



Monthly Financial Report

November 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 November 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 8 October 2014. The first budget review is currently underway and should address some of the variances in this report. 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)	(10,656)	5,516	10,197	4,681	85%	✓
Recurrent Revenue	231,012	102,292	104,240	1,948	2%	✓
Recurrent Expenditure	241,667	96,776	94,043	(2,733)	-3%	✓
Capital Works Expenditure	66,735	16,996	18,628	1,632	10%	⚠
Closing Cash & Investments	60,308	95,280	115,680	20,400	21%	✓

Status Legend:

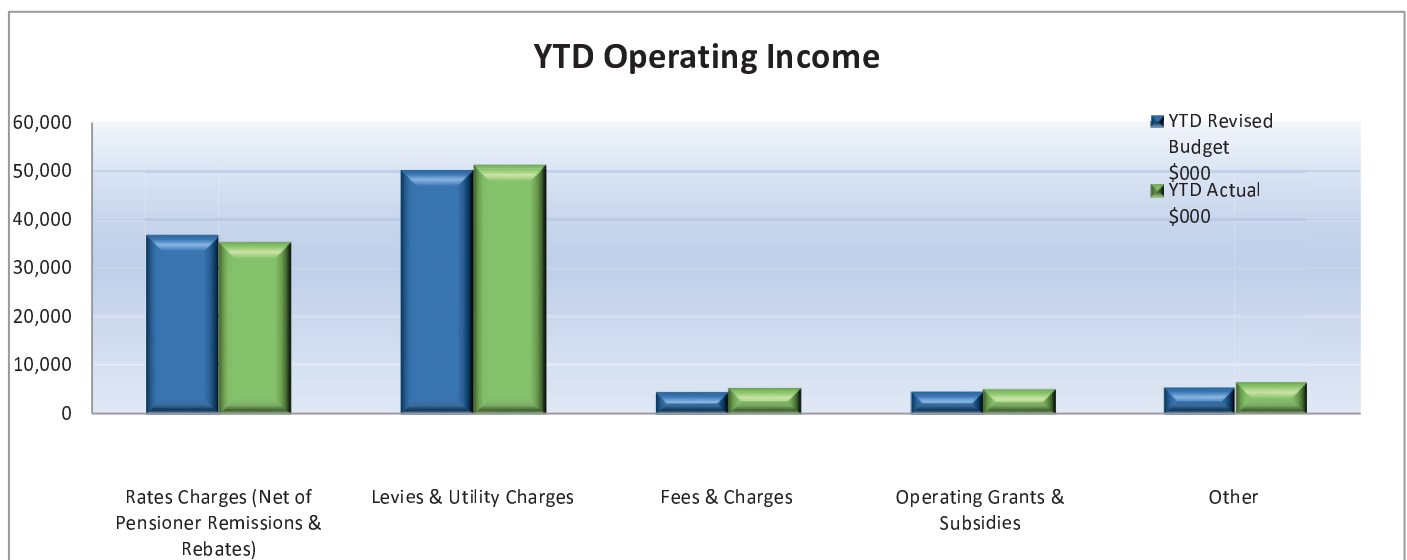
Above budgeted revenue or under budgeted expenditure	✓
Below budgeted revenue or over budgeted expenditure <10%	⚠
Below budgeted revenue or over budgeted expenditure >10%	✘

Operating results (p.7)

The year to date operating surplus of \$10.20M is \$4.68M above the year to date revised budget. The year to date favourable variance is primarily due to operating revenue higher than budget by \$1.95M and operating expenses and depreciation expenses being lower than budget by \$1.63M and \$1.10M respectively.

The favourable variance in revenue is mainly attributable to levies & utility charges, fees & charges and other revenue higher than budget by \$924K, \$814K and \$840K respectively. Employee costs and goods & services are under budget by \$993K and \$689K respectively.

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

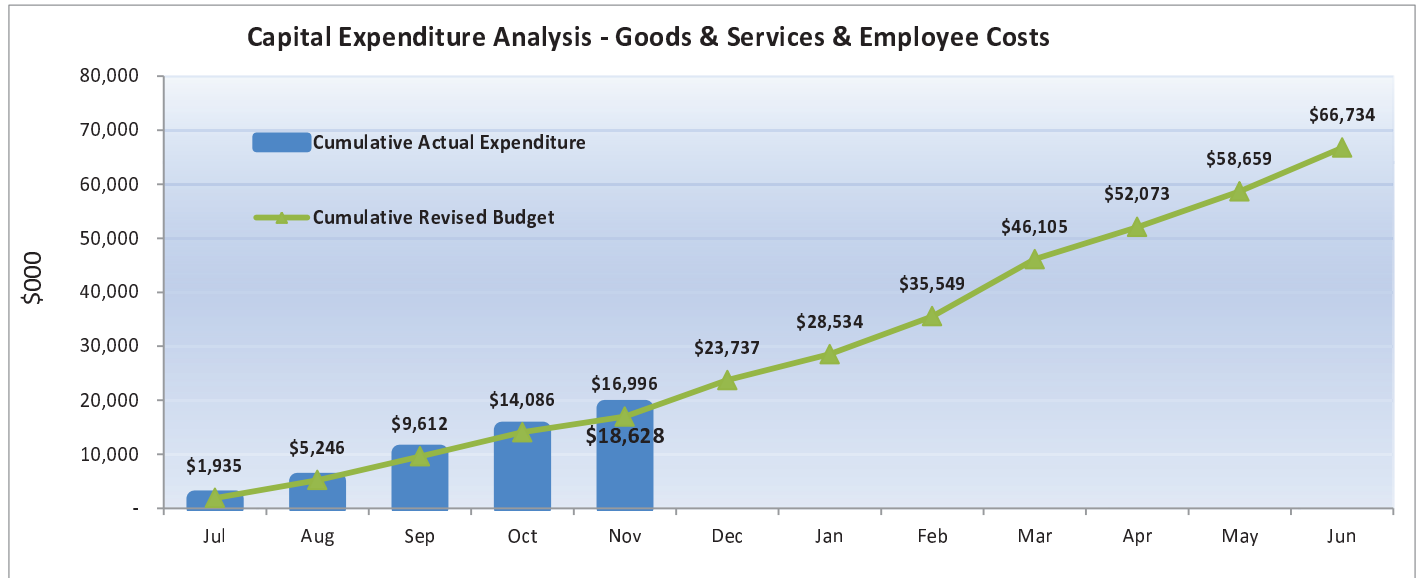


1. INTRODUCTION AND OVERVIEW (cont.)

Capital works

Council's capital works expenditure is on track with year to date actual expenditure of \$18.63M which is \$1.63M above year to date budget of \$17.00M.

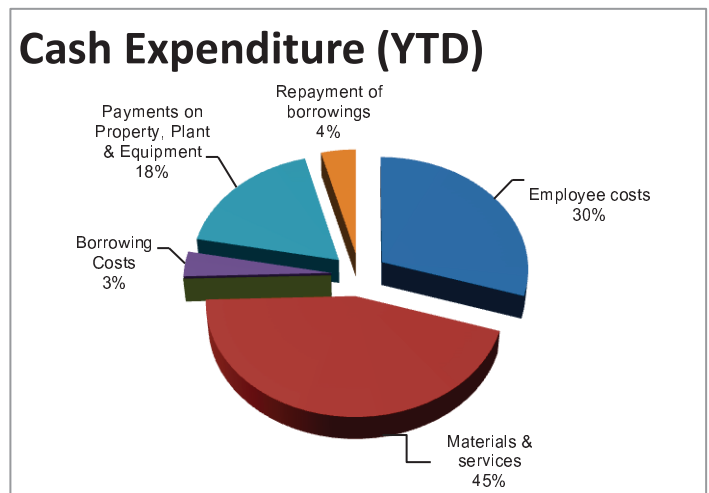
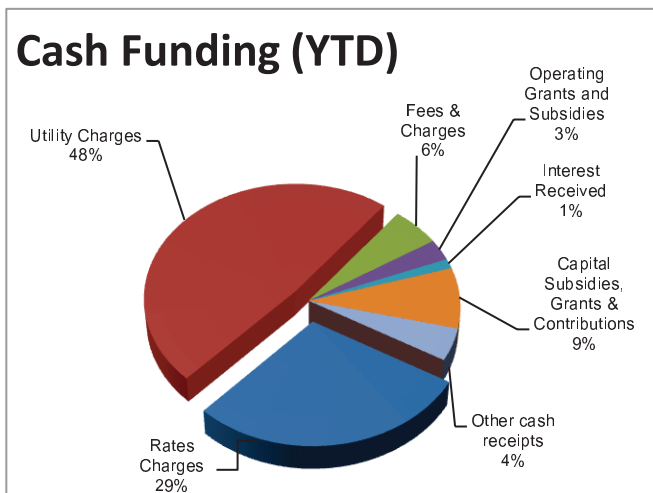
Total capital commitments at the end of November 2014 (where budget is approved) was \$3.47M.



Financial position and cash flow results

Council's Balance Sheet depicts a sustainable result with total current assets of \$147.60M and total current liabilities of \$46.61M (current ratio of 3.17).

Council's cash flow for the first five months exceeded the budgeted cash balance at the end of November 2014 (refer p.3). This result is attributable mainly to higher than anticipated cash collection from utility charges derived mainly by water consumption and payments to employees slightly lower than expected. Of the \$115.68M cash balance at the end of the period, \$83.340M is held as cash constrained reserves and \$115.35M 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)	123,764
Total Cash Funding (Annual Revised Budget)	232,405
% of Budget Achieved YTD	53%

Total Cash Expenditure (Actual YTD)	104,318
Total Cash Expenditure (Annual Revised Budget)	268,330
% of Budget Achieved YTD	39%

2. KEY PERFORMANCE INDICATORS

Financial Stability Ratios	Target	Annual Revised Budget 2014/2015	November 2014	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	33.00%	34.06%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	2.91	3.17	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.44%	3.04%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$60.308M	\$115.68M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	3.67	7.10	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.47%	2.57%	✓
Operating Performance (%)	Target greater than or equal to 20%	7.6%	27.71%	✓

Financial Sustainability Ratios	Target	Annual Revised Budget 2014/2015	November 2014	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-4.61%	9.78%	✓
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	0.84%	-26.53%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.22%	-0.28%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	49.78%	27.23%	✗
Asset Consumption Ratio (%)	Target between 40% and 80%	58.44%	67.85%	✓

Status Legend

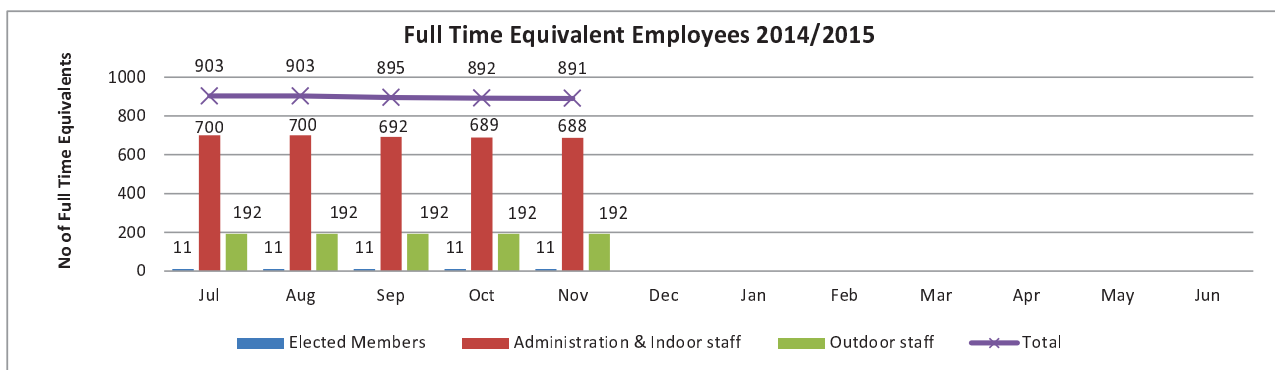
KPI target achieved or exceeded



KPI target not achieved



3. KEY NON-FINANCIAL INFORMATION



Workforce reporting - November 2014: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	13	4	79	11	8	1	116
Organisational Services	3	6	100	9	7	5	130
Community and Customer Service	31	5	252	51	21	6	366
Infrastructure and Operations	13	6	311	9	23	1	363
Total	60	21	742	80	59	13	975

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 November 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	40,682	39,648	(1,034)
Levies & Utility Charges	124,757	124,757	50,319	51,243	924
Less: Pensioner Remissions & Rebates	(2,743)	(5,197)	(3,825)	(4,144)	(319)
Fees & Charges	10,629	10,620	4,686	5,500	814
Operating Grants & Subsidies	3,983	8,759	4,794	5,308	514
Operating Contributions & Donations	260	260	-	131	131
Interest External	3,872	3,872	1,613	1,691	78
Other Revenue	4,021	6,575	4,023	4,863	840
Total Recurrent Revenue	226,144	231,012	102,292	104,240	1,948
Capital revenue					
Grants, Subsidies & Contributions	15,050	15,200	8,350	10,513	2,163
Non-Cash Contributions	3,146	3,146	33	-	(33)
Total Capital Revenue	18,196	18,346	8,383	10,513	2,130
TOTAL REVENUE	244,340	249,357	110,675	114,753	4,078
Recurrent Expenses					
Employee Costs	76,094	76,713	32,298	31,305	(993)
Goods & Services	106,425	110,095	41,797	41,180	(617)
Finance Costs	3,643	3,644	1,555	1,534	(21)
Depreciation & Amortisation	51,209	51,214	21,126	20,024	(1,102)
Total Recurrent Expenses	237,370	241,667	96,776	94,043	(2,733)
Capital Expenses					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(3,192)	(896)	(95)	801
Total Capital Expenses	(3,192)	(3,192)	(896)	(95)	801
TOTAL EXPENSES	234,178	238,476	95,880	93,948	(1,932)
NET RESULT	10,161	10,882	14,795	20,805	6,010
Other Comprehensive Income					
Increase/(decrease) in Asset Revaluation Surplus	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	10,161	10,882	14,795	20,805	6,010



5. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 30 November 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	40,682	39,648	(1,034)
Levies & Utility Charges	124,757	124,757	50,319	51,243	924
<i>Less: Pensioner Remissions & Rebates</i>	(2,743)	(5,197)	(3,825)	(4,144)	(319)
Fees & Charges	10,629	10,620	4,686	5,500	814
Operating Grants & Subsidies	3,983	8,759	4,794	5,308	514
Operating Contributions & Donations	260	260	-	131	131
Interest External	3,872	3,872	1,613	1,691	78
Other Revenue	4,021	6,575	4,023	4,863	840
Total Revenue	226,144	231,012	102,292	104,240	1,948
Expenses					
Employee Costs	76,094	76,713	32,298	31,305	(993)
Goods & Services	107,098	110,769	42,080	41,391	(689)
Finance Costs Other	281	282	154	134	(20)
Other Expenditure	315	315	129	79	(50)
Net Internal Costs	(988)	(988)	(412)	(290)	122
Total Expenses	182,799	187,091	74,249	72,619	(1,630)
Earnings Before Interest, Tax & Depreciation (EBITD)	43,345	43,921	28,043	31,621	3,578
Interest Expense	3,362	3,362	1,401	1,400	(1)
Depreciation	51,209	51,214	21,126	20,024	(1,102)
Operating Surplus/(Deficit)	(11,226)	(10,656)	5,516	10,197	4,681

Utility Charges Breakup For the period ending 30 November 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	7,832	7,865	33
Special Charges	3,795	3,795	1,884	1,900	16
Environment Levy	5,637	5,637	2,819	2,831	12
Landfill Remediation Charge	4,102	4,102	1,709	1,721	12
Wastewater Charges	38,161	38,161	15,900	16,628	728
Water Access Charges	17,592	17,592	7,330	7,162	(168)
Water Consumption Charges	36,673	36,673	12,845	13,136	291
Total Utility Charges	124,757	124,757	50,319	51,243	924



5. OPERATING STATEMENT (cont.)

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

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	94,706	94,706	37,025	37,927	902
Total Expenses	49,157	49,157	20,184	20,813	628
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	45,550	16,841	17,114	274
Interest Internal	21,681	21,681	9,034	9,034	-
Depreciation	16,987	16,987	7,078	6,864	(214)
Operating Surplus/(Deficit)	6,881	6,881	729	1,216	488

REDWASTE OPERATING STATEMENT For the period ending 30 November 2014

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	19,967	20,058	8,162	8,176	14
Total Expenses	16,200	15,389	6,651	5,898	(752)
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	4,669	1,511	2,278	766
Interest Expense External	42	42	18	16	(1)
Interest Internal	313	313	130	130	-
Depreciation	556	562	234	213	(20)
Operating Surplus/(Deficit)	2,856	3,752	1,129	1,919	787



6. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 30 November 2014

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS			
Cash & Investments	49,157	60,308	115,680
Accounts Receivable	34,311	39,519	23,688
Inventories	943	845	856
Prepaid Expenses	1,320	1,155	7,021
Non-Current Assets - Held for Sale	467	354	354
Total Current Assets	86,199	102,181	147,599
NON-CURRENT ASSETS			
Property, Plant & Equipment	2,021,416	2,101,318	2,081,643
Total Non-Current Assets	2,021,416	2,101,318	2,081,643
TOTAL ASSETS	2,107,615	2,203,499	2,229,242
CURRENT LIABILITIES			
Accounts Payable	17,301	18,913	11,935
Current Employee Provisions	2,468	9,493	13,157
Current Loans	5,247	5,498	4,375
Current Landfill Rehabilitation Provisions	1,144	(23)	6,079
Other Liabilities	3,201	1,283	11,063
Total Current Liabilities	29,361	35,164	46,609
NON-CURRENT LIABILITIES			
Non-Current Loans	49,149	48,897	52,844
Non-Current Employee Provisions	10,998	2,013	2,439
Non-Current Landfill Rehabilitation Provisions	28,189	17,578	17,578
Non-Current Trade & Other Payables	693	478	478
Total Non-Current Liabilities	89,029	68,966	73,339
TOTAL LIABILITIES	118,390	104,130	119,948
NET ASSETS	1,989,225	2,099,369	2,109,294
COMMUNITY EQUITY			
Retained Earnings	1,943,302	2,031,710	2,025,953
Cash Constrained Reserves	45,923	67,659	83,341
TOTAL COMMUNITY EQUITY	1,989,225	2,099,369	2,109,294



7. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 30 November 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	7,081	8,422	1,341
Capital Grants & Subsidies	8,862	9,012	1,269	2,091	822
Proceeds on Disposal of Non-current Assets	4,049	4,049	1,253	567	(686)
Capital Transfers (To) From Reserves	4,602	5,694	(4,849)	(6,798)	(1,949)
Non-cash Contributions	3,146	3,146	33	-	(33)
New Loans	-	-	-	-	-
Funding from General Revenue	42,787	46,380	14,154	16,110	1,956
Total Sources of Capital Funding	69,633	74,469	18,941	20,392	1,451
Applications of Capital Funds					
Contributed Assets	3,146	3,146	33	-	(33)
Capitalised Goods & Services	56,263	61,099	15,874	16,571	697
Capitalised Employee Costs	5,636	5,636	1,122	2,057	935
Loan Redemption	4,589	4,589	1,912	1,764	(148)
Total Applications of Capital Funds	69,633	74,469	18,941	20,392	1,451
Other Budgeted Items					
WDV of Assets Disposed	(857)	(857)	(357)	(472)	(115)
Transfers to Constrained Operating Reserves	(13,124)	(13,124)	(6,406)	(6,366)	40
Transfer from Constrained Operating Reserves	12,180	12,451	2,675	2,504	(171)



8. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 30 November 2014

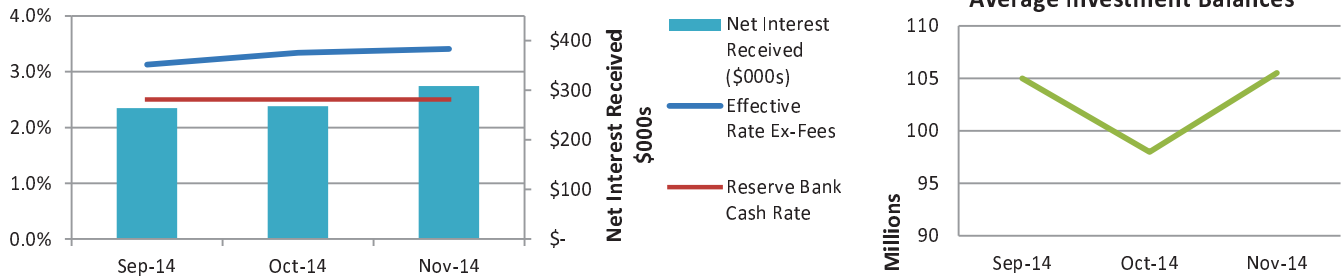
	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates Charges (net)	78,623	76,169	35,504
Utility Charges	111,427	111,427	60,018
Fees & Charges	10,879	10,870	6,812
Operating Grants & Subsidies	3,983	3,983	3,665
Cash Contributions	260	260	131
Other Revenue	4,021	6,575	4,863
Receipts from Customers	209,192	209,284	110,993
Employee costs	(79,473)	(80,093)	(31,155)
Materials & services	(109,237)	(112,956)	(46,347)
Other expenses	(596)	(596)	(235)
Payments to Suppliers & Employees	(189,306)	(193,646)	(77,737)
Interest Received	3,872	3,872	1,691
Borrowing Costs	(3,362)	(3,362)	(3,719)
Net Cash Inflow / (Outflow) from Operating Activities	20,396	16,147	31,228
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(61,899)	(66,734)	(18,628)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	15,200	10,513
Proceeds - Sale of Property, Plant & Equipment	4,049	4,049	567
Net Cash Inflow / (Outflow) from Investing Activities	(42,800)	(47,486)	(7,548)
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)	(35,927)	19,446
Cash at Beginning of Year	76,150	96,235	96,235
Cash at End of Financial Period	49,157	60,308	115,680



9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 30 November 2014

INVESTMENT RETURNS



Total Investment at End of Month was \$115.35M

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 a reflection of the rating cycle.

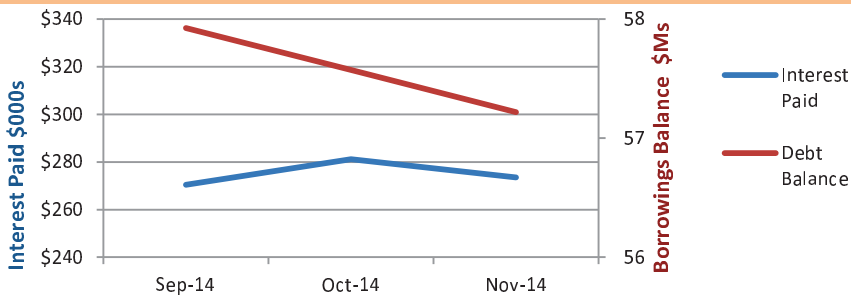
The QTC interest rate has consistently outperformed the UBS Australia Bank Bill Index benchmark in recent history.

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. This will also require a change to the investment policy. In the meantime the Team ensures Council maximises its interest on a *daily* basis by depositing surplus funds at QTC for a higher rate than is achieved from the bank transaction account.

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

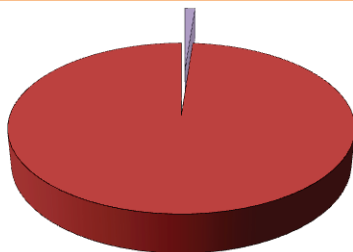
BORROWING COSTS



Current Position

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

Total Borrowings at End of Month was \$57.22M



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

Future Strategy

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

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

10. CONSTRAINED CASH RESERVES

Reserves as at 30 November 2014	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Weinam Creek Reserve	2,782	134	(64)	2,852
Redland Work Cover Reserve	4,965	45	(271)	4,740
Red Art Gallery Commissions & Donations Res	17	0	0	17
SMBI Capital Reserve	3,894	579	(78)	4,395
	11,659	758	(413)	12,004
Utilities Reserve:				
RedWaste Reserve	3,118	415	(64)	3,469
Redland Water Reserve	8,300	0	0	8,300
Redland WasteWater Reserve	1,600	0	0	1,600
	13,018	415	(64)	13,369
Constrained Works Reserve:				
Tree Planting Reserve	70	8	0	78
Parks Reserve	2,408	1,039	0	3,447
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	142	0	583
Retail Water Renewal & Purchase Reserve	5,505	1,419	(476)	6,448
Sewerage Renewal & Purchase Reserve	7,384	2,109	(343)	9,150
Constrained Works Res-Cap Grants & Contribs	4,389	0	0	4,389
Transport Trunk Infrastructure Reserve	5,846	2,678	0	8,524
Cycling Trunk Infrastructure Reserve	706	626	0	1,332
Stormwater Infrastructure Reserve	1,938	399	0	2,337
Constrained Works Res-Opr Grants & Contribs	919	0	(79)	840
	31,730	8,420	(898)	39,252
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	6,936	0	0	6,936
Environment Charge Maintenance Reserve	1,505	2,832	(1,801)	2,535
	8,441	2,832	(1,801)	9,471
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	0	77	(55)	22
SMBI Translink Reserve	3	474	(237)	240
	3	551	(292)	262
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	5,187	1,338	(652)	5,874
Aquatic Paradise Canal Reserve	2,163	443	(5)	2,600
Sovereign Waters Lake Reserve	480	29	0	509
	7,830	1,810	(656)	8,983
TOTALS	72,681	14,785	(4,125)	83,341



11. OVERDUE RATES DEBTORS

Comparison November 2013 to November 2014

The overall November 2014 result is 1 percent higher than the previous period in 2013.

Payments

The October rate notice fell due for payment 10th November. The apparent improvement in payments received in November 2014 in comparison to November 2013 is due to the date the rate notice fell due for payment. The October 2013 rate notice fell due for payment a week earlier than the October 2014 rate notice, so the majority of payments had already been received by November, whereas in 2014 the majority of payments were received in November.

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
Nov-13	3,519	-\$1,858,828	25,625	-\$13,260,102	5,264	-\$3,769,979	3,005	-\$913,491	3,631	-\$3,534,959	2,960	-\$2,169,336	44,204	-\$25,506,696
Nov-14	4,601	-\$2,713,793	29,947	-\$17,098,213	5,585	-\$4,133,408	4,777	-\$1,192,890	4,777	-\$4,717,251	3,841	-\$2,948,139	53,528	-\$32,803,694
Variance	1,082	-\$854,964.73	4,322	-\$3,838,111.29	321	-\$363,428.85	1,772	-\$279,398.84	946	-\$1,182,292.05	881	-\$778,802.09	9,324	-\$7,296,997.85
% Variance	31%	46%	17%	29%	6%	10%	59%	31%	25%	33%	30%	36%	21%	29%

Overall October 2014 to November 2014

The November percentage of 7.9 is an increase on the October percentage due to the rates and charges levied in October falling due for payment on 10th November.

A sale of land auction for unpaid rates and charges took place on 24 November 2014 with all properties selling on the day. In June 2014 Council resolved to sell 38 properties for unpaid rates and charges. At that time rates and charges outstanding for these properties totalled \$311,416. The arrears on the majority of properties were paid in full prior to the date of auction. The properties that were auctioned were all vacant land on the Southern Moreton Bay Islands.

Comparison November 2013 to November 2014

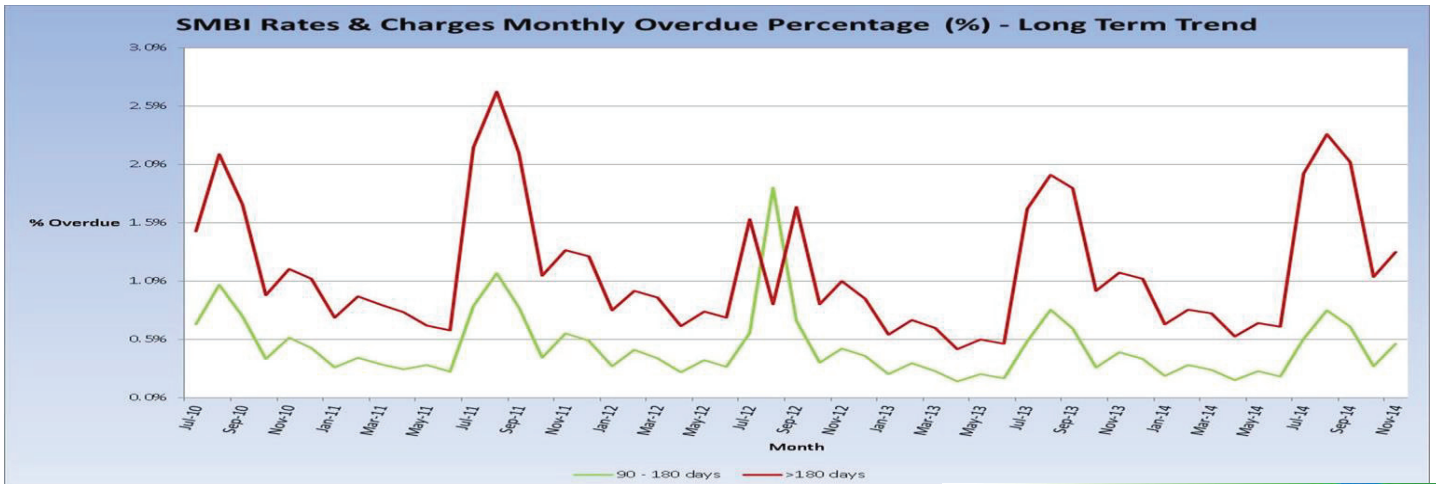
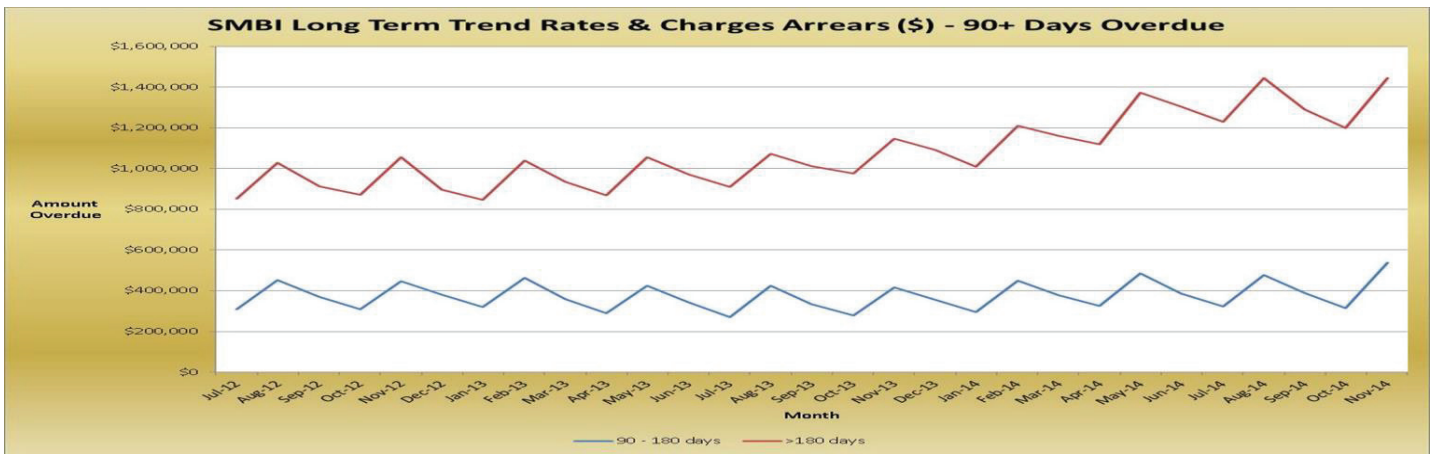
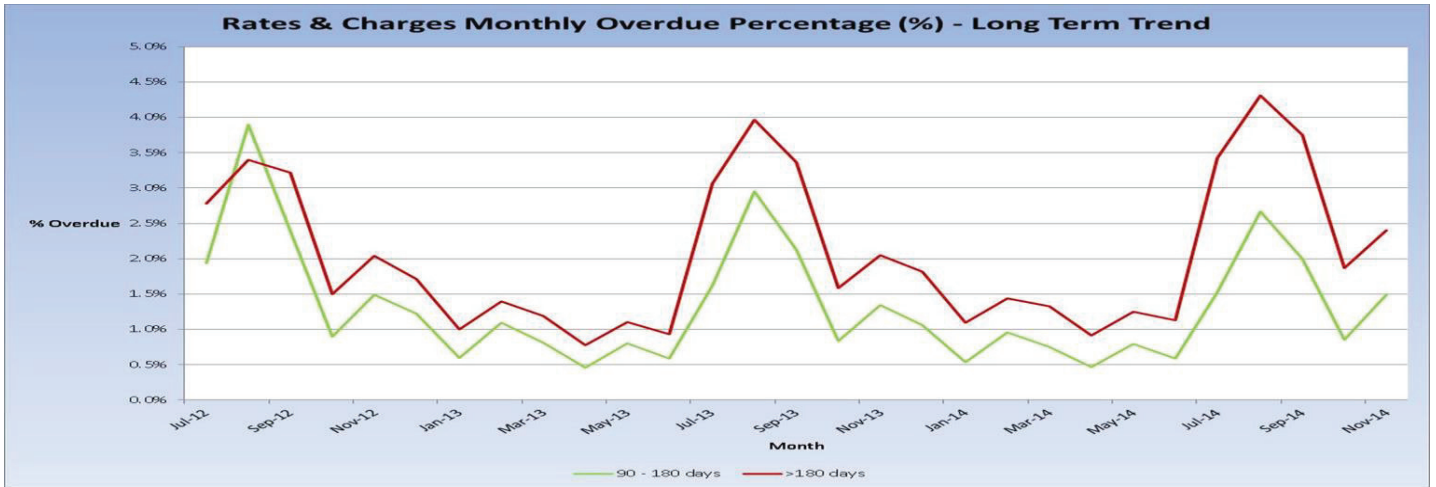
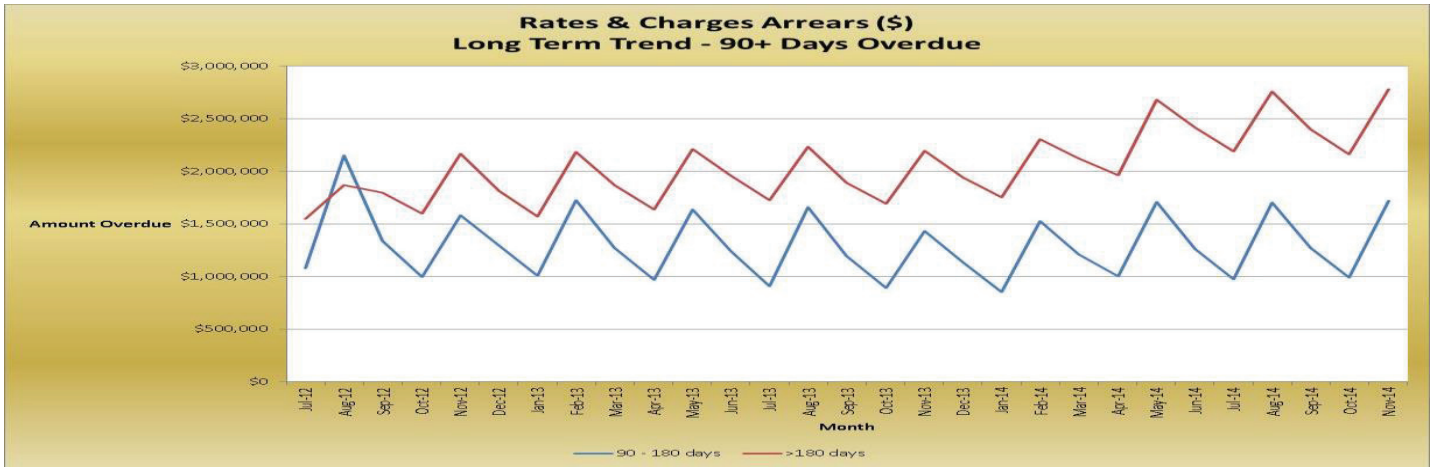
Total							Mainland						
Days Overdue	Nov-13	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance	Days Overdue	Nov-13	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance
<90	\$3,763,451	3.5%	\$4,673,568	4.0%	\$910,117	0.51%	<90	\$2,797,377	2.6%	\$3,382,715	2.9%	\$585,338	0.30%
90 - 180 days	\$1,434,046	1.3%	\$1,720,774	1.5%	\$286,729	0.14%	90 - 180 days	\$972,760	0.9%	\$1,122,638	1.0%	\$149,878	0.06%
>180 days	\$2,192,318	2.1%	\$2,782,156	2.4%	\$589,839	0.35%	>180 days	\$1,003,558	0.9%	\$1,271,649	1.1%	\$268,090	0.16%
Total	\$7,389,814	6.92%	\$9,176,498	7.93%	\$1,786,684	1.01%	Total	\$4,773,695	4.47%	\$5,777,002	4.99%	\$1,003,307	0.52%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Nov-13	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance	Days Overdue	Nov-13	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance
<90	\$123,787	0.1%	\$177,056	0.2%	\$53,269	0.04%	<90	\$842,287	0.8%	\$1,113,797	1.0%	\$271,510	0.17%
90 - 180 days	\$45,832	0.0%	\$60,468	0.1%	\$14,636	0.01%	90 - 180 days	\$415,454	0.4%	\$537,668	0.5%	\$122,215	0.08%
>180 days	\$42,720	0.0%	\$66,212	0.1%	\$23,492	0.02%	>180 days	\$1,146,039	1.1%	\$1,444,295	1.2%	\$298,256	0.17%
Total	\$212,339	0.20%	\$303,736	0.26%	\$91,397	0.06%	Total	\$2,403,780	2.25%	\$3,095,760	2.67%	\$691,980	0.42%

Trend - October 2014 to November 2014

Total							Mainland						
Days Overdue	Oct-14	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance	Days Overdue	Oct-14	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance
<90	\$2,247,377	1.9%	\$4,673,568	4.0%	\$2,426,190	2.10%	<90	\$1,600,083	1.4%	\$3,382,715	2.9%	\$1,782,632	1.54%
90 - 180 days	\$990,392	0.9%	\$1,720,774	1.5%	\$730,382	0.63%	90 - 180 days	\$646,443	0.6%	\$1,122,638	1.0%	\$476,195	0.41%
>180 days	\$2,160,478	1.9%	\$2,782,156	2.4%	\$621,679	0.54%	>180 days	\$916,729	0.8%	\$1,271,649	1.1%	\$354,920	0.31%
Total	\$5,398,247	4.66%	\$9,176,498	7.93%	\$3,778,251	3.27%	Total	\$3,163,255	2.73%	\$5,777,002	4.99%	\$2,613,747	2.26%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Oct-14	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance	Days Overdue	Oct-14	% Overdue	Nov-14	% Overdue	\$ Variance	% Variance
<90	\$72,795	0.1%	\$177,056	0.2%	\$104,261	0.09%	<90	\$574,499	0.5%	\$1,113,797	1.0%	\$539,298	0.47%
90 - 180 days	\$29,819	0.0%	\$60,468	0.1%	\$30,649	0.03%	90 - 180 days	\$314,130	0.3%	\$537,668	0.5%	\$223,538	0.19%
>180 days	\$44,532	0.0%	\$66,212	0.1%	\$21,681	0.02%	>180 days	\$1,199,217	1.0%	\$1,444,295	1.2%	\$245,078	0.21%
Total	\$147,145	0.13%	\$303,736	0.26%	\$156,591	0.14%	Total	\$2,087,847	1.80%	\$3,095,760	2.67%	\$1,007,914	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.