



# Monthly Financial Report

## July 2014



**Redland**  
CITY COUNCIL

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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 ending 31 July 2014. The year to date and annual budget referred to in this report reflects the Original Budget approved by Council on 26 June 2014. Note: all amounts are rounded to the nearest thousand dollars.

## 2. KEY HIGHLIGHTS AND RATIOS

KEY FINANCIAL INFORMATION				
Financial Stability Ratios	Target	Original Budget 2014/2015	July 2014	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	34.80%	54.16%	✘
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	2.94	2.94	✔
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.52%	1.94%	✔
Cash Balance \$M	Target greater than or equal to \$40M	\$49.157	\$83.699M	✔
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	3.06	3.91	✔
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.58%	2.74%	✔
Operating Performance (%)	Target greater than or equal to 20%	9.6%	-52.14%	✘
Financial Sustainability Ratios	Target	Original Budget 2014/2015	July 2014	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-4.96%	44.13%	✔
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	14.23%	-28.56%	✔
Interest Cover Ratio (%)	Target between 0% and 5%	-0.23%	-0.03%	✔
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	39.68%	7.91%	✘
Asset Consumption Ratio (%)	Target between 40% and 80%	66.04%	65.05%	✔

### Status Legend

KPI target achieved	✔
KPI target not achieved	✘

## 2. KEY HIGHLIGHTS AND RATIOS (cont.)

### KEY FINANCIAL INFORMATION

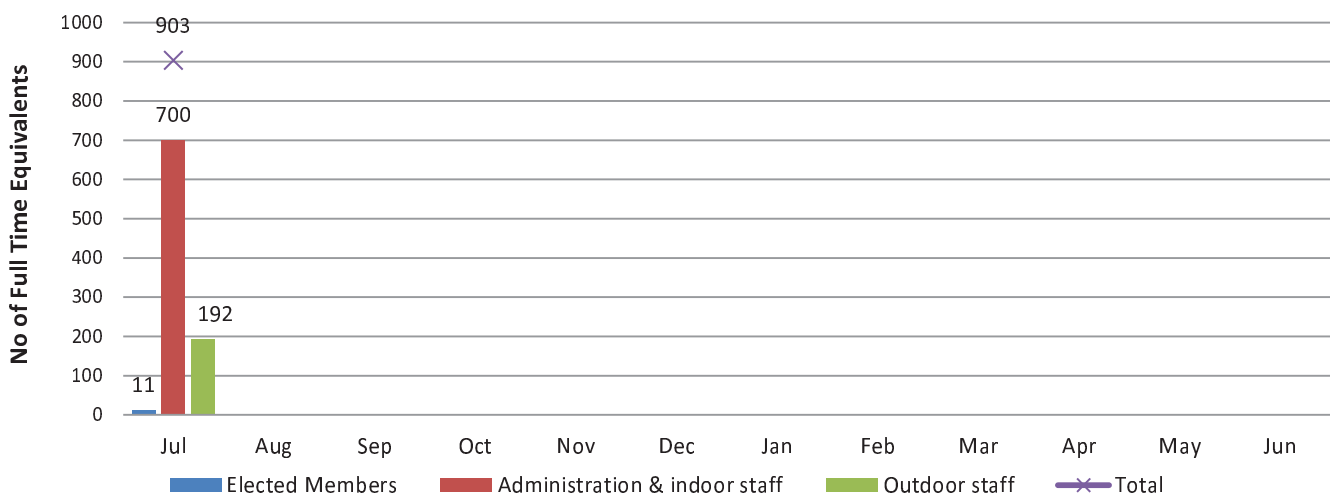
Key Financial Results	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Variance %	Status YTD Variance
Operating Surplus/(Deficit)	(11,226)	14,212	14,772	561	4%	✓
Recurrent Revenue	226,144	32,451	33,477	1,028	3%	✓
Recurrent Expenditure	237,370	18,239	18,706	466	3%	🔔
Capital Works Expenditure	61,899	1,936	1,858	(77)	-4%	✓
Closing Cash & Investments	49,157	99,202	83,699	(15,503)	-16%	✗

**Status Legend:**

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

### KEY NON-FINANCIAL INFORMATION

**Full Time Equivalent Employees 2014-2015**



Workforce reporting - July 2014: Headcount	Employee Type					
	Casual	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	13	83	12	13	-	125
Organisational Services	4	97	9	7	5	128
Community and Customer Service	35	252	47	26	4	369
Infrastructure and Operations	11	314	9	22	3	365
<b>Total</b>	<b>63</b>	<b>746</b>	<b>77</b>	<b>68</b>	<b>12</b>	<b>987</b>

Note: Full Time Equivalent Employees includes all full time employees at a value of 1 and all other employees, at a value less than 1. The table above demonstrates the headcount by department and does not include a workload weighting.





### 3. STATEMENT OF COMPREHENSIVE INCOME

#### STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 July 2014

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Recurrent Revenue</b>				
Rates Charges	81,366	20,340	18,807	(1,533)
Levies & Utility Charges	124,757	10,759	12,192	1,433
<i>Less: Pensioner Remissions</i>	(2,743)	(686)	(677)	9
Fees & Charges	10,629	918	1,213	295
Operating Grants & Subsidies	3,983	529	1,026	498
Operating Contributions & Donations	260	17	8	(9)
Interest External	3,872	323	305	(18)
Other Revenue	4,021	251	603	353
<b>Total Recurrent Revenue</b>	<b>226,144</b>	<b>32,451</b>	<b>33,477</b>	<b>1,028</b>
<b>Capital revenue</b>				
Grants, Subsidies & Contributions	15,050	1,385	755	(630)
Non-Cash Contributions	3,146	262	-	(262)
<b>Total Capital Revenue</b>	<b>18,196</b>	<b>1,647</b>	<b>755</b>	<b>(892)</b>
<b>TOTAL REVENUE</b>	<b>244,340</b>	<b>34,098</b>	<b>34,232</b>	<b>136</b>
<b>Recurrent Expenses</b>				
Employee Costs	76,094	6,714	6,562	(152)
Goods & Services	106,425	6,954	7,580	625
Finance Costs	3,643	304	297	(7)
Depreciation & Amortisation	51,209	4,267	4,267	-
<b>Total Recurrent Expenses</b>	<b>237,370</b>	<b>18,239</b>	<b>18,706</b>	<b>466</b>
<b>Capital Expenses</b>				
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(110)	(134)	(23)
<b>Total Capital Expenses</b>	<b>(3,192)</b>	<b>(110)</b>	<b>(134)</b>	<b>(23)</b>
<b>TOTAL EXPENSES</b>	<b>234,178</b>	<b>18,129</b>	<b>18,572</b>	<b>443</b>
<b>NET RESULT</b>	<b>10,161</b>	<b>15,969</b>	<b>15,660</b>	<b>(307)</b>
<b>Other Comprehensive Income/(Loss)</b>				
Increase/(decrease) in Asset Revaluation Surplus	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>10,161</b>	<b>15,969</b>	<b>15,660</b>	<b>(307)</b>



## 4. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 July 2014

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
<b>Revenue</b>				
Rates Charges	81,366	20,340	18,807	(1,533)
Levies & Utility Charges	124,757	10,759	12,192	1,433
<i>Less: Pensioner Remissions</i>	(2,743)	(686)	(677)	9
Fees & Charges	10,629	918	1,213	295
Operating Grants & Subsidies	3,983	529	1,026	498
Operating Contributions & Donations	260	17	8	(9)
Interest External	3,872	323	305	(18)
Other Revenue	4,021	251	603	353
<b>Total Revenue</b>	<b>226,144</b>	<b>32,451</b>	<b>33,477</b>	<b>1,028</b>
<b>Expenses</b>				
Employee Costs	76,094	6,714	6,562	(152)
Goods & Services	107,098	7,021	7,402	381
Finance Costs Other	281	23	-	(23)
Other Expenditure	315	16	1	(15)
Net Internal Costs	(988)	(82)	177	260
<b>Total Expenses</b>	<b>182,799</b>	<b>13,692</b>	<b>14,142</b>	<b>451</b>
<b>Earnings Before Interest, Tax &amp; Depreciation (EBITD)</b>	<b>43,345</b>	<b>18,759</b>	<b>19,335</b>	<b>577</b>
Interest Expense	3,362	280	296	16
Depreciation	51,209	4,267	4,267	-
<b>Operating Surplus/(Deficit)</b>	<b>(11,226)</b>	<b>14,212</b>	<b>14,772</b>	<b>561</b>

#### Overview

The year to date operating surplus of \$14.77M is \$561K above the year to date budget. The favourable variance is primarily due to operating revenue being higher than budget by \$1.03M offset by operating expenses being higher than budget by \$451K.

The quarter 1 rates notices were issued in July 2014 and water consumption was higher than anticipated, contributing to the higher than anticipated operating surplus at the end of July 2014. Special Charges budgeted revenue (see p.7) was phased across the year, whereas the actual charges for quarter 1 was recognised in July 2014. Employee costs and good and services are relatively on track as at the end of July.



#### 4. OPERATING STATEMENT (cont.)

##### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 July 2014

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total Revenue	94,706	7,587	8,262	675
Total Expenses	49,157	3,127	4,088	961
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	4,460	4,174	(286)
Interest Internal	21,681	1,807	1,807	-
Depreciation	16,987	1,416	1,416	-
Operating Surplus/(Deficit)	6,881	1,237	951	(286)

##### REDWASTE OPERATING STATEMENT For the period ending 31 July 2014

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total Revenue	19,967	1,657	1,553	(103)
Total Expenses	16,200	1,398	1,458	60
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	259	96	(163)
Interest Expense External	42	4	3	(1)
Interest Internal	313	26	26	-
Depreciation	556	46	46	-
Operating Surplus/(Deficit)	2,856	183	20	(164)

##### Utility Charges Breakup For the period ending 31 July 2014

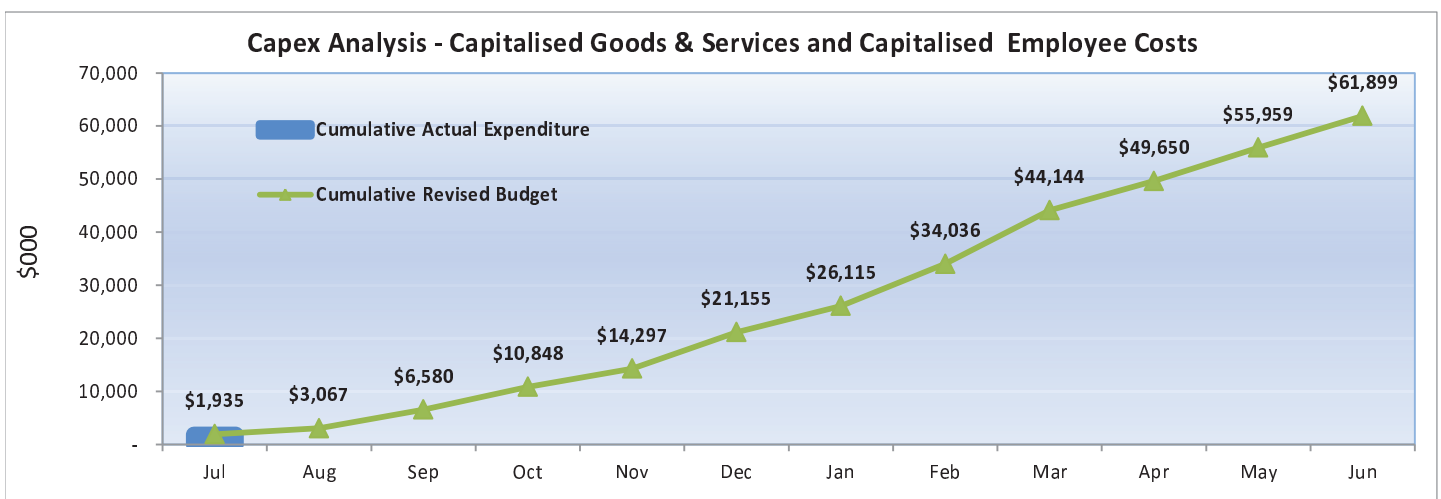
	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Utility Charges</b>				
Refuse Charges	18,797	1,566	1,570	4
Special Charges	3,795	45	950	905
Environment Levy	5,637	1,409	1,411	1
Landfill Remediation Charge	4,102	342	343	1
Wastewater Charges	38,161	3,180	3,311	131
Water Access Charges	17,592	3,335	3,531	197
Water Consumption Charges	36,674	882	1,076	194
Total Utility Charges	124,757	10,759	12,192	1,433

## 5. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 July 2014

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
<b>Sources of Capital Funding</b>				
Capital Contributions & Donations	6,188	1,247	681	(566)
Capital Grants & Subsidies	8,862	138	74	(64)
Proceeds on Disposal of Non-current Assets	4,049	182	134	(48)
Capital Transfers (To) From Reserves	4,602	(1,087)	(668)	419
Non-cash Contributions	3,146	262	-	(262)
New Loans	-	-	-	-
Funding from General Revenue	42,787	1,839	1,991	152
<b>Total Sources of Capital Funding</b>	<b>69,633</b>	<b>2,581</b>	<b>2,212</b>	<b>(369)</b>
<b>Applications of Capital Funds</b>				
Contributed Assets	3,146	262	-	(262)
Capitalised Goods & Services	56,263	1,681	1,346	(334)
Capitalised Employee Costs	5,636	255	512	257
Loan Redemption	4,589	382	353	(30)
<b>Total Applications of Capital Funds</b>	<b>69,633</b>	<b>2,580</b>	<b>2,211</b>	<b>(369)</b>
<b>Other Budgeted Items</b>				
WDV of Assets Disposed	(857)	(71)	-	71
Transfers to Constrained Operating Reserves	(13,124)	(1,880)	(2,920)	(1,040)
Transfer from Constrained Operating Reserves	12,180	219	212	(7)

### Overview



Council's capital works expenditure is on track with year to date actual expenditure of \$1.86M which is only \$80K below year to date budget of \$1.94M.

Total capital commitments at the end of July 2014 (where budget is approved) was \$2.57M.



## 6. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 July 2014

	Annual	YTD
	Original Budget \$000	Actual Balance \$000
<b>CURRENT ASSETS</b>		
Cash & Investments	49,157	83,699
Accounts Receivable	34,311	58,698
Inventories	943	838
Prepaid Expenses	1,320	8,628
Non-Current Assets - Held for Sale	467	354
<b>Total Current Assets</b>	<b>86,198</b>	<b>152,217</b>
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	2,021,416	1,987,081
Accounts Receivable	-	-
Financial Assets	-	73
<b>Total Non-Current Assets</b>	<b>2,021,416</b>	<b>1,987,154</b>
<b>TOTAL ASSETS</b>	<b>2,107,614</b>	<b>2,139,371</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	17,301	12,375
Current Employee Provisions	2,468	13,070
Current Loans	5,247	4,124
Current Landfill Rehabilitation Provisions	1,144	1,530
Other Liabilities	3,201	20,754
<b>Total Current Liabilities</b>	<b>29,361</b>	<b>51,853</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-Current Loans	49,149	54,507
Non-Current Employee Provisions	10,998	1,893
Non-Current Landfill Rehabilitation Provisions	28,189	33,926
Non-Current Trade & Other Payables	693	478
<b>Total Non-Current Liabilities</b>	<b>89,029</b>	<b>90,804</b>
<b>TOTAL LIABILITIES</b>	<b>118,390</b>	<b>142,657</b>
<b>NET ASSETS</b>	<b>1,989,224</b>	<b>1,996,714</b>
<b>COMMUNITY EQUITY</b>		
Retained Earnings	1,943,301	1,923,226
Cash Constrained Reserves	45,923	73,488
<b>TOTAL COMMUNITY EQUITY</b>	<b>1,989,224</b>	<b>1,996,714</b>

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. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 31 July 2014

	Annual	YTD
	Original Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Rates Charges (net)	78,623	18,130
Utility Charges	111,427	(7,504)
Fees & Charges	10,879	1,902
Operating Grants & Subsidies	3,983	618
Cash Contributions	260	8
Sale of Developed Land	-	-
Other Revenue	4,021	603
<b>Receipts from Customers</b>	<b>209,192</b>	<b>13,757</b>
Employee costs	(79,473)	(5,657)
Materials & services	(109,237)	(12,017)
Other expenses	(596)	(1)
<b>Payments to Suppliers &amp; Employees</b>	<b>(189,306)</b>	<b>(17,675)</b>
Interest Received	3,872	305
Borrowing Costs	(3,362)	(3,719)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>20,396</b>	<b>(7,332)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments - Property, Plant & Equipment	(61,899)	(1,858)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	755
Proceeds - Sales of Property, Plant & Equipment	4,049	134
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(42,800)</b>	<b>(969)</b>
Proceeds of Borrowings	-	-
Repayment of borrowings	(4,589)	(4,234)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(4,589)</b>	<b>(4,234)</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(26,993)</b>	<b>(12,535)</b>
Cash at Beginning of Year	76,150	96,235
<b>Cash at End of Financial Period</b>	<b>49,157</b>	<b>83,699</b>

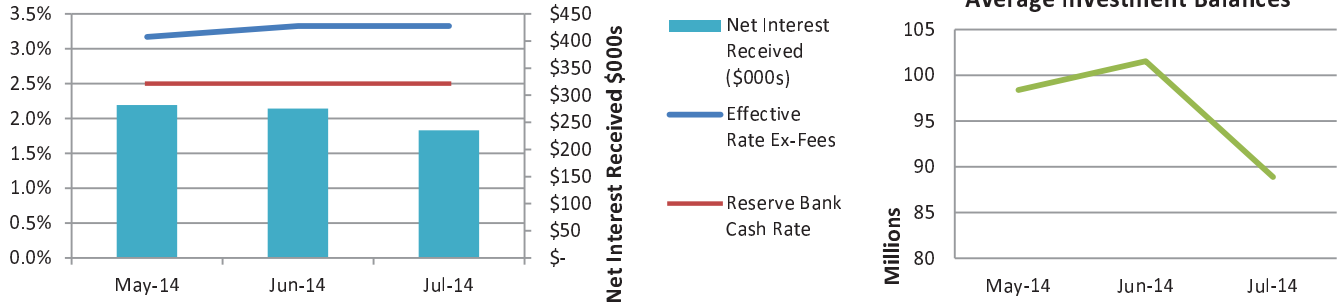
The 2013/14 accounts are still being finalised and therefore the opening balances on the 2014/15 Statement of Financial Position are subject to change until Council obtains Queensland Audit Office certification in October 2014.



## 8. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 July 2014

### INVESTMENT RETURNS



**Total Investment at End of Month was \$82.68M**

#### 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.

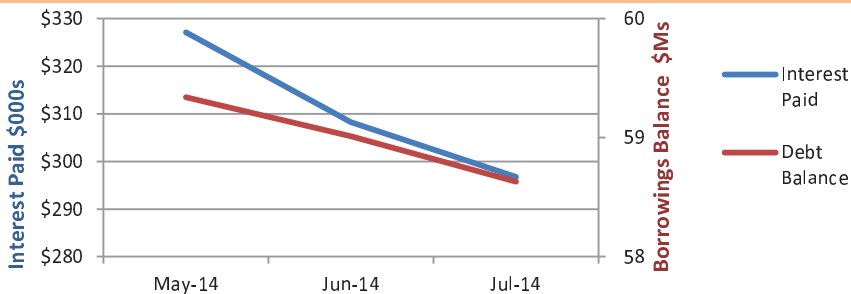
The QTC interest rate has consistently outperformed the UBS Australia Bank Bill Index benchmark in recent history.

#### 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

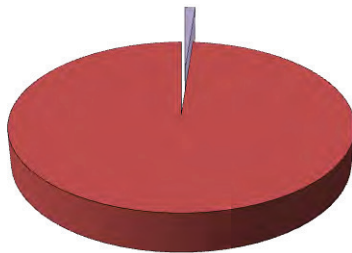


#### Current Position

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 \$58.63M**



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



## 9. CASH CONSTRAINED RESERVES

Reserves as at 31 July 2014	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,782	-	-	2,782
Redland Work Cover Reserve	4,965	9	(54)	4,920
Red Art Gallery Commissions & Donations Res	17	-	-	17
SMBI Capital Reserve	3,894	289	-	4,184
	<b>11,659</b>	<b>299</b>	<b>(54)</b>	<b>11,903</b>
<b>Utilities Reserve:</b>				
RedWaste Reserve	3,045	83	-	3,128
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>12,945</b>	<b>83</b>	<b>-</b>	<b>13,028</b>
<b>Constrained Works Reserve:</b>				
Tree Planting Reserve	70	1	0	71
Parks Reserve	2,408	128	-	2,536
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	13	-	454
Retail Water Renewal & Purchase Reserve	5,750	95	(4)	5,840
Sewerage Renewal & Purchase Reserve	7,402	144	(9)	7,537
Constrained Works Res-Cap Grants & Contribs	1,999	-	-	1,999
Transport Trunk Infrastructure Reserve	5,846	193	-	6,039
Cycling Trunk Infrastructure Reserve	706	64	-	770
Stormwater Infrastructure Reserve	1,938	43	-	1,982
Constrained Works Res-Opr Grants & Contribs	550	-	-	550
	<b>29,235</b>	<b>681</b>	<b>(13)</b>	<b>29,903</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,936	-	-	6,936
Environment Charge Maintenance Reserve	1,505	1,411	(158)	2,757
	<b>8,441</b>	<b>1,411</b>	<b>(158)</b>	<b>9,693</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	11	-	11
SMBI Translink Reserve	3	237	-	240
	<b>3</b>	<b>248</b>	<b>-</b>	<b>251</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	5,189	652	-	5,841
Aquatic Paradise Canal Reserve	2,160	214	-	2,375
Sovereign Waters Lake Reserve	480	13	-	493
	<b>7,829</b>	<b>880</b>	<b>-</b>	<b>8,709</b>
<b>TOTALS</b>	<b>70,112</b>	<b>3,601</b>	<b>(225)</b>	<b>73,488</b>

## 10. OVERDUE RATES DEBTORS

### Comparison July 2013 to July 2014

Comparatively, the 2014/15 financial year has commenced with a marginally lower percentage overdue.

### Payments

From a payment perspective, a higher number of payments have been received in comparison to the previous period in 2013/14.

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
Jul-13	3,043	\$1,513,295	15,047	\$5,631,225	1,419	\$964,107	1,512	\$125,578	2,799	\$2,327,524	860	\$547,552	24,680	\$11,109,280
Jul-14	3,122	\$1,706,943	16,660	\$6,776,035	1,279	\$910,536	2,795	\$228,024	2,534	\$1,927,540	1,011	\$686,459	27,401	\$12,235,536
Variance	79	\$193,647.71	1,613	\$1,144,810.19	-140	-\$53,571.03	1,283	\$102,445.62	-265	-\$399,984.11	151	\$138,907.57	2,721	\$1,126,255.95
% Variance	3%	13%	11%	20%	-10%	-6%	85%	82%	-9%	-17%	18%	25%	11%	10%

Payment Channel	Count of Transactions	Sum of Transactions	% Count of Transactions	% Sum of Transactions
AustPost	3,122	\$1,706,942.97	11%	14%
Bpay	16,660	\$6,776,034.70	61%	55%
IVR	1,279	\$910,536.20	5%	7%
Direct Debit	2,795	\$228,023.55	10%	2%
Receipt	2,534	\$1,927,539.62	9%	16%
Internet	1,011	\$686,459.11	4%	6%
<b>Total</b>	<b>27,401</b>	<b>\$12,235,536.15</b>	<b>100%</b>	<b>100%</b>

### Overall Trend June 2014 to July 2014

As expected the amount of debt overdue has decreased with the issue of the July rates notice and the increase in payments received.

### Comparison July 2013 to July 2014

Days Overdue	Total						Mainland					
	Jul-13	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase	Jul-13	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase
<90	\$2,254,185	4.01%	\$2,269,780	3.55%	\$15,595	-0.46%	\$1,653,663	2.94%	\$1,603,898	2.51%	-\$49,765	-0.43%
90 - 180 days	\$910,331	1.62%	\$974,100	1.52%	\$63,769	-0.10%	\$618,126	1.10%	\$629,586	0.98%	\$11,460	-0.11%
>180 days	\$1,725,221	3.07%	\$2,188,593	3.42%	\$463,372	0.35%	\$775,490	1.38%	\$916,009	1.43%	\$140,520	0.05%
<b>Total</b>	<b>\$4,889,738</b>	<b>8.69%</b>	<b>\$5,432,474</b>	<b>8.49%</b>	<b>\$542,736</b>	<b>-0.20%</b>	<b>\$3,047,279</b>	<b>5.42%</b>	<b>\$3,149,494</b>	<b>4.92%</b>	<b>\$102,215</b>	<b>-0.49%</b>

### Nth Stradbroke Is / Coochiemudlo Is / Garden Is

Days Overdue	Nth Stradbroke Is / Coochiemudlo Is / Garden Is						SMBI					
	Jul-13	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase	Jul-13	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase
<90	\$55,370	0.10%	\$75,017	0.12%	\$19,647	0.02%	\$545,152	0.97%	\$590,865	0.92%	\$45,713	-0.05%
90 - 180 days	\$21,773	0.04%	\$21,988	0.03%	\$215	0.00%	\$270,432	0.48%	\$322,527	0.50%	\$52,094	0.02%
>180 days	\$38,587	0.07%	\$43,964	0.07%	\$5,377	0.00%	\$911,144	1.62%	\$1,228,620	1.92%	\$317,476	0.30%
<b>Total</b>	<b>\$115,731</b>	<b>0.21%</b>	<b>\$140,968</b>	<b>0.22%</b>	<b>\$25,238</b>	<b>0.01%</b>	<b>\$1,726,728</b>	<b>3.07%</b>	<b>\$2,142,011</b>	<b>3.35%</b>	<b>\$415,283</b>	<b>0.28%</b>

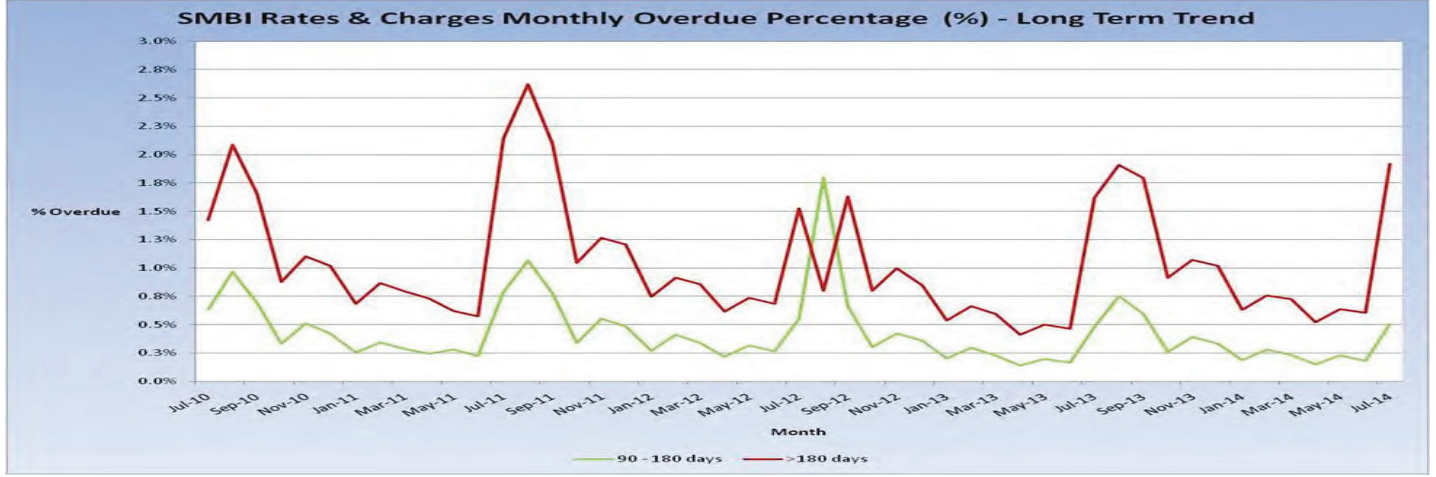
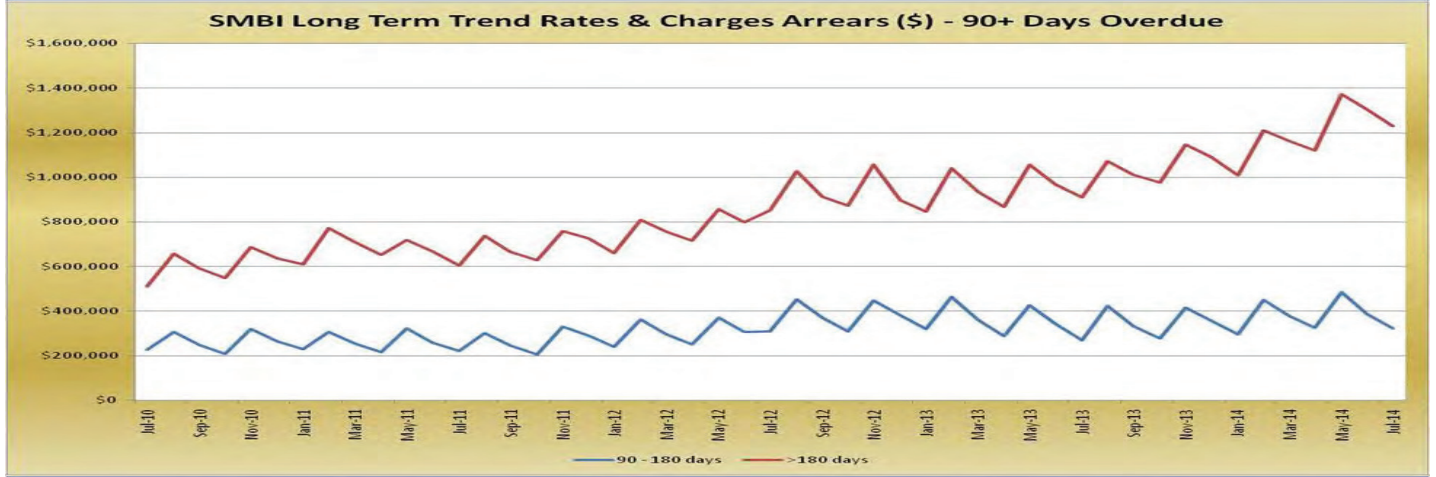
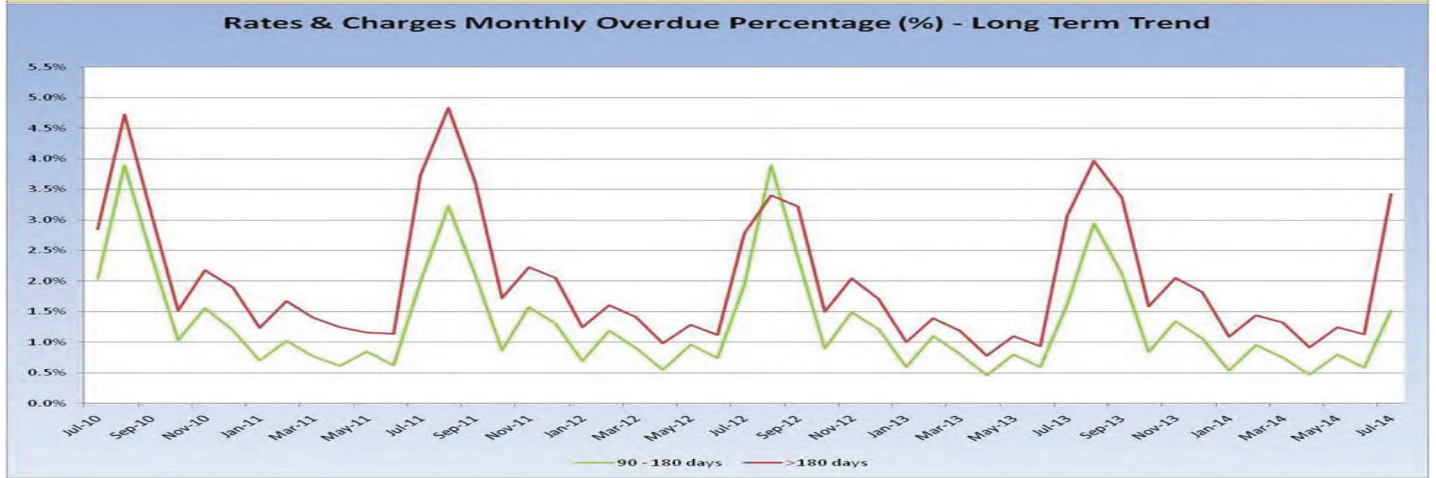
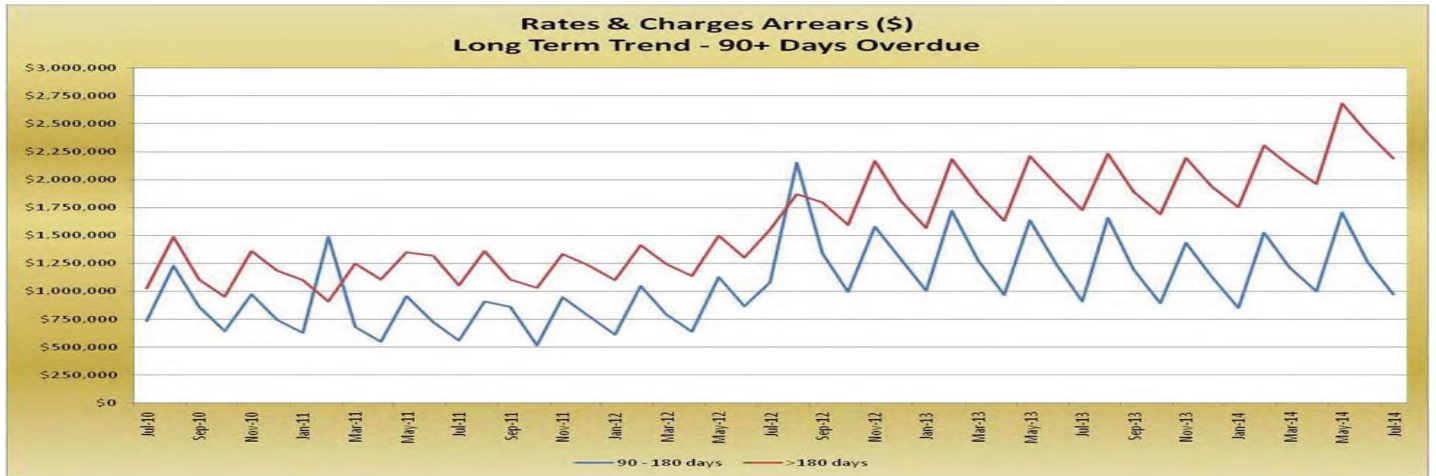
### Trend - June 2014 to July 2014

Days Overdue	Total						Mainland					
	Jun-14	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase	Jun-14	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase
<90	\$3,073,953	1.43%	\$2,269,780	3.55%	-\$804,174	2.12%	\$2,248,565	1.05%	\$1,603,898	2.51%	-\$644,667	1.46%
90 - 180 days	\$1,259,396	0.59%	\$974,100	1.52%	-\$285,295	0.94%	\$844,699	0.39%	\$629,586	0.98%	-\$215,112	0.59%
>180 days	\$2,417,633	1.13%	\$2,188,593	3.42%	-\$229,040	2.29%	\$1,070,009	0.50%	\$916,009	1.43%	-\$154,000	0.93%
<b>Total</b>	<b>\$6,750,982</b>	<b>3.15%</b>	<b>\$5,432,474</b>	<b>8.49%</b>	<b>-\$1,318,509</b>	<b>5.35%</b>	<b>\$4,163,273</b>	<b>1.94%</b>	<b>\$3,149,494</b>	<b>4.92%</b>	<b>-\$1,013,779</b>	<b>2.98%</b>

### Nth Stradbroke Is / Coochiemudlo Is / Garden Is

Days Overdue	Nth Stradbroke Is / Coochiemudlo Is / Garden Is						SMBI					
	Jun-14	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase	Jun-14	% Overdue	Jul-14	% Overdue	\$ Variance	% Increase
<90	\$101,265	0.05%	\$75,017	0.12%	-\$26,249	0.07%	\$724,123	0.34%	\$590,865	0.92%	-\$133,258	0.59%
90 - 180 days	\$27,524	0.01%	\$21,988	0.03%	-\$5,536	0.02%	\$387,174	0.18%	\$322,527	0.50%	-\$64,647	0.32%
>180 days	\$44,661	0.02%	\$43,964	0.07%	-\$697	0.05%	\$1,302,964	0.61%	\$1,228,620	1.92%	-\$74,344	1.31%
<b>Total</b>	<b>\$173,450</b>	<b>0.08%</b>	<b>\$140,968</b>	<b>0.22%</b>	<b>-\$32,481</b>	<b>0.14%</b>	<b>\$2,414,260</b>	<b>1.13%</b>	<b>\$2,142,011</b>	<b>3.35%</b>	<b>-\$272,249</b>	<b>2.22%</b>





## 11. GLOSSARY

### Definition of Ratios

<b>Level of Dependence on General Rate Revenue:</b> <i>This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)</i>	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Current Ratio:</b> <i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
<b>Debt Servicing Ratio:</b> <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	$\frac{\text{Interest Expense + Loan Redemption}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
<b>Cash Balance - \$M:</b>	Cash Held at Period End
<b>Cash Capacity in Months:</b> <i>This provides an indication as to the number of months cash held at period end would cover operating cash outflows</i>	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
<b>Debt to Asset Ratio:</b> <i>This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets</i>	$\frac{\text{Current and Non-current loans}}{\text{Total Assets}}$
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	$\frac{\text{Net Cash from Operations + Interest Revenue and Expense}}{\text{Cash Operating Revenue + Interest Revenue}}$
<b>Operating Surplus Ratio*:</b> <i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
<b>Net Financial Liabilities*:</b> <i>This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</i>	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$
<b>Interest Cover Ratio:</b> <i>This ratio demonstrates the extent which operating revenues are being used to meet the financing charges</i>	$\frac{\text{Net Interest Expense on Debt Service}}{\text{Total Operating Revenue}}$
<b>Asset Sustainability Ratio*:</b> <i>This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out</i>	$\frac{\text{Capital Expenditure on Replacement of Assets (Renewals)}}{\text{Depreciation Expenditure}}$
<b>Asset Consumption Ratio:</b> <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.

