



Monthly Financial Report

August 2014

CONTENTS

1.	Introduction and Overview	4
2.	Key Performance Indicators	6
3.	Key Non-Financial Information	6
4.	Statement of Comprehensive Income	7
5.	Operating Statement	8
6.	Statement of Financial Position	10
7.	Capital Funding Statement	11
8.	Statement of Cash Flows	12
9.	Investment and Borrowings Report	13
10.	Cash Constrained Reserves	14
11.	Overdue Rates Debtors	15
12.	Glossary	17

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 August 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. 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)	(11,518)	7,493	12,284	4,791	64%	✓
Recurrent Revenue	231,267	45,689	48,516	2,827	6%	✓
Recurrent Expenditure	242,783	38,197	36,233	(1,964)	-5%	✓
Capital Works Expenditure	66,456	5,246	5,139	(107)	-2%	✓
Closing Cash & Investments	59,724	92,035	110,818	18,783	20%	✓

Status Legend:

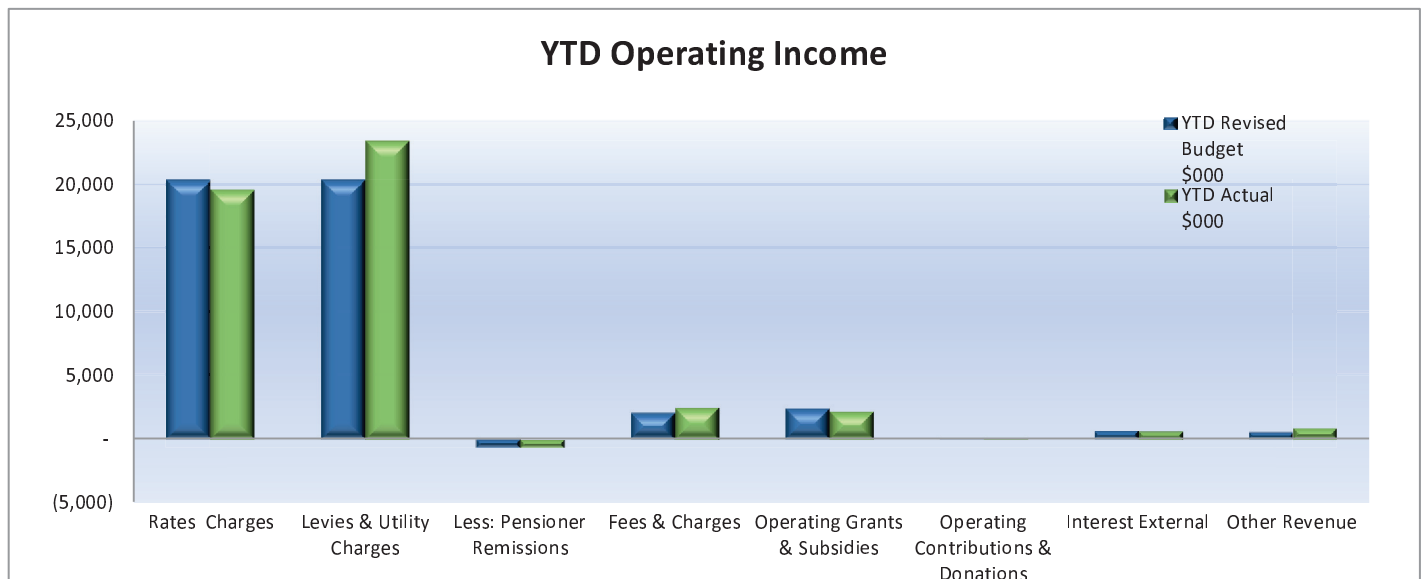
Above budgeted revenue or under budgeted expenditure	✓
Below budgeted revenue or over budgeted expenditure <10%	⚠
Below budgeted revenue or over budgeted expenditure >10%	✘

Operating results (p.7)

The year to date operating surplus of \$12.28M is \$4.79M above the year to date revised budget. The year to date favourable variance is primarily due to operating revenue being higher than budget by \$2.83M and operating expenses being lower than budget by \$1.98M.

Water consumption was higher than anticipated, contributing to the higher than anticipated operating revenue at the end of August 2014. Employee costs and good and services (including net internal costs) are under budget by \$294K and \$1.94M 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 Highlights & Ratios (p.6).

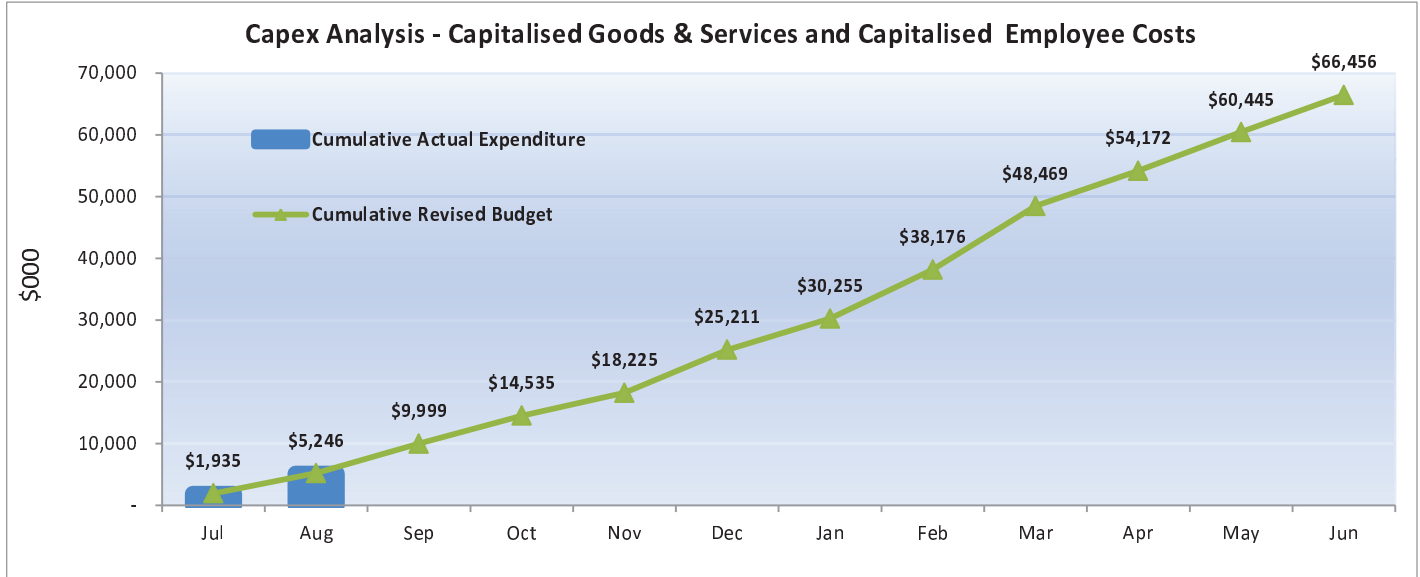


1. INTRODUCTION AND OVERVIEW (cont.)

Capital works

Council's capital works expenditure is on track with year to date actual expenditure of \$5.14M which is only \$107K below year to date budget of \$5.25M.

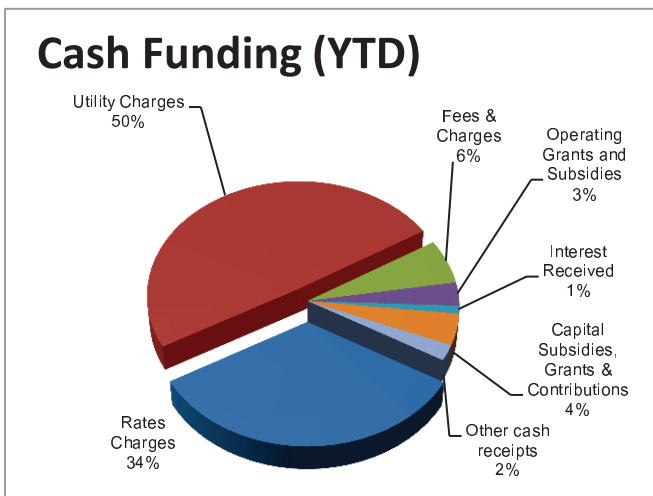
Total capital commitments at the end of August 2014 (where budget is approved) was \$3.22M.



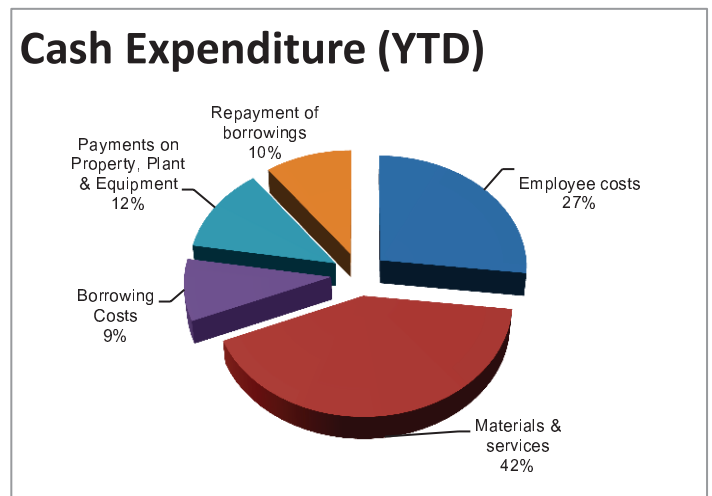
Financial position and cash flow results

Council's Balance Sheet depicts a sustainable result with total current assets of \$147.43M and total current liabilities of \$50.03M (current ratio of 2.95 to 1).

Council's cash flow for the first two months exceeded the budgeted cash balance at the end of August 2014 (refer p.4). This result is attributable mainly to higher than anticipated cash collection for utility charges (due to higher than anticipated water consumption) and lower than budgeted employee cost payments and material & services payments respectively. Of the cash balance at the end of the period, \$77.5M is held as cash constrained reserves and \$109.72M of the total balance was invested with 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)	56,413
Total Cash Funding (Annual Budget Revised)	232,660
% of Budget Achieved YTD	24%



Total Cash Expenditure (Actual YTD)	41,830
Total Cash Expenditure (Annual Budget Revised)	269,171
% of Budget Achieved YTD	16%

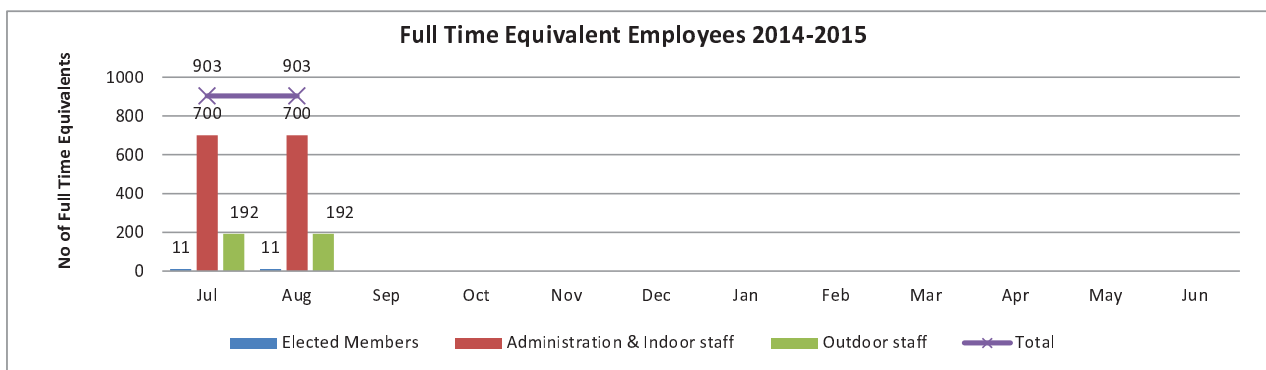
2. KEY PERFORMANCE INDICATORS

Financial Stability Ratios	Target	Annual Revised Budget 2014/2015	August 2014	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	34.00%	38.93%	✘
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	2.44	2.95	✔
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.44%	2.64%	✔
Cash Balance \$M	Target greater than or equal to \$40M	\$59.724M	\$110.818M	✔
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	3.62	6.83	✔
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.47%	2.62%	✔
Operating Performance (%)	Target greater than or equal to 20%	7.2%	39.47%	✔
Financial Sustainability Ratios	Target	Annual Revised Budget 2014/2015	August 2014	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-4.98%	25.32%	✔
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	1.11%	-48.25%	✔
Interest Cover Ratio (%)	Target between 0% and 5%	-0.22%	-0.12%	✔
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	45.34%	8.40%	✘
Asset Consumption Ratio (%)	Target between 40% and 80%	66.04%	68.20%	✔

Status Legend

KPI target achieved	✔	KPI target not achieved	✘
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3. KEY NON-FINANCIAL INFORMATION



Workforce reporting - August 2014: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	15	4	83	11	13	0	126
Organisational Services	4	6	98	9	6	5	128
Community and Customer Service	35	5	252	49	26	4	371
Infrastructure and Operations	12	6	313	10	23	2	366
Total	66	21	746	79	68	11	991

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 August 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	19,567	(774)
Levies & Utility Charges	124,757	124,757	20,340	23,410	3,070
Less: Pensioner Remissions	(2,743)	(2,743)	(686)	(680)	6
Fees & Charges	10,629	10,629	2,056	2,483	427
Operating Grants & Subsidies	3,983	8,759	2,418	2,197	(221)
Operating Contributions & Donations	260	260	33	10	(23)
Interest External	3,872	3,872	645	631	(14)
Other Revenue	4,021	4,367	542	898	356
Total Recurrent Revenue	226,144	231,267	45,689	48,516	2,827
Capital revenue					
Grants, Subsidies & Contributions	15,050	15,200	1,819	2,467	648
Non-Cash Contributions	3,146	3,146	13	-	(13)
Total Capital Revenue	18,196	18,346	1,832	2,467	635
TOTAL REVENUE	244,340	249,613	47,521	50,983	3,462
Recurrent Expenses					
Employee Costs	76,094	76,713	12,842	12,548	(294)
Goods & Services	106,425	111,212	16,214	14,502	(1,712)
Finance Costs	3,643	3,644	607	649	42
Depreciation & Amortisation	51,209	51,214	8,534	8,534	-
Total Recurrent Expenses	237,370	242,783	38,197	36,233	(1,964)
Capital Expenses					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(3,192)	(235)	(323)	(88)
Total Capital Expenses	(3,192)	(3,192)	(235)	(323)	(88)
TOTAL EXPENSES	234,178	239,591	37,962	35,910	(2,052)
NET RESULT	10,161	10,022	9,559	15,073	5,514
Other Comprehensive Income/(Loss)					
Increase/(decrease) in Asset Revaluation Surplus	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	10,161	10,022	9,559	15,073	5,514



5. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 31 August 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget	Revised Budget	Revised Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Revenue					
Rates Charges	81,366	81,366	20,341	19,567	(774)
Levies & Utility Charges	124,757	124,757	20,340	23,410	3,070
<i>Less: Pensioner Remissions</i>	(2,743)	(2,743)	(686)	(680)	6
Fees & Charges	10,629	10,629	2,056	2,483	427
Operating Grants & Subsidies	3,983	8,759	2,418	2,197	(221)
Operating Contributions & Donations	260	260	33	10	(23)
Interest External	3,872	3,872	645	631	(14)
Other Revenue	4,021	4,367	542	898	356
Total Revenue	226,144	231,266	45,689	48,516	2,827
Expenses					
Employee Costs	76,094	76,713	12,842	12,548	(294)
Goods & Services	107,098	111,885	16,330	14,390	(1,940)
Finance Costs Other	281	282	47	74	27
Other Expenditure	315	315	48	15	(33)
Net Internal Costs	(988)	(988)	(165)	97	262
Total Expenses	182,799	188,207	29,102	27,124	(1,978)
Earnings Before Interest, Tax & Depreciation (EBITD)	43,345	43,059	16,587	21,392	4,805
Interest Expense	3,362	3,362	560	574	14
Depreciation	51,209	51,214	8,534	8,534	-
Operating Surplus/(Deficit)	(11,226)	(11,518)	7,493	12,284	4,791

Utility Charges Breakup For the period ending 31 August 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget	Revised Budget	Revised Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Utility Charges					
Refuse Charges	18,797	18,797	3,133	3,138	5
Special Charges	3,795	3,795	45	950	905
Environment Levy	5,637	5,637	1,409	1,410	1
Landfill Remediation Charge	4,102	4,102	684	685	1
Wastewater Charges	38,161	38,161	6,360	6,551	191
Water Access Charges	17,592	20,416	3,374	3,537	163
Water Consumption Charges	36,673	33,848	5,335	7,139	1,804
Total Utility Charges	124,757	124,756	20,340	23,410	3,070



5. OPERATING STATEMENT (cont.)

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 August 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	94,706	94,706	15,449	17,695	2,246
Total Expenses	49,157	49,157	7,469	7,879	410
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	45,550	7,980	9,816	1,836
Interest Internal	21,681	21,681	3,614	3,614	-
Depreciation	16,987	16,987	2,831	2,831	-
Operating Surplus/(Deficit)	6,881	6,881	1,535	3,371	1,836

REDWASTE OPERATING STATEMENT For the period ending 31 August 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	19,967	19,967	3,326	3,316	(10)
Total Expenses	16,200	16,200	2,754	2,430	(324)
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	3,767	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	2,850	420	734	314



6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 August 2014

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS			
Cash & Investments	49,157	59,724	110,818
Accounts Receivable	34,311	39,526	27,214
Inventories	943	845	868
Prepaid Expenses	1,320	1,155	8,171
Non-Current Assets - Held for Sale	467	354	354
Total Current Assets	86,198	101,604	147,425
NON-CURRENT ASSETS			
Property, Plant & Equipment	2,021,416	2,100,828	2,079,830
Financial Assets	-	-	73
Total Non-Current Assets	2,021,416	2,100,828	2,079,903
TOTAL ASSETS	2,107,615	2,202,432	2,227,328
CURRENT LIABILITIES			
Accounts Payable	17,301	19,232	14,282
Current Employee Provisions	2,468	9,216	13,039
Current Loans	5,247	5,498	4,375
Current Landfill Rehabilitation Provisions	1,144	6,443	6,283
Other Liabilities	3,201	1,283	12,049
Total Current Liabilities	29,360	41,672	50,028
NON-CURRENT LIABILITIES			
Non-Current Loans	49,149	48,897	53,903
Non-Current Employee Provisions	10,998	2,013	2,027
Non-Current Landfill Rehabilitation Provisions	28,189	11,112	17,578
Non-Current Trade & Other Payables	693	478	478
Total Non-Current Liabilities	89,028	62,500	73,986
TOTAL LIABILITIES	118,388	104,172	124,014
NET ASSETS	1,989,227	2,098,260	2,103,314
COMMUNITY EQUITY			
Retained Earnings	1,943,304	2,030,523	2,025,785
Cash Constrained Reserves	45,923	67,737	77,529
TOTAL COMMUNITY EQUITY	1,989,227	2,098,260	2,103,314

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 31 August 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	1,819	2,393	574
Capital Grants & Subsidies	8,862	9,012	-	74	74
Proceeds on Disposal of Non-current Assets	4,049	4,049	378	323	(55)
Capital Transfers (To) From Reserves	4,602	5,694	(1,285)	(2,346)	(1,061)
Non-cash Contributions	3,146	3,146	13	-	(13)
New Loans	-	-	-	-	-
Funding from General Revenue	42,787	46,102	5,610	5,401	(209)
Total Sources of Capital Funding	69,633	74,190	6,535	5,845	(690)
Applications of Capital Funds					
Contributed Assets	3,146	3,146	524	-	(524)
Capitalised Goods & Services	56,263	60,820	4,753	4,175	(578)
Capitalised Employee Costs	5,636	5,636	493	964	471
Loan Redemption	4,589	4,589	765	706	(59)
Total Applications of Capital Funds	69,633	74,190	6,535	5,845	(690)
Other Budgeted Items					
WDV of Assets Disposed	(857)	(857)	(143)	-	143
Transfers to Constrained Operating Reserves	(13,124)	(13,124)	(2,028)	(3,055)	(1,027)
Transfer from Constrained Operating Reserves	12,180	12,373	672	551	(121)

8. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 August 2014

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates Charges (net)	78,623	78,623	18,887
Utility Charges	111,427	111,427	27,867
Fees & Charges	10,879	10,879	3,489
Operating Grants & Subsidies	3,983	3,983	1,841
Cash Contributions	260	260	10
Other Revenue	4,021	4,367	898
Receipts from Customers	209,193	209,539	52,992
Employee costs	(79,473)	(80,093)	(11,228)
Materials & services	(109,237)	(114,073)	(17,421)
Other expenses	(596)	(598)	(89)
Payments to Suppliers & Employees	(189,306)	(194,764)	(28,738)
Interest Received	3,872	3,872	631
Borrowing Costs	(3,362)	(3,362)	(3,719)
Net Cash Inflow / (Outflow) from Operating Activities	20,396	15,285	21,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(61,899)	(66,456)	(5,139)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	15,200	2,467
Proceeds - Sale of Property, Plant & Equipment	4,049	4,049	323
Net Cash Inflow / (Outflow) from Investing Activities	(42,800)	(47,207)	(2,349)
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)	(36,511)	14,583
Cash at Beginning of Year	76,150	96,235	96,235
Cash at End of Financial Period	49,157	59,724	110,818

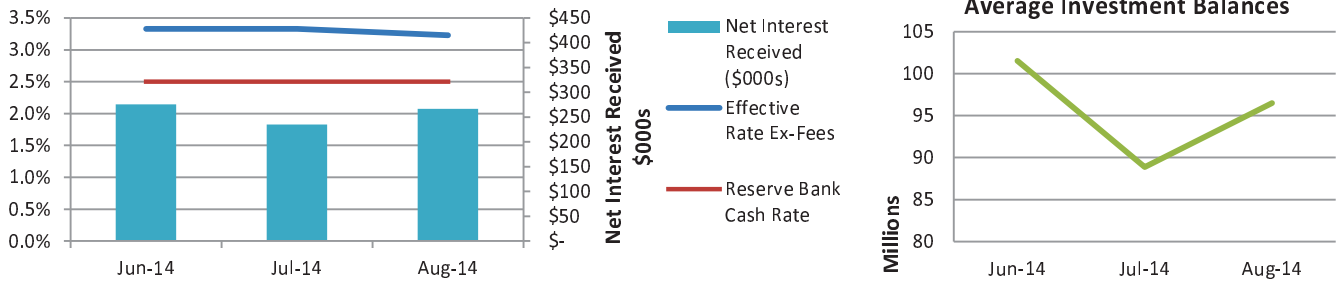
The 2013/14 accounts are still being finalised and therefore the opening balances on the 2014/15 Statement of Financial Position are subject to change until Council obtains Queensland Audit Office certification in October 2014.



9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 August 2014

INVESTMENT RETURNS



Total Investment at End of Month was \$109.72M

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.

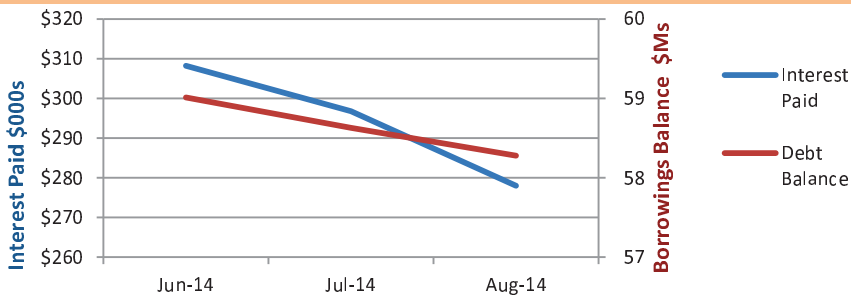
The QTC interest rate has consistently outperformed the UBS Australia Bank Bill Index benchmark in recent history.

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

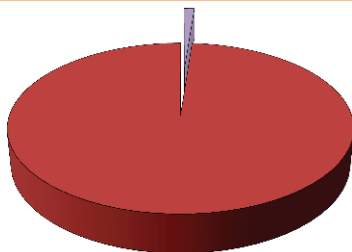


Current Position

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 \$58.28M



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 31 August 2014	Opening Balance 1 July 2014	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	2,782	-	-	2,782
Redland Work Cover Reserve	4,965	19	(93)	4,891
Red Art Gallery Commissions & Donations Res	17	-	-	17
SMBI Capital Reserve	3,894	289	-	4,183
	11,658	308	(93)	11,873
Utilities Reserve:				
RedWaste Reserve	3,118	166	(11)	3,273
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	13,018	166	(11)	13,173
Constrained Works Reserve:				
Tree Planting Reserve	70	3	-	73
Parks Reserve	2,408	260	-	2,668
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	33	-	474
Retail Water Renewal & Purchase Reserve	5,505	359	(11)	5,853
Sewerage Renewal & Purchase Reserve	7,384	610	(25)	7,969
Constrained Works Res-Cap Grants & Contribs	4,389	-	-	4,389
Transport Trunk Infrastructure Reserve	5,846	875	-	6,721
Cycling Trunk Infrastructure Reserve	706	162	-	868
Stormwater Infrastructure Reserve	1,938	90	-	2,029
Constrained Works Res-Opr Grants & Contribs	919	-	(53)	866
	31,730	2,393	(89)	34,034
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	6,936	-	-	6,936
Environment Charge Maintenance Reserve	1,505	1,411	(394)	2,522
	8,441	1,411	(394)	9,458
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	-	36	(11)	24
SMBI Translink Reserve	3	237	-	240
	3	273	(11)	264
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	5,187	664	-	5,851
Aquatic Paradise Canal Reserve	2,163	219	-	2,382
Sovereign Waters Lake Reserve	480	14	-	494
	7,830	897	-	8,727
TOTALS	72,680	5,448	(599)	77,529



11. OVERDUE RATES DEBTORS

The overall August 2014 result is a marginally lower percentage overdue.

Payments

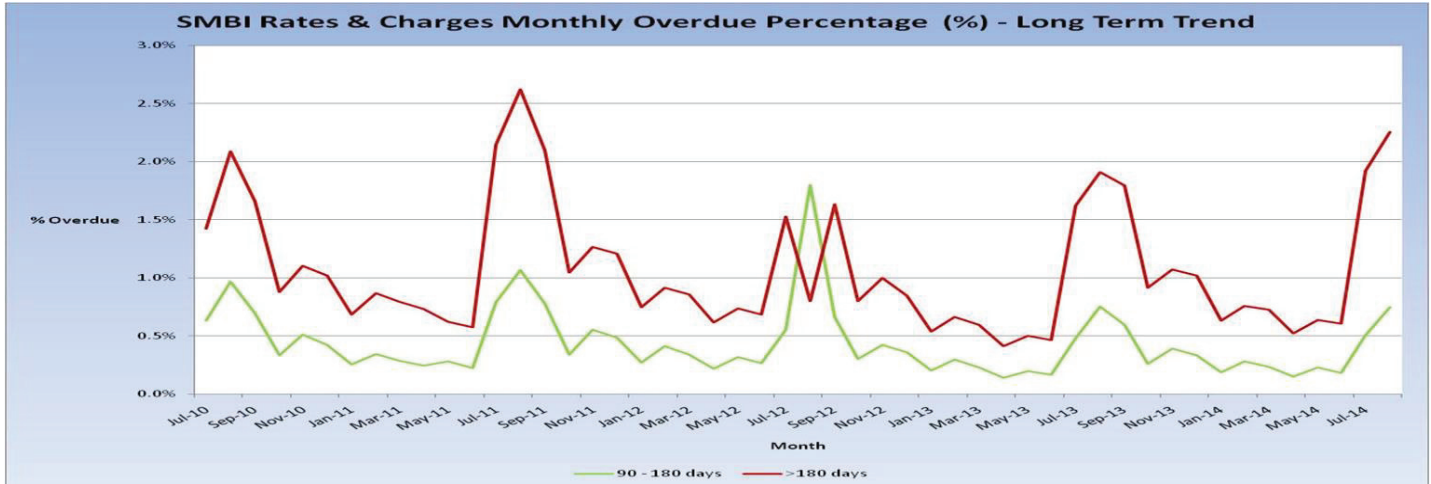
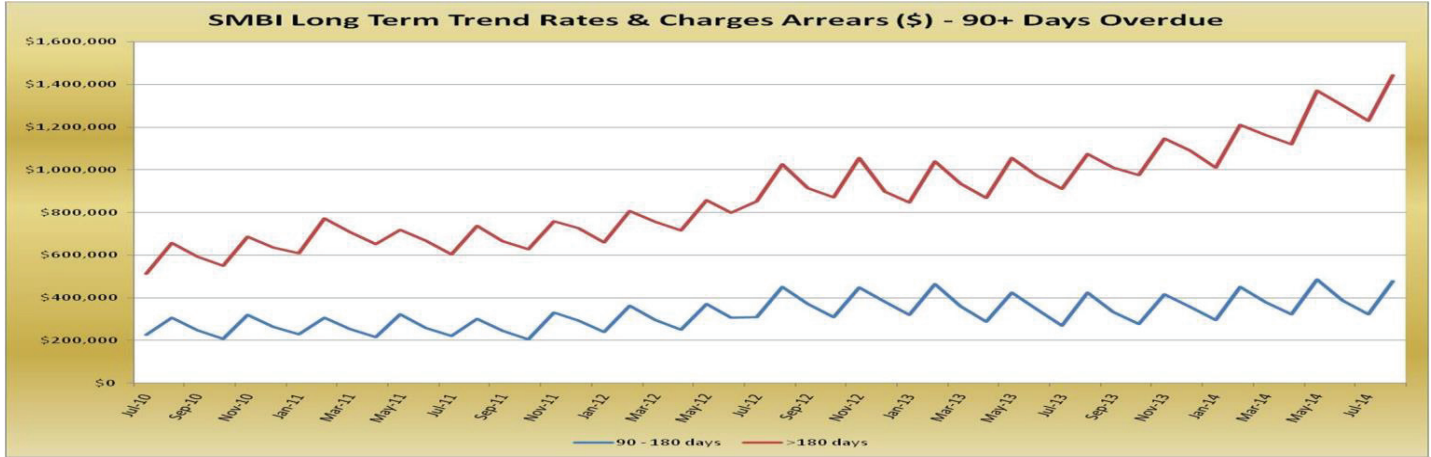
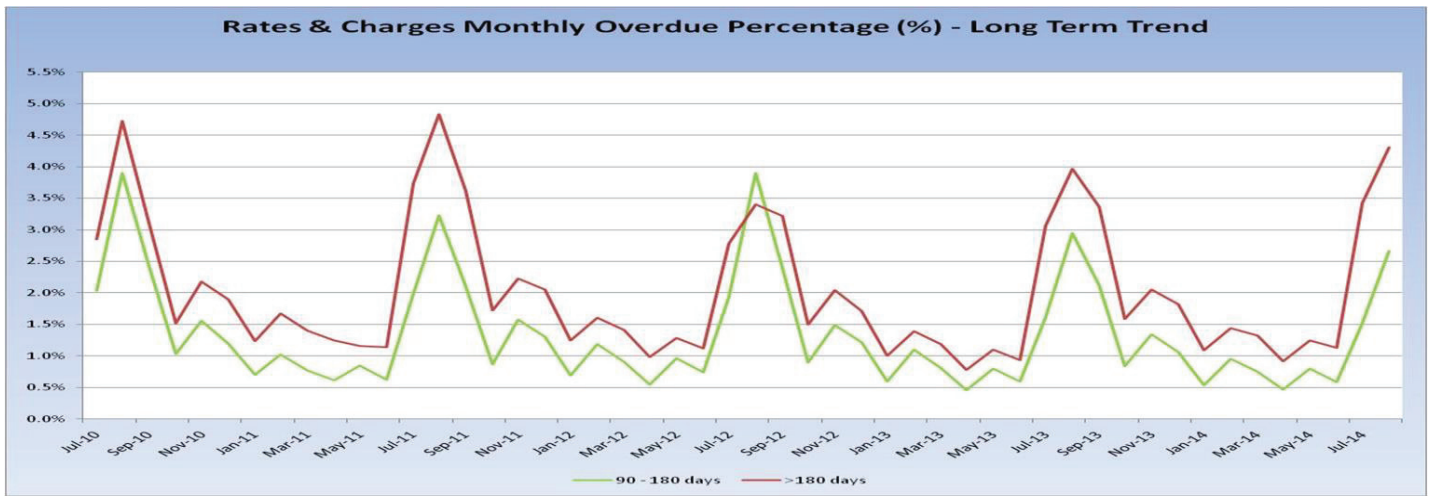
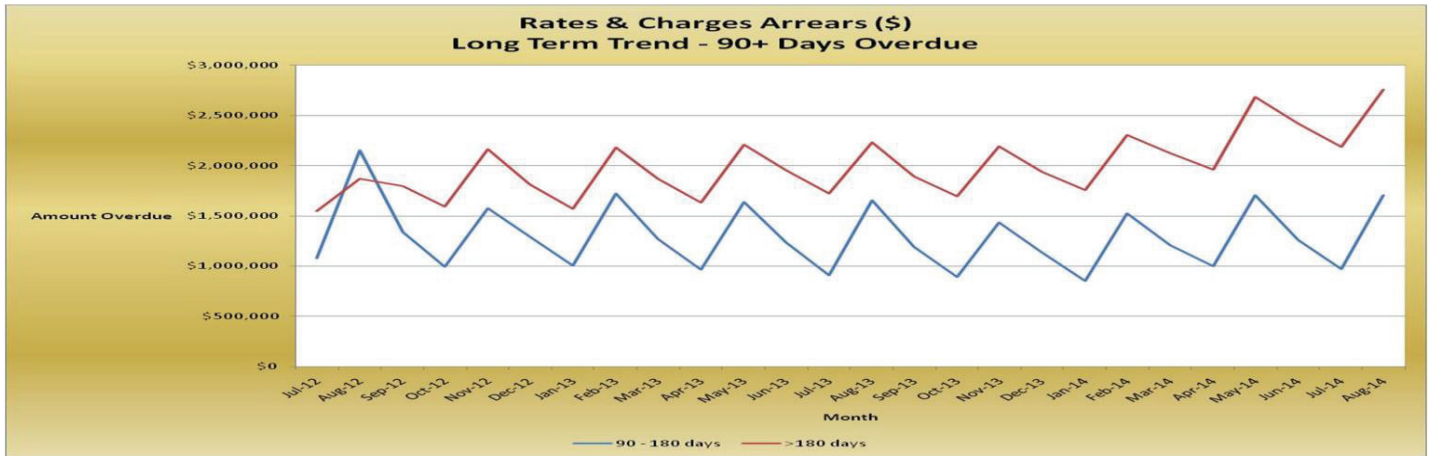
From a payment perspective, less payments, but a higher \$value was received in August in comparison to August 2013.

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
Aug-13	5,435	\$3,076,042	31,133	\$17,301,463	6,557	\$4,643,134	3,105	\$869,172	5,328	\$4,858,533	3,531	\$2,584,381	55,089	\$33,332,726
Aug-14	4,873	\$2,988,486	31,030	\$18,389,968	5,875	\$4,541,312	3,796	\$1,206,525	4,791	\$5,442,493	4,063	\$3,106,955	54,428	\$35,675,738
Variance	-562	-\$87,555.85	-103	\$1,088,504.56	-682	-\$101,822.39	691	\$337,352.87	-537	\$583,959.55	532	\$522,573.83	-661	\$2,343,012.57
% Variance	-10%	-3%	0%	6%	-10%	-2%	22%	39%	-10%	12%	15%	20%	-1%	7%

Overall Trend July 2014 to August 2014

The July rate notice fell due for payment 12 August. Reminder letters were issued 26th August for a total value of \$9.1m. The letters carry a due date for payment of 9 September. In total 9,621 letters were issued, with the majority of letters (75%) issued to accounts only outstanding the July levy.

Comparison August 2013 to August 2014													
Total							Mainland						
Days Overdue	Aug-13	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance	Days Overdue	Aug-13	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance
<90	\$4,687,017.4	8.3%	\$5,035,556	7.87%	\$348,539	-0.46%	<90	\$3,557,556	6.3%	\$3,848,218	6.02%	\$290,662	-0.31%
90 - 180 days	\$1,658,556.8	2.9%	\$1,705,510	2.67%	\$46,953	-0.28%	90 - 180 days	\$1,190,713	2.1%	\$1,169,831	1.83%	-\$20,882	-0.29%
>180 days	\$2,231,938.0	4.0%	\$2,756,439	4.31%	\$524,501	0.34%	>180 days	\$1,109,407	2.0%	\$1,256,639	1.96%	\$147,232	-0.01%
Total	\$8,577,512	15.25%	\$9,497,505	14.85%	\$919,993	-0.40%	Total	\$5,857,676	10.41%	\$6,274,688	9.81%	\$417,012	-0.60%
Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Aug-13	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance	Days Overdue	Aug-13	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance
<90	\$172,667	0.3%	\$170,739	0.27%	-\$1,927	-0.04%	<90	\$956,795	1.7%	\$1,016,599	1.59%	\$59,804	-0.11%
90 - 180 days	\$43,779	0.1%	\$57,324	0.09%	\$13,545	0.01%	90 - 180 days	\$424,065	0.8%	\$478,355	0.75%	\$54,290	-0.01%
>180 days	\$48,943	0.1%	\$56,282	0.09%	\$7,339	0.00%	>180 days	\$1,073,588	1.9%	\$1,443,517	2.26%	\$369,929	0.35%
Total	\$265,389	0.47%	\$284,346	0.44%	\$18,957	-0.03%	Total	\$2,454,448	4.36%	\$2,938,471	4.59%	\$484,024	0.23%
Trend - July 2014 to August 2014													
Total							Mainland						
Days Overdue	Jul-14	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance	Days Overdue	Jul-14	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance
<90	\$2,269,780	3.55%	\$5,035,556	7.87%	\$2,765,777	4.33%	<90	\$1,603,898	2.51%	\$3,848,218	6.02%	\$2,244,320	3.51%
90 - 180 days	\$974,100	1.52%	\$1,705,510	2.67%	\$731,410	1.14%	90 - 180 days	\$629,586	0.98%	\$1,169,831	1.83%	\$540,244	0.84%
>180 days	\$2,188,593	3.42%	\$2,756,439	4.31%	\$567,845	0.89%	>180 days	\$916,009	1.43%	\$1,256,639	1.96%	\$340,630	0.53%
Total	\$5,432,474	8.49%	\$9,497,505	14.85%	\$4,065,031	6.36%	Total	\$3,149,494	4.92%	\$6,274,688	9.81%	\$3,125,194	4.89%
Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Jul-14	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance	Days Overdue	Jul-14	% Overdue	Aug-14	% Overdue	\$ Variance	% Variance
<90	\$75,017	0.12%	\$170,739	0.27%	\$95,723	0.15%	<90	\$590,865	0.92%	\$1,016,599	1.59%	\$425,734	0.67%
90 - 180 days	\$21,988	0.03%	\$57,324	0.09%	\$35,337	0.06%	90 - 180 days	\$322,527	0.50%	\$478,355	0.75%	\$155,829	0.24%
>180 days	\$43,964	0.07%	\$56,282	0.09%	\$12,318	0.02%	>180 days	\$1,228,620	1.92%	\$1,443,517	2.26%	\$214,897	0.34%
Total	\$140,968	0.22%	\$284,346	0.44%	\$143,377	0.22%	Total	\$2,142,011	3.35%	\$2,938,471	4.59%	\$796,460	1.25%



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.