Cash Held at Period End</div>
<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>	<div>Cash Held at Period End</div> <div>[[Cash Operating Costs + Interest Expense] / Period in Year]</div>
<b>Longer Term Financial Stability - 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>	<div>Current and Non-current loans</div> <div>Total Assets</div>
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	<div>Net Cash from Operations + Interest Revenue and Expense</div> <div>Cash Operating Revenue + Interest Revenue</div>
<b>Interest Coverage Ratio:</b> <i>This ratio demonstrates the extent which operating revenues are being used to meet the financing charges</i>	<div>Net Interest Expense on Debt Service</div> <div>Total Operating Revenue</div>

\* 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 - January 2017: Headcount

Department Level	Employee Type						Grand Total
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	
Office of CEO	11	3	92	14	10	0	130
Organisational Services	1	7	101	7	9	2	127
Community and Customer Service	35	4	242	59	21	8	369
Infrastructure and Operations	19	7	306	8	9	2	351
<b>Total</b>	<b>66</b>	<b>21</b>	<b>741</b>	<b>88</b>	<b>49</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.

### Overdue Rates Debtors

Days Overdue	Jan-16	% Overdue	Jan-17	% Overdue	\$ Variance	% Variance
0 - 30	\$98	0.00%	\$1,040	0.00%	\$943	0.00%
31 - 60	\$140	0.00%	\$1,167	0.00%	\$1,027	0.00%
61 - 90	\$1,980,169	1.13%	\$2,213,380	1.21%	\$233,211	0.09%
>90	\$3,478,240	1.98%	\$3,235,098	1.78%	-\$243,142	-0.21%
<b>Total</b>	<b>\$5,458,646</b>	<b>3.11%</b>	<b>\$5,450,685</b>	<b>2.99%</b>	<b>-\$7,961</b>	<b>-0.12%</b>

### External Funding Summary

