



Monthly Financial Report

January 2015

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1. INTRODUCTION AND OVERVIEW

This monthly report is designed to illustrate the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 January 2015. The year to date and annual budget referred to in this report reflects the Revised Budget as adopted by Council on 10 December 2014. Note: all amounts are rounded to the nearest thousand dollars.

Key financial highlights and overview

Key Financial Results	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Variance %	Status
Operating Surplus/(Deficit)	(4,718)	16,428	19,137	2,709	16%	✓
Recurrent Revenue	234,786	152,811	152,246	(565)	0%	🔔
Recurrent Expenditure	239,504	136,383	133,109	(3,274)	-2%	✓
Capital Works Expenditure	69,892	27,817	24,944	(2,873)	-10%	✓
Closing Cash & Investments	59,298	103,410	102,327	(1,083)	-1%	🔔

Status Legend:

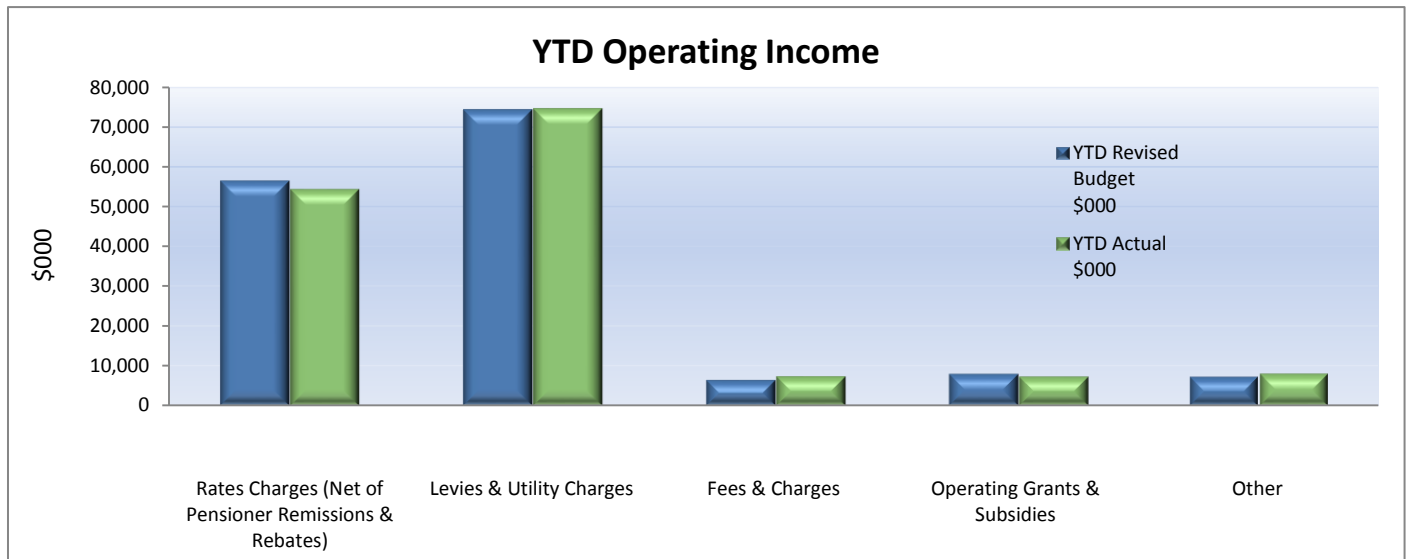
Above budgeted revenue or under budgeted expenditure	✓
Below budgeted revenue or over budgeted expenditure <10%	🔔
Below budgeted revenue or over budgeted expenditure >10%	✘

Operating results (p.7)

The year to date operating surplus of \$19.14M is \$2.71M above the year to date revised budget. The year to date favourable variance is primarily due to operating expenses being lower than budget by \$3.65M (before interest and depreciation), and operating revenue lower than budget by \$565K.

The favourable variance in expenses is mainly attributable to employee costs and goods & services which are under budget by \$1.80M and \$1.93M respectively.

The graph below depicts the actual results compared to the revised budget for each of the five main income categories. Council monitors its reliance on general rates revenue through a key performance indicator to gauge the need to generate income from other sources. Refer to Key Performance Indicators (p.5).

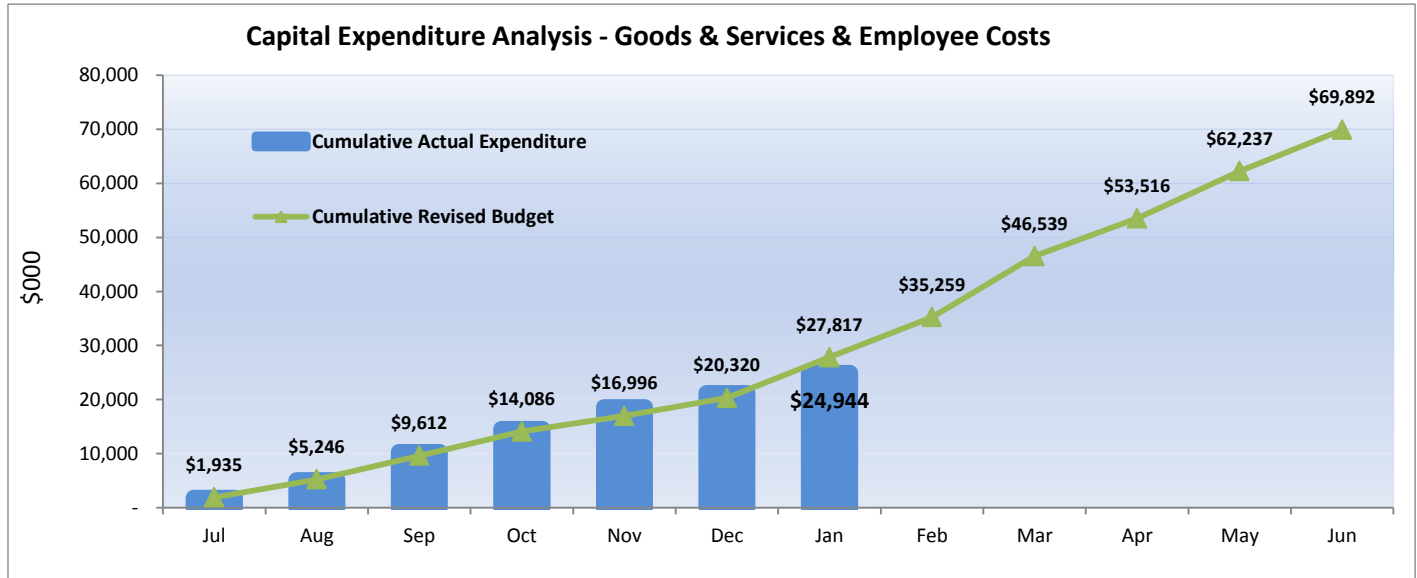


1. INTRODUCTION AND OVERVIEW (cont.)

Capital works

Council's capital works expenditure is underspent by \$2.88M with year to date actual expenditure of \$24.94M which is below year to date budget of \$27.82M.

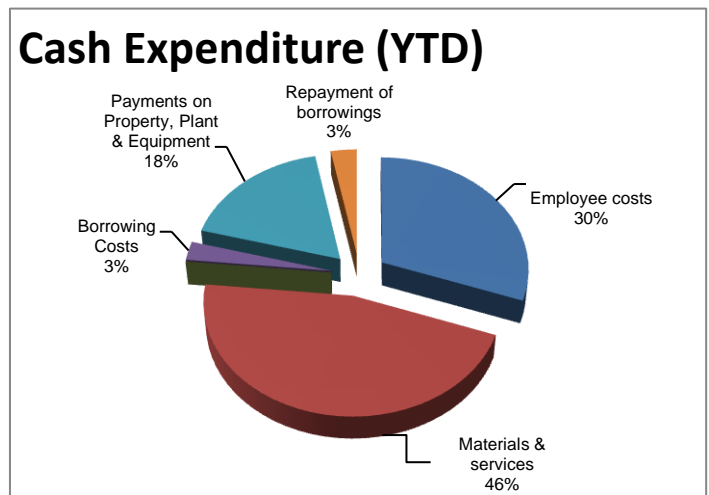
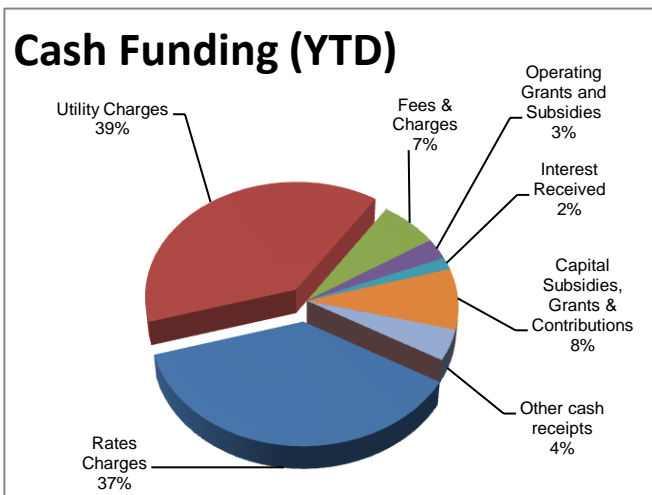
Total capital commitments at the end of January 2015 (where budget is approved) was \$3.93M.



Financial position and cash flow results

Council's Balance Sheet depicts a sustainable result with total current assets of \$165.85M and total current liabilities of \$52.42M (current ratio of 3.16).

Council's cash balance at the end of January 2015 was only 1% lower than the year to date budgeted cash balance (refer p.3). Of the \$102.33M cash balance at the end of the period, \$84.15M is held as constrained cash reserves. On 10 December 2014 Council resolved to close four reserves and utilise a further three reserves on or before 30 June 2015 (refer p.13). \$101.47M of the total cash balance was invested with Queensland Treasury Corporation (QTC) at the end of the period. The two graphs below depict the various range of sources of Council's cash funding, as well as the allocation of funding to services and activities needed to support the Redlands community, capital programs and other activities at Council.



Total Cash Funding (Actual YTD)	146,580
Total Cash Funding (Annual Revised Budget)	235,703
% of Budget Achieved YTD	62%

Total Cash Expenditure (Actual YTD)	140,489
Total Cash Expenditure (Annual Revised Budget)	272,640
% of Budget Achieved YTD	52%

2. KEY PERFORMANCE INDICATORS

Financial Stability Ratios	Target	Annual Revised Budget 2014/2015	January 2015	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	32.44%	35.80%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	2.88	3.16	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.39%	2.92%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$59.298M	\$102.327M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	3.59	6.44	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.46%	2.52%	✓
Operating Performance (%)	Target greater than or equal to 20%	8.65%	16.51%	✗

Financial Sustainability Ratios	Target	Annual Revised Budget 2014/2015	January 2015	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-2.01%	12.57%	✓
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	1.27%	-26.54%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.21%	-0.34%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	49.82%	25.07%	✗
Asset Consumption Ratio (%)	Target between 40% and 80%	66.87%	67.64%	✓

Status Legend

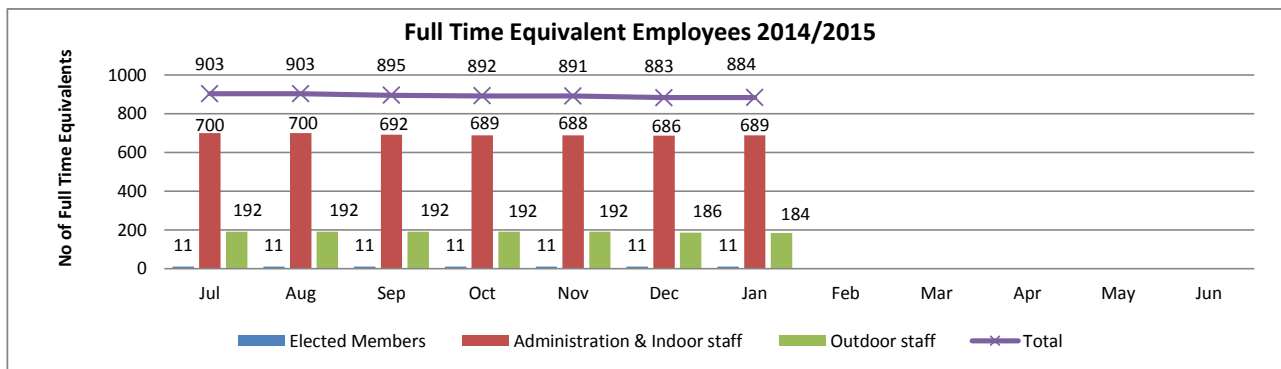
KPI target achieved or exceeded



KPI target not achieved



3. KEY NON-FINANCIAL INFORMATION



Workforce reporting - January 2015: Headcount	Employee Type							
	Casual	Contract of Service	Perm Full	Perm Part	Perm Casual	Temp Full	Temp Part	Grand Total
Office of CEO	19	4	79	10	1	4	3	120
Organisational Services	3	5	103	9	0	7	3	130
Community and Customer Service	32	5	250	50	0	19	11	367
Infrastructure and Operations	15	6	312	10	0	18	1	362
Total	69	20	744	79	1	48	18	979

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 and does not include a workload weighting.



4. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 January 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Recurrent Revenue					
Rates Charges	81,366	81,366	61,023	59,418	(1,605)
Levies & Utility Charges	124,757	124,781	74,455	74,792	337
Less: Pensioner Remissions & Rebates	(2,743)	(5,197)	(4,511)	(4,921)	(410)
Fees & Charges	10,629	10,814	6,529	7,453	924
Operating Grants & Subsidies	3,983	11,975	8,035	7,415	(620)
Operating Contributions & Donations	260	260	116	243	127
Interest External	3,872	3,872	2,259	2,482	223
Other Revenue	4,021	6,915	4,905	5,364	459
Total Recurrent Revenue	226,144	234,786	152,811	152,246	(565)
Capital revenue					
Grants, Subsidies & Contributions	15,050	14,724	12,957	12,488	(469)
Non-Cash Contributions	3,146	3,226	46	-	(46)
Total Capital Revenue	18,196	17,950	13,003	12,488	(515)
TOTAL REVENUE	244,340	252,736	165,814	164,734	(1,080)
Recurrent Expenses					
Employee Costs	76,094	77,352	45,614	43,814	(1,800)
Goods & Services	106,425	110,565	60,888	59,017	(1,871)
Finance Costs	3,643	3,709	2,152	2,178	26
Depreciation & Amortisation	51,209	47,878	27,729	28,100	371
Total Recurrent Expenses	237,370	239,504	136,383	133,109	(3,274)
Capital Expenses					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(2,940)	(1,320)	(296)	1,024
Total Capital Expenses	(3,192)	(2,940)	(1,320)	(296)	1,024
TOTAL EXPENSES	234,178	236,564	135,063	132,813	(2,250)
NET RESULT	10,161	16,172	30,751	31,921	1,170
Other Comprehensive Income					
Increase/(Decrease) in Asset Revaluation Surplus	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	10,161	16,172	30,751	31,921	1,170



5. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 31 January 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Revenue					
Rates Charges	81,366	81,366	61,023	59,418	(1,605)
Levies & Utility Charges	124,757	124,781	74,455	74,792	337
<i>Less: Pensioner Remissions & Rebates</i>	(2,743)	(5,197)	(4,511)	(4,921)	(410)
Fees & Charges	10,629	10,814	6,529	7,453	924
Operating Grants & Subsidies	3,983	11,975	8,035	7,415	(620)
Operating Contributions & Donations	260	260	116	243	127
Interest External	3,872	3,872	2,259	2,482	223
Other Revenue	4,021	6,915	4,905	5,364	459
Total Revenue	226,144	234,786	152,811	152,246	(565)
Expenses					
Employee Costs	76,094	77,352	45,614	43,814	(1,800)
Goods & Services	107,098	111,238	61,303	59,373	(1,930)
Finance Costs Other	281	329	186	208	22
Other Expenditure	315	315	161	176	15
Net Internal Costs	(988)	(988)	(576)	(532)	44
Total Expenses	182,799	188,246	106,688	103,039	(3,649)
Earnings Before Interest, Tax & Depreciation (EBITD)	43,345	46,540	46,123	49,207	3,084
Interest Expense	3,362	3,380	1,966	1,970	4
Depreciation	51,209	47,878	27,729	28,100	371
Operating Surplus/(Deficit)	(11,226)	(4,718)	16,428	19,137	2,709

Levies & Utility Charges Breakdown For the period ending 31 January 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Levies & Utility Charges					
Refuse Charges	18,797	18,821	10,972	11,039	67
Special Charges	3,795	3,795	2,835	2,850	15
Environment Levy	5,637	5,637	4,227	4,258	31
Landfill Remediation Charge	4,102	4,102	2,393	2,415	22
Wastewater Charges	38,161	38,161	22,759	23,659	900
Water Access Charges	17,592	17,592	10,262	10,049	(213)
Water Consumption Charges	36,673	36,673	21,007	20,522	(485)
Total Levies & Utility Charges	124,757	124,781	74,455	74,792	337



5. OPERATING STATEMENT (cont.)

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 January 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	94,706	95,053	55,569	55,572	3
Total Expenses	49,157	48,956	29,485	29,061	(424)
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	46,097	26,084	26,511	427
Interest Internal	21,681	21,681	12,647	12,647	-
Depreciation	16,987	16,551	9,644	9,618	(25)
Operating Surplus/(Deficit)	6,881	7,865	3,793	4,246	452

REDWASTE OPERATING STATEMENT For the period ending 31 January 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	19,967	20,204	11,599	11,746	147
Total Expenses	16,200	15,020	9,099	8,876	(223)
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	5,184	2,500	2,870	370
Interest Expense External	42	42	25	23	(2)
Interest Internal	313	313	183	183	-
Depreciation	556	545	319	297	(22)
Operating Surplus/(Deficit)	2,856	4,284	1,973	2,367	394

6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 January 2015

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS			
Cash & Investments	49,157	59,298	102,327
Accounts Receivable	34,311	39,519	57,055
Inventories	943	844	848
Prepaid Expenses	1,320	1,155	5,261
Non-Current Assets - Held for Sale	467	354	354
Total Current Assets	86,199	101,170	165,845
NON-CURRENT ASSETS			
Property, Plant & Equipment	2,021,416	2,107,640	2,079,882
Total Non-Current Assets	2,021,416	2,107,640	2,079,882
TOTAL ASSETS	2,107,615	2,208,810	2,245,727
CURRENT LIABILITIES			
Accounts Payable	17,301	18,913	13,727
Current Employee Provisions	2,468	9,493	12,383
Current Loans	5,247	5,498	4,375
Current Landfill Rehabilitation Provisions	1,144	-	5,830
Other Liabilities	3,201	1,283	16,220
Total Current Liabilities	29,361	35,187	52,535
NON-CURRENT LIABILITIES			
Non-Current Loans	49,149	48,897	52,138
Non-Current Employee Provisions	10,998	2,013	2,709
Non-Current Landfill Rehabilitation Provisions	28,189	17,578	17,578
Non-Current Trade & Other Payables	693	478	478
Total Non-Current Liabilities	89,029	68,966	72,903
TOTAL LIABILITIES	118,390	104,153	125,438
NET ASSETS	1,989,225	2,104,658	2,120,289
COMMUNITY EQUITY			
Retained Earnings	1,943,302	2,038,010	2,036,141
Constrained Cash Reserves	45,923	66,648	84,148
TOTAL COMMUNITY EQUITY	1,989,225	2,104,658	2,120,289



7. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 31 January 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Sources of Capital Funding					
Capital Contributions & Donations	6,188	8,008	7,883	10,115	2,232
Capital Grants & Subsidies	8,862	6,715	5,074	2,373	(2,701)
Proceeds on Disposal of Non-current Assets	4,049	4,049	2,072	767	(1,305)
Capital Transfers (To)/From Reserves	4,602	6,029	222	(6,196)	(6,418)
Non-Cash Contributions	3,146	3,226	46	-	(46)
New Loans	-	-	-	-	-
Funding from General Revenue	42,787	49,680	15,243	20,355	5,112
Total Sources of Capital Funding	69,633	77,707	30,540	27,414	(3,126)
Applications of Capital Funds					
Contributed Assets	3,146	3,226	46	-	(46)
Capitalised Goods & Services	56,263	64,378	25,720	22,252	(3,468)
Capitalised Employee Costs	5,636	5,514	2,097	2,692	595
Loan Redemption	4,589	4,589	2,677	2,470	(207)
Total Applications of Capital Funds	69,633	77,707	30,540	27,414	(3,126)
Other Budgeted Items					
WDV of Assets Disposed	(857)	(1,109)	(752)	(472)	280
Transfers to Constrained Operating Reserves	(13,124)	(12,996)	(8,326)	(9,550)	(1,224)
Transfer from Constrained Operating Reserves	12,180	13,000	4,819	4,278	(541)



8. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 January 2015

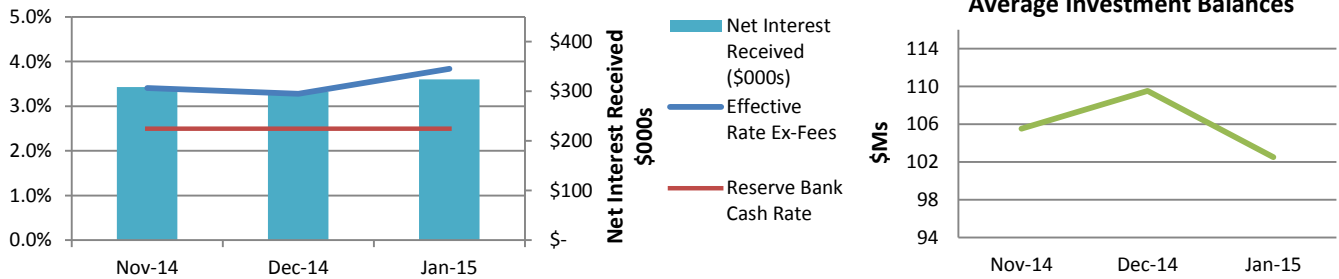
	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates Charges (net)	78,623	76,169	54,497
Levies & Utility Charges	111,427	111,451	56,797
Fees & Charges	10,879	11,064	9,685
Operating Grants & Subsidies	3,983	7,199	4,257
Cash Contributions	260	260	243
Other Revenue	4,021	6,915	5,364
Receipts from Customers	209,192	213,058	130,843
Employee costs	(79,473)	(80,732)	(42,839)
Materials & services	(109,237)	(113,403)	(64,346)
Other expenses	(596)	(644)	(407)
Payments to Suppliers & Employees	(189,306)	(194,779)	(107,592)
Interest Received	3,872	3,872	2,482
Borrowing Costs	(3,362)	(3,380)	(3,719)
Net Cash Inflow / (Outflow) from Operating Activities	20,396	18,771	22,014
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(61,899)	(69,892)	(24,944)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	14,724	12,488
Proceeds - Sale of Property, Plant & Equipment	4,049	4,049	767
Net Cash Inflow / (Outflow) from Investing Activities	(42,800)	(51,119)	(11,689)
Proceeds of Borrowings	-	-	-
Repayment of borrowings	(4,589)	(4,589)	(4,234)
Net Cash Inflow / (Outflow) from Financing Activities	(4,589)	(4,589)	(4,234)
Net Increase / (Decrease) in Cash Held	(26,993)	(36,937)	6,091
Cash at Beginning of Year	76,150	96,235	96,235
Cash at End of Financial Period	49,157	59,298	102,327



9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 January 2015

INVESTMENT RETURNS



Total Investment at End of Month was \$101.47M

Current Position

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

The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis. The higher average investment balance in December is reflective of the rating cycle, reduced payment runs during December as well as irregular receipts in December.

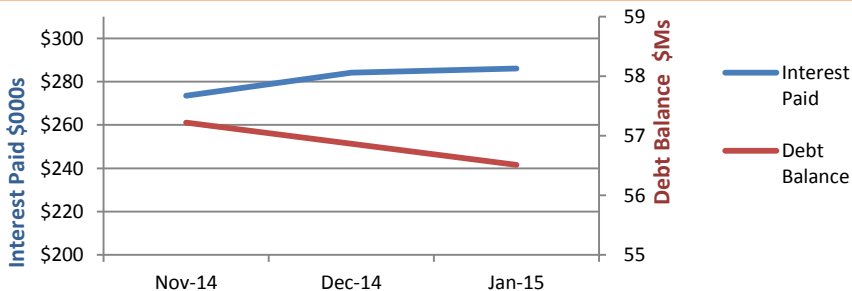
Note: the Reserve Bank reduced the cash rate down to 2.25% in its February sitting.

Future Strategy

The Tax and Treasury Team's recommendation that Council diversify its investments outside of QTC to maximise returns has received approval from management. The Team has nearly completed procurement procedures to achieve this outcome. This will also require a change to the investment policy. In the meantime the Team ensures Council maximises its interest on a *daily* basis by depositing surplus funds at QTC for a higher rate than is achieved from the bank transaction account.

Council adopted its revised Investment Policy in April 2014 for the 2014-15 financial year

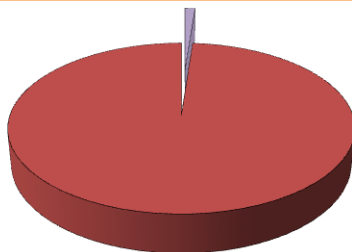
BORROWING COSTS



Current Position

Debt is split into 9 and 12 year pools with repayment made *annually* in advance for 2014-15.

Total Borrowings at End of Month was \$56.51M



- RedWaste 1.19%
- General Pool allocated to capital works 98.81%

Future Strategy

Future strategy is to review the implications of continuing to repay debt annually in advance to ensure that there is no market value realisation adjustments under the accounting standards in order to minimise interest expenses. Further analysis will also be undertaken as to the potential to better allocate the debt across Council business in order to appreciate the true cost of capital projects undertaken.

Council adopted its revised Debt Policy in June 2014 for the 2014-15 financial year



10. CONSTRAINED CASH RESERVES

Reserves as at 31 January 2015	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	2,782	267	(196)	2,853
Redland Work Cover Reserve	4,965	63	(338)	4,691
Red Art Gallery Commissions & Donations Res	17	0	(15)	2
SMBI Capital Reserve	3,894	868	(78)	4,684
	11,659	1,199	(627)	12,230
Utilities Reserve:				
RedWaste Reserve	3,118	581	-	3,699
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	13,018	581	-	13,599
Constrained Works Reserve:				
Tree Planting Reserve	70	12	-	82
Parks Reserve	2,408	1,227	-	3,635
SP1 Wellington Pt Rd Infra Reserve	463	-	-	463
Redland Bay Sth Rd Infra Reserve	647	-	-	647
East Thornlands Road Infra Reserve	674	-	-	674
Contributions to Car Parking Reserve	340	-	-	340
Community Facility Infrastructure Reserve	441	167	-	608
Retail Water Renewal & Purchase Reserve	5,505	1,707	(534)	6,679
Sewerage Renewal & Purchase Reserve	7,384	2,565	(997)	8,952
Constrained Works Res-Cap Grants & Contribs	4,389	-	(972)	3,417
Transport Trunk Infrastructure Reserve	5,846	3,027	-	8,873
Cycling Trunk Infrastructure Reserve	706	729	-	1,435
Stormwater Infrastructure Reserve	1,938	489	-	2,427
Constrained Works Res-Opr Grants & Contribs	919	-	(133)	786
	31,731	9,923	(2,636)	39,018
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	6,936	-	-	6,936
Environment Charge Maintenance Reserve	1,505	4,258	(2,805)	2,958
	8,441	4,258	(2,805)	9,894
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	95	(82)	13
SMBI Translink Reserve	3	710	(474)	239
	3	805	(557)	252
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	5,187	2,001	(1,226)	5,962
Aquatic Paradise Canal Reserve	2,163	663	(119)	2,706
Sovereign Waters Lake Reserve	480	43	(36)	487
	7,830	2,707	(1,381)	9,155
TOTALS	72,680	19,473	(8,005)	84,148

* On 10 December 2014 Council resolved to close these reserves in the 2014-15 financial year. Department support officers are currently liaising with the reserve users as to the timing of the closure.

** On 10 December 2014 Council resolved to utilise these reserves in the 2014-15 financial year. The reserves will be retained for possible future use and department support officers are currently liaising with reserve users as to the timing of utilisation.



11. OVERDUE RATES DEBTORS

Comparison January 2014 to January 2015

The January 2015 result shows a marginal increase of 0.3% on the January 2014 position.

Payments

The payment pattern for January 2015 shows that RCC received slightly more transactions than in January 2014, however the increase is predominantly due to the increase in the uptake of Direct Debit, which is a payment channel that has a high percentage of payments, but low contribution value. For example, in January 2015 Direct Debit accounted for 11% of the payment transactions but less than 2% of the total amount received for the month.

Month/Year	AustPost		Bpay		IVR		Direct Debit		Receipt		Internet		Total	
	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount
Jan-14	3,505	-\$1,920,425	16,502	-\$6,985,163	1,464	-\$999,460	2,359	-\$189,958	3,101	-\$2,572,916	1,071	-\$740,223	28,002	-\$13,408,145
Jan-15	3,272	-\$1,855,616	16,994	-\$7,191,292	1,339	-\$1,001,537	3,071	-\$253,578	2,596	-\$2,547,622	1,199	-\$872,500	28,471	-\$13,722,145
Variance	-233	\$64,808.49	492	-\$206,128.83	-125	-\$2,076.82	712	-\$63,620.25	-505	\$25,293.76	128	-\$132,276.80	469	-\$314,000.45
% Variance	-7%	-3%	3%	3%	-9%	0%	30%	33%	-16%	-1%	12%	18%	2%	2%

The January percentage of 3.2% is a decrease of 2.7% on December. The SMBI Long Term Trend displays a good decrease in the >180 overdue category, which is opposite to the mainland which has seen an increase in the same category.

Comparison January 2014 to January 2015

Total							Mainland						
Days Overdue	Jan-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance	Days Overdue	Jan-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance
<90	\$2,018,610	1.3%	\$2,220,201	1.3%	\$201,592	0.03%	<90	\$1,415,925	0.9%	\$1,588,976	0.9%	\$173,051	0.04%
90 - 180 days	\$854,396	0.5%	\$1,107,221	0.6%	\$252,825	0.11%	90 - 180 days	\$539,819	0.3%	\$726,834	0.4%	\$187,015	0.09%
>180 days	\$1,755,106	1.1%	\$2,219,704	1.3%	\$464,598	0.19%	>180 days	\$713,742	0.4%	\$1,060,170	0.6%	\$346,428	0.17%
Total	\$4,628,112	2.89%	\$5,547,126	3.22%	\$919,014	0.34%	Total	\$2,669,486	1.67%	\$3,375,979	1.96%	\$706,493	0.30%

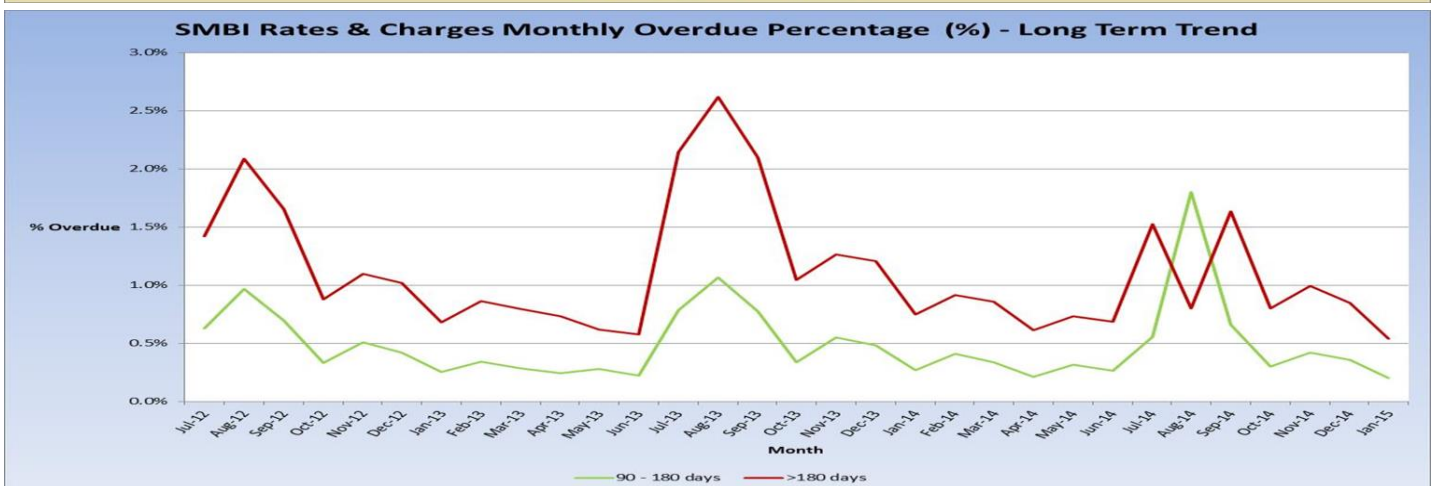
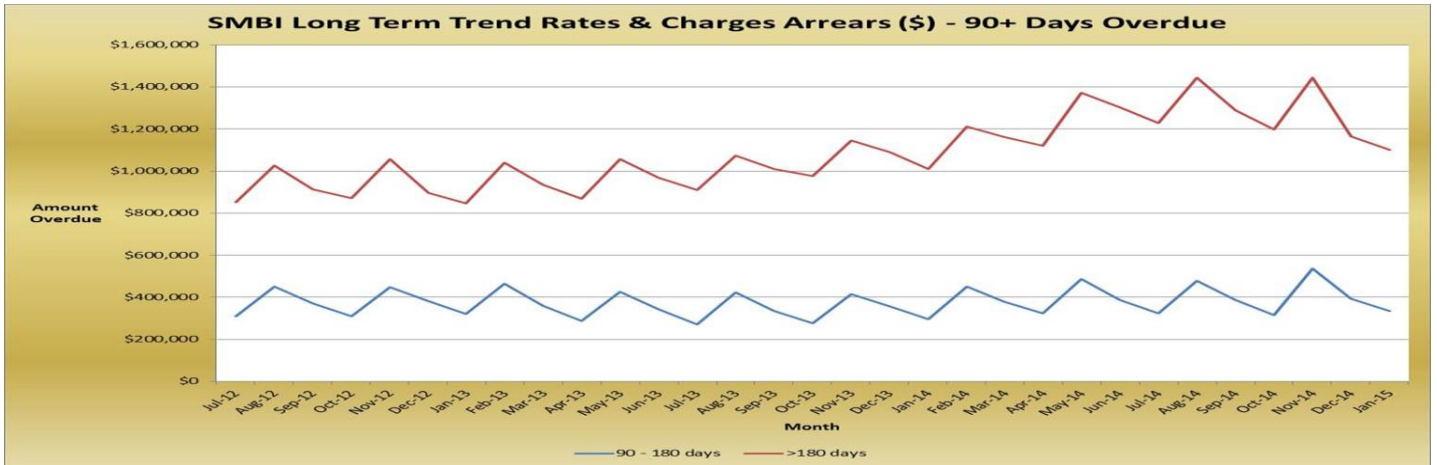
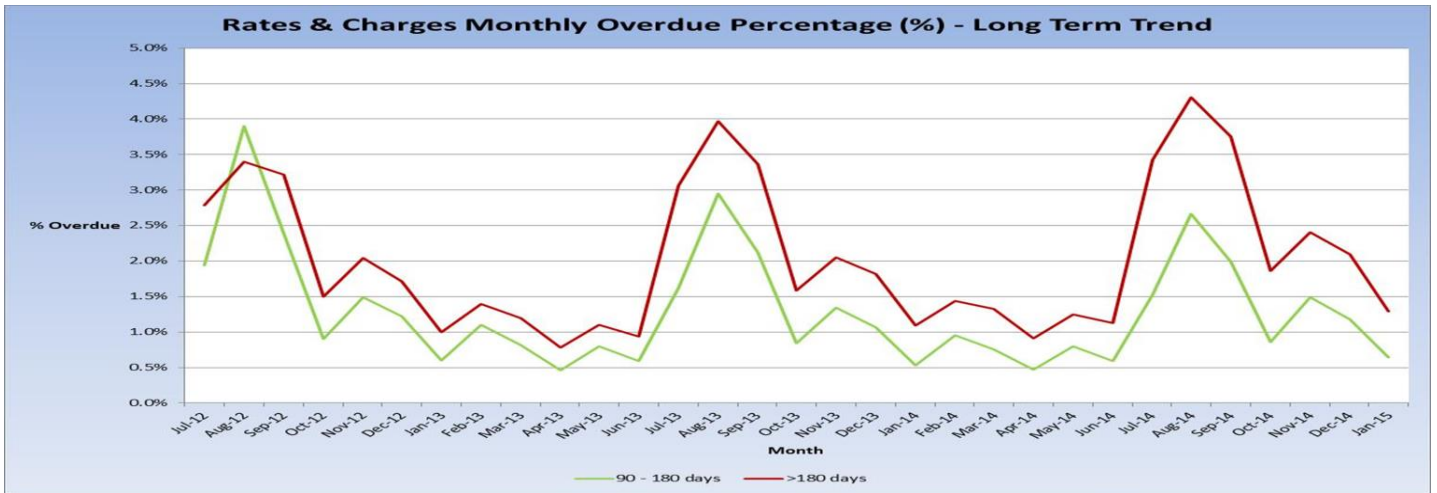
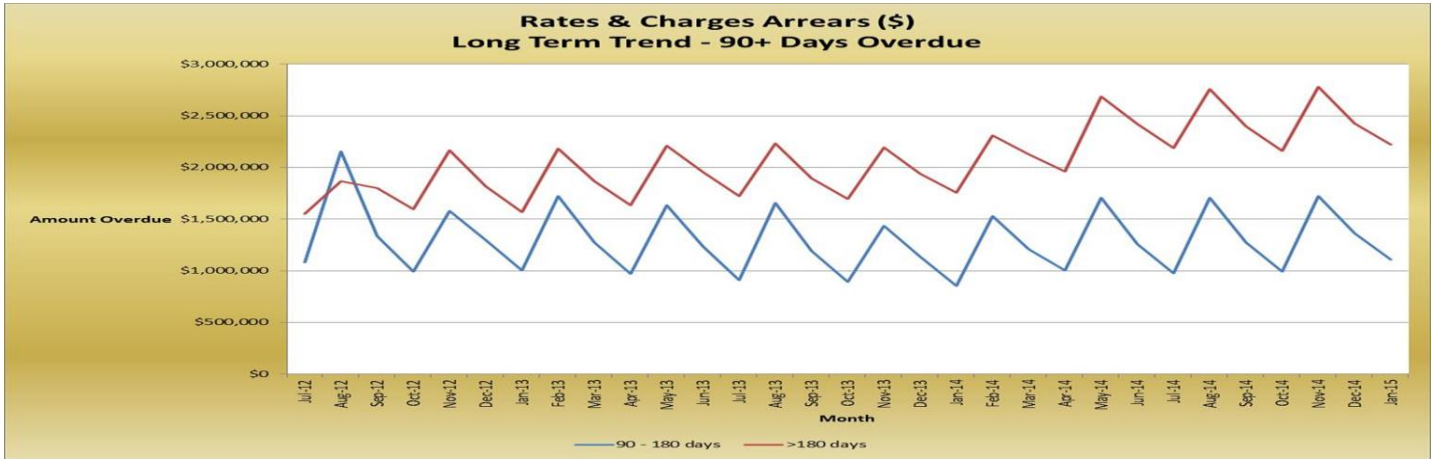
Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Jan-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance	Days Overdue	Jan-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance
<90	\$52,626	0.0%	\$90,314	0.1%	\$37,688	0.02%	<90	\$550,060	0.3%	\$540,912	0.3%	-\$9,148	-0.03%
90 - 180 days	\$18,159	0.0%	\$46,631	0.0%	\$28,472	0.02%	90 - 180 days	\$296,418	0.2%	\$333,756	0.2%	\$37,338	0.01%
>180 days	\$31,385	0.0%	\$58,704	0.0%	\$27,319	0.01%	>180 days	\$1,009,979	0.6%	\$1,100,830	0.6%	\$90,851	0.01%
Total	\$102,169	0.06%	\$195,649	0.11%	\$93,480	0.05%	Total	\$1,856,457	1.16%	\$1,975,498	1.15%	\$119,041	-0.01%

Trend - December 2014 to January 2015

Total							Mainland						
Days Overdue	Dec-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance	Days Overdue	Dec-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance
<90	\$3,048,558	2.6%	\$2,220,201	1.3%	-\$828,356	-1.34%	<90	\$2,265,149	2.0%	\$1,588,976	0.9%	-\$676,174	-1.03%
90 - 180 days	\$1,362,242	1.2%	\$1,107,221	0.6%	-\$255,022	-0.53%	90 - 180 days	\$916,172	0.8%	\$726,834	0.4%	-\$189,338	-0.37%
>180 days	\$2,423,644	2.1%	\$2,219,704	1.3%	-\$203,940	-0.80%	>180 days	\$1,198,154	1.0%	\$1,060,170	0.6%	-\$137,984	-0.42%
Total	\$6,834,444	5.90%	\$5,547,126	3.22%	-\$1,287,318	-2.68%	Total	\$4,379,475	3.78%	\$3,375,979	1.96%	-\$1,003,496	-1.82%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Dec-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance	Days Overdue	Dec-14	% Overdue	Jan-15	% Overdue	\$ Variance	% Variance
<90	\$119,706	0.1%	\$90,314	0.1%	-\$29,392	-0.05%	<90	\$663,703	0.6%	\$540,912	0.3%	-\$122,791	-0.26%
90 - 180 days	\$53,628	0.0%	\$46,631	0.0%	-\$6,997	-0.02%	90 - 180 days	\$392,442	0.3%	\$333,756	0.2%	-\$58,686	-0.15%
>180 days	\$61,462	0.1%	\$58,704	0.0%	-\$2,758	-0.02%	>180 days	\$1,164,028	1.0%	\$1,100,830	0.6%	-\$63,198	-0.37%
Total	\$234,796	0.20%	\$195,649	0.11%	-\$39,147	-0.09%	Total	\$2,220,172	1.92%	\$1,975,498	1.15%	-\$244,675	-0.77%





12. GLOSSARY

Definition of Ratios

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

* 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.