



Monthly Financial Report

September 2014

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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 30 September 2014. The year to date and annual budget referred to in this report reflects the Revised Budget as adopted by Council on 3 September 2014 and budget revisions adopted in the general meeting held on 20th August 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)	(10,578)	79	4,515	4,436	5615%	✔
Recurrent Revenue	231,012	58,527	58,442	(85)	0%	⚠
Recurrent Expenditure	241,588	58,448	53,927	(4,521)	-8%	✔
Capital Works Expenditure	66,456	9,612	10,304	692	7%	⚠
Closing Cash & Investments	60,664	86,334	100,731	14,397	17%	✔

Status Legend:

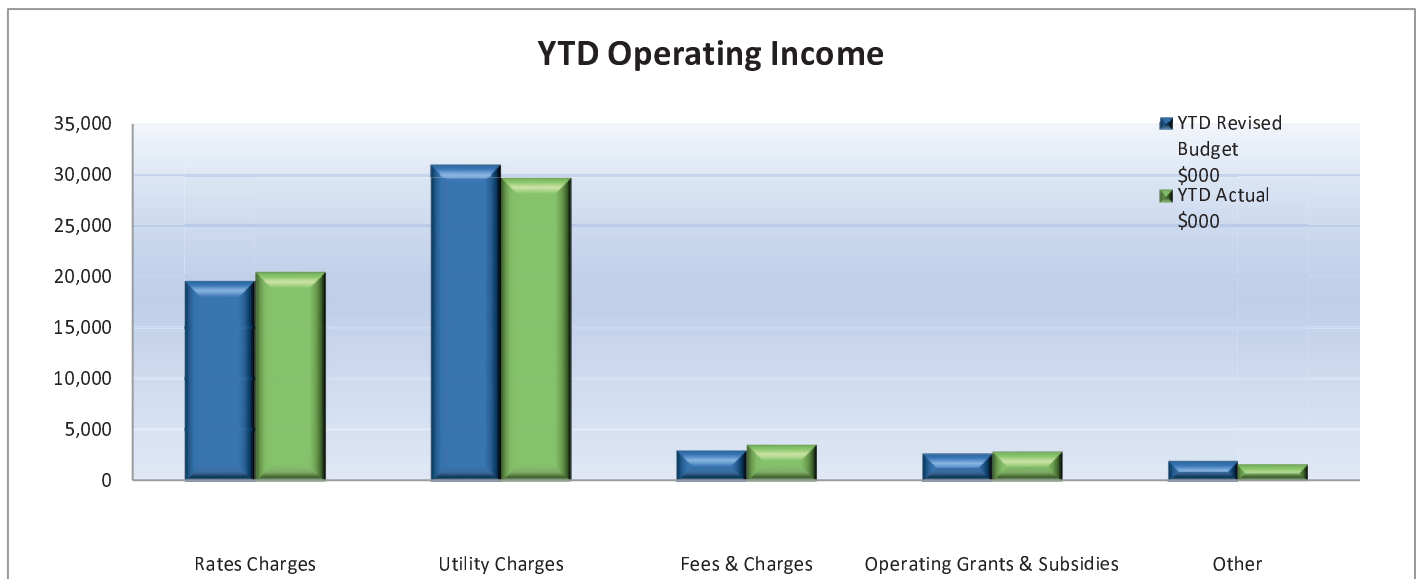
Above budgeted revenue or under budgeted expenditure	✔
Below budgeted revenue or over budgeted expenditure <10%	⚠
Below budgeted revenue or over budgeted expenditure >10%	✘

Operating results (p.7)

The year to date operating surplus of \$4.52M is \$4.44M above the year to date revised budget. The year to date favourable variance is primarily due to operating expenses being lower than budget by \$3.73M and depreciation expenses lower than budget by \$794K.

Employee costs and goods & services are under budget by \$823K and \$3.13M respectively. The shortfall in levies & utility charges revenue is mainly attributable to water consumption revenue. This shortfall is covered by favourable variances in other revenue line items, bringing the overall variance down to \$85K.

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 Highlights & Ratios (p.5).

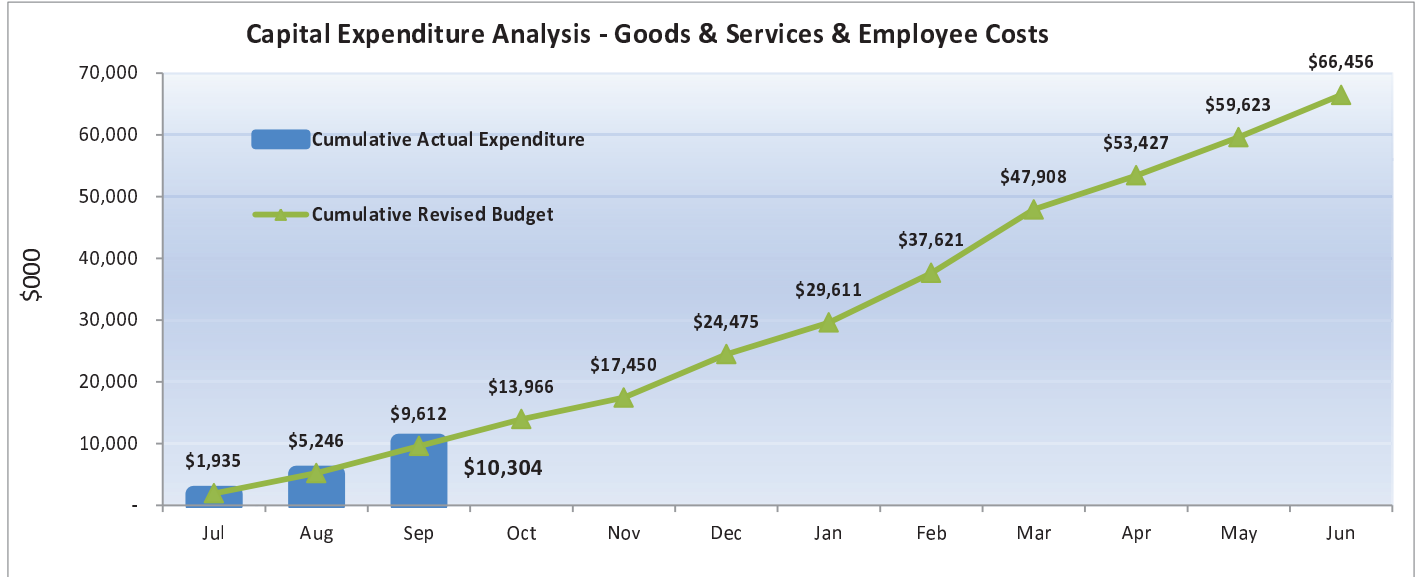


1. INTRODUCTION AND OVERVIEW (cont.)

Capital works

Council's capital works expenditure is on track with year to date actual expenditure of \$10.30M which is only \$692K above year to date budget of \$9.61M.

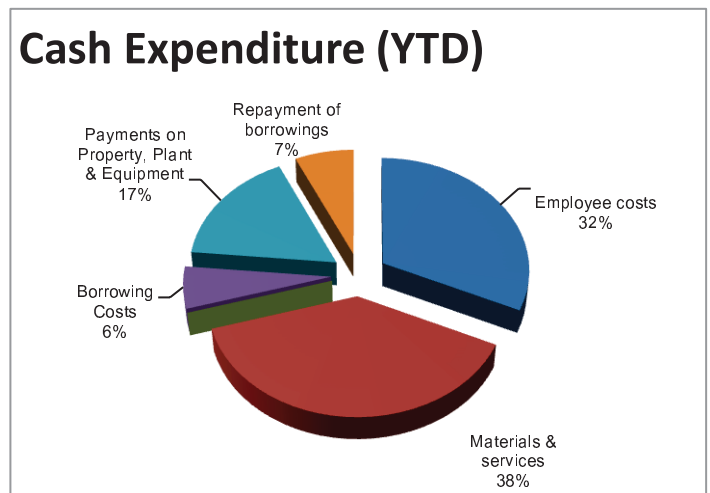
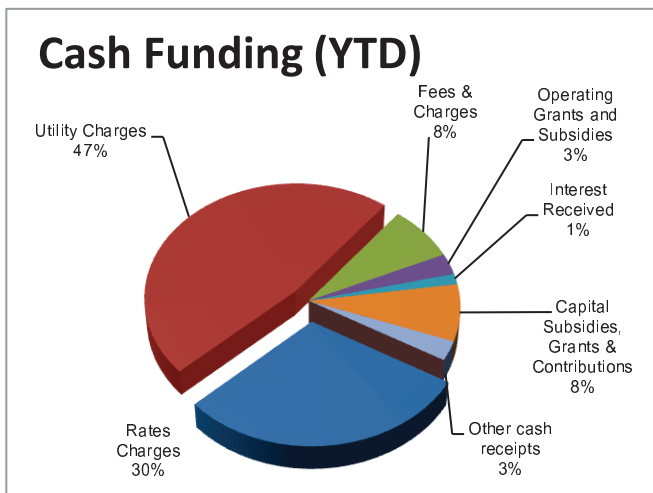
Total capital commitments at the end of September 2014 (where budget is approved) was \$2.78M.



Financial position and cash flow results

Council's Balance Sheet depicts a sustainable result with total current assets of \$133.60M and total current liabilities of \$42.98M (current ratio of 3.11 to 1).

Council's cash flow for the first three months exceeded the budgeted cash balance at the end of September 2014 (refer p.3). This result is attributable mainly to higher than anticipated cash collection for utility charges and fees & charges, lower than budgeted payments to suppliers for material & services and higher than anticipated developers cash contributions. Of the cash balance at the end of the period, \$78.86M is held as cash contained reserves and \$99.98M 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)	66,310
Total Cash Funding (Annual Budget Revised)	232,405
% of Budget Achieved YTD	29%

Total Cash Expenditure (Actual YTD)	61,814
Total Cash Expenditure (Annual Budget Revised)	267,974
% of Budget Achieved YTD	23%

2. KEY PERFORMANCE INDICATORS

Financial Stability Ratios	Target	Annual Revised Budget 2014/2015	September 2014	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	33.00%	33.87%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	2.92	3.11	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.44%	3.26%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$60.664M	\$100.731M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	3.70	6.39	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.47%	2.61%	✓
Operating Performance (%)	Target greater than or equal to 20%	7.6%	22.07%	✓
Financial Sustainability Ratios	Target	Annual Revised Budget 2014/2015	September 2014	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-4.58%	7.73%	✓
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	0.69%	-28.82%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.22%	-0.23%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	52.53%	21.05%	✗
Asset Consumption Ratio (%)	Target between 40% and 80%	60.55%	68.11%	✓

Status Legend

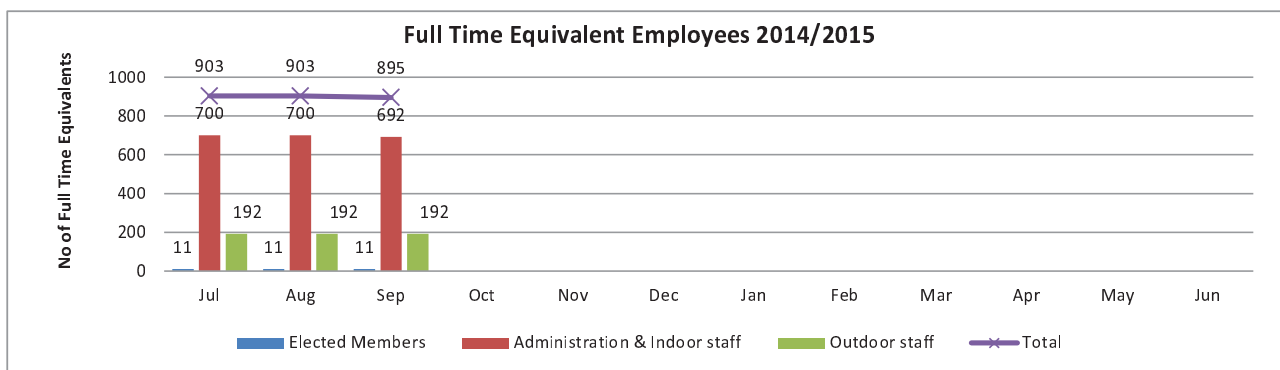
KPI target achieved or exceeded



KPI target not achieved



3. KEY NON-FINANCIAL INFORMATION



Workforce reporting - September 2014: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	14	4	80	10	12	0	120
Organisational Services	5	6	100	8	6	5	130
Community and Customer Service	35	5	253	47	22	5	367
Infrastructure and Operations	11	6	312	9	25	2	365
Total	65	21	745	74	65	12	982

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 30 September 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent Revenue					
Rates Charges	81,366	81,366	20,341	20,478	137
Levies & Utility Charges	124,757	124,757	30,962	29,636	(1,326)
Less: Pensioner Remissions	(2,743)	(5,197)	(686)	(681)	5
Fees & Charges	10,629	10,620	3,074	3,657	583
Operating Grants & Subsidies	3,983	8,759	2,779	2,945	166
Operating Contributions & Donations	260	260	50	99	49
Interest External	3,872	3,872	968	981	13
Other Revenue	4,021	6,575	1,039	1,327	288
Total Recurrent Revenue	226,144	231,012	58,527	58,442	(85)
Capital revenue					
Grants, Subsidies & Contributions	15,050	15,200	3,927	5,276	1,349
Non-Cash Contributions	3,146	3,146	20	-	(20)
Total Capital Revenue	18,196	18,346	3,947	5,276	1,329
TOTAL REVENUE	244,340	249,358	62,474	63,718	1,244
Recurrent Expenses					
Employee Costs	76,094	76,713	19,345	18,522	(823)
Goods & Services	106,425	110,017	25,390	22,480	(2,910)
Finance Costs	3,643	3,644	911	917	6
Depreciation & Amortisation	51,209	51,214	12,802	12,008	(794)
Total Recurrent Expenses	237,370	241,588	58,448	53,927	(4,521)
Capital Expenses					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(3,192)	(361)	(74)	287
Total Capital Expenses	(3,192)	(3,192)	(361)	(74)	287
TOTAL EXPENSES	234,178	238,396	58,087	53,853	(4,234)
NET RESULT	10,161	10,962	4,387	9,865	5,478
Other Comprehensive Income/(Loss)					
Increase/(decrease) in Asset Revaluation Surplus	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	10,161	10,962	4,387	9,865	5,478



5. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 30 September 2014

	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	20,341	20,478	137
Levies & Utility Charges	124,757	124,757	30,962	29,636	(1,326)
<i>Less: Pensioner Remissions</i>	(2,743)	(5,197)	(686)	(681)	5
Fees & Charges	10,629	10,620	3,074	3,657	583
Operating Grants & Subsidies	3,983	8,759	2,779	2,945	166
Operating Contributions & Donations	260	260	50	99	49
Interest External	3,872	3,872	968	981	13
Other Revenue	4,021	6,575	1,039	1,327	288
Total Revenue	226,144	231,012	58,527	58,442	(85)
Expenses					
Employee Costs	76,094	76,713	19,345	18,522	(823)
Goods & Services	107,098	110,691	25,573	22,441	(3,132)
Finance Costs Other	281	282	70	72	2
Other Expenditure	315	315	64	26	(38)
Net Internal Costs	(988)	(988)	(247)	13	260
Total Expenses	182,799	187,013	44,805	41,074	(3,731)
Earnings Before Interest, Tax & Depreciation (EBITD)	43,345	43,999	13,722	17,368	3,646
Interest Expense	3,362	3,362	841	845	4
Depreciation	51,209	51,214	12,802	12,008	(794)
Operating Surplus/(Deficit)	(11,226)	(10,578)	79	4,515	4,436

Utility Charges Breakup For the period ending 30 September 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Utility Charges					
Refuse Charges	18,797	18,797	4,699	4,718	19
Special Charges	3,795	3,795	949	950	1
Environment Levy	5,637	5,637	1,409	1,415	6
Landfill Remediation Charge	4,102	4,102	1,026	1,032	6
Wastewater Charges	38,161	38,161	9,540	10,112	572
Water Access Charges	17,592	17,592	4,398	4,278	(120)
Water Consumption Charges	36,673	36,673	8,941	7,131	(1,810)
Total Utility Charges	124,757	124,757	30,962	29,636	(1,326)



5. OPERATING STATEMENT (cont.)

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 30 September 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	94,706	94,706	23,449	22,171	(1,278)
Total Expenses	49,157	49,157	12,061	12,001	(60)
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	45,550	11,388	10,170	(1,218)
Interest Internal	21,681	21,681	5,420	5,420	-
Depreciation	16,987	16,987	4,247	4,113	(134)
Operating Surplus/(Deficit)	6,881	6,881	1,721	637	(1,084)

REDWASTE OPERATING STATEMENT For the period ending 30 September 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	19,967	20,058	3,326	3,316	(10)
Total Expenses	16,200	15,389	2,754	2,430	(324)
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	4,669	572	886	314
Interest Expense External	42	42	7	7	-
Interest Internal	313	313	52	52	-
Depreciation	556	562	93	93	-
Operating Surplus/(Deficit)	2,856	3,752	420	734	314



6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 30 September 2014

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS			
Cash & Investments	49,157	60,664	100,731
Accounts Receivable	34,311	39,519	23,569
Inventories	943	845	885
Prepaid Expenses	1,320	1,155	8,059
Non-Current Assets - Held for Sale	467	354	354
Total Current Assets	86,198	102,537	133,598
NON-CURRENT ASSETS			
Property, Plant & Equipment	2,021,416	2,101,040	2,081,437
Financial Assets	-	-	73
Total Non-Current Assets	2,021,416	2,101,040	2,081,510
TOTAL ASSETS	2,107,615	2,203,577	2,215,108
CURRENT LIABILITIES			
Accounts Payable	17,301	18,913	14,372
Current Employee Provisions	2,468	9,493	12,974
Current Loans	5,247	5,498	4,375
Current Landfill Rehabilitation Provisions	1,144	(23)	6,246
Other Liabilities	3,201	1,283	5,017
Total Current Liabilities	29,360	35,164	42,984
NON-CURRENT LIABILITIES			
Non-Current Loans	49,149	48,897	53,550
Non-Current Employee Provisions	10,998	2,013	2,163
Non-Current Landfill Rehabilitation Provisions	28,189	17,578	17,578
Non-Current Trade & Other Payables	693	478	478
Total Non-Current Liabilities	89,028	68,966	73,769
TOTAL LIABILITIES	118,388	104,130	116,753
NET ASSETS	1,989,227	2,099,447	2,098,355
COMMUNITY EQUITY			
Retained Earnings	1,943,304	2,031,710	2,019,495
Cash Constrained Reserves	45,923	67,737	78,860
TOTAL COMMUNITY EQUITY	1,989,227	2,099,447	2,098,355

The 2013/14 accounts are still being finalised and therefore the opening balances on the 2014/15 Statement of Financial Position are subject to change until Council obtains Queensland Audit Office certification in October 2014.



7. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 30 September 2014

	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	6,188	3,716	4,967	1,251
Capital Grants & Subsidies	8,862	9,012	211	308	97
Proceeds on Disposal of Non-current Assets	4,049	4,049	575	370	(205)
Capital Transfers (To) From Reserves	4,602	5,694	(2,578)	(4,039)	(1,461)
Non-cash Contributions	3,146	3,146	20	-	(20)
New Loans	-	-	-	-	-
Funding from General Revenue	42,787	46,102	8,835	9,756	921
Total Sources of Capital Funding	69,633	74,190	10,779	11,362	583
Applications of Capital Funds					
Contributed Assets	3,146	3,146	20	-	(20)
Capitalised Goods & Services	56,263	60,820	8,824	8,839	15
Capitalised Employee Costs	5,636	5,636	788	1,465	677
Loan Redemption	4,589	4,589	1,147	1,058	(89)
Total Applications of Capital Funds	69,633	74,190	10,779	11,362	583
Other Budgeted Items					
WDV of Assets Disposed	(857)	(857)	(214)	(296)	(82)
Transfers to Constrained Operating Reserves	(13,124)	(13,124)	(3,363)	(3,304)	59
Transfer from Constrained Operating Reserves	12,180	12,373	1,493	1,163	(330)



8. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 30 September 2014

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates Charges (net)	78,623	76,169	19,798
Utility Charges	111,427	111,427	31,402
Fees & Charges	10,879	10,870	5,117
Operating Grants & Subsidies	3,983	3,983	1,940
Cash Contributions	260	260	99
Other Revenue	4,021	6,575	1,327
Receipts from Customers	209,192	209,284	59,683
Employee costs	(79,473)	(80,093)	(19,666)
Materials & services	(109,237)	(112,878)	(23,771)
Other expenses	(596)	(596)	(120)
Payments to Suppliers & Employees	(189,306)	(193,568)	(43,557)
Interest Received	3,872	3,872	981
Borrowing Costs	(3,362)	(3,362)	(3,719)
Net Cash Inflow / (Outflow) from Operating Activities	20,396	16,225	13,388
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(61,899)	(66,456)	(10,304)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	15,200	5,276
Proceeds - Sale of Property, Plant & Equipment	4,049	4,049	370
Net Cash Inflow / (Outflow) from Investing Activities	(42,800)	(47,208)	(4,658)
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)	(35,571)	4,496
Cash at Beginning of Year	76,150	96,235	96,235
Cash at End of Financial Period	49,157	60,664	100,731

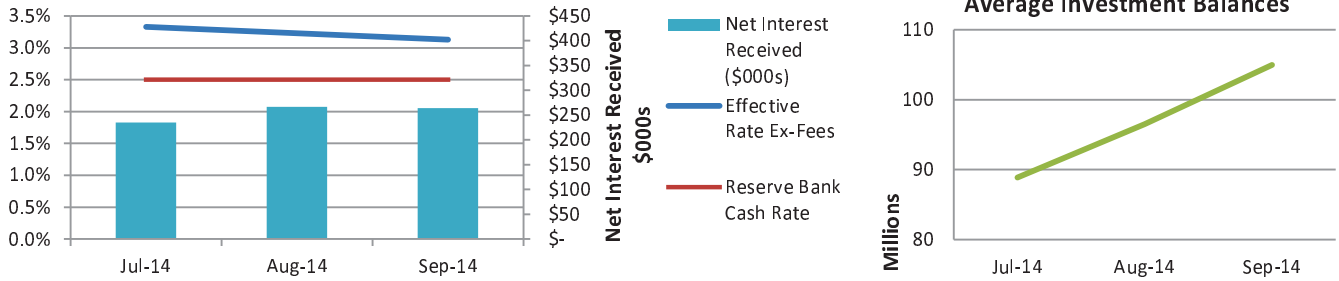
The 2013/14 accounts are still being finalised and therefore the opening balances on the 2014/15 Statement of Financial Position are subject to change until Council obtains Queensland Audit Office certification in October 2014.



9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 30 September 2014

INVESTMENT RETURNS



Total Investment at End of Month was \$99.98M

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 sharp decline in average investment balances is mainly due to the annual prepayment of the debt for 2014-15 financial year as provided by the Debt Policy.

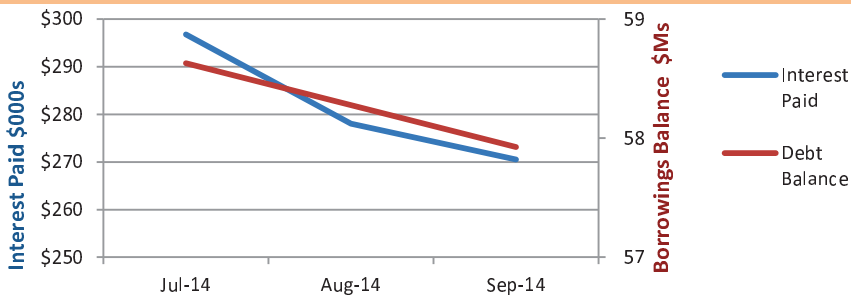
The QTC interest rate has consistently outperformed the UBS Australia Bank Bill Index benchmark in recent history.

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 is following procurement procedures to achieve this outcome. 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

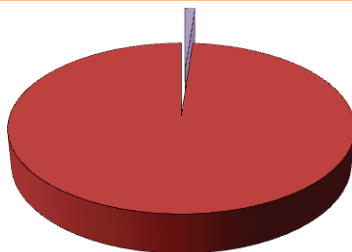


Current Position

Debt is split into 9, 12, and 15 year pools with repayment made *annually* in advance for 2014-15. This has resulted in the decrease in interest paid.

Council did not undertake any new borrowings in the 2013-14 financial year.

Total Borrowings at End of Month was \$57.92M



RedWaste 1.2%

General Pool allocated to capital works 98.8%

Future Strategy

Future strategy is to review the implications of repaying 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 30 September 2014	Opening Balance 1 July 2014	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Weinam Creek Reserve	2,782	133	(57)	2,858
Redland Work Cover Reserve	4,965	28	(147)	4,846
Red Art Gallery Commissions & Donations Res	17	-	-	17
SMBI Capital Reserve	3,894	289	-	4,184
	11,658	450	(204)	11,905
Utilities Reserve:				
RedWaste Reserve	3,118	249	(38)	3,329
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	13,018	249	(38)	13,229
Constrained Works Reserve:				
Tree Planting Reserve	70	5	-	75
Parks Reserve	2,408	459	-	2,867
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	79	-	520
Retail Water Renewal & Purchase Reserve	5,505	977	(445)	6,038
Sewerage Renewal & Purchase Reserve	7,384	1,345	(306)	8,423
Constrained Works Res-Cap Grants & Contribs	4,389	-	-	4,389
Transport Trunk Infrastructure Reserve	5,846	1,523	-	7,368
Cycling Trunk Infrastructure Reserve	706	334	-	1,040
Stormwater Infrastructure Reserve	1,938	244	-	2,183
Constrained Works Res-Opr Grants & Contribs	919	-	(53)	866
	31,730	4,967	(804)	35,894
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	6,936	-	-	6,936
Environment Charge Maintenance Reserve	1,505	1,415	(855)	2,065
	8,441	1,415	(855)	9,001
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	39	(36)	3
SMBI Translink Reserve	3	237	-	240
	3	276	(36)	243
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	5,187	674	(148)	5,714
Aquatic Paradise Canal Reserve	2,163	223	(5)	2,381
Sovereign Waters Lake Reserve	480	15	(2)	493
	7,830	913	(155)	8,588
TOTALS	72,680	8,271	(2,091)	78,860



11. OVERDUE RATES DEBTORS

Comparison September 2013 to September 2014

The overall September 2014 result is a marginally lower percentage overdue than the previous period in 2013.

Payments

From a payment perspective, more payments were received in September in comparison to September 2013. This is reflected in the overall trend from August to September with a good reduction in the overdue percentage.

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
Sep-13	662	\$179,790	9,558	\$1,975,076	519	\$303,015	1,709	\$142,435	995	\$577,394	343	\$176,030	13,786	\$3,353,741
Sep-14	635	\$204,351	10,092	\$2,141,682	385	\$257,468	2,394	\$203,739	802	\$529,684	519	\$217,265	14,827	\$3,554,188
Variance	-27	\$24,560.96	534	\$166,605.56	-134	-\$45,547.21	685	\$61,303.41	-193	-\$47,710.34	176	\$41,235.00	1,041	\$200,447.38
% Variance	-4%	14%	6%	8%	-26%	-15%	40%	43%	-19%	-8%	51%	23%	8%	6%

Overall Trend August 2014 to September 2014

A good reduction in overall percentage occurred in the month of September from 14.8% to 10.4%.

Comparison September 2013 to September 2014

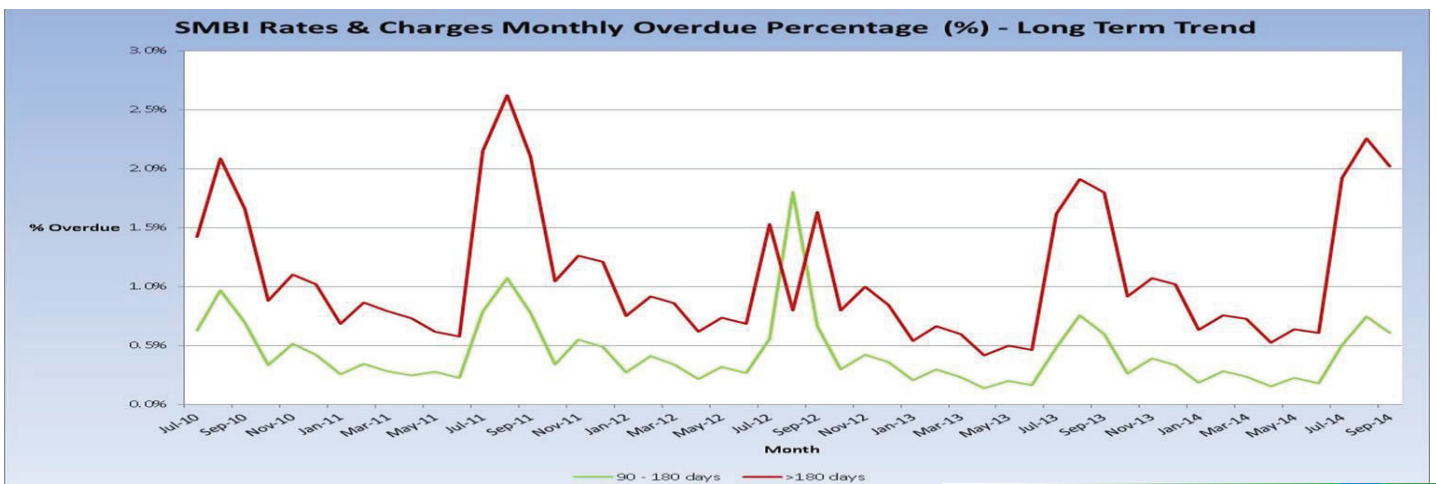
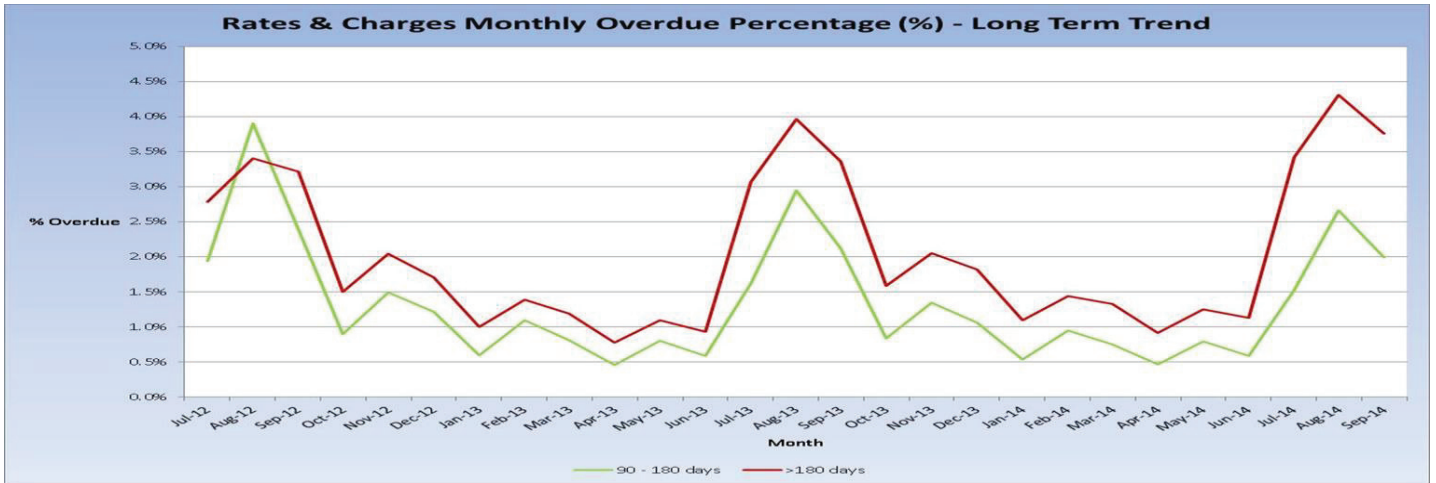
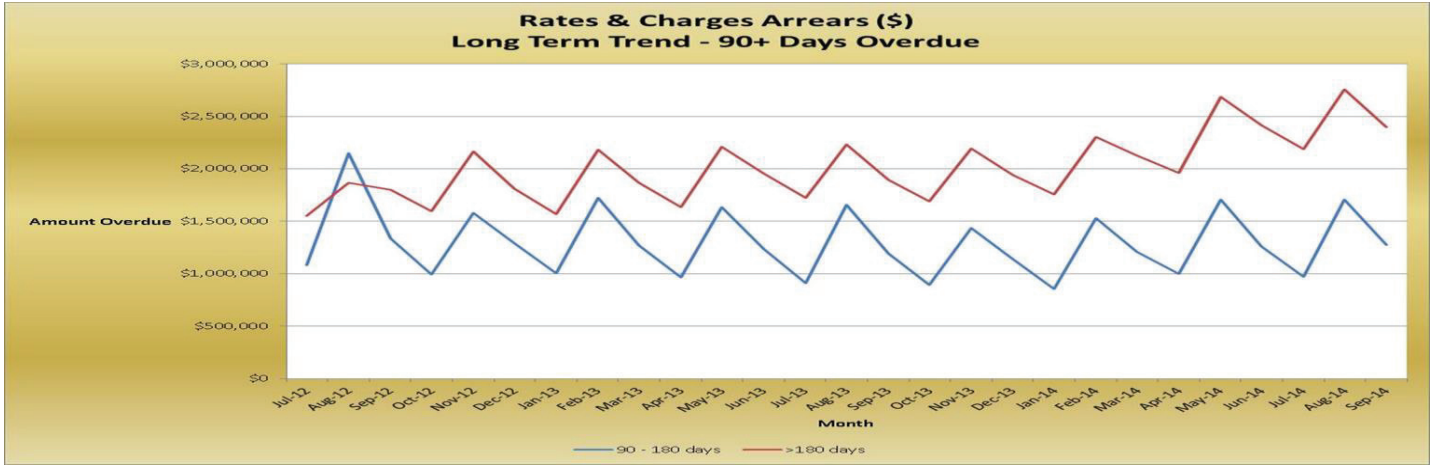
Total							Mainland						
Days Overdue	Sep-13	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance	Days Overdue	Sep-13	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance
<90	\$2,788,783.9	5.0%	\$2,953,137	4.6%	\$164,354	-0.34%	<90	\$2,042,738	3.6%	\$2,164,198	3.4%	\$121,460	-0.24%
90 - 180 days	\$1,194,432.0	2.1%	\$1,273,897	2.0%	\$79,465	-0.13%	90 - 180 days	\$829,009	1.5%	\$845,322	1.3%	\$16,312	-0.15%
>180 days	\$1,892,512.7	3.4%	\$2,399,640	3.8%	\$507,127	0.39%	>180 days	\$849,721	1.5%	\$1,070,562	1.7%	\$220,841	0.16%
Total	\$5,875,729	10.44%	\$6,626,674	10.37%	\$750,946	-0.07%	Total	\$3,721,468	6.61%	\$4,080,082	6.38%	\$358,614	-0.23%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Sep-13	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance	Days Overdue	Sep-13	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance
<90	\$80,640	0.1%	\$87,370	0.1%	\$6,730	-0.01%	<90	\$665,406	1.2%	\$701,570	1.1%	\$36,164	-0.08%
90 - 180 days	\$31,097	0.1%	\$40,406	0.1%	\$9,308	0.01%	90 - 180 days	\$334,325	0.6%	\$388,170	0.6%	\$53,845	0.01%
>180 days	\$32,099	0.1%	\$39,790	0.1%	\$7,691	0.01%	>180 days	\$1,010,693	1.8%	\$1,289,288	2.0%	\$278,595	0.22%
Total	\$143,836	0.26%	\$167,565	0.26%	\$23,729	0.01%	Total	\$2,010,424	3.57%	\$2,379,027	3.72%	\$368,603	0.15%

Trend - August 2014 to September 2014

Total							Mainland						
Days Overdue	Aug-14	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance	Days Overdue	Aug-14	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance
<90	\$5,035,556	7.87%	\$2,953,137	4.6%	-\$2,082,419	-3.25%	<90	\$3,848,218	6.02%	\$2,164,198	3.4%	-\$1,684,020	-2.63%
90 - 180 days	\$1,705,510	2.67%	\$1,273,897	2.0%	-\$431,613	-0.67%	90 - 180 days	\$1,169,831	1.83%	\$845,322	1.3%	-\$324,509	-0.51%
>180 days	\$2,756,439	4.31%	\$2,399,640	3.8%	-\$356,799	-0.56%	>180 days	\$1,256,639	1.96%	\$1,070,562	1.7%	-\$186,077	-0.29%
Total	\$9,497,505	14.85%	\$6,626,674	10.37%	-\$2,870,831	-4.48%	Total	\$6,274,688	9.81%	\$4,080,082	6.38%	-\$2,194,606	-3.43%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Aug-14	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance	Days Overdue	Aug-14	% Overdue	Sep-14	% Overdue	\$ Variance	% Variance
<90	\$170,739	0.27%	\$87,370	0.1%	-\$83,369	-0.13%	<90	\$1,016,599	1.59%	\$701,570	1.1%	-\$315,029	-0.49%
90 - 180 days	\$57,324	0.09%	\$40,406	0.1%	-\$16,919	-0.03%	90 - 180 days	\$478,355	0.75%	\$388,170	0.6%	-\$90,186	-0.14%
>180 days	\$56,282	0.09%	\$39,790	0.1%	-\$16,493	-0.03%	>180 days	\$1,443,517	2.26%	\$1,289,288	2.0%	-\$154,229	-0.24%
Total	\$284,346	0.44%	\$167,565	0.26%	-\$116,781	-0.18%	Total	\$2,938,471	4.59%	\$2,379,027	3.72%	-\$559,444	-0.87%



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>	$\frac{\text{Interest Expense} + \text{Loan Redemption}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
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>	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
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>	$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue}}$
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.