



Monthly Financial Report

March 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 March 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)	5,006	8,305	3,299	66%	✓
Recurrent Revenue	234,786	177,752	179,358	1,606	1%	✓
Recurrent Expenditure	239,504	172,746	171,053	(1,693)	-1%	✓
Capital Works Expenditure	69,892	37,890	31,898	(5,992)	-16%	✓
Closing Cash & Investments	59,298	88,558	116,451	27,893	31%	✓

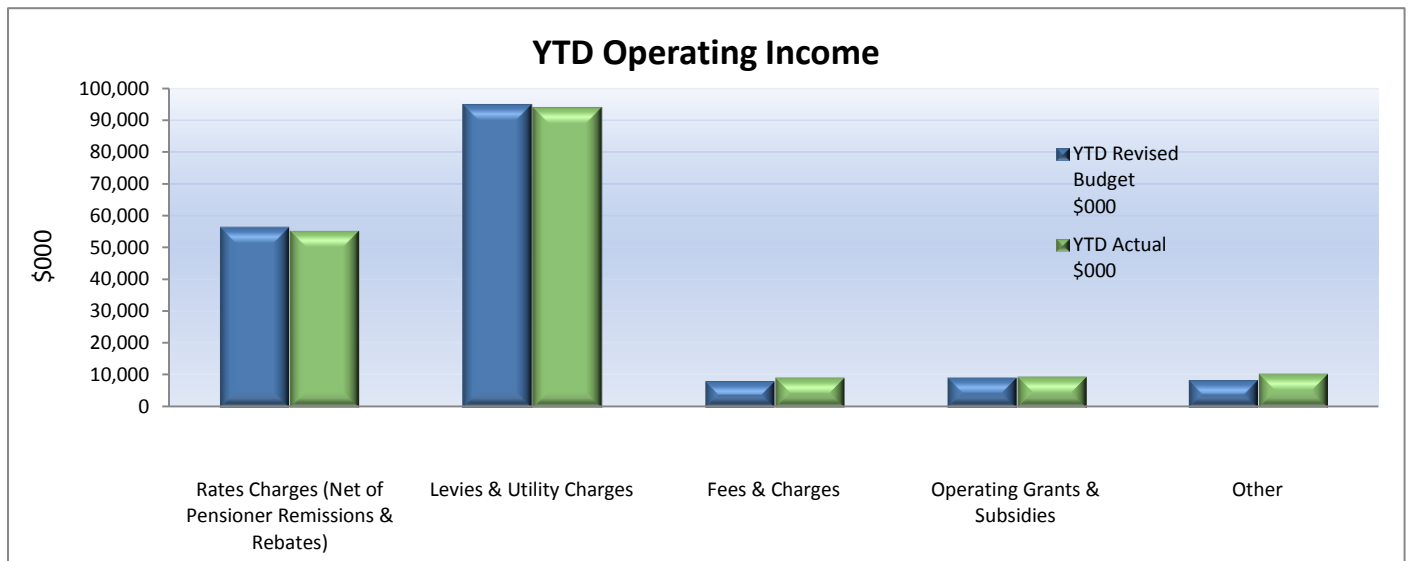
Status Legend:

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 exceeded the year to date revised budget by \$3.30M. Increased development activity in the Redlands area, both residential and commercial, resulted in increased revenue from fees and charges. The higher fees and charges revenue, as well as the additional revenue from recoverable works and the favourable variance in employee costs contributed to the overall favourable variance at the end of March 2015.

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).

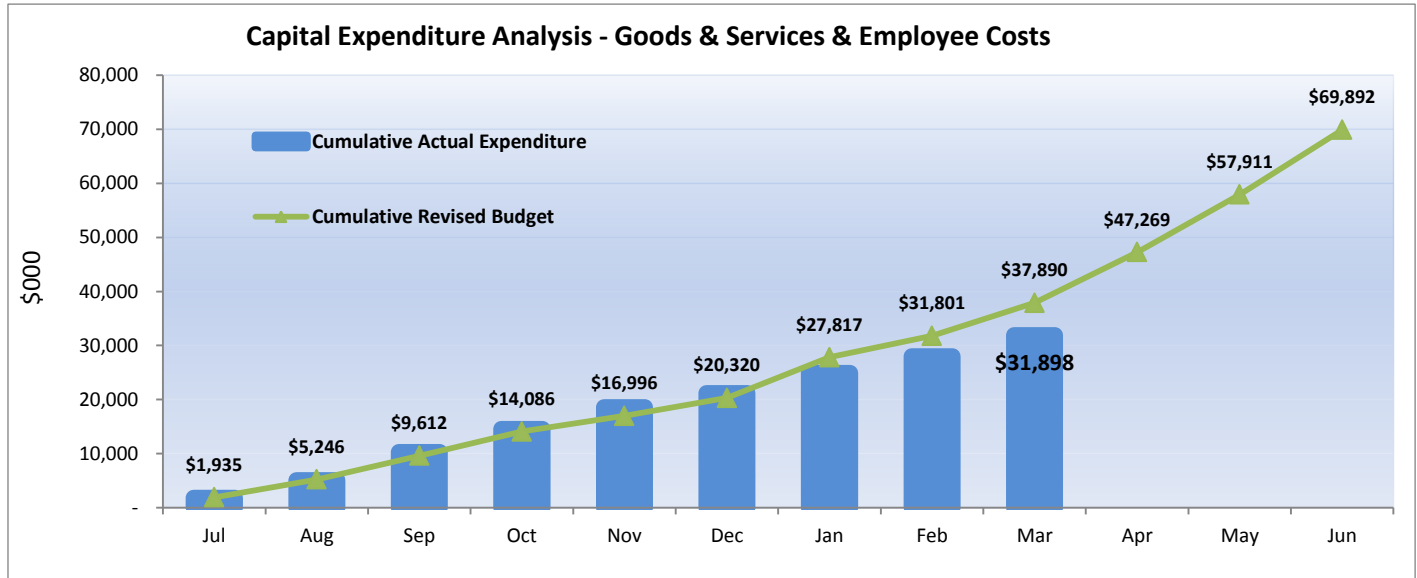


1. INTRODUCTION AND OVERVIEW (cont.)

Capital works

Council's capital works expenditure is underspent by \$5.99M with year to date actual expenditure of \$31.90M which is below year to date budget of \$37.89M.

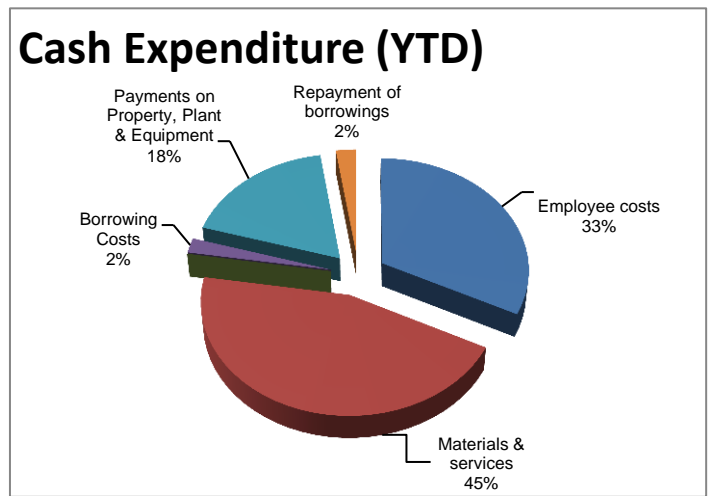
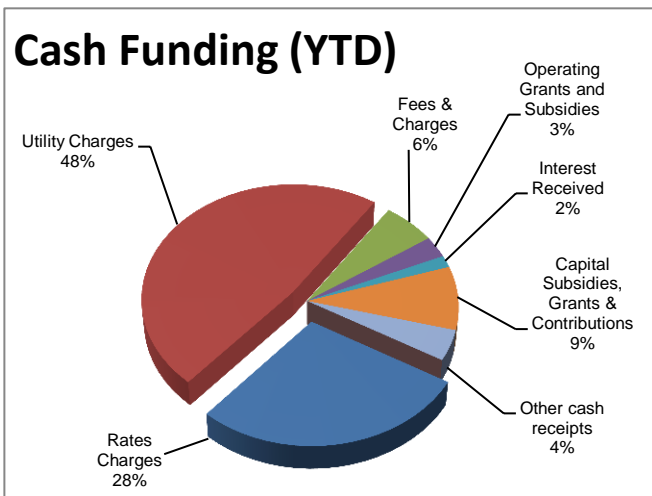
Total capital commitments at the end of March 2015 (where budget is approved) was \$3.92M.



Financial position and cash flow results

Council's Balance Sheet depicts a sustainable result with total current assets of \$147.23M and total current liabilities of \$38.41M (current ratio of 3.83).

The property, plant and equipment balance is impacted by the capital works as illustrated above. Council's cash balance at the end of March 2015 exceeded the year to date budgeted cash balance (refer p.3). This result is attributable mainly to higher than anticipated cash collection from utility charges, capital contributions, lower than expected payments to employees and lower than expected payment for property plant & equipment. Of the \$116.45M cash balance at the end of the period, \$85.01M 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). \$115.93M 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)	197,342
Total Cash Funding (Annual Revised Budget)	235,703
% of Budget Achieved YTD	84%

Total Cash Expenditure (Actual YTD)	177,126
Total Cash Expenditure (Annual Revised Budget)	272,640
% of Budget Achieved YTD	65%

2. KEY PERFORMANCE INDICATORS

Financial Stability Ratios	Target	Annual Revised Budget 2014/2015	March 2015	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	32.44%	30.92%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	2.88	3.83	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.39%	3.17%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$59.298M	\$116.451M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	3.59	7.43	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.46%	2.50%	✓
Operating Performance (%)	Target greater than or equal to 20%	8.65%	21.10%	✓
Financial Sustainability Ratios	Target	Annual Revised Budget 2014/2015	March 2015	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-2.01%	4.63%	✓
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	1.27%	-20.27%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.21%	-0.41%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	49.82%	28.99%	✗
Asset Consumption Ratio (%)	Target between 40% and 80%	66.87%	67.53%	✓

Status Legend

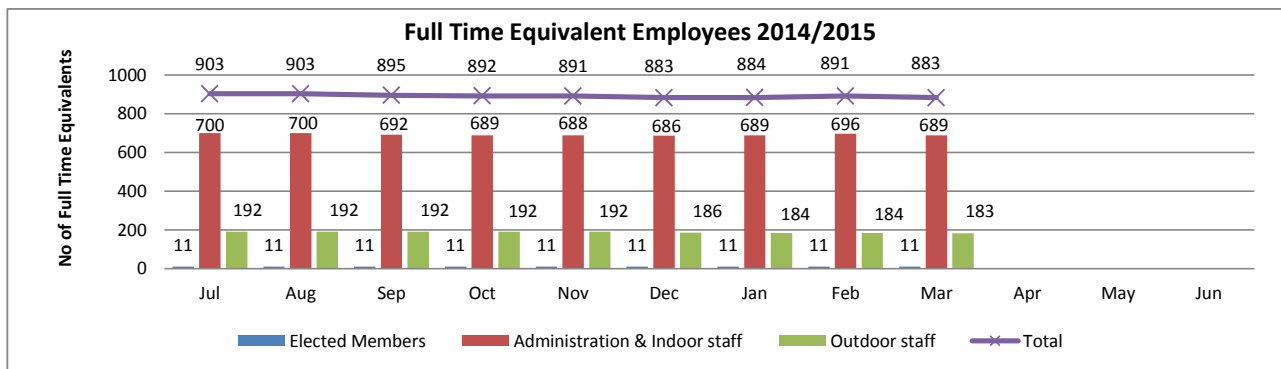
KPI target achieved or exceeded



KPI target not achieved



3. KEY NON-FINANCIAL INFORMATION



Workforce reporting - March 2015: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	14	4	79	9	6	2	114
Organisational Services	4	5	104	10	9	3	135
Community and Customer Service	32	5	246	52	23	8	366
Infrastructure and Operations	17	6	309	10	15	2	359
Total	67	20	738	81	53	15	974

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. This table excludes agency staff and elected members.



4. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 March 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	61,024	60,458	(566)
Levies & Utility Charges	124,757	124,781	94,829	94,119	(710)
Less: Pensioner Remissions & Rebates	(2,743)	(5,197)	(4,511)	(4,995)	(484)
Fees & Charges	10,629	10,814	8,329	9,398	1,069
Operating Grants & Subsidies	3,983	11,975	9,411	9,722	311
Operating Contributions & Donations	260	260	78	355	277
Interest External	3,872	3,872	2,904	3,261	357
Other Revenue	4,021	6,915	5,688	7,040	1,352
Total Recurrent Revenue	226,144	234,786	177,752	179,358	1,606
Capital revenue					
Grants, Subsidies & Contributions	15,050	14,724	12,059	17,556	5,497
Non-Cash Contributions	3,146	3,226	2,099	3,690	1,591
Total Capital Revenue	18,196	17,950	14,158	21,246	7,088
TOTAL REVENUE	244,340	252,735	191,910	200,604	8,694
Recurrent Expenses					
Employee Costs	76,094	77,352	58,111	56,505	(1,606)
Goods & Services	106,425	110,565	75,991	75,389	(602)
Finance Costs	3,643	3,709	2,778	2,808	30
Depreciation & Amortisation	51,209	47,878	35,866	36,351	485
Total Recurrent Expenses	237,370	239,504	172,746	171,053	(1,693)
Capital Expenses					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(2,940)	(2,081)	758	2,839
Total Capital Expenses	(3,192)	(2,940)	(2,081)	758	2,839
TOTAL EXPENSES	234,178	236,565	170,665	171,811	1,146
NET RESULT	10,161	16,172	21,245	28,793	7,548
Other Comprehensive Income					
Increase/(Decrease) in Asset Revaluation Surplus	-	-	-	97	97
TOTAL COMPREHENSIVE INCOME	10,161	16,172	21,245	28,890	7,645



5. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 31 March 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	61,024	60,458	(566)
Levies & Utility Charges	124,757	124,781	94,829	94,119	(710)
<i>Less: Pensioner Remissions & Rebates</i>	(2,743)	(5,197)	(4,511)	(4,995)	(484)
Fees & Charges	10,629	10,814	8,329	9,398	1,069
Operating Grants & Subsidies	3,983	11,975	9,411	9,722	311
Operating Contributions & Donations	260	260	78	355	277
Interest External	3,872	3,872	2,904	3,261	357
Other Revenue	4,021	6,915	5,688	7,040	1,352
Total Revenue	226,144	234,786	177,752	179,358	1,606
Expenses					
Employee Costs	76,094	77,352	58,111	56,505	(1,606)
Goods & Services	107,098	111,238	76,501	75,993	(508)
Finance Costs Other	281	329	246	290	44
Other Expenditure	315	315	231	198	(33)
Net Internal Costs	(988)	(988)	(741)	(802)	(61)
Total Expenses	182,799	188,246	134,348	132,184	(2,164)
Earnings Before Interest, Tax & Depreciation (EBITD)	43,345	46,540	43,404	47,174	3,770
Interest Expense	3,362	3,380	2,532	2,518	(14)
Depreciation	51,209	47,878	35,866	36,351	485
Operating Surplus/(Deficit)	(11,226)	(4,718)	5,006	8,305	3,299

Levies & Utility Charges Breakdown For the period ending 31 March 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	14,112	14,237	125
Special Charges	3,795	3,795	2,838	2,850	12
Environment Levy	5,637	5,637	4,226	4,262	36
Landfill Remediation Charge	4,102	4,102	3,077	3,109	32
Wastewater Charges	38,161	38,161	29,339	30,404	1,065
Water Access Charges	17,592	17,592	13,194	12,939	(255)
Water Consumption Charges	36,673	36,673	28,043	26,318	(1,725)
Total Levies & Utility Charges	124,757	124,781	94,829	94,119	(710)



5. OPERATING STATEMENT (cont.)

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

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	94,706	95,053	72,551	71,675	(877)
Total Expenses	49,157	48,956	37,566	37,296	(269)
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	46,097	34,985	34,379	(607)
Interest Internal	21,681	21,681	16,261	16,261	-
Depreciation	16,987	16,551	12,406	12,377	(29)
Operating Surplus/(Deficit)	6,881	7,865	6,318	5,741	(579)

REDWASTE OPERATING STATEMENT For the period ending 31 March 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	19,967	20,204	15,035	15,497	462
Total Expenses	16,200	15,020	11,442	11,408	(34)
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	5,184	3,593	4,089	496
Interest Expense External	42	42	32	29	(2)
Interest Internal	313	313	235	235	-
Depreciation	556	545	409	381	(28)
Operating Surplus/(Deficit)	2,856	4,284	2,917	3,444	526



6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 March 2015

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS			
Cash & Investments	49,157	59,298	116,451
Accounts Receivable	34,311	39,606	25,350
Inventories	943	845	855
Prepaid Expenses	1,320	1,154	4,219
Non-Current Assets - Held for Sale	467	354	354
Total Current Assets	86,199	101,257	147,229
NON-CURRENT ASSETS			
Property, Plant & Equipment	2,021,416	2,107,711	2,081,069
Total Non-Current Assets	2,021,416	2,107,711	2,081,069
TOTAL ASSETS	2,107,615	2,208,968	2,228,298
CURRENT LIABILITIES			
Accounts Payable	17,301	19,032	13,892
Current Employee Provisions	2,468	9,493	12,423
Current Loans	5,247	5,498	4,375
Current Landfill Rehabilitation Provisions	1,144	-	5,217
Other Liabilities	3,201	1,283	2,505
Total Current Liabilities	29,361	35,306	38,412
NON-CURRENT LIABILITIES			
Non-Current Loans	49,149	48,896	51,433
Non-Current Employee Provisions	10,998	2,013	2,980
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	68,965	72,469
TOTAL LIABILITIES	118,390	104,271	110,881
NET ASSETS	1,989,225	2,104,697	2,117,417
COMMUNITY EQUITY			
Retained Earnings	1,943,302	2,038,049	2,032,407
Constrained Cash Reserves	45,923	66,648	85,010
TOTAL COMMUNITY EQUITY	1,989,225	2,104,697	2,117,417

Whilst preparing the interim financial statements as at 28 February 2015, prior year errors have been identified which were corrected and reflected in the opening balances for the 2014/15 financial year. These corrections impacted the Annual Revised Budgeted numbers. The balances shown includes the revised opening balances plus budgeted movements for the current period.



7. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 31 March 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	9,100	14,635	5,535
Capital Grants & Subsidies	8,862	6,715	2,959	2,921	(38)
Proceeds on Disposal of Non-current Assets	4,049	4,049	2,975	1,090	(1,885)
Capital Transfers (To)/From Reserves	4,602	6,029	1,154	(8,363)	(9,517)
Non-Cash Contributions	3,146	3,226	2,099	3,690	1,591
New Loans	-	-	-	-	-
Funding from General Revenue	42,787	49,680	25,143	24,791	(352)
Total Sources of Capital Funding	69,633	77,707	43,430	38,764	(4,666)
Applications of Capital Funds					
Contributed Assets	3,146	3,226	2,099	3,691	1,592
Capitalised Goods & Services	56,263	64,378	34,790	28,352	(6,438)
Capitalised Employee Costs	5,636	5,514	3,100	3,546	446
Loan Redemption	4,589	4,589	3,441	3,175	(266)
Total Applications of Capital Funds	69,633	77,707	43,430	38,764	(4,666)
Other Budgeted Items					
WDV of Assets Disposed	(857)	(1,109)	(894)	(1,848)	(954)
Transfers to Constrained Operating Reserves	(13,124)	(12,996)	(9,703)	(9,808)	(105)
Transfer from Constrained Operating Reserves	12,180	13,000	7,610	5,842	(1,768)



8. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 March 2015

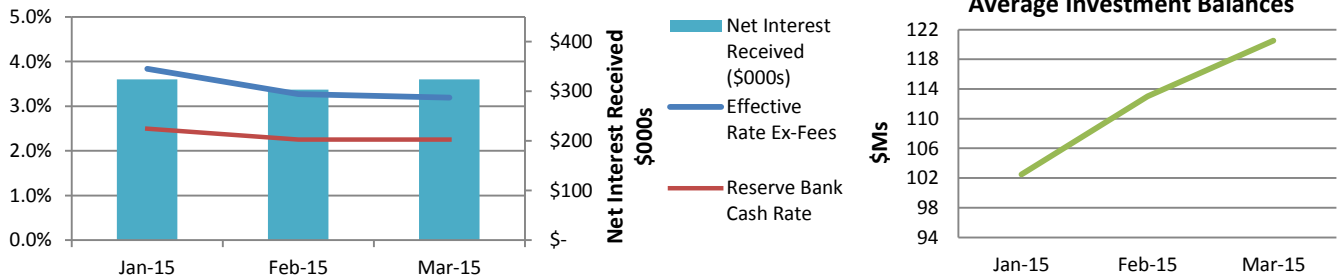
	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates Charges (net)	78,623	76,169	55,461
Levies & Utility Charges	111,427	111,451	94,881
Fees & Charges	10,879	11,064	11,833
Operating Grants & Subsidies	3,983	7,199	5,865
Cash Contributions	260	260	355
Other Revenue	4,021	6,915	7,040
Receipts from Customers	209,192	213,058	175,435
Employee costs	(79,473)	(80,732)	(57,401)
Materials & services	(109,237)	(113,403)	(79,366)
Other expenses	(596)	(644)	(511)
Payments to Suppliers & Employees	(189,306)	(194,779)	(137,278)
Interest Received	3,872	3,872	3,261
Borrowing Costs	(3,362)	(3,380)	(3,719)
Net Cash Inflow / (Outflow) from Operating Activities	20,396	18,771	37,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(61,899)	(69,892)	(31,895)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	14,724	17,556
Proceeds - Sale of Property, Plant & Equipment	4,049	4,049	1,090
Net Cash Inflow / (Outflow) from Investing Activities	(42,800)	(51,119)	(13,249)
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)	20,216
Cash at Beginning of Year	76,150	96,235	96,235
Cash at End of Financial Period	49,157	59,298	116,451



9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 March 2015

INVESTMENT RETURNS



Total Investment at End of Month was \$115.93M

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 increasing investment balances are reflective of the rating cycle as well as irregular receipts in February and March re grant funding and tax refunds.

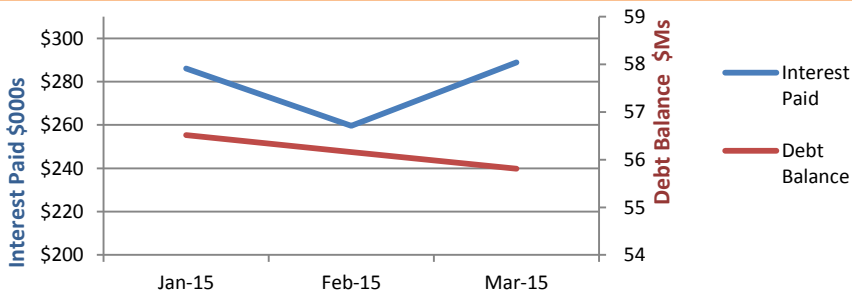
Note: the Reserve Bank reduced the cash rate down to 2.25% in its February sitting and maintained it in its April sitting.

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

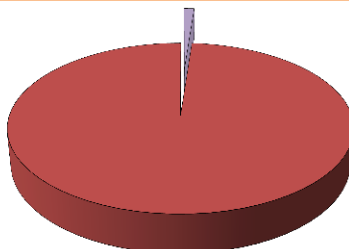


Current Position

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

The movement in interest expense is reflective of the 28 days in February vs. 31 days in the other months.

Total Borrowings at End of Month was \$55.81M



- RedWaste 1.18%
- General Pool allocated to capital works 98.82%

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 March 2015	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	2,782	267	(206)	2,843
Redland Work Cover Reserve *	4,965	82	(456)	4,592
Red Art Gallery Commissions & Donations Res	17	0	(15)	2
SMBI Capital Reserve *	3,894	868	(178)	4,584
	11,659	1,218	(855)	12,021
Utilities Reserve:				
RedWaste Reserve *	3,118	747	0	3,865
Redland Water Reserve	8,300	0	0	8,300
Redland WasteWater Reserve	1,600	0	0	1,600
	13,018	747	0	13,765
Constrained Works Reserve:				
Tree Planting Reserve **	70	18	0	88
Parks Reserve	2,408	1,761	0	4,169
SP1 Wellington Pt Rd Infra Reserve **	463	0	0	463
Redland Bay Sth Rd Infra Reserve **	647	0	0	647
East Thornlands Road Infra Reserve	674	0	0	674
Contributions to Car Parking Reserve *	340	0	0	340
Community Facility Infrastructure Reserve	441	260	0	700
Retail Water Renewal & Purchase Reserve	5,505	2,283	(579)	7,209
Sewerage Renewal & Purchase Reserve	7,384	3,675	(1,339)	9,720
Constrained Works Res-Cap Grants & Contribs	4,389	0	(2,672)	1,717
Transport Trunk Infrastructure Reserve	5,846	4,386	0	10,232
Cycling Trunk Infrastructure Reserve	706	1,078	0	1,784
Stormwater Infrastructure Reserve	1,938	874	0	2,812
Constrained Works Res-Opr Grants & Contribs	919	0	(199)	720
	31,731	14,334	(4,789)	41,276
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	6,936	0	0	6,936
Environment Charge Maintenance Reserve	1,505	4,263	(3,679)	2,089
	8,441	4,263	(3,679)	9,025
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	0	124	(120)	4
SMBI Translink Reserve	3	711	(711)	2
	3	835	(832)	6
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	5,187	2,026	(1,480)	5,733
Aquatic Paradise Canal Reserve	2,163	675	(138)	2,699
Sovereign Waters Lake Reserve	480	45	(40)	485
	7,830	2,745	(1,658)	8,917
TOTALS	72,680	24,142	(11,812)	85,010

* 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

Overdue Rates & Charges position comments

Comparison March 2014 to March 2015

The March 2015 overdue percentage shows a marginal decrease of 0.09% on the March 2014 position. Of note, the Southern Moreton Bay Islands shows a reduction in the amount outstanding <180 days on the prior period in 2014.

The percentage overdue for the Southern Moreton Bay Islands continues to show improvement, however in contrast to this the Mainland is showing some deterioration in the overdue percentage for >180 days.

Payments

A higher number of payments were received in March 2015 than in the comparison period of 2014 with Bpay continuing to be our ratepayers preferred method of payment.

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
Mar-14	692	\$163,130	9,658	\$1,834,422	406	\$233,277	2,092	\$174,746	836	\$492,160	333	\$184,799	14,017	\$3,082,533
Mar-15	663	\$157,714	10,660	\$2,033,571	440	\$270,149	2,672	\$227,861	956	\$457,255	424	\$247,593	15,815	\$3,394,142
Variance	-71	-\$147,546	1,002	\$199,149	34	\$36,872	580	\$53,115	120	-\$34,905	91	\$62,794	1,798	\$311,609
% Variance	-2%	6%	10%	11%	8%	16%	28%	30%	14%	-7%	27%	34%	13%	10%

Overall February 2015 to March 2015

The overdue percentage for Rates and Charges reduced from 5.4% to 3.9% during the month of March. During this period, 27% of funds received toward overdue payments was toward arrears >90 days overdue.

Comparison March 2014 to March 2015

Total							Mainland						
Days Overdue	Mar-14	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance	Days Overdue	Mar-14	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance
<90	\$3,122,019	1.95%	\$2,841,796	1.65%	-\$280,223	-0.30%	<90	\$2,274,270	1.42%	\$2,101,044	1.22%	-\$173,226	-0.20%
90 - 180 days	\$1,210,139	0.75%	\$1,250,254	0.73%	\$40,115	-0.03%	90 - 180 days	\$798,094	0.50%	\$864,312	0.50%	\$66,218	0.00%
>180 days	\$2,125,111	1.33%	\$2,676,564	1.56%	\$551,453	0.23%	>180 days	\$929,865	0.58%	\$1,393,526	0.81%	\$463,661	0.23%
Total	\$6,457,269	4.03%	\$6,768,614	3.94%	\$311,345	-0.09%	Total	\$4,002,229	2.50%	\$4,358,882	2.53%	\$356,653	0.04%

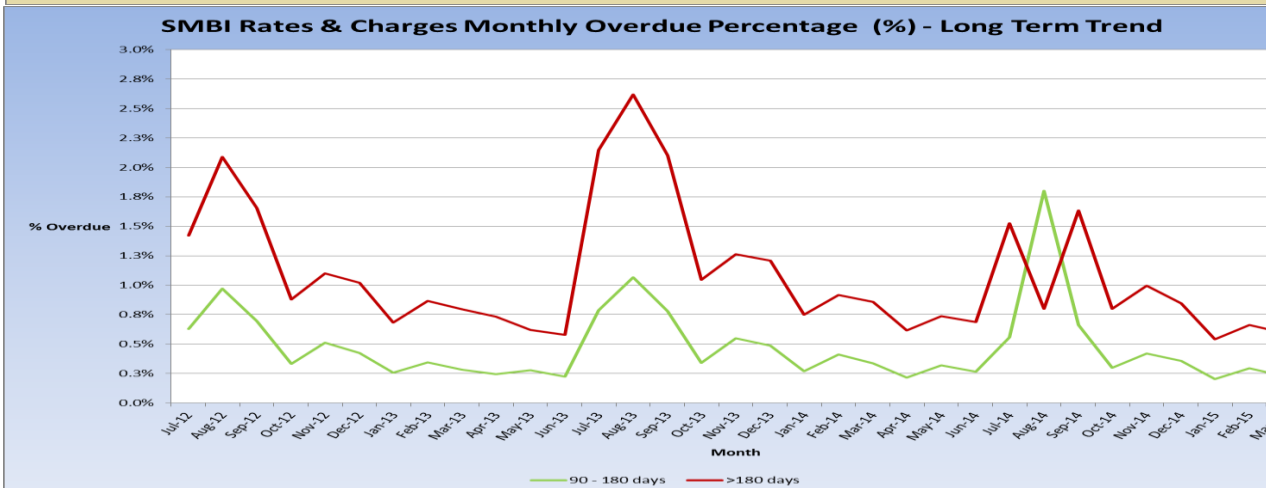
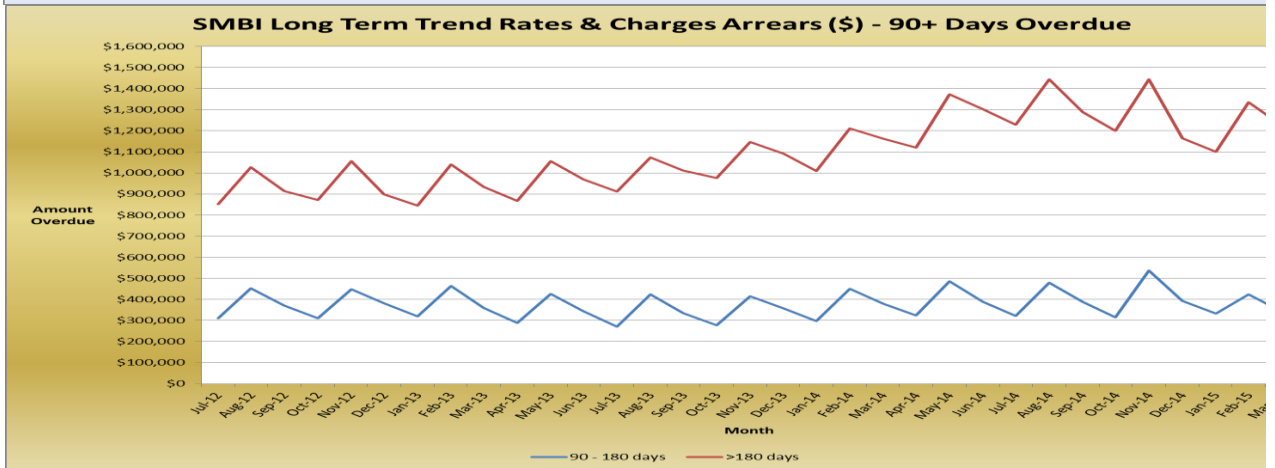
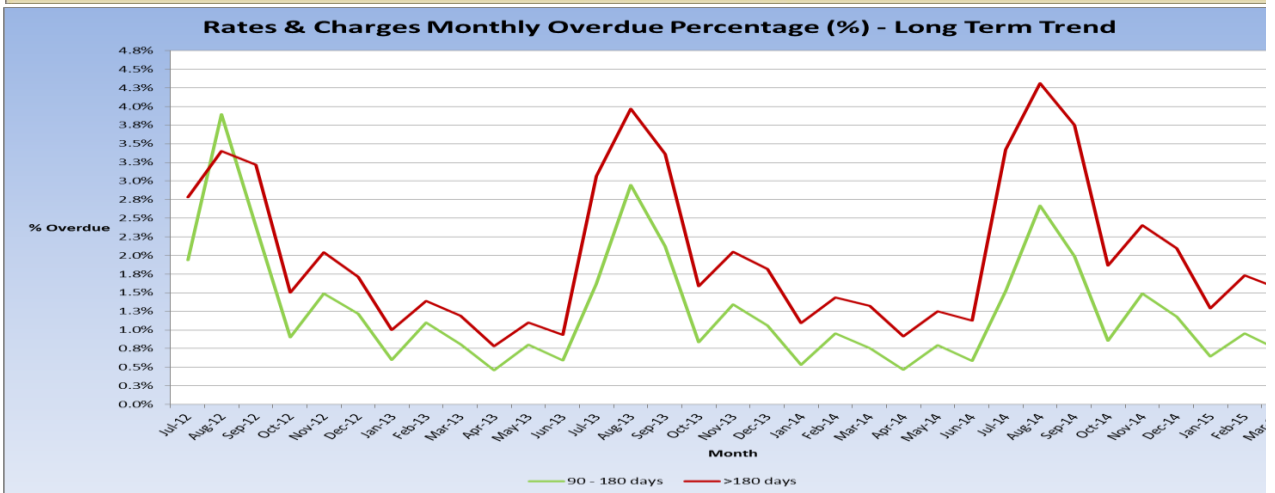
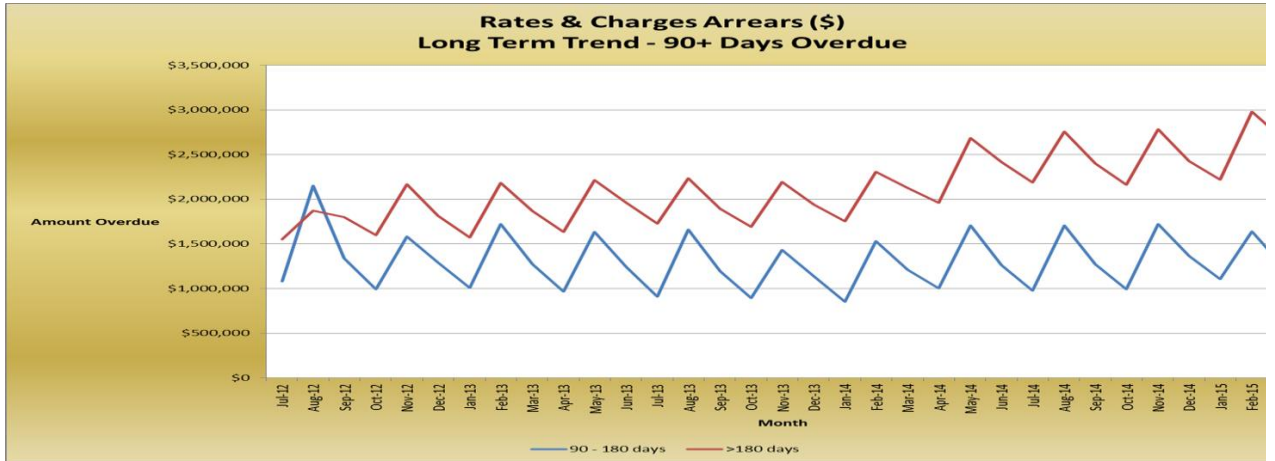
Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Mar-14	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance	Days Overdue	Mar-14	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance
<90	\$91,934	0.06%	\$79,215	0.05%	-\$12,719	-0.01%	<90	\$755,815	0.47%	\$661,537	0.38%	-\$94,278	-0.09%
90 - 180 days	\$33,248	0.02%	\$44,339	0.03%	\$11,091	0.01%	90 - 180 days	\$378,796	0.24%	\$341,603	0.20%	-\$37,194	-0.04%
>180 days	\$33,296	0.02%	\$58,858	0.03%	\$25,563	0.01%	>180 days	\$1,161,951	0.72%	\$1,224,180	0.71%	\$62,229	-0.01%
Total	\$158,478	0.10%	\$182,412	0.11%	\$23,934	0.01%	Total	\$2,296,562	1.43%	\$2,227,320	1.29%	-\$69,242	-0.14%

Trend - February 2015 to March 2015

Total							Mainland						
Days Overdue	Feb-15	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance	Days Overdue	Feb-15	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance
<90	\$4,701,593	2.73%	\$2,841,796	1.65%	-\$1,859,797	-1.08%	<90	\$3,619,036	2.10%	\$2,101,044	1.22%	-\$1,517,992	-0.88%
90 - 180 days	\$1,637,237	0.95%	\$1,250,254	0.73%	-\$386,983	-0.23%	90 - 180 days	\$1,149,235	0.67%	\$864,312	0.50%	-\$284,923	-0.17%
>180 days	\$2,980,979	1.73%	\$2,676,564	1.56%	-\$304,415	-0.18%	>180 days	\$1,548,870	0.90%	\$1,393,526	0.81%	-\$155,344	-0.09%
Total	\$9,319,809	5.42%	\$6,768,614	3.94%	-\$2,551,195	-1.49%	Total	\$6,317,142	3.67%	\$4,358,882	2.53%	-\$1,958,260	-1.14%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Feb-15	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance	Days Overdue	Feb-15	% Overdue	Mar-15	% Overdue	\$ Variance	% Variance
<90	\$149,516	0.09%	\$79,215	0.05%	-\$70,301	-0.04%	<90	\$933,041	0.54%	\$661,537	0.38%	-\$271,504	-0.16%
90 - 180 days	\$64,990	0.04%	\$44,339	0.03%	-\$20,651	-0.01%	90 - 180 days	\$423,011	0.25%	\$341,603	0.20%	-\$81,409	-0.05%
>180 days	\$96,030	0.06%	\$58,858	0.03%	-\$37,172	-0.02%	>180 days	\$1,336,079	0.78%	\$1,224,180	0.71%	-\$111,899	-0.07%
Total	\$310,536	0.18%	\$182,412	0.11%	-\$128,124	-0.07%	Total	\$2,692,132	1.57%	\$2,227,320	1.29%	-\$464,812	-0.27%





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.