

## Monthly Financial Report

April 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 30 April 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. The 2016/2017 final budget review is expected to be adopted during May 2017.

### 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)	11,807	18,038	6,231	53%	✓
Recurrent Revenue	253,697	224,530	225,575	1,045	0%	✓
Recurrent Expenditure	261,094	212,723	207,537	(5,186)	-2%	✓
Capital Works Expenditure	90,469	54,861	45,946	(8,915)	-16%	✓
Closing Cash & Cash Equivalents	124,990	141,226	155,512	14,286	10%	✓

#### 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 \$18.04M exceeded the year to date revised budget by \$6.23M.

Higher than expected water consumption YTD has contributed to higher than expected levies and utility charges revenue, especially water consumption and wastewater charges revenue with a combined \$2.83M favourable variance to budget offset by general rates revenue \$1.08M below budget YTD. The Q4 general rates notices were issued in April 2017, however income generated from the general rates levy was partially offset by \$2.01M YTD in credits held, representing rates received in advance in previous periods.

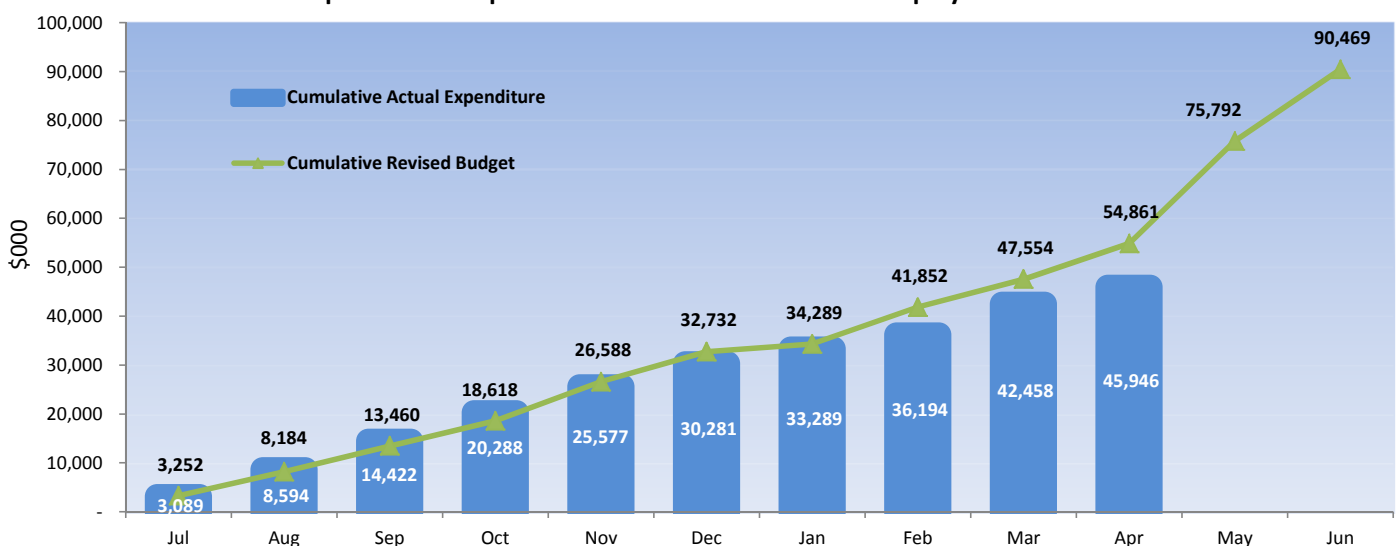
The favourable variance in recurrent expenditure cost is primarily due to the underspends in contractor, consultant and bulk water purchase costs as well as operational costs in capital jobs.

Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$8.92M. 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. 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 2017.

Council's cash balance exceeds the budgeted cash balance due to higher than anticipated receipts from customers and lower than expected payments to suppliers and property, plant and equipment. Constrained cash reserves represent 68% of the cash balance.

### Capital Works Expenditure - Goods and Services & Employee Costs



## 2. KEY PERFORMANCE INDICATORS

### Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget	YTD April 2017	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-2.92%	8.00%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	65.68%	55.60%	✗
Net Financial Liabilities (%)*	Target less than 60% (on average over the long-term)	-25.75%	-48.99%	✓
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	32.69%	36.31%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 & 4.1	3.71	3.83	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.05%	3.48%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$124.990M	\$155.512M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	7.28	9.60	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	1.72%	1.68%	✓
Operating Performance (%)	Target greater than or equal to 20%	17.62%	21.37%	✓
Interest Coverage Ratio (%)**	Target between 0% and 5%	-0.51%	-0.43%	✓

#### 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

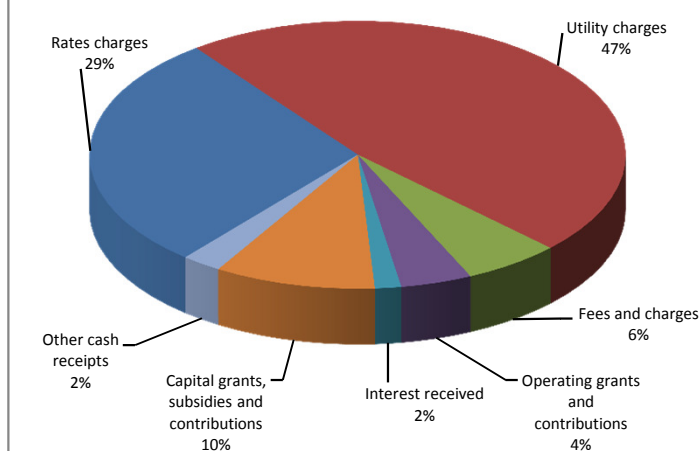
STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 April 2017					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Recurrent revenue</b>					
Rates, levies and charges	214,758	214,908	193,923	195,930	2,007
Fees and charges	13,291	13,391	11,414	10,575	(839)
Rental income	811	811	536	798	262
Interest received	4,271	4,481	3,793	3,626	(167)
Investment returns	4,685	1,800	-	-	-
Sales revenue	4,030	4,070	3,392	2,956	(436)
Other income	763	1,096	976	1,021	45
Grants, subsidies and contributions	11,959	13,140	10,496	10,669	173
<b>Total recurrent revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>224,530</b>	<b>225,575</b>	<b>1,045</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,248	33,955	26,052	22,236	(3,816)
Non-cash contributions	3,144	3,144	66	601	535
<b>Total capital revenue</b>	<b>35,393</b>	<b>37,100</b>	<b>26,118</b>	<b>22,837</b>	<b>(3,281)</b>
<b>TOTAL INCOME</b>	<b>289,962</b>	<b>290,797</b>	<b>250,648</b>	<b>248,412</b>	<b>(2,236)</b>
<b>Recurrent expenses</b>					
Employee benefits	80,389	81,514	68,958	68,640	(318)
Materials and services	119,315	120,431	94,658	89,648	(5,010)
Finance costs	3,758	3,763	2,929	2,924	(5)
Depreciation and amortisation	50,628	55,386	46,178	46,325	147
<b>Total recurrent expenses</b>	<b>254,090</b>	<b>261,094</b>	<b>212,723</b>	<b>207,537</b>	<b>(5,186)</b>
<b>Capital expenses</b>					
(Gain)/loss on disposal of non-current assets	289	(172)	68	2,054	1,986
<b>Total capital expenses</b>	<b>289</b>	<b>(172)</b>	<b>68</b>	<b>2,054</b>	<b>1,986</b>
<b>TOTAL EXPENSES</b>	<b>254,379</b>	<b>260,922</b>	<b>212,791</b>	<b>209,591</b>	<b>(3,200)</b>
<b>NET RESULT</b>	<b>35,583</b>	<b>29,876</b>	<b>37,857</b>	<b>38,821</b>	<b>964</b>
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	(782)	(782)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>35,583</b>	<b>29,876</b>	<b>37,857</b>	<b>38,039</b>	<b>182</b>

## 4. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 30 April 2017

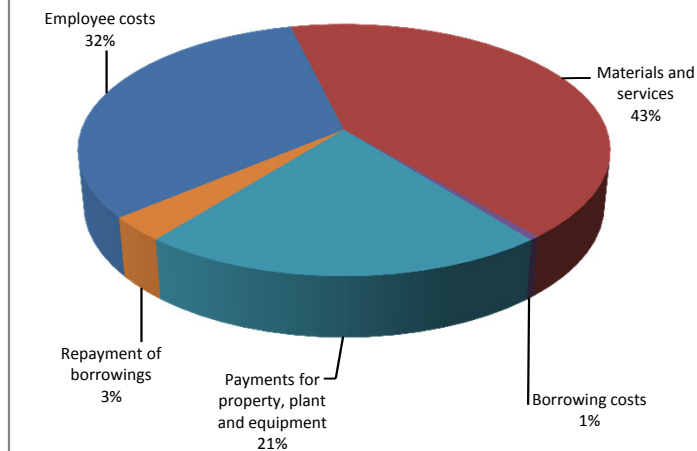
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	232,889	233,512	188,702	191,722
Payments to suppliers and employees	(202,780)	(205,026)	(165,884)	(160,925)
	<b>30,110</b>	<b>28,486</b>	<b>22,818</b>	<b>30,797</b>
Interest received	4,271	4,481	3,793	3,626
Rental income	811	811	536	798
Non-capital grants and contributions	11,056	11,367	8,724	9,877
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>34,805</b>	<b>44,032</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(76,938)	(90,469)	(54,861)	(45,892)
Payments for intangible assets	(100)	-	-	(54)
Proceeds from sale of property, plant and equipment	630	1,091	698	756
Capital grants, subsidies and contributions	32,248	33,955	26,052	22,236
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>(28,111)</b>	<b>(22,954)</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>14</b>	<b>14,300</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>141,226</b>	<b>155,512</b>

### Cash Funding (YTD)



Total Cash Funding (Actual YTD)	229,015
Total Cash Funding (Annual Revised Budget)	287,019
% of Budget Achieved YTD	80%

### Cash Expenditure (YTD)



Total Cash Expenditure (Actual YTD)	214,715
Total Cash Expenditure (Annual Revised Budget)	303,241
% of Budget Achieved YTD	71%

## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 30 April 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	141,226	155,512
Trade and other receivables	25,017	25,805	49,850	59,715
Inventories	779	678	678	724
Non-current assets held for sale	1,309	4,278	4,278	1,028
Other current assets	1,104	2,122	2,122	1,347
<b>Total current assets</b>	<b>146,686</b>	<b>157,873</b>	<b>198,154</b>	<b>218,326</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	2,433,729	2,417,769
Intangible assets	2,000	2,284	2,450	2,461
Other financial assets	73	73	73	73
Investment in other entities	10,063	5,961	5,961	14,224
<b>Total non-current assets</b>	<b>2,306,999</b>	<b>2,472,591</b>	<b>2,443,267</b>	<b>2,435,581</b>
<b>TOTAL ASSETS</b>	<b>2,453,685</b>	<b>2,630,464</b>	<b>2,641,421</b>	<b>2,653,907</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18,454	20,763	21,026	21,722
Borrowings	4,482	7,701	7,701	7,701
Provisions	7,571	12,465	12,653	10,640
Other current liabilities	2,673	1,665	4,661	16,905
<b>Total current liabilities</b>	<b>33,179</b>	<b>42,595</b>	<b>46,041</b>	<b>56,968</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	40,727	37,604	37,070	36,967
Provisions	12,143	12,350	12,413	13,893
<b>Total non-current liabilities</b>	<b>52,869</b>	<b>49,954</b>	<b>49,483</b>	<b>50,860</b>
<b>TOTAL LIABILITIES</b>	<b>86,048</b>	<b>92,549</b>	<b>95,524</b>	<b>107,828</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,545,897</b>	<b>2,546,079</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	827,411	963,349	963,349	962,567
Retained surplus	1,443,724	1,471,259	1,482,133	1,478,279
Constrained cash reserves	96,502	103,307	100,415	105,233
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,545,897</b>	<b>2,546,079</b>

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 30 April 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	85,841	84,762	(1,079)
Levies and utility charges	132,436	132,436	111,406	114,386	2,980
<i>Less: Pensioner remissions and rebates</i>	(3,370)	(3,370)	(3,324)	(3,218)	106
Fees and charges	13,291	13,391	11,414	10,575	(839)
Operating grants and subsidies	11,370	12,339	9,988	9,982	(6)
Operating contributions and donations	589	801	508	687	179
Interest external	4,271	4,481	3,793	3,626	(167)
Investment returns	4,685	1,800	-	-	-
Other revenue	5,604	5,977	4,904	4,775	(129)
<b>Total revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>224,530</b>	<b>225,575</b>	<b>1,045</b>
<b>Expenses</b>					
Employee benefits	80,389	81,514	68,958	68,640	(318)
Materials and services	119,731	121,237	95,458	90,630	(4,828)
Finance costs other	562	567	268	268	-
Other expenditure	398	73	(66)	(29)	37
Net internal costs	(814)	(878)	(734)	(953)	(219)
<b>Total expenses</b>	<b>200,266</b>	<b>202,512</b>	<b>163,884</b>	<b>158,556</b>	<b>(5,328)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>54,303</b>	<b>51,185</b>	<b>60,646</b>	<b>67,019</b>	<b>6,373</b>
Interest expense	3,195	3,195	2,661	2,656	(5)
Depreciation and amortisation	50,628	55,386	46,178	46,325	147
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>479</b>	<b>(7,396)</b>	<b>11,807</b>	<b>18,038</b>	<b>6,231</b>

### Levies and utility charges breakup For the period ending 30 April 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	17,419	17,304	(115)
Special charges	3,974	3,974	3,283	3,280	(3)
SES Separate charge	331	331	331	336	5
Environment levy	6,093	6,093	6,093	6,158	65
Landfill remediation charge	2,795	2,795	2,329	2,351	22
Wastewater charges	42,254	42,254	35,212	35,879	667
Water access charges	17,989	17,989	14,991	15,165	174
Water consumption charges	38,098	38,098	31,748	33,913	2,165
<b>Total Levies and utility charges</b>	<b>132,436</b>	<b>132,436</b>	<b>111,406</b>	<b>114,386</b>	<b>2,980</b>



## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 30 April 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	22,063	18,423	(3,640)
Capital grants and subsidies	2,824	4,531	3,990	3,813	(177)
Proceeds on disposal of non-current assets	630	1,091	698	756	58
Capital transfers (to)/from reserves	(15,839)	(10,179)	(5,957)	(10,249)	(4,292)
Non-cash contributions	3,144	3,144	66	601	535
Funding from general revenue	64,549	70,153	39,152	38,391	(761)
<b>Total sources of capital funding</b>	<b>84,733</b>	<b>98,164</b>	<b>60,012</b>	<b>51,735</b>	<b>(8,277)</b>
<b>Application of capital funds</b>					
Contributed assets	3,144	3,144	66	601	535
Capitalised goods and services	71,905	85,854	51,643	41,717	(9,926)
Capitalised employee costs	5,133	4,615	3,218	4,229	1,011
Loan redemption	4,551	4,551	5,085	5,188	103
<b>Total application of capital funds</b>	<b>84,733</b>	<b>98,164</b>	<b>60,012</b>	<b>51,735</b>	<b>(8,277)</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,683)	(11,683)	(11,336)	(10,629)	707
Transfers from constrained operating reserves	10,321	10,730	9,052	7,819	(1,233)
WDV of assets disposed	919	919	766	2,810	2,044

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 30 April 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	85,054	87,404	2,350
Total expenses	57,907	57,703	48,080	44,901	(3,179)
Earnings before interest, tax and depreciation (EBITD)	44,189	44,392	36,974	42,503	5,529
Depreciation	16,505	18,062	15,036	15,188	152
Operating surplus/(deficit)	27,684	26,330	21,938	27,315	5,377

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 30 April 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	5,505	6,480	975
Net transfer (to)/from constrained capital reserves	(713)	1,615	1,665	230	(1,435)
Non-cash contributions	3,065	3,065	-	-	-
Funding from utility revenue	7,993	8,790	7,041	3,071	(3,970)
<b>Total sources of capital funding</b>	<b>16,883</b>	<b>20,008</b>	<b>14,211</b>	<b>9,781</b>	<b>(4,430)</b>
Contributed assets	3,065	3,065	-	-	-
Capitalised expenditure	13,818	16,943	14,211	9,781	(4,430)
<b>Total applications of capital funds</b>	<b>16,883</b>	<b>20,008</b>	<b>14,211</b>	<b>9,781</b>	<b>(4,430)</b>

### REDWASTE OPERATING STATEMENT For the period ending 30 April 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	20,061	19,659	(402)
Total expenses	18,155	17,958	15,019	14,382	(637)
Earnings before interest, tax and depreciation (EBITD)	5,982	6,179	5,042	5,277	235
Interest expense	40	40	33	33	-
Depreciation	572	225	187	129	(58)
Operating surplus/(deficit)	5,371	5,915	4,822	5,115	293

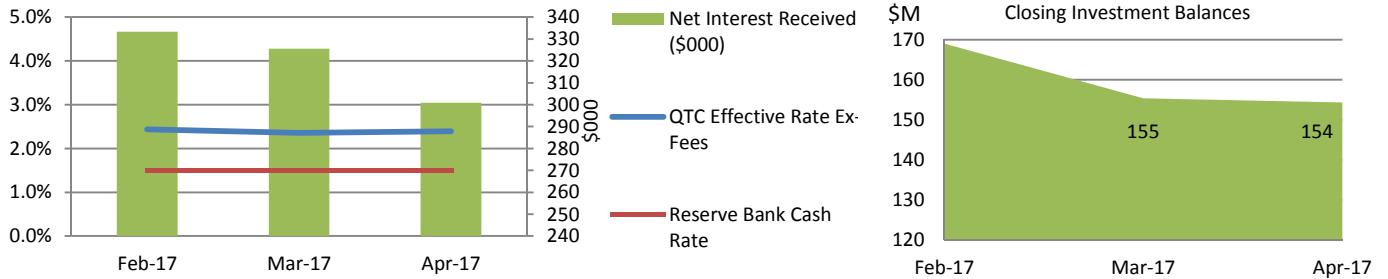
### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 30 April 2017

	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	1,626	1,849	223
<b>Total sources of capital funding</b>	<b>307</b>	<b>1,737</b>	<b>1,626</b>	<b>1,849</b>	<b>223</b>
Capitalised expenditure	233	1,662	1,551	1,733	182
Loan redemption	75	75	75	116	41
<b>Total applications of capital funds</b>	<b>307</b>	<b>1,737</b>	<b>1,626</b>	<b>1,849</b>	<b>223</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the period ending 30 April 2017

### INVESTMENT RETURNS



**Total Investment at End of Month was \$154.32M**

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

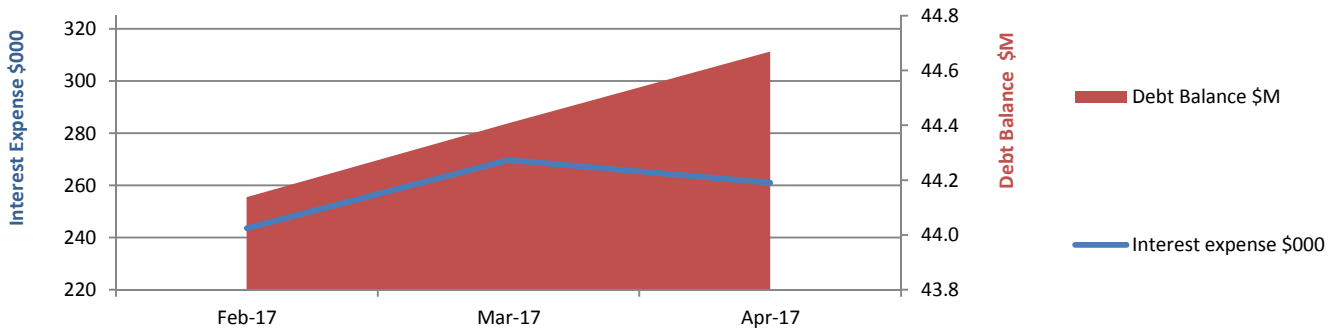
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 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. The current interest rate paid by QTC of 2.39% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.86% as at the end of April 2017 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 May 2016 for the 2016/2017 financial year

### BORROWING COSTS



**Total Borrowings at End of Month were \$44.67M**



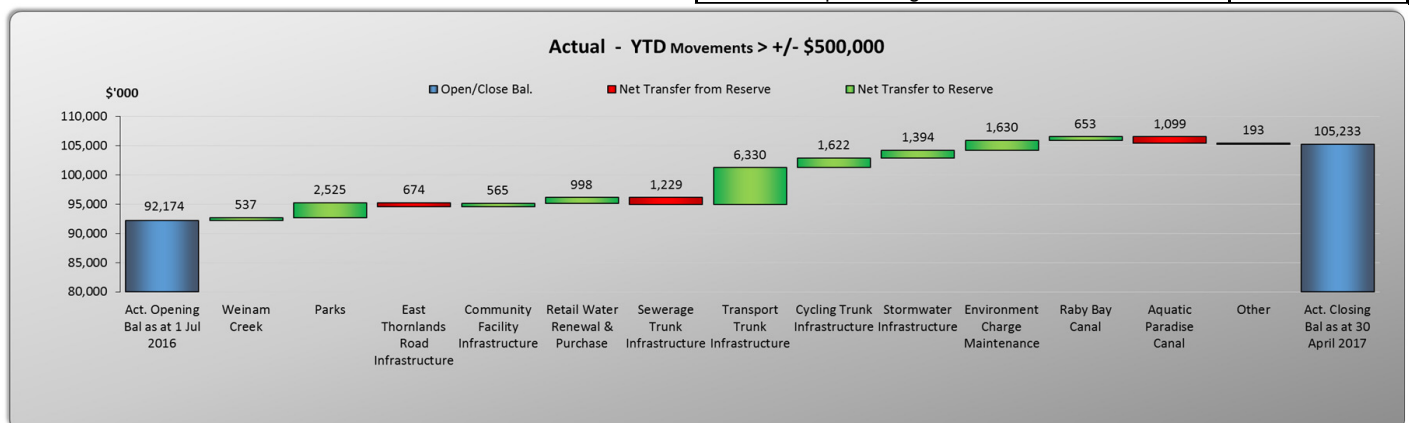
The existing loan accounts were converted to fixed rate loans on 1 April 2016 in line with QTC policies. In line with Council's debt policy, debt repayment has been made *annually* in advance for 2016/2017.

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 30 April 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,406	559	(22)	2,943
Red Art Gallery Commissions & Donations Reserve	2	-	-	2
	<b>2,408</b>	<b>559</b>	<b>(22)</b>	<b>2,945</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	3,300	(775)	11,675
East Thornlands Road Infrastructure Reserve	674	-	(674)	-
Community Facility Infrastructure Reserve	1,696	565	-	2,261
Retail Water Renewal & Purchase Reserve	8,911	1,025	(27)	9,909
Sewerage Trunk Infrastructure Reserve	6,516	4,026	(5,255)	5,287
Constrained Works Reserve-Capital Grants & Contributions	1,549	-	(41)	1,508
Transport Trunk Infrastructure Reserve	21,897	6,675	(345)	28,227
Cycling Trunk Infrastructure Reserve	5,844	2,112	(490)	7,466
Stormwater Infrastructure Reserve	5,613	1,394	-	7,007
Constrained Works Reserve-Operational Grants & Contributions	1,666	140	(227)	1,579
Tree Planting Reserve	64	47	(32)	79
	<b>63,580</b>	<b>19,284</b>	<b>(7,866)</b>	<b>74,998</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,794	-	(53)	6,741
Environment Charge Maintenance Reserve	1,243	6,158	(4,528)	2,873
	<b>8,037</b>	<b>6,158</b>	<b>(4,581)</b>	<b>9,614</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	199	(172)	27
SMBI Translink Reserve	13	698	(711)	-
	<b>13</b>	<b>897</b>	<b>(883)</b>	<b>27</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve *	4,113	2,104	(1,451)	4,766
Aquatic Paradise Canal Reserve *	3,685	682	(1,781)	2,586
Sovereign Waters Lake Reserve *	438	43	(84)	397
	<b>8,236</b>	<b>2,829</b>	<b>(3,316)</b>	<b>7,749</b>
<b>TOTALS</b>	<b>92,174</b>	<b>29,727</b>	<b>(16,668)</b>	<b>105,233</b>
Closing cash and cash equivalents				<b>155,512</b>
Reserves as percentage of cash balance				<b>68%</b>



Total Reserves increased by \$0.83M during the month and the movement relates primarily to various infrastructure reserves. YTD growth in infrastructure reserves is predominantly from developments in Thornlands and Capalaba. Movement in the East Thornlands Road Infrastructure Reserve is due to closure of the fund and funds transferred to the Transport Trunk Infrastructure Reserve. Movement in the Sewerage Trunk Infrastructure Reserve is mainly due to \$3.46M spend at the Pt. Lookout waste water treatment plant. Movement in the Environment Charge Maintenance Reserve is due to drawdowns to undertake various maintenance works.

\* Special charges levied on canal and lake-front homeowners has been temporarily suspended as per media release on 30/03/2017.

## 11. GLOSSARY

### Definition of Ratios

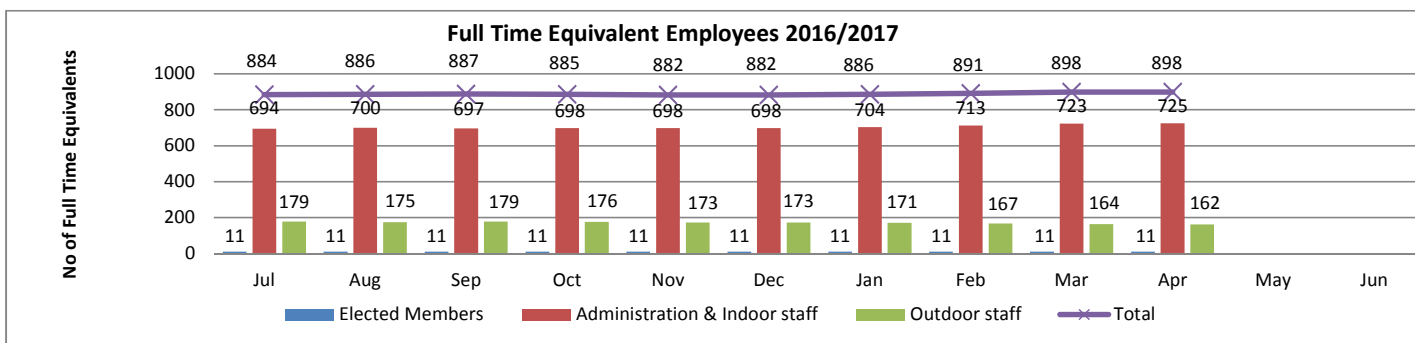
<b>Operating Surplus Ratio*:</b> <i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	Net Operating Surplus Total Operating Revenue
<b>Asset Sustainability Ratio*:</b> <i>This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out</i>	Capital Expenditure on Replacement of Infrastructure Assets (Renewals) 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>	Total Liabilities - Current Assets 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>	General Rates - Pensioner Remissions 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>	Current Assets Current Liabilities
<b>Debt Servicing Ratio:</b> <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	Interest Expense + Loan Redemption 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>	Cash Held at Period End $\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
<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>	Current and Non-current loans Total Assets
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	Net Cash from Operations + Interest Revenue and Expense Cash Operating Revenue + Interest Revenue
<b>Interest Coverage Ratio:</b> <i>This ratio demonstrates the extent which operating revenues are being used to meet the financing charges</i>	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.



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

### Workforce Reporting



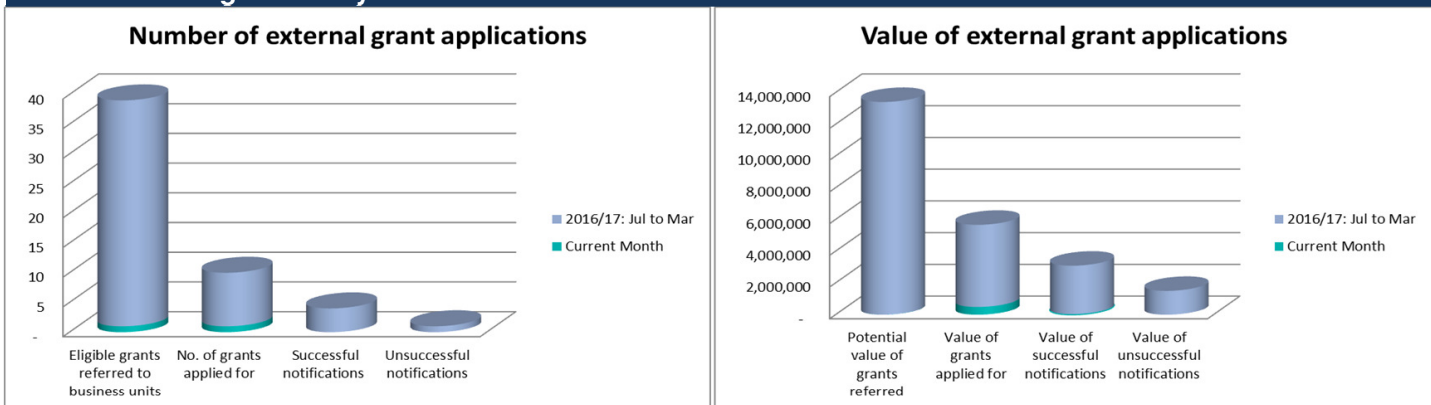
Workforce reporting - April 2017: Headcount		Employee Type					
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total by Department
Office of CEO	16	4	94	13	14	0	141
Organisational Services	3	6	100	8	12	2	131
Community and Customer Service	32	5	246	57	27	10	377
Infrastructure and Operations	15	5	301	9	8	2	340
<b>Total</b>	<b>66</b>	<b>20</b>	<b>741</b>	<b>87</b>	<b>61</b>	<b>14</b>	<b>989</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	Apr-16	% Overdue	Apr-17	% Overdue	\$ Variance	% Variance
0 - 30	\$626	0.0%	\$4,172	0.0%	\$3,547	0.00%
31 - 60	\$2,038	0.0%	\$3,309	0.0%	\$1,271	0.00%
61 - 90	\$2,118,954	0.9%	\$2,181,975	0.9%	\$63,020	-0.01%
>90	\$3,325,372	1.4%	\$3,103,174	1.3%	-\$222,199	-0.14%
<b>Total</b>	<b>\$5,446,990</b>	<b>2.34%</b>	<b>\$5,292,630</b>	<b>2.19%</b>	<b>-\$154,360</b>	<b>-0.15%</b>

### External Funding Summary



#### Month of April 2017

##### In the current month referred funding opportunities include:

Referred Reconciliation Week Funding, however not proceeding with application due to minor funds available and resourcing required to apply and manage.

##### In the current month submitted applications include:

Application is now being prepared for Smart Cities which is due by 30 June 2017. Application submitted for Advancing Regional Innovation Program for \$488,000.

##### In the current month successful applications include:

No reports for successful funding applications released this month.

#### YTD 2016/17

##### The YTD main funding applications submitted & successful include:

Local Government Subsidy Scheme Program x 2 applications:  
 - Thorneside WWTP (Package of 5 separate projects) - \$2.75M  
 - Indigiscapes Native Plant Nursery - \$0.11M  
 Queensland Anzac Centenary Lasting Legacies Program:  
 - Remembering them: Honouring the First World War soldiers of the Redlands project - \$0.02M  
 QCoast2100 Program for Coastal Adaptation Study:  
 - 4 phases of work over 2016/2017 and 2017/2018 - \$0.2M

##### The YTD main funding applications submitted & not successful include:

- Ex-HMAS Tobruk EOI - Economic benefit in first year - \$1.50M