

Monthly Financial Report

July 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 July 2017. The year to date and annual budget referred to in this report reflects the 2017/18 annual budget as adopted by Council on 26 June 2017.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of July may adjust over the coming months until Council receives Queensland Audit Office (QAO) certification at the end of October 2017.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Original Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	(11,136)	18,126	17,046	(1,080)	-6%	✗
Recurrent Revenue	261,639	37,550	35,405	(2,145)	-6%	✗
Recurrent Expenditure	272,775	19,424	18,359	(1,065)	-5%	✓
Capital Works Expenditure	82,050	3,477	1,950	(1,527)	-44%	✓
Closing Cash & Cash Equivalents	133,650	170,765	146,149	(24,616)	-14%	✗

Council reported an operating surplus for the month of \$17.05M. The first quarter rate notices were issued in July 2017, however income generated from the rates levy was partially offset by \$1.56M in credits held during the rates run. The favourable variance in recurrent expenditure is primarily due to underspends in contractor, consultant and publication costs as well as vacancies across the organisation. As this is only the first month of the year, trends will start to emerge as the first quarter progresses.

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

Council's financial position is based on unaudited opening balances which are subject to change until Queensland Audit Office certification is obtained.

Council's capital works expenditure is behind budget by \$1.90M 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 identified that are no longer expected to be undertaken during 2016/2017 have been carried forward to 2017/2018. The carryover budget review is expected to be finalised in August 2017.

Constrained cash reserves represent 63% of the cash balance.

2. KEY PERFORMANCE INDICATORS

Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Status Achieved ✓ Not achieved ✗	Original Budget	July 2017	Target
Operating Surplus Ratio (%)	✓	-4.26%	48.15%	Between 0% and 10% (on average over the long-term)
Asset Sustainability Ratio (%)	✗	59.25%	17.49%	Greater than 90% (on average over the long-term)
Net Financial Liabilities (%)*	✓	-29.32%	-296.97%	Less than 60% (on average over the long-term)
Level of Dependence on General Rate Revenue (%)	✗	33.93%	57.56%	Less than 37.5%
Ability to Pay Our Bills - Current Ratio	✓	3.79	3.54	Between 1.1 & 4.1
Ability to Repay Our Debt - Debt Servicing Ratio (%)	✗	2.99%	22.16%	Less than or equal to 10%
Cash Balance \$M	✓	\$133.650M	\$146.149M	Greater than or equal to \$50M
Cash Balances - Cash Capacity in Months	✓	7.51	6.25	At least 3 months
Longer Term Financial Stability - Debt to Asset Ratio (%)	✓	1.55%	1.41%	Less than or equal to 10%
Operating Performance (%)	✗	17.69%	-22.82%	Greater than or equal to 15%
Interest Coverage Ratio (%)**	✓	-0.59%	-0.24%	Less than 5%

* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

** The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

3. STATEMENT OF COMPREHENSIVE INCOME

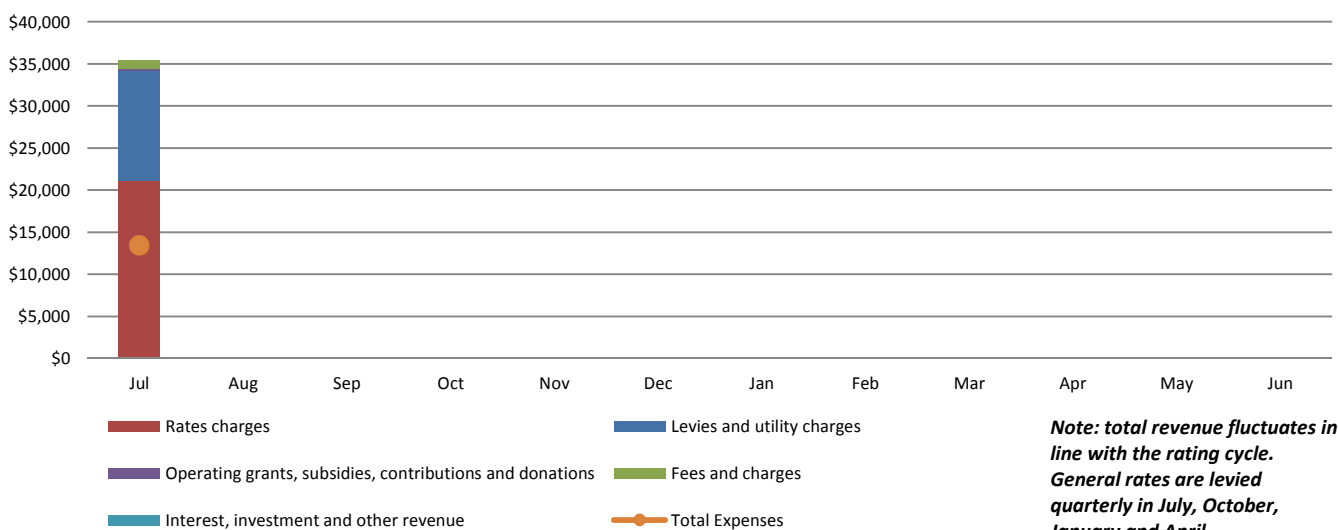
STATEMENT OF COMPREHENSIVE INCOME				
For the period ending 31 July 2017				
	Annual	YTD	YTD	YTD
	Original Budget \$'000	Budget \$'000	Actual \$'000	Variance \$'000
Recurrent revenue				
Rates, levies and charges	227,186	35,399	33,437	(1,962)
Fees and charges	13,048	926	1,012	86
Rental income	839	73	102	29
Interest received	4,361	341	338	(3)
Investment returns	2,200	-	-	-
Sales revenue	3,823	222	236	14
Other income	684	12	16	4
Grants, subsidies and contributions	9,497	577	264	(313)
Total recurrent revenue	261,639	37,550	35,405	(2,145)
Capital revenue				
Grants, subsidies and contributions	33,013	1,603	685	(918)
Non-cash contributions	3,213	261	-	(261)
Total capital revenue	36,226	1,864	685	(1,179)
TOTAL INCOME	297,865	39,414	36,090	(3,324)
Recurrent expenses				
Employee benefits	85,677	7,166	6,449	(717)
Materials and services	125,787	7,158	6,973	(185)
Finance costs	3,112	250	277	27
Depreciation and amortisation	58,200	4,850	4,660	(190)
Total recurrent expenses	272,775	19,424	18,359	(1,065)
Capital expenses				
(Gain) / loss on disposal of non-current assets	289	98	(2)	(100)
Total capital expenses	289	98	(2)	(100)
TOTAL EXPENSES	273,064	19,522	18,357	(1,165)
NET RESULT	24,801	19,892	17,733	(2,159)
Other comprehensive income / (loss)				
Items that will not be reclassified to a net result				
Revaluation of property, plant and equipment	-	-	-	-
TOTAL COMPREHENSIVE INCOME	24,801	19,892	17,733	(2,159)

4. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Revenue				
Rates charges	91,688	22,922	21,083	(1,839)
Levies and utility charges	138,824	13,266	13,104	(162)
<i>Less: Pensioner remissions and rebates</i>	(3,325)	(789)	(750)	39
Fees and charges	13,048	926	1,012	86
Operating grants and subsidies	8,795	557	249	(308)
Operating contributions and donations	702	20	15	(5)
Interest external	4,361	341	338	(3)
Investment returns	2,200	-	-	-
Other revenue	5,347	307	354	47
Total revenue	261,639	37,550	35,405	(2,145)
Expenses				
Employee benefits	85,677	7,166	6,449	(717)
Materials and services	126,040	7,201	6,993	(208)
Finance costs other	303	11	23	12
Other expenditure	489	19	25	6
Net internal costs	(741)	(62)	(45)	17
Total expenses	211,767	14,335	13,445	(890)
Earnings before interest, tax and depreciation (EBITD)	49,872	23,215	21,960	(1,255)
Interest expense	2,809	239	254	15
Depreciation and amortisation	58,200	4,850	4,660	(190)
OPERATING SURPLUS / (DEFICIT)	(11,136)	18,126	17,046	(1,080)

Actuals - Total Revenue and Expenses (\$000)



4. OPERATING STATEMENT - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Levies and utility charges				
Refuse collection rate charge	21,663	2,602	1,791	(811)
Special charges	4,083	621	1,020	399
SES separate charge	339	-	84	84
Environment separate charge	7,568	1,892	1,892	-
Separate charge landfill remediation	2,911	243	242	(1)
Wastewater charges	43,647	3,637	3,594	(43)
Water access charges	18,296	1,525	1,520	(5)
Water consumption charges	40,317	2,746	2,961	215
Total levies and utility charges	138,824	13,266	13,104	(162)

MATERIALS AND SERVICES ANALYSIS

For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services				
Contractors	34,121	1,214	1,099	(115)
Consultants	4,465	224	59	(165)
Other Council outsourcing costs*	17,355	1,182	1,054	(128)
Purchase of materials	44,300	2,869	3,166	297
Office administration costs	7,949	889	530	(359)
Electricity charges	5,751	60	392	332
Plant operations	4,466	255	275	20
Information technology resources	2,811	206	195	(11)
General insurance	1,363	114	143	29
Community assistance**	1,619	123	14	(109)
Other material and service expenses	1,840	65	66	1
Total materials and services	126,040	7,201	6,993	(208)

* Other Council outsourcing costs are various outsourced costs including garbage 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 & awards, donations and sponsorships.

EMPLOYEE BENEFITS AND FTE

For the period ending 31 July 2017

	FTE (Council employees and Councillors)*	Total staff wages and salaries (including Councillors) \$000	Annual leave and long service leave entitlements \$000	Superannuation \$000	Other employee related expenses (including agency costs) \$000	Less: capitalised employee expenses	Total operating employee benefits \$000
Month							
July	900	5,336	626	635	333	481	6,449
Total employee benefits YTD		5,336	626	635	333	481	6,449

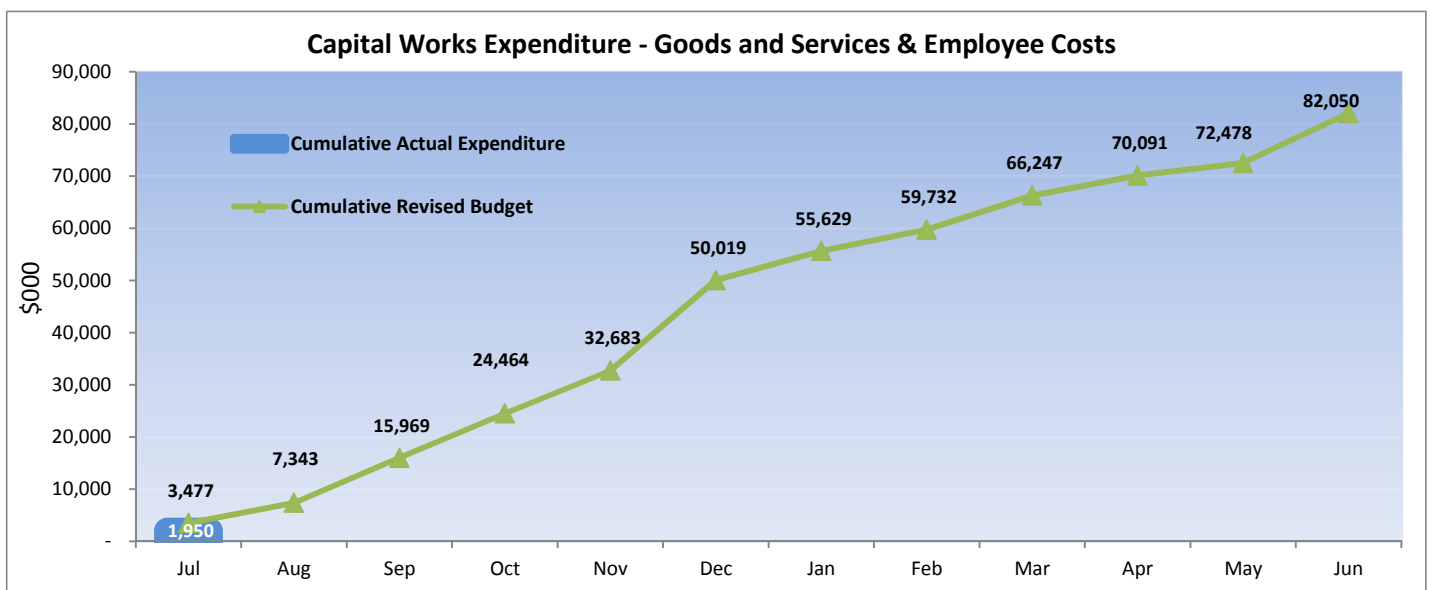
* Refer to page 14 for further information on FTEs and headcount.

5. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Sources of capital funding				
Capital contributions and donations	29,250	1,448	541	(907)
Capital grants and subsidies	3,763	154	144	(10)
Proceeds on disposal of non-current assets	1,180	-	2	2
Capital transfers (to) / from reserves	(14,106)	(6,358)	(508)	5,850
Non-cash contributions	3,213	261	-	(261)
New loans	867	867	-	(867)
Funding from general revenue	66,106	14,946	9,361	(5,585)
Total sources of capital funding	90,272	11,318	9,540	(1,778)
Application of capital funds				
Contributed assets	3,213	261	-	(261)
Capitalised goods and services*	74,965	3,103	1,469	(1,634)
Capitalised employee costs	7,085	374	481	107
Loan redemption	5,010	7,580	7,590	10
Total application of capital funds	90,272	11,318	9,540	(1,778)
Other budgeted items				
Transfers to constrained operating reserves	(13,268)	(1,013)	(3,096)	(2,083)
Transfers from constrained operating reserves	11,565	404	101	(303)
Written down value (WDV) of assets disposed	1,468	98	-	(98)

* Total capital works expenditure depicted in the graph below is the total of capitalised goods and services and capitalised employee costs.

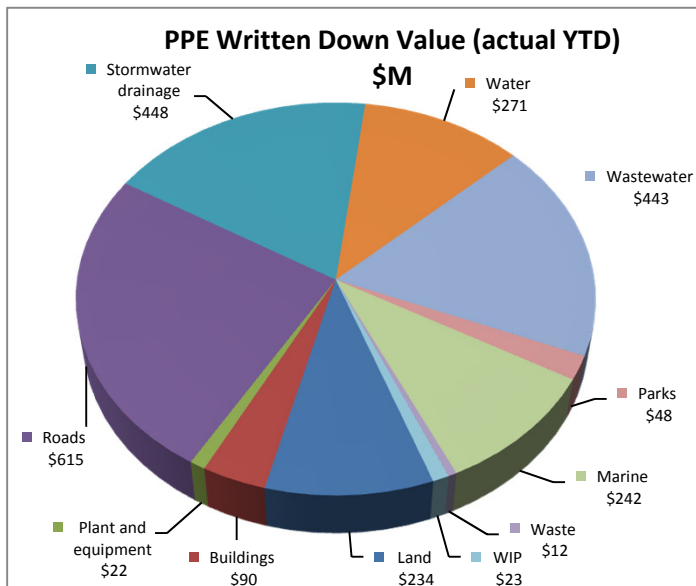
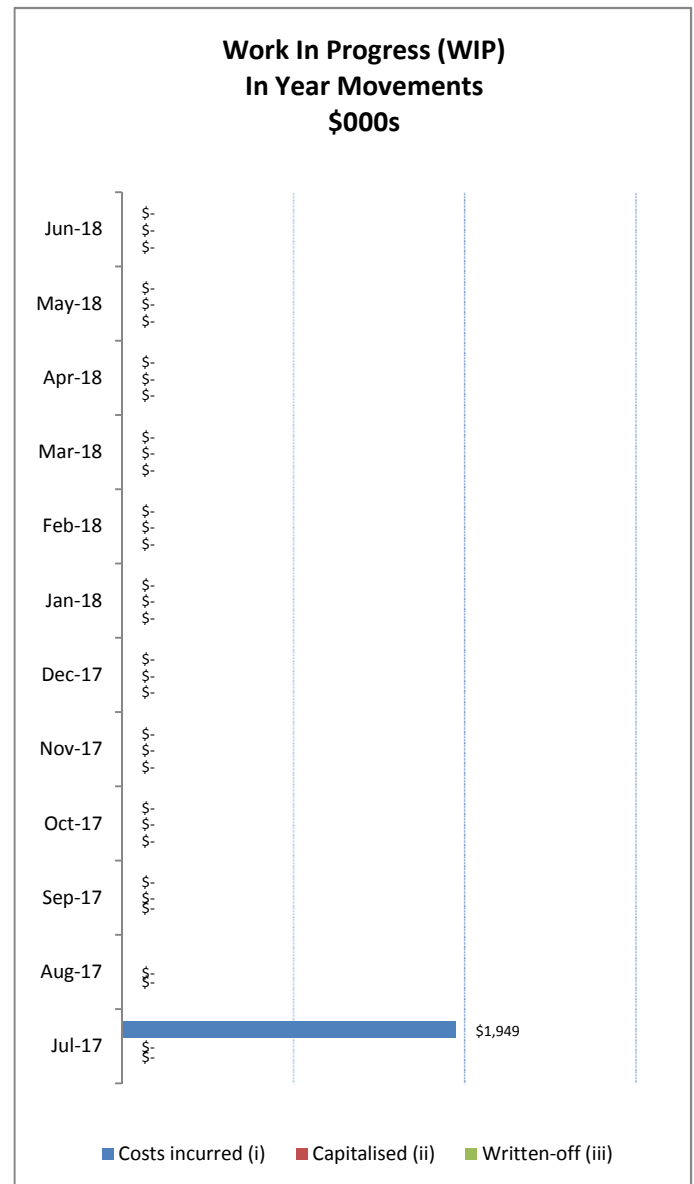
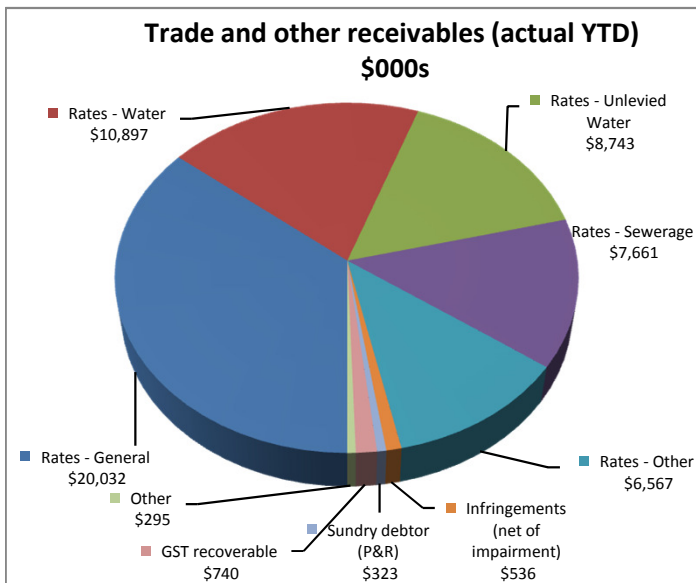


6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 July 2017

	Annual	YTD	YTD
	Original Budget \$'000	Budget \$'000	Actual Balance \$'000
CURRENT ASSETS			
Cash and cash equivalents	133,650	170,765	146,149
Trade and other receivables	25,805	27,408	55,794
Inventories	678	556	546
Non-current assets held for sale	4,278	262	262
Other current assets	2,122	2,044	2,029
Total current assets	166,533	201,035	204,780
NON-CURRENT ASSETS			
Investment property	1,054	1,054	1,054
Property, plant and equipment	2,483,228	2,449,585	2,448,095
Intangible assets	1,215	2,847	2,838
Other financial assets	73	73	73
Investment in other entities	5,961	14,712	14,712
Total non-current assets	2,491,531	2,468,271	2,466,772
TOTAL ASSETS	2,658,064	2,669,306	2,671,552
CURRENT LIABILITIES			
Trade and other payables	21,411	30,876	22,367
Borrowings	7,701	7,713	7,713
Provisions	13,126	12,488	12,150
Other current liabilities	1,755	1,616	15,600
Total current liabilities	43,993	52,693	57,830
NON-CURRENT LIABILITIES			
Borrowings	33,461	30,773	29,896
Provisions	12,356	11,769	11,911
Total non-current liabilities	45,817	42,542	41,807
TOTAL LIABILITIES	89,811	95,235	99,637
NET COMMUNITY ASSETS	2,568,254	2,574,071	2,571,915
COMMUNITY EQUITY			
Asset revaluation surplus	963,349	964,169	964,169
Retained surplus	1,498,727	1,514,541	1,515,849
Constrained cash reserves	106,178	95,361	91,897
TOTAL COMMUNITY EQUITY	2,568,254	2,574,071	2,571,915

6. STATEMENT OF FINANCIAL POSITION - CONTINUED



(i) *Costs incurred:* costs transferred into WIP for the construction or acquisition of fixed assets and at this point are non-depreciating.

(ii) *Capitalised:* costs transferred from WIP to recognise commissioned fixed assets and will be depreciated if applicable.

(iii) *Written-off:* costs transferred from WIP to operational expenditure. These costs are operational in nature and therefore will not be capitalised.

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT For the period ending 31 July 2017

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement			
Opening balance (includes WIP from previous years)	2,456,540	2,450,704	2,450,704
Acquisitions	3,215	261	-
Depreciation in year	(57,061)	(4,756)	(4,558)
Disposals	(1,468)	(98)	-
WIP in year movement	82,002	3,474	1,949
Other adjustments*	-	-	-
Closing balance	2,483,228	2,449,585	2,448,095

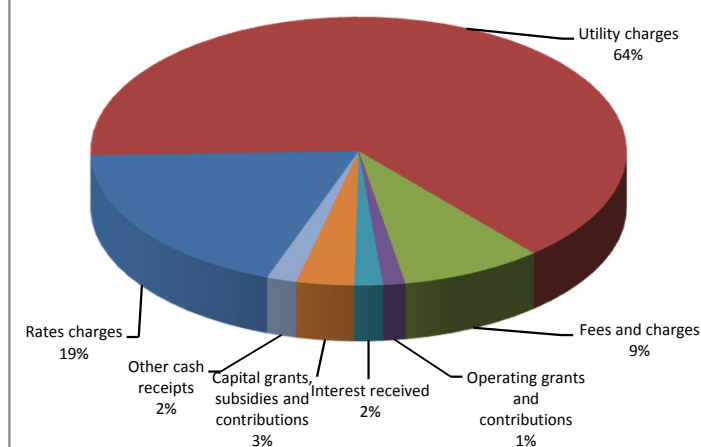
*Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

7. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 July 2017

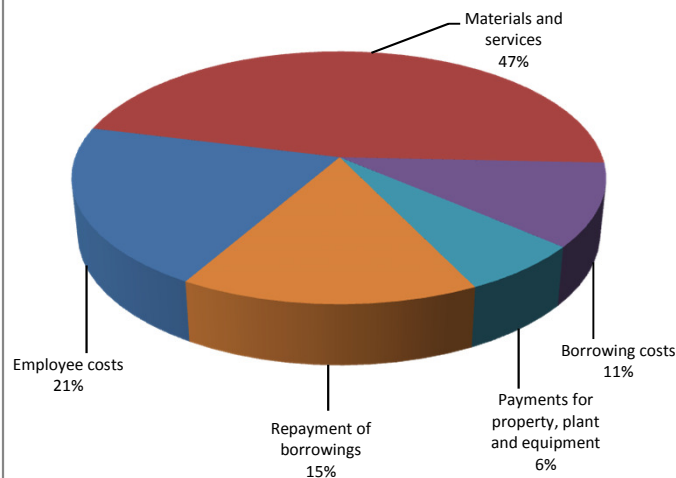
	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	244,741	36,558	18,338
Payments to suppliers and employees	(210,402)	(14,222)	(20,201)
	34,340	22,336	(1,863)
Interest received	4,361	341	338
Rental income	839	73	102
Non-capital grants and contributions	9,547	577	264
Borrowing costs	(3,175)	(3,175)	(3,187)
Net cash inflow / (outflow) from operating activities	45,912	20,152	(4,346)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	(82,005)	(3,474)	(1,950)
Payments for intangible assets	(45)	(4)	-
Proceeds from sale of property, plant and equipment	1,180	-	2
Capital grants, subsidies and contributions	33,013	1,603	685
Other cash flows from investing activities	2,200	(150)	-
Net cash inflow / (outflow) from investing activities	(45,656)	(2,025)	(1,263)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings	867	867	-
Repayment of borrowings	(4,644)	(4,644)	(4,657)
Net cash inflow / (outflow) from financing activities	(3,777)	(3,777)	(4,657)
Net increase / (decrease) in cash held	(3,521)	14,350	(10,266)
Cash and cash equivalents at the beginning of the year	137,171	156,415	156,415
Cash and cash equivalents at the end of the financial year / period	133,650	170,765	146,149

Cash Funding (actual YTD)



Total Cash Funding (Actual YTD)	19,729
Total Cash Funding (Annual Original Budget)	296,748
% of Budget Achieved YTD	7%

Cash Expenditure (actual YTD)

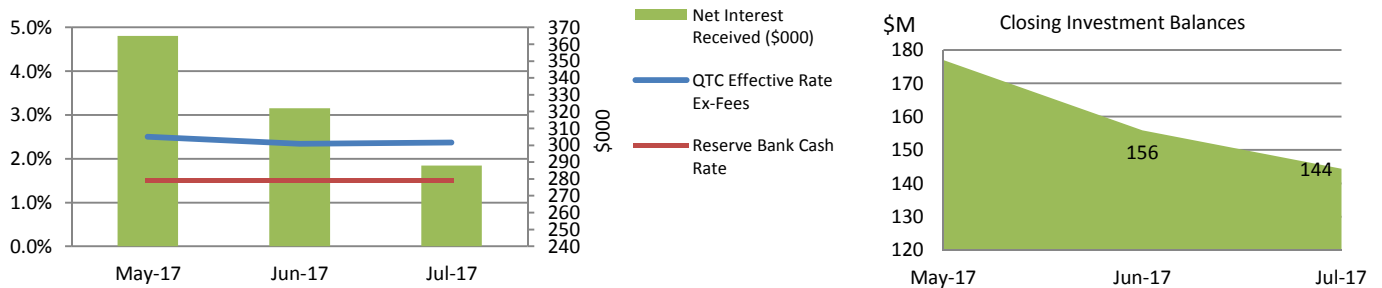


Total Cash Expenditure (Actual YTD)	29,995
Total Cash Expenditure (Annual Original Budget)	300,269
% of Budget Achieved YTD	10%

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 July 2017

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$144.37M

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

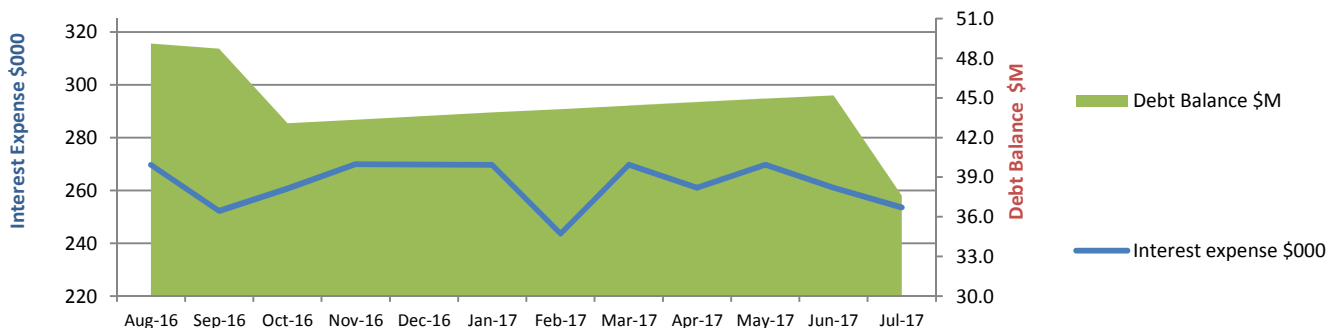
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC of 2.37% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.79% as at the end of July 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 2017 for the 2017/2018 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, the principal debt repayment has been made *annually* in advance for 2017/2018 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment was made during July 2017. Interest will accrue monthly based on the reduced debt balance.

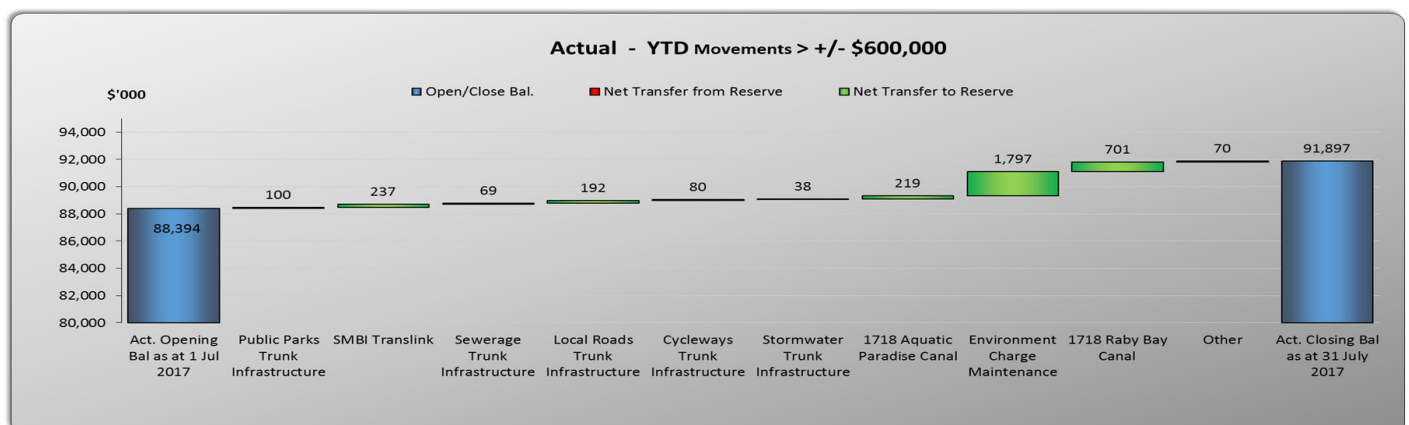
Total Borrowings at End of Month were \$37.61M

General pool allocated to capital works is 98.68% and 1.32% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2017 for the 2017/2018 financial year

9. CONSTRAINED CASH RESERVES

Reserves as at 31 July 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	3,075	2	-	3,077
Red Art Gallery Commissions & Donations Res	4	-	-	4
	3,079	2	-	3,081
Constrained Works Reserve:				
Public Parks Trunk Infrastructure Reserve	8,504	102	(2)	8,604
Land for Community Facilities Trunk Infrastructure Reserve	1,660	16	-	1,676
Water Supply Trunk Infrastructure Reserve	9,492	16	-	9,508
Sewerage Trunk Infrastructure Reserve	6,394	97	(28)	6,463
Constrained Works Res-Cap Grants & Contribs	1,023	-	(3)	1,020
Local Roads Trunk Infrastructure Reserve	30,219	192	-	30,411
Cycleways Trunk Infrastructure Reserve	8,265	80	-	8,345
Stormwater Trunk Infrastructure Reserve	7,482	38	-	7,520
Constrained Works Res-Opr Grants & Contribs	1,452	-	(6)	1,446
Tree Planting Reserve	85	1	-	86
	74,576	542	(39)	75,079
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	1,577	-	-	1,577
Environment Charge Maintenance Reserve	1,389	1,892	(95)	3,186
	2,966	1,892	(95)	4,763
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	5	23	-	28
SMBI Translink Reserve	(6)	237	-	231
	(1)	260	-	259
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	4,778	5	-	4,783
Aquatic Paradise Canal Reserve	2,592	3	-	2,595
Sovereign Waters Lake Reserve	404	-	-	404
1718 Raby Bay Canal Reserve	-	701	-	701
1718 Aquatic Paradise Canal Reserve	-	219	-	219
1718 Sovereign Waters Lake Reserve	-	13	-	13
	7,774	941	-	8,715
TOTALS	88,394	3,637	(134)	91,897
Closing cash and cash equivalents				146,149
Reserves as percentage of cash balance				63%



Total Reserves increased by \$3.50M during the month and the movement relates primarily to various infrastructure reserves, particularly Environment (\$1.89M) and Canal and Lakes (\$0.94). Increase in developer contributions totalled \$0.54M with drawdowns of \$0.03M. Increases are predominantly from developments in Cleveland and Birkdale. The existing reserves for special charges levied on canal and lake-front homeowners remain temporarily frozen, the only increases will now be interest payments. New 17/18 reserves will reflect the current year program for revenue and expenditure.

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	105,147	8,031	8,211	180
Total expenses	59,688	3,162	3,917	755
Earnings before interest, tax and depreciation (EBITD)	45,459	4,869	4,294	(575)
Interest expense	18,265	1,522	1,522	-
Depreciation	18,457	1,538	1,501	(37)
Operating surplus / (deficit)	8,737	1,809	1,271	(538)

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	6,631	530	114	(416)
Net transfer (to) / from constrained capital reserves	(3,120)	(457)	(86)	371
Non-cash contributions	3,131	261	-	(261)
Funding from utility revenue	4,675	513	596	83
Total sources of capital funding	11,316	847	624	(223)
Contributed assets	3,131	261	-	(261)
Capitalised expenditure	8,185	586	624	38
Total application of capital funds	11,316	847	624	(223)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	24,532	2,841	2,073	(768)
Total expenses	17,480	1,488	1,419	(69)
Earnings before interest, tax and depreciation (EBITD)	7,052	1,353	654	(699)
Interest expense	33	3	3	-
Depreciation	307	26	14	(12)
Operating surplus / (deficit)	6,712	1,324	637	(687)

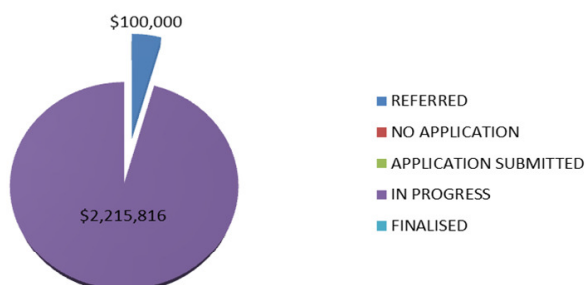
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 July 2017

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Funding from utility revenue	317	166	12	(154)
Total sources of capital funding	317	166	12	(154)
Capitalised expenditure	240	89	12	(77)
Loan redemption	77	77	-	(77)
Total application of capital funds	317	166	12	(154)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

External Funding Summary

External Grants YTD Total \$ Value by Status

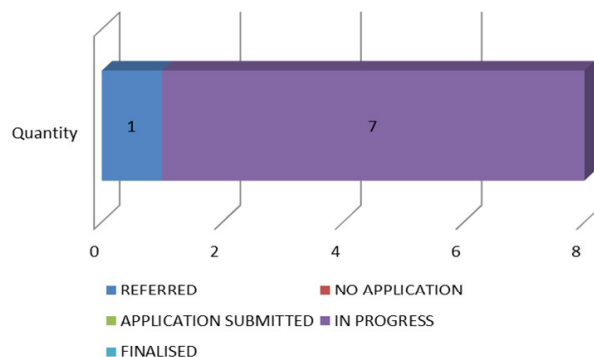


July 2017 Progress

REFERRED

- 20 Million Trees, potential value between \$20,000 and \$100,000

External Grants YTD Total by Status



Successful Funding Submissions YTD 2017/2018

Transport Infrastructure Development Scheme:

- \$875,000 for two Road Alliance projects to be completed in 2017/2018

Public Transport Accessible Infrastructure Program:

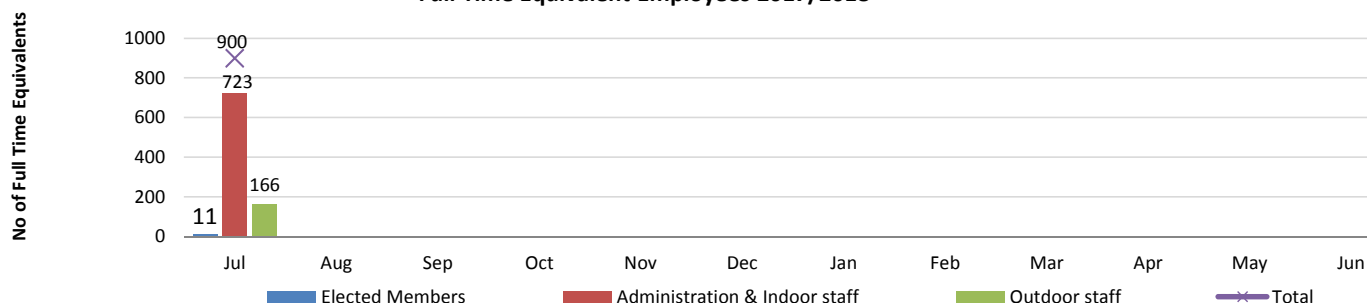
- \$406,000 for city wide bus shelter renewals

Tourism Demand Driver Infrastructure:

- \$300,000 for Snapper Street Link North Stradbroke Island

Workforce Reporting

Full Time Equivalent Employees 2017/2018



Workforce reporting - July 2017: Headcount		Employee Type					
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total by Department
Office of CEO	13	4	89	14	15	2	137
Organisational Services	4	6	100	8	9	5	132
Community and Customer Service	33	5	244	58	31	10	381
Infrastructure and Operations	18	5	304	8	9	3	347
Total	68	20	737	88	64	20	997

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.

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 include 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 Redland City 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 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.