



**Redland**  
CITY COUNCIL



# Monthly Financial Report

## February 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 28 February 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)	5,918	10,144	4,226	71%	✓
Recurrent Revenue	253,697	175,324	174,947	(377)	0%	🔔
Recurrent Expenditure	261,094	169,406	164,803	(4,603)	-3%	✓
Capital Works Expenditure	90,469	41,852	36,194	(5,658)	-14%	✓
Closing Cash & Cash Equivalents	124,990	157,432	169,526	12,094	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.*

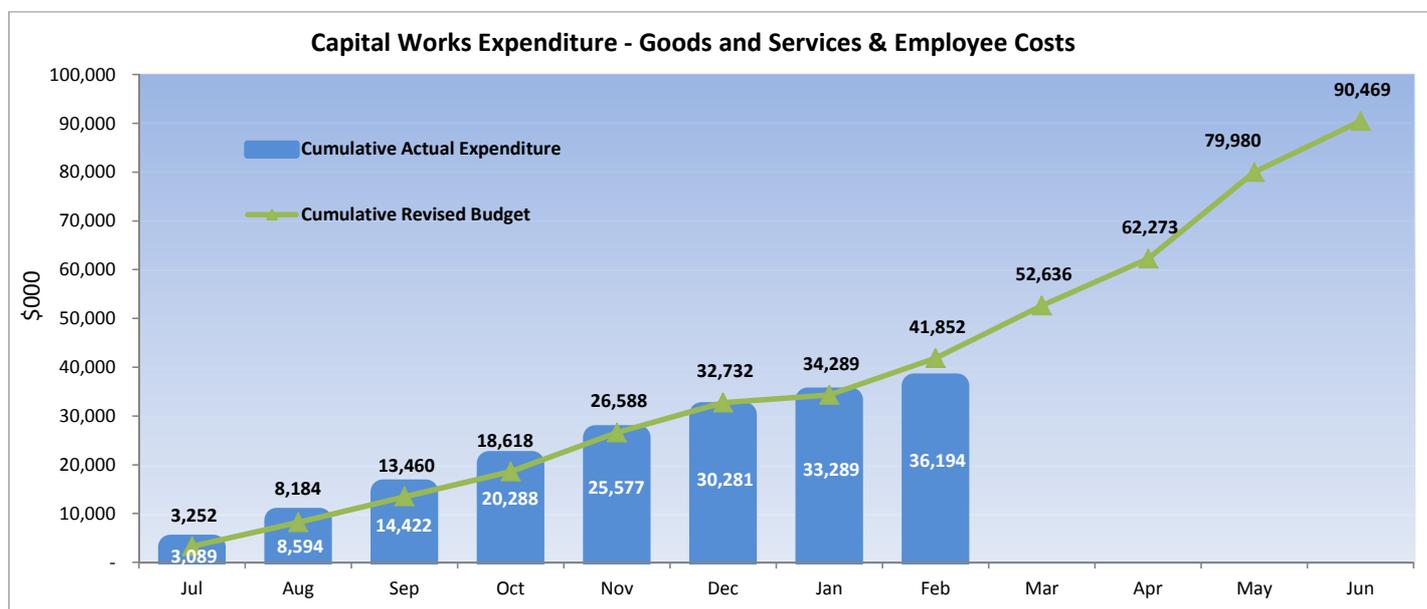
The year to date operating surplus of \$10.14M exceeded the year to date revised budget by \$4.23M. The favourable variance is primarily due to the underspends in contractor, consultant, bulk water purchase costs, as well as vacancies across the organisation.

Higher than expected water consumption has contributed to higher than expected levies and utility charges revenue, especially bulk water charges revenue with a \$1.26M favourable variance to the budget. This is offset by operating grants and subsidies income behind budget.

The favourable variance in depreciation expense is mainly due to timing of works for a number of projects in progress and awaiting capitalisation. 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 capital works expenditure is below budget by \$5.66M. 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.

General rates for the third quarter due for payment this month boosts Council's cash balance. Constrained cash reserves represent 62% of the cash balance.



## 2. KEY PERFORMANCE INDICATORS

### Key Performance Indicators

Financial Stability Ratios and Measures of Sustainability	Target	Annual Revised Budget	YTD February 2017	Status
<b>Operating Surplus Ratio (%)</b>	Target between 0% and 10% (on average over the long-term)	-2.92%	5.80%	✓
<b>Asset Sustainability Ratio (%)</b>	Target greater than 90% (on average over the long-term)	65.68%	56.07%	✗
<b>Net Financial Liabilities (%)*</b>	Target less than 60% (on average over the long-term)	-25.75%	-57.03%	✓
<b>Level of Dependence on General Rate Revenue (%)</b>	Target less than 37.5%	32.69%	35.39%	✓
<b>Ability to Pay Our Bills - Current Ratio</b>	Target between 1.1 & 4.1	3.71	3.95	✓
<b>Ability to Repay Our Debt - Debt Servicing Ratio (%)</b>	Target less than or equal to 10%	3.05%	4.48%	✓
<b>Cash Balance \$M</b>	Target greater than or equal to \$40M	\$124.990M	\$169.526M	✓
<b>Cash Balances - Cash Capacity in Months</b>	Target 3 to 4 months	7.28	10.52	✓
<b>Longer Term Financial Stability - Debt to Asset Ratio (%)</b>	Target less than or equal to 10%	1.72%	1.67%	✓
<b>Operating Performance (%)</b>	Target greater than or equal to 20%	17.62%	28.28%	✓
<b>Interest Coverage Ratio (%)**</b>	Target between 0% and 5%	-0.51%	-0.45%	✓

#### 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 28 February 2017

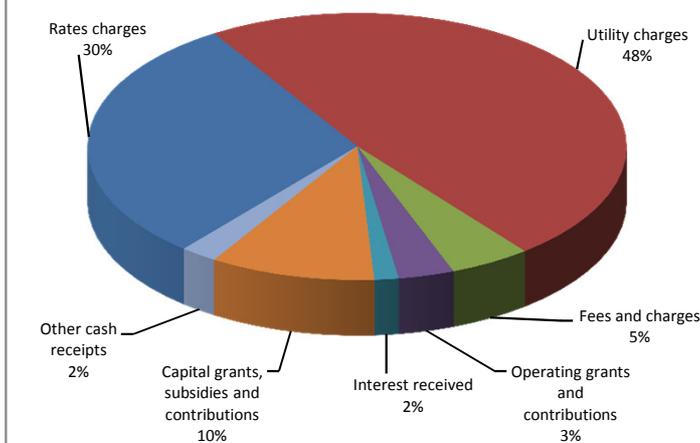
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
<b>Recurrent revenue</b>					
Rates, levies and charges	214,758	214,908	150,996	152,578	1,582
Fees and charges	13,291	13,391	9,284	8,706	(578)
Rental income	811	811	542	450	(92)
Interest received	4,271	4,481	3,040	2,912	(128)
Investment returns	4,685	1,800	-	-	-
Sales revenue	4,030	4,070	2,747	2,498	(249)
Other income	763	1,096	770	846	76
Grants, subsidies and contributions	11,959	13,140	7,945	6,957	(988)
<b>Total recurrent revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>175,324</b>	<b>174,947</b>	<b>(377)</b>
<b>Capital revenue</b>					
Grants, subsidies and contributions	32,248	33,955	19,353	19,800	447
Non-cash contributions	3,144	3,144	53	601	548
<b>Total capital revenue</b>	<b>35,393</b>	<b>37,100</b>	<b>19,406</b>	<b>20,401</b>	<b>995</b>
<b>TOTAL INCOME</b>	<b>289,962</b>	<b>290,797</b>	<b>194,730</b>	<b>195,348</b>	<b>618</b>
<b>Recurrent expenses</b>					
Employee benefits	80,389	81,514	55,612	54,631	(981)
Materials and services	119,315	120,431	74,462	71,467	(2,995)
Finance costs	3,758	3,763	2,344	2,361	17
Depreciation and amortisation	50,628	55,386	36,988	36,344	(644)
<b>Total recurrent expenses</b>	<b>254,090</b>	<b>261,094</b>	<b>169,406</b>	<b>164,803</b>	<b>(4,603)</b>
<b>Capital expenses</b>					
(Gain)/loss on disposal of non-current assets	289	(172)	(52)	1,202	1,254
<b>Total capital expenses</b>	<b>289</b>	<b>(172)</b>	<b>(52)</b>	<b>1,202</b>	<b>1,254</b>
<b>TOTAL EXPENSES</b>	<b>254,379</b>	<b>260,922</b>	<b>169,354</b>	<b>166,005</b>	<b>(3,349)</b>
<b>NET RESULT</b>	<b>35,583</b>	<b>29,876</b>	<b>25,376</b>	<b>29,343</b>	<b>3,967</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>25,376</b>	<b>28,547</b>	<b>3,171</b>

## 4. STATEMENT OF CASH FLOWS

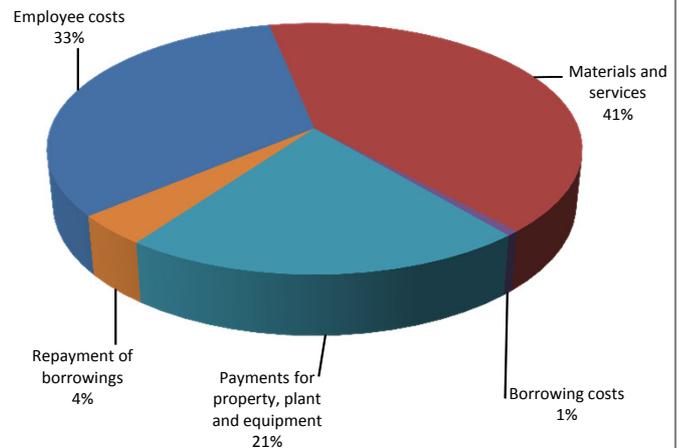
### STATEMENT OF CASH FLOWS For the period ending 28 February 2017

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	232,889	233,512	167,958	169,654
Payments to suppliers and employees	(202,780)	(205,026)	(131,915)	(127,824)
	<b>30,110</b>	<b>28,486</b>	<b>36,043</b>	<b>41,830</b>
Interest received	4,271	4,481	3,040	2,912
Rental income	811	811	542	450
Non-capital grants and contributions	11,056	11,367	6,175	6,701
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>44,734</b>	<b>50,827</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for property, plant and equipment	(76,938)	(90,469)	(41,852)	(36,068)
Payments for intangible assets	(100)	-	-	(126)
Proceeds from sale of property, plant and equipment	630	1,091	665	658
Capital grants, subsidies and contributions	32,248	33,955	19,353	19,800
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>(21,834)</b>	<b>(15,736)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	(4,551)	(6,680)	(6,680)	(6,777)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(4,551)</b>	<b>(6,680)</b>	<b>(6,680)</b>	<b>(6,777)</b>
<b>Net increase / (decrease) in cash held</b>	<b>(972)</b>	<b>(16,222)</b>	<b>16,220</b>	<b>28,314</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>157,432</b>	<b>169,526</b>

### Cash Funding (YTD)



### Cash Expenditure (YTD)



Total Cash Funding (Actual YTD)	200,175
Total Cash Funding (Annual Revised Budget)	287,019
% of Budget Achieved YTD	70%

Total Cash Expenditure (Actual YTD)	171,861
Total Cash Expenditure (Annual Revised Budget)	303,241
% of Budget Achieved YTD	57%

## 5. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 28 February 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	157,432	169,526
Trade and other receivables	25,017	25,805	23,170	27,048
Inventories	779	678	678	720
Non-current assets held for sale	1,309	4,278	4,278	1,029
Other current assets	1,104	2,122	2,123	2,329
<b>Total current assets</b>	<b>146,686</b>	<b>157,873</b>	<b>187,681</b>	<b>200,652</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	2,429,884	2,423,993
Intangible assets	2,000	2,284	2,615	2,697
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>2,439,587</b>	<b>2,436,821</b>
<b>TOTAL ASSETS</b>	<b>2,453,685</b>	<b>2,630,464</b>	<b>2,627,268</b>	<b>2,637,473</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18,454	20,763	21,293	22,003
Borrowings	4,482	7,701	7,701	7,701
Provisions	7,571	12,465	12,762	11,227
Other current liabilities	2,673	1,665	3,147	9,924
<b>Total current liabilities</b>	<b>33,179</b>	<b>42,595</b>	<b>44,903</b>	<b>50,855</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	40,727	37,604	36,536	36,437
Provisions	12,143	12,350	12,413	13,596
<b>Total non-current liabilities</b>	<b>52,869</b>	<b>49,954</b>	<b>48,949</b>	<b>50,033</b>
<b>TOTAL LIABILITIES</b>	<b>86,048</b>	<b>92,549</b>	<b>93,852</b>	<b>100,888</b>
<b>NET COMMUNITY ASSETS</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,533,416</b>	<b>2,536,585</b>
<b>COMMUNITY EQUITY</b>				
Asset revaluation surplus	827,411	963,349	963,349	962,553
Retained surplus	1,443,724	1,471,259	1,469,789	1,468,153
Constrained cash reserves	96,502	103,307	100,278	105,879
<b>TOTAL COMMUNITY EQUITY</b>	<b>2,367,637</b>	<b>2,537,915</b>	<b>2,533,416</b>	<b>2,536,585</b>

## 6. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 28 February 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	64,062	(281)
Levies and utility charges	132,436	132,436	89,157	90,952	1,795
<i>Less: Pensioner remissions and rebates</i>	(3,370)	(3,370)	(2,504)	(2,436)	68
Fees and charges	13,291	13,391	9,284	8,706	(578)
Operating grants and subsidies	11,370	12,339	7,330	6,408	(922)
Operating contributions and donations	589	801	615	549	(66)
Interest external	4,271	4,481	3,040	2,912	(128)
Investment returns	4,685	1,800	-	-	-
Other revenue	5,604	5,977	4,059	3,794	(265)
<b>Total revenue</b>	<b>254,569</b>	<b>253,697</b>	<b>175,324</b>	<b>174,947</b>	<b>(377)</b>
<b>Expenses</b>					
Employee benefits	80,389	81,514	55,612	54,631	(981)
Materials and services	119,731	121,237	75,192	72,408	(2,784)
Finance costs other	562	567	217	236	19
Other expenditure	398	73	(142)	(136)	6
Net internal costs	(814)	(878)	(588)	(805)	(217)
<b>Total expenses</b>	<b>200,266</b>	<b>202,512</b>	<b>130,291</b>	<b>126,334</b>	<b>(3,957)</b>
<b>Earnings before interest, tax and depreciation (EBITD)</b>	<b>54,303</b>	<b>51,185</b>	<b>45,033</b>	<b>48,613</b>	<b>3,580</b>
Interest expense	3,195	3,195	2,127	2,125	(2)
Depreciation and amortisation	50,628	55,386	36,988	36,344	(644)
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>479</b>	<b>(7,396)</b>	<b>5,918</b>	<b>10,144</b>	<b>4,226</b>

### Levies and utility charges breakup For the period ending 28 February 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	13,935	13,803	(132)
Special charges	3,974	3,974	2,981	2,986	5
SES Separate charge	331	331	248	252	4
Environment levy	6,093	6,093	4,570	4,608	38
Landfill remediation charge	2,795	2,795	1,863	1,878	15
Wastewater charges	42,254	42,254	28,169	28,659	490
Water access charges	17,989	17,989	11,992	12,104	112
Water consumption charges	38,098	38,098	25,399	26,662	1,263
<b>Total Levies and utility charges</b>	<b>132,436</b>	<b>132,436</b>	<b>89,157</b>	<b>90,952</b>	<b>1,795</b>

## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 28 February 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	15,882	16,222	340
Capital grants and subsidies	2,824	4,531	3,471	3,578	107
Proceeds on disposal of non-current assets	630	1,091	665	658	(7)
Capital transfers (to)/ from reserves	(15,839)	(10,179)	(5,387)	(9,964)	(4,577)
Non-cash contributions	3,144	3,144	53	601	548
Funding from general revenue	64,549	70,153	32,840	31,418	(1,422)
<b>Total sources of capital funding</b>	<b>84,733</b>	<b>98,164</b>	<b>47,524</b>	<b>42,513</b>	<b>(5,011)</b>
<b>Application of capital funds</b>					
Contributed assets	3,144	3,144	53	601	548
Capitalised goods and services	71,905	85,854	39,036	32,592	(6,444)
Capitalised employee costs	5,133	4,615	2,816	3,602	786
Loan redemption	4,551	4,551	5,619	5,718	99
<b>Total application of capital funds</b>	<b>84,733</b>	<b>98,164</b>	<b>47,524</b>	<b>42,513</b>	<b>(5,011)</b>
<b>Other budgeted items</b>					
Transfers to constrained operating reserves	(11,683)	(11,683)	(8,504)	(8,887)	(383)
Transfers from constrained operating reserves	10,321	10,730	5,787	5,146	(641)
WDV of assets disposed	919	919	613	1,860	1,247

## 8. REDLAND WATER & REDWASTE STATEMENTS

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 28 February 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	68,051	69,479	1,428
Total expenses	57,907	57,703	38,170	36,246	(1,924)
Earnings before interest, tax and depreciation (EBITD)	44,189	44,392	29,881	33,233	3,352
Depreciation	16,505	18,062	12,029	11,995	(34)
<b>Operating surplus/(deficit)</b>	<b>27,684</b>	<b>26,330</b>	<b>17,852</b>	<b>21,238</b>	<b>3,386</b>

### REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 28 February 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	4,472	5,935	1,463
Net transfer (to)/from constrained capital reserves	(713)	1,615	888	151	(737)
Other	3,065	3,065	-	-	-
Funding from utility revenue	7,993	8,790	3,541	2,122	(1,419)
<b>Total sources of capital funding</b>	<b>16,883</b>	<b>20,008</b>	<b>8,901</b>	<b>8,208</b>	<b>(693)</b>
Contributed assets	3,065	3,065	-	-	-
Capitalised expenditure	13,818	16,943	8,901	8,208	(693)
<b>Total applications of capital funds</b>	<b>16,883</b>	<b>20,008</b>	<b>8,901</b>	<b>8,208</b>	<b>(693)</b>

### REDWASTE OPERATING STATEMENT For the period ending 28 February 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	15,936	15,718	(218)
Total expenses	18,155	17,958	11,775	11,569	(206)
Earnings before interest, tax and depreciation (EBITD)	5,982	6,179	4,161	4,149	(12)
Interest expense	40	40	27	27	-
Depreciation	572	225	149	103	(46)
<b>Operating surplus/(deficit)</b>	<b>5,371</b>	<b>5,915</b>	<b>3,985</b>	<b>4,019</b>	<b>34</b>

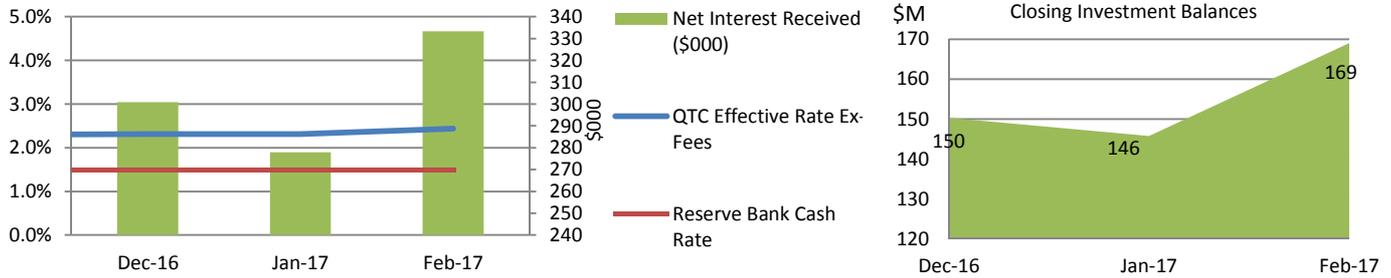
### REDWASTE CAPITAL FUNDING STATEMENT For the period ending 28 February 2017

	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	1,277	1,105	(172)
<b>Total sources of capital funding</b>	<b>307</b>	<b>1,737</b>	<b>1,277</b>	<b>1,105</b>	<b>(172)</b>
Capitalised expenditure	233	1,662	1,202	989	(213)
Loan redemption	75	75	75	116	41
<b>Total applications of capital funds</b>	<b>307</b>	<b>1,737</b>	<b>1,277</b>	<b>1,105</b>	<b>(172)</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the period ending 28 February 2017

### INVESTMENT RETURNS



**Total Investment at End of Month was \$169.07M**

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

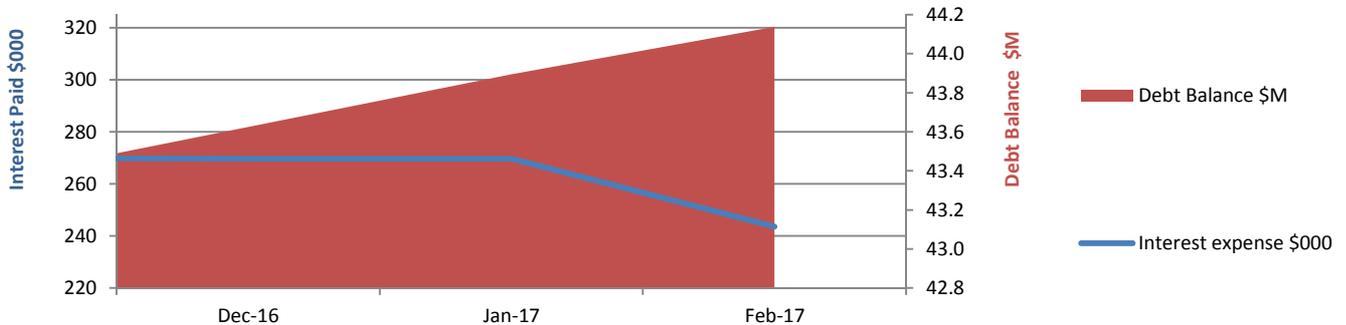
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 2.44% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.67% as at the end of February 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 \$44.14M**



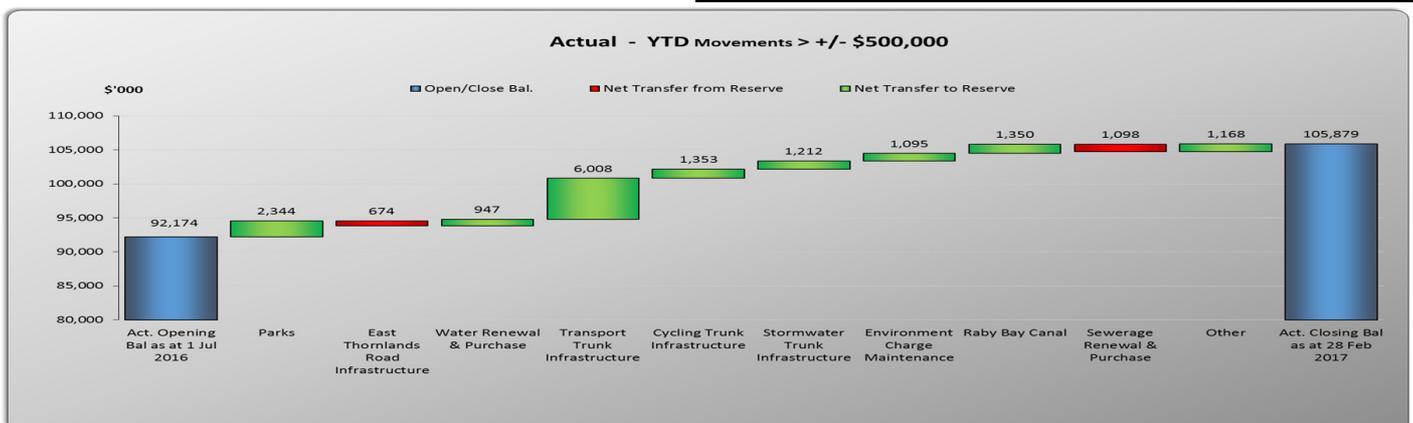
The existing loan accounts were converted to fixed rate loans on 1 April 2016 in line with QTC policies. In line with Council's debt policy, debt repayment has been made *annually* in advance for 2016/2017.

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 28 February 2017	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,406	561	(15)	2,952
Red Art Gallery Commissions & Donations Reserve	2	-	-	2
	<b>2,408</b>	<b>561</b>	<b>(15)</b>	<b>2,954</b>
<b>Utilities Reserve:</b>				
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>9,900</b>	-	-	<b>9,900</b>
<b>Constrained Works Reserve:</b>				
Parks Reserve	9,150	2,808	(464)	11,494
East Thornlands Road Infrastructure Reserve	674	-	(674)	-
Community Facility Infrastructure Reserve	1,696	487	-	2,183
Retail Water Renewal & Purchase Reserve	8,911	948	(1)	9,858
Sewerage Renewal & Purchase Reserve	6,516	3,559	(4,657)	5,418
Constrained Works Reserve-Capital Grants & Contributions	1,549	-	(9)	1,540
Transport Trunk Infrastructure Reserve	21,897	6,041	(33)	27,905
Cycling Trunk Infrastructure Reserve	5,844	1,841	(488)	7,197
Stormwater Infrastructure Reserve	5,613	1,212	-	6,825
Constrained Works Reserve-Operational Grants & Contributions	1,666	-	(186)	1,480
Tree Planting Reserve	64	35	(15)	84
	<b>63,580</b>	<b>16,931</b>	<b>(6,527)</b>	<b>73,984</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,794	-	(43)	6,751
Environment Charge Maintenance Reserve	1,243	4,609	(3,514)	2,338
	<b>8,037</b>	<b>4,609</b>	<b>(3,557)</b>	<b>9,089</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	172	(120)	52
SMBI Translink Reserve	13	698	(475)	236
	<b>13</b>	<b>870</b>	<b>(595)</b>	<b>288</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	4,113	2,094	(744)	5,463
Aquatic Paradise Canal Reserve	3,685	676	(565)	3,796
Sovereign Waters Lake Reserve	438	42	(75)	405
	<b>8,236</b>	<b>2,812</b>	<b>(1,384)</b>	<b>9,664</b>
<b>TOTALS</b>	<b>92,174</b>	<b>25,783</b>	<b>(12,078)</b>	<b>105,879</b>
				Closing cash and cash equivalents
				<b>169,526</b>
				Reserves as percentage of cash balance
				<b>62%</b>



Significant developer contributions of \$1M were received during the month relating 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 Renewal & Purchase Reserve is mainly due to \$3.39M spend at the Pt Lookout waste water treatment plant. Significant reserve drawdowns were made from the Environmental Charge Maintenance Reserve during the month to undertake various maintenance works.

## 11. GLOSSARY

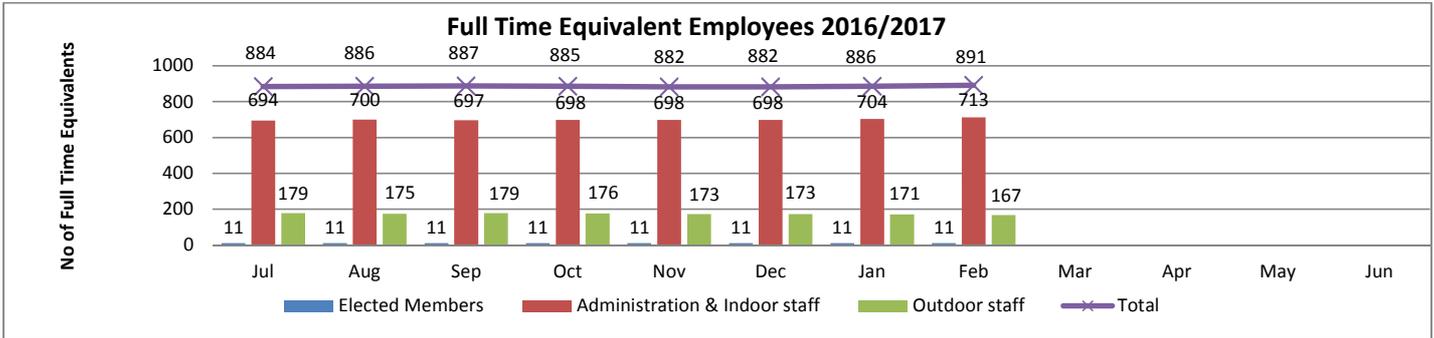
### Definition of Ratios

<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>	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
<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>	$\frac{\text{Current and Non-current loans}}{\text{Total Assets}}$
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
<b>Interest Coverage Ratio:</b> <i>This ratio demonstrates the extent which operating revenues are being used to meet the financing charges</i>	$\frac{\text{Net Interest Expense on Debt Service}}{\text{Total Operating Revenue}}$

\* 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



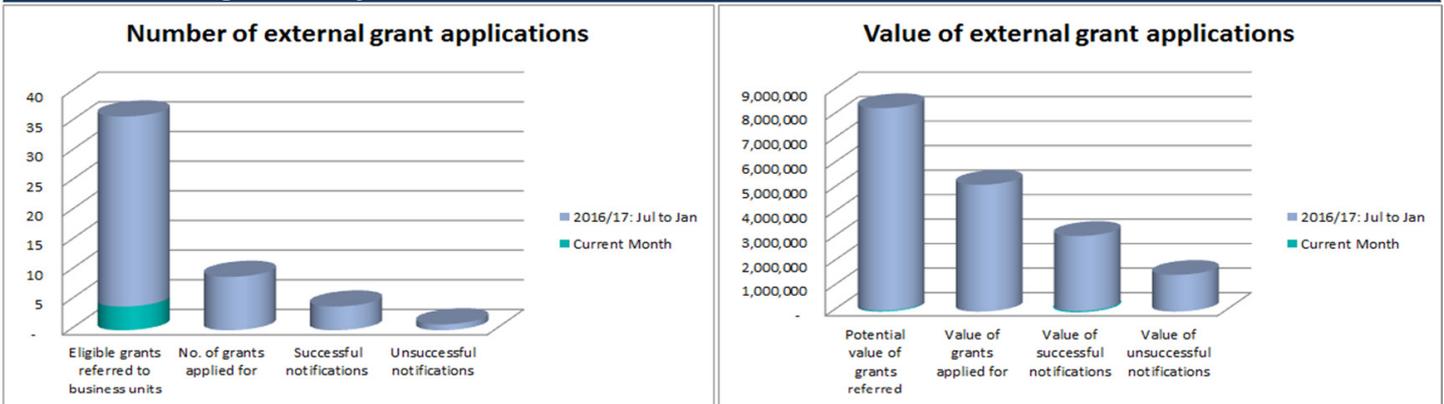
Department Level	Employee Type						Grand Total
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	
Office of CEO	11	4	93	13	12	0	133
Organisational Services	2	6	100	9	10	2	129
Community and Customer Service	34	4	248	58	21	8	373
Infrastructure and Operations	17	6	303	8	7	3	344
<b>Total</b>	<b>64</b>	<b>20</b>	<b>744</b>	<b>88</b>	<b>50</b>	<b>13</b>	<b>979</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	Feb-16	% Overdue	Feb-17	% Overdue	\$ Variance	% Variance
0 - 30	\$5,787,557	3.30%	\$5,781,498	3.17%	-\$6,059	-0.13%
31 - 60	\$82	0.00%	\$1,040	0.00%	\$958	0.00%
61 - 90	\$73	0.00%	\$1,113	0.00%	\$1,039	0.00%
>90	\$4,500,482	2.57%	\$4,516,030	2.48%	\$15,548	-0.09%
<b>Total</b>	<b>\$10,288,194</b>	<b>5.87%</b>	<b>\$10,299,681</b>	<b>5.65%</b>	<b>\$11,486</b>	<b>-0.22%</b>

### External Funding Summary



#### Month of February 2017

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

Several applications and EOI are now being prepared and have been referred to business units, however no applications were made this month.

**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:

- Remember 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 - \$0.20M

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

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