



Redland
CITY COUNCIL

**September
2013**

*Monthly Financial
Performance Report*

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1. HIGHLIGHTS AND RATIOS

KEY FINANCIAL INFORMATION

Operating Income and Expenditure	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
Operating Revenue	221,718	54,019	55,037
Operating Expenses	170,827	40,010	40,065
EBITD	50,891	14,009	14,972
Operating Surplus/(Deficit)	300	1,360	1,816

Capex YTD	\$000
Actuals YTD	13,059
Original Budget YTD	11,143
Revised Budget YTD	13,792
YTD Movements	
Actuals V Original Budget	1,916
	17.19%
Actuals V Revised Budget	-733
	-5.31%

Financial Stability Ratios	Target	Revised Budget 2013/14	Sep 2013
Level of Dependence on General Rate Revenue	Threshold set < 37.5%	33.80%	34.12%
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	3.99	3.32
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.57%	3.62%
Cash Balance \$M		\$75.598M	\$84.582M
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	5.12	6.00
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	3.36%	2.96%
Operating Performance	Target greater than or equal to 20%	18.20%	22.08%
Financial Sustainability Ratios	Target	Revised Budget 2013/14	Sep 2013
Operating Surplus Ratio	Target between 0% and 10% (on average over the long-term)	0.14%	3.30%
Net Financial Liabilities	Target less than 60% (on average over the long-term)	13.19%	49.11%
Interest Cover Ratio	Target between 0% and 5%	-0.14%	0.05%
Asset Consumption Ratio	Target between 40% and 80%	76.70%	66.11%

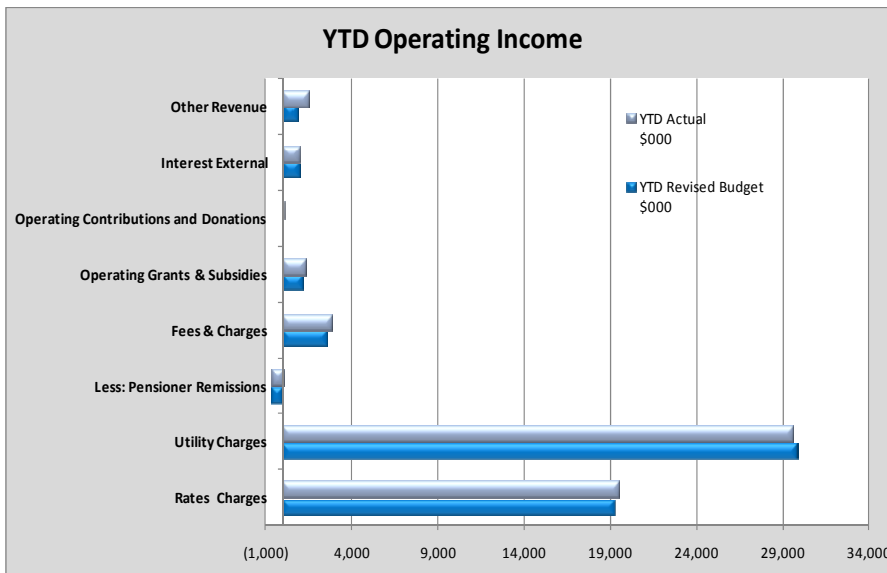
KEY NON-FINANCIAL INFORMATION

Total Council Full Time Equivalents	Jul 2013	Aug 2013	Sep 2013
Elected Members	11	11	11
Administration and indoor staff (Officer's Award)	691	685	680
Outdoor staff (Employee's Award)	187	187	187
Total	889	883	878

2. SUMMARY OPERATING STATEMENT

SUMMARY OPERATING STATEMENT For the Period Ending 30 September 2013

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Operating Revenue	221,718	221,718	54,019	55,037	1,018
Operating Expenses	170,809	170,827	40,010	40,065	54
Earnings before Interest, Tax and Depreciation (EBITD)	50,909	50,891	14,009	14,972	964
Interest Expense	3,798	3,798	950	991	42
Depreciation	46,794	46,794	11,698	12,165	466
Operating Surplus/(Deficit)	317	300	1,360	1,816	456



Operating Income

Council's year to date (YTD) Earnings Before Interest, Tax and Depreciation (EBITD) is \$14.97M with a 6.9% variance from budget.

Operating revenue variance is mainly due to one-off contract work (\$0.54M in Other Revenue) undertaken on behalf of the State, which were not anticipated at budget time.

Fees and charges are also over budget by \$0.23M due to increased building and development activities.

Utility Charges Breakup For the Period Ending 30 September 2013

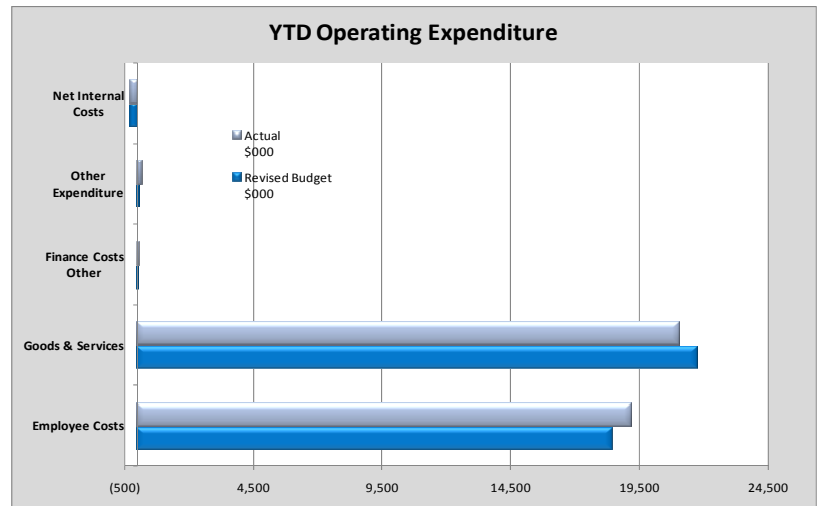
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Utility Charges					
Refuse Charges	18,453	18,453	4,605	4,499	(105)
Special Charges	3,166	3,166	777	806	29
Environment Levy	4,273	4,273	1,068	1,072	4
Landfill Remediation Charge	3,839	3,839	960	989	29
Wastewater Charges	37,466	37,466	9,367	9,260	(106)
Water Access Charges	17,474	17,474	4,369	4,228	(140)
Water Consumption Charges	34,517	34,517	8,629	8,727	97
Total Utility Charges Revenue	119,189	119,189	29,775	29,582	(192)

Operating Expenditure

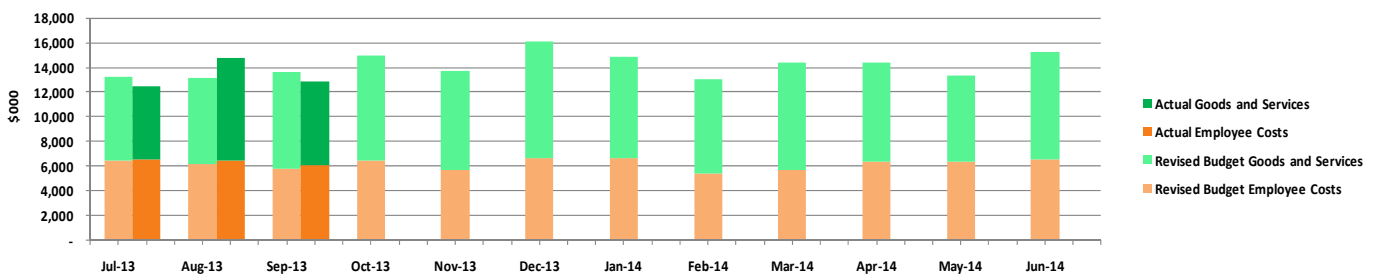
Operating expenditure is over budget by \$0.05M, which is an insignificant variance of 0.13%.

This variance mainly consists of goods and services which are under budget by \$0.72M (3.3%) offset by employee costs which are over budget by \$0.75M (4.1%).

Total future commitments (where budget available) at the end of September was \$7.31M.



Monthly Operating Expenditure Analysis



REDLAND WATER SUMMARY OPERATING STATEMENT For the Period Ending 30 September 2013

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total Revenue	91,235	90,856	22,714	22,750	36
Total Expenses	42,425	42,409	10,643	10,668	25
Earnings before Interest, Tax and Depreciation (EBITD)	48,810	48,447	12,071	12,082	11
Interest Expense External	0	0	0	0	0
Interest Internal	21,681	21,681	5,420	5,420	0
Depreciation	16,895	16,895	4,224	4,079	(145)
Operating Surplus/(Deficit)	10,234	9,871	2,427	2,583	156

REDWASTE OPERATING STATEMENT For the Period Ending 30 September 2013

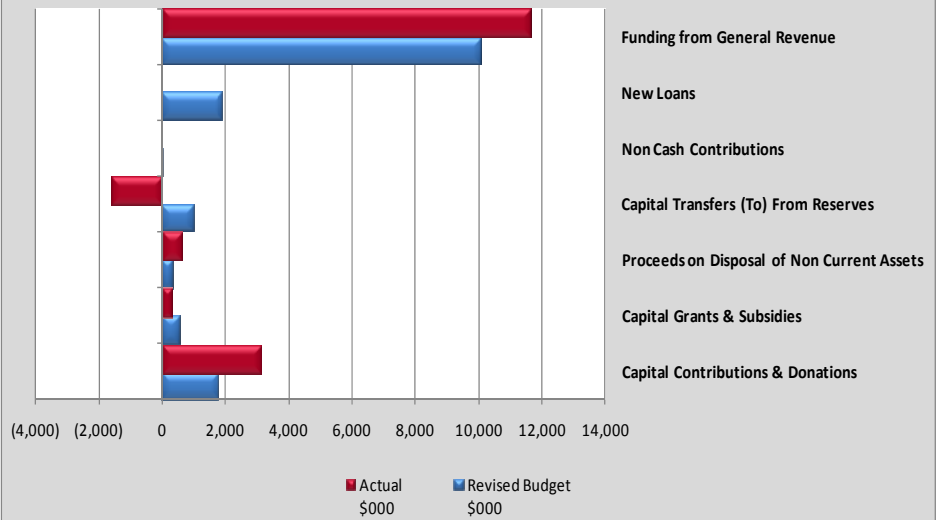
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total Revenue	21,707	19,842	4,952	4,797	(155)
Total Expenses	16,719	16,735	4,114	3,564	(550)
Earnings before Interest, Tax and Depreciation (EBITD)	4,988	3,107	838	1,233	395
Interest Expense External	29	29	8	12	4
Interest Internal	342	342	85	85	0
Depreciation	530	530	133	130	(2)
Operating Surplus/(Deficit)	4,087	2,207	613	1,006	393

3. SUMMARY CAPITAL EXPENDITURE AND FUNDING

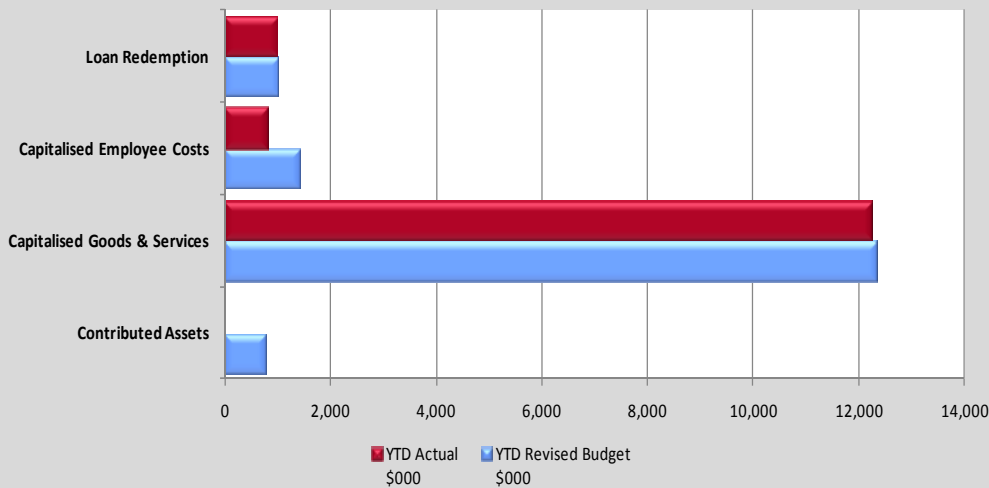
The capital contributions are significantly over budget due to the commencement of Kinross Road and South East Thornlands developments for which developer contributions were received in August.

Transfers to reserves also show a significant variance due to the transfer of the above developer contributions to reserves in order to ring-fence those funds.

Sources of Capital Funds



Applications of Capital Funding

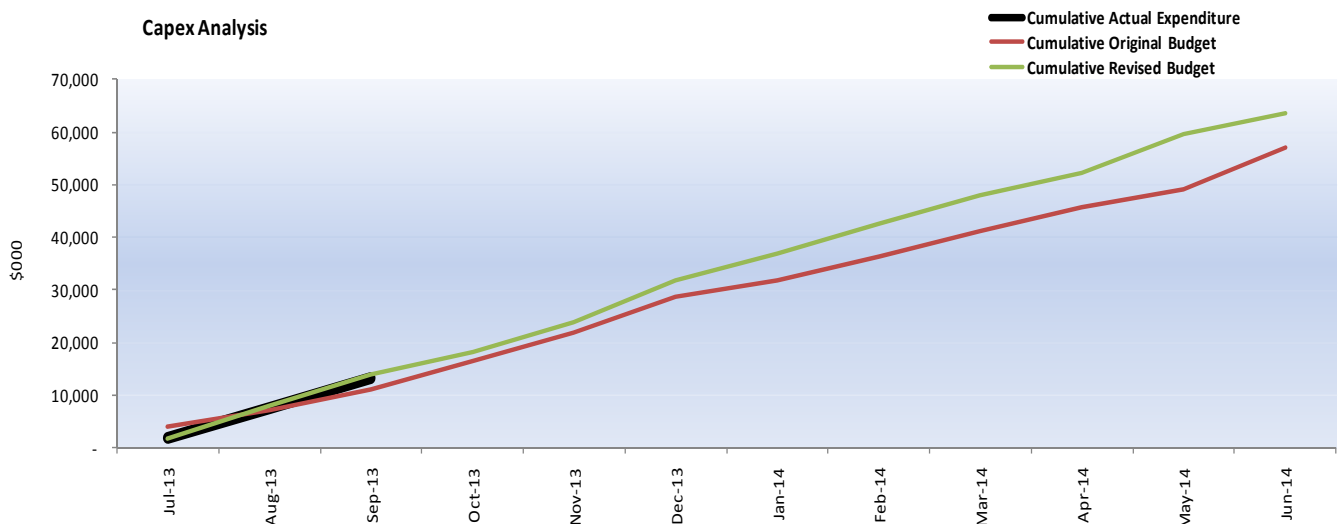


Capital expenditure is underspent by \$0.73M mainly due to the timing of capital acquisitions.

The variance in Contributed Assets is also due to timing issues, outside of Council control.

Total commitments at the end of the period (for which budget is available) was \$2.47M

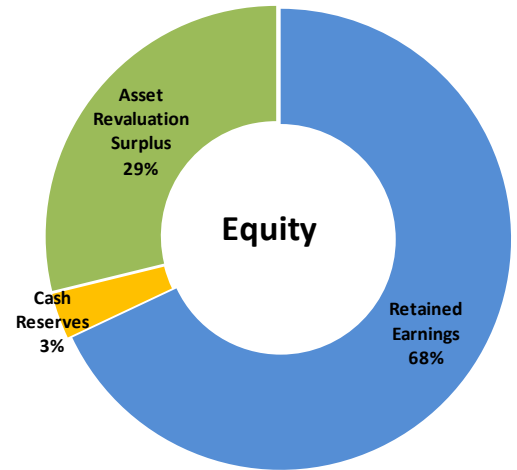
Capex Analysis



4. SUMMARY STATEMENT OF FINANCIAL POSITION

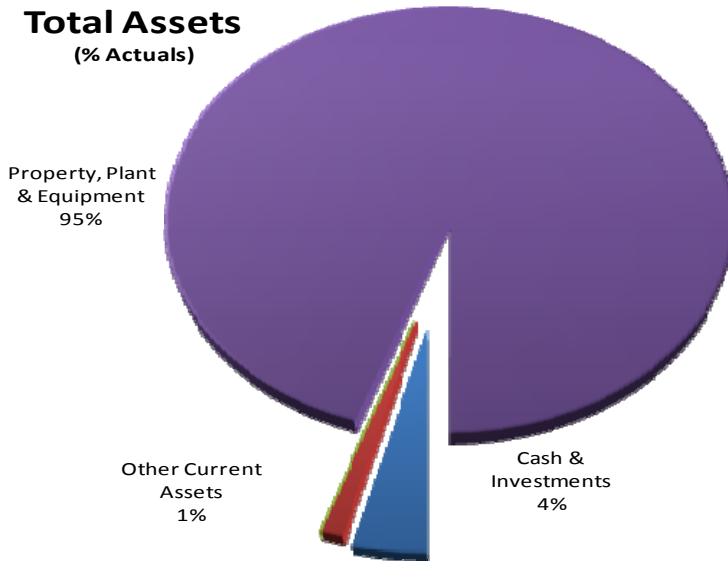
SUMMARY STATEMENT OF FINANCIAL POSITION As at 30 September 2013

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
Total Current Assets	97,027	101,423	109,029
Total Non Current Assets	1,820,687	1,966,849	1,992,445
TOTAL ASSETS	1,917,714	2,068,272	2,101,474
Total Current Liabilities	38,608	25,441	32,814
Total Non Current Liabilities	104,623	105,236	103,245
TOTAL LIABILITIES	143,231	130,677	136,059
NET ASSETS	1,774,483	1,937,595	1,965,415
COMMUNITY EQUITY			
Retained Earnings	1,728,791	1,880,049	1,902,556
Cash Reserves	45,692	57,546	62,859
TOTAL COMMUNITY EQUITY	1,774,483	1,937,595	1,965,415



EQUITY	YTD Actual Balance \$000
	Retained Earnings
Cash Reserves	62,859
Asset Revaluation Surplus	566,193
TOTAL EQUITY	1,965,415

Total Assets (% Actuals)

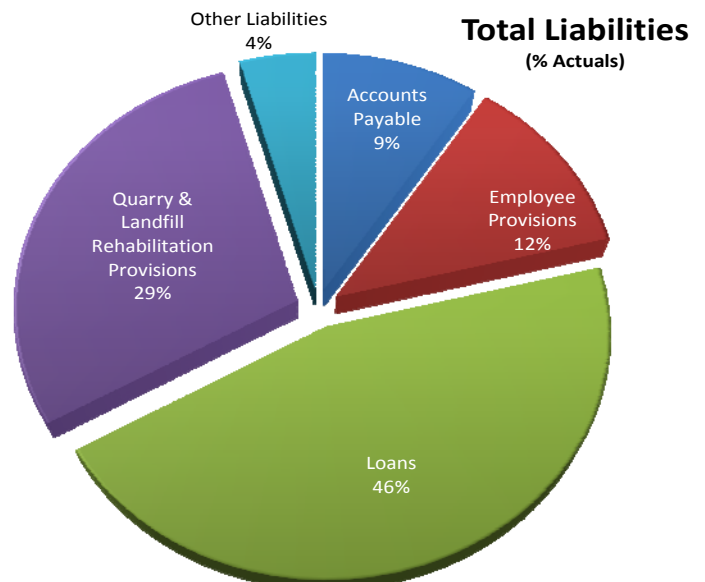


TOTAL ASSETS	YTD Actual Balance \$000
	Cash & Investments
Other Current Assets	24,447
Shares in Other Companies	73
Property, Plant & Equipment	1,992,372
TOTAL ASSETS	2,101,474

As the accounts for the 2012/13 financial year are being finalised, the opening balances on the 2013/14 Statement of Financial Position are subject to change, as per previous years.

TOTAL LIABILITIES	YTD Actual Balance \$000
	Accounts Payable
Employee Provisions	16,250
Loans	62,100
Quarry & Landfill Rehabilitation Provisions	39,214
Other Liabilities	6,010
TOTAL LIABILITIES	136,059

As the accounts for the 2012/13 financial year are being finalised, the opening balances on the 2013/14 Statement of Financial Position are subject to change, as per previous years.



5. SUMMARY STATEMENT OF CASH FLOWS

SUMMARY CASH FLOW STATEMENT For the Period Ending 30 September 2013

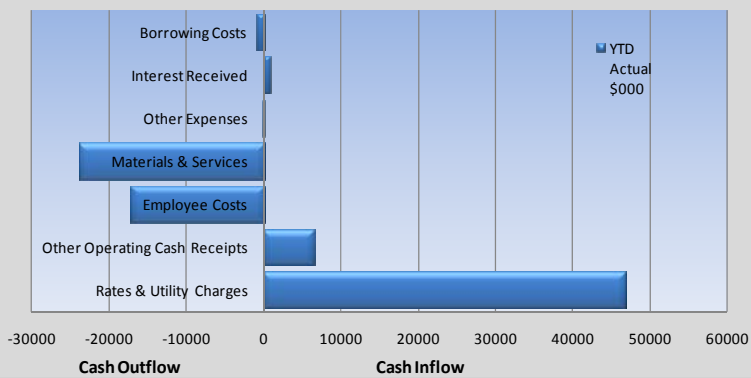
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
Receipts from Customers	212,516	212,516	53,093	53,329
Payments to Suppliers & Employees	(173,303)	(173,320)	(40,093)	(41,313)
Interest Received	4,104	4,104	1,026	964
Borrowing Costs	(3,798)	(3,798)	(950)	(991)
Net Cash Inflow/(Outflow) from Operating Activities	39,519	39,502	13,077	11,989
Net Cash Inflow/(Outflow) from Investing Activities	(46,336)	(52,962)	(11,144)	(9,000)
Net Cash Inflow/(Outflow) from Financing Activities	6,463	6,463	852	(1,002)
Net Increase / (Decrease) in Cash Held	(353)	(6,996)	2,785	1,987
Cash at Beginning of Year	80,492	82,595	82,595	82,595
Cash at End of Period	80,139	75,598	85,380	84,582

Cash on hand at the end of September was \$84.58M. It represents cash capacity of 6.00 months which is well above the target of 3-4 months.

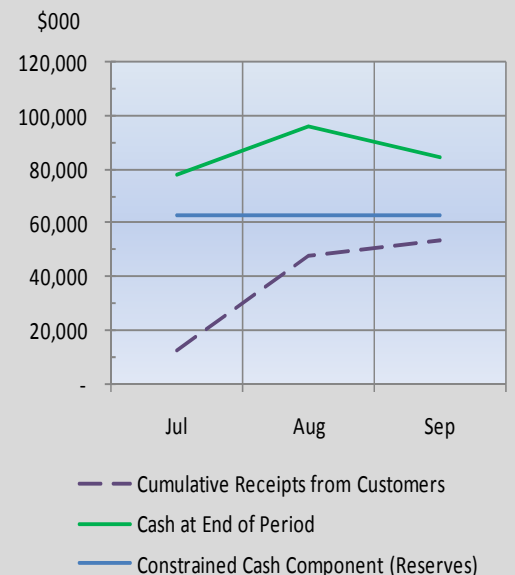
\$62.86M of the cash balance represents cash reserves.

The graph below shows the trending of YTD Receipts from Customers vs Cash Balance at Period End vs Reserve Balances reflecting the rates due date which fell in August, resulting in a sharp increase in cash inflow and balances and the tapering off of receipts in September.

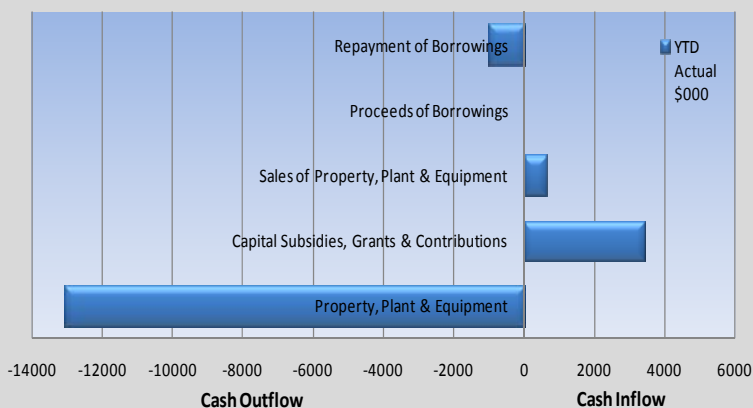
Cash Flow from Operating Activities



Monthly Cash Movements



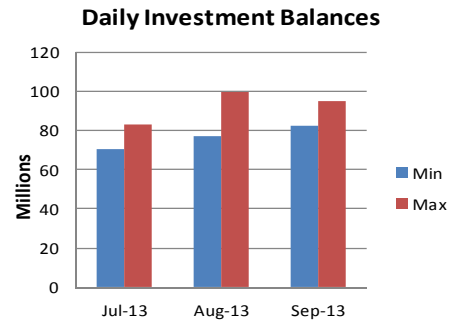
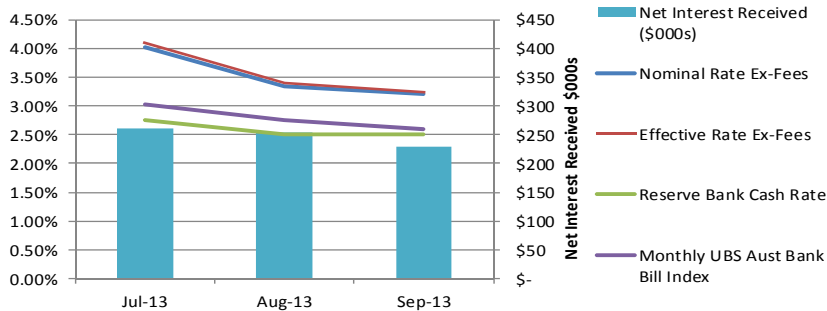
Cash Flow from Investing & Financing Activities



6. INVESTMENTS AND BORROWINGS REPORT

Period Ending 30 September 2013

INVESTMENT RETURNS



Total Investment at End of Month was \$84.47M

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.

Council's budgeted interest revenue will be reviewed at the first 2013/2014 quarterly budget review.

QTC Cash Fund YTD Return 3.68% Benchmark UBS Aust Bank Bill Index 2.79% Reserve Bank Cash Rate at EOM 2.50%

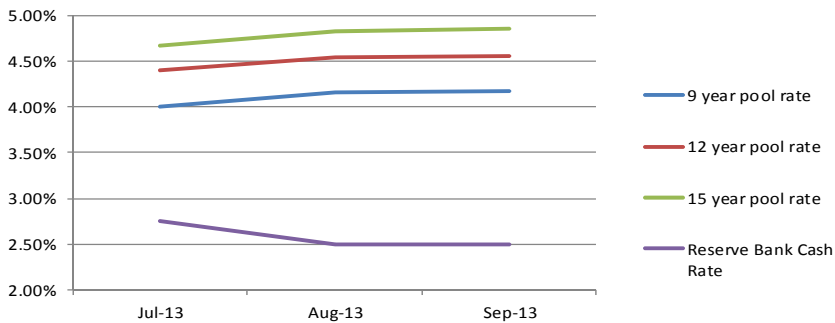
****This is the 39th consecutive month that the QTC Fund has outperformed the benchmark (Jul 10 - Sep 13)****

Future Strategy

The Tax and Treasury Team is awaiting management response in relation to a proposal to invest outside QTC, taking into account risk versus returns. The Taxation and Treasury 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 account. The daily decision is based on monies expected in, offset by anticipated expenditure.

RCC has own Investment of Surplus Funds Policy POL-3013, recently revised and adopted as part of the 13/14 annual budget development

BORROWING COSTS

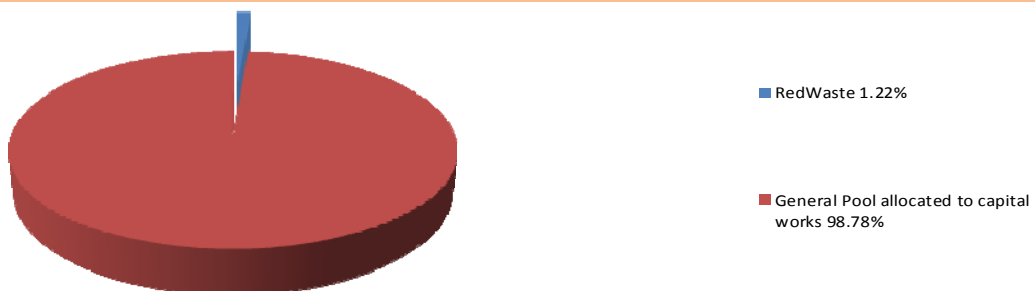


Current Position

Debt is split into 9, 12, and 15 year pools with repayment made *quarterly* in advance. The rates shown are for any new borrowings. The movements in borrowing rates relate to the yield on QTC bonds which are its principal source of funding.

A book rate review was conducted on 1 July 2013 by QTC and the changes to the split between principal and interest repayments were not significant enough to warrant a change to the current debt service payment. In other words, the allocation of Council's quarterly payment between interest expense and principal repayment is presently adequate.

Total Borrowings at End of Month was \$62.10M



Future Strategy

The Tax and Treasury Team is presently analysing options in conjunction with QTC of *annual* payment advances of some borrowings. This would reduce the interest expense in the year without realising any early repayment fees in the form of market realisation costs (early repayment of debt has penalties). Analysis is presently being conducted as to whether debt repayment, offsetting the loans or investment of surplus funds (or a blend) would have the best net gain without exposing Council to significant risk as interest rates decrease. Additionally, a debt service payment review will be conducted in coming months to ensure the amount paid each quarter is maintaining adequate loan terms.

RCC has own Debt Policy POL-1838, recently revised and adopted as part of the 13/14 annual budget development



7. CASH RESERVES

Reserves as at 30 September 2013	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Cemetery Reserve	399	0	0	399
State Emergency Service Reserve	20	0	0	20
Weinam Creek Reserve	2,335	0	-7	2,328
Road Maintenance Reserve	155	0	0	155
Redland Work Cover Reserve	5,147	133	-175	5,105
Contribution Raby Bay Land Sales	278	0	-23	254
Red Art Gallery Commissions & Donations Res	14	0	0	14
Interest Free Loans Reserve	487	4	0	491
Halls Reserve	2	0	0	2
Raby Bay Maintenance Reserve	336	2	-2	336
Aquatic Paradise Maintenance Reserve	936	6	0	942
Sovereign Waters Maintenance Reserve	118	1	0	119
	10,228	146	-207	10,167
Special Capital Projects Reserve:				
SMBI Capital Reserve	3,317	0	-66	3,251
	3,317	0	-66	3,251
Cleansing Reserve:				
RedWaste Reserve	2,497	244	-18	2,723
	2,497	244	-18	2,723
Constrained Works Capital Reserve:				
Tree Planting Reserve	50	11	0	62
Parks Reserve	254	894	-180	968
SP1 Wellington Pt Rd Infra Reserve	463	0	0	463
Redland Bay Sth Rd Infra Reserve	443	0	0	443
East Thornlands Road Infra Reserve	674	0	0	674
Contributions to Car Parking Reserve	340	0	0	340
Contributions to Street Lighting Reserve	13	0	0	13
Quarry Reserve	358	0	0	358
Contrib to R/Wks Infrastructure Reserve	2,030	0	0	2,030
Community Facility Infrastructure Reserve	148	51	0	199
Retail Water Renewal & Purchase Reserve	4,385	586	-141	4,830
Sewerage Renewal & Purchase Reserve	5,641	533	-550	5,623
Constrained Works Res-Cap Grants & Contribs	3,743	0	-205	3,538
Transport Trunk Infrastructure Reserve	1,316	711	-241	1,787
Cycling Trunk Infrastructure Reserve	407	165	0	572
Stormwater Infrastructure Reserve	1,072	142	0	1,214
	21,336	3,094	-1,316	23,114
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	7,036	0	0	7,036
Environment Charge Maintenance Reserve	1,254	1,072	-670	1,655
Landfill Remediation Charge Reserve	5,738	989	-970	5,757
	14,027	2,061	-1,640	14,448
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	0	15	-13	2
SMBI Translink Reserve	0	232	0	232
	0	247	-13	233
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	0	0	0	0
Aquatic paradise Canal Reserve	559	152	-5	706
Sovereign Waters Lake Reserve	386	14	-6	394
Raby Bay Tidal Works Non CTS Reserve	2,882	507	-109	3,279
Raby Bay Tidal Works CTS Reserve	246	43	-9	281
Raby Bay Marina Reserve	210	32	-7	235
Aquatic Paradise Marina Reserve	64	9	0	73
	4,347	756	-136	4,967
Constrained Works Recurrent Reserve:				
Constrained Works Res-Opr Grants & Contribs	4,005	0	-49	3,955
	4,005	0	-49	3,955
TOTALS	59,757	6,547	-3,445	62,859

The Reserves are currently being reviewed to determine which funds should remain constrained. Submissions have been made to Council which were considered on 9 October 2013. The approved changes will be disclosed in the monthly reports from October 2013.

8. OVERDUE RATES DEBTORS

Comparison September 2012 to September 2013

In comparison to September 2012 the amount of rates and charges outstanding greater than 180 days has increased marginally. However, from a percentage perspective the percentage of debt overdue is 0.62% less than September 2012.

The amount of payments received in September 2013 is \$0.62M (table 1 below) less than the same period in 2012, however we have processed nearly a thousand more transactions in the month. As demonstrated in table 2 below, this can be attributed to scheduled Direct Debit payments.

Table 1

Amount of Payments Received \$000							
Period	AustPost	Bpay	IVR	RecDD	Receipt	RecNet	Total
Sep 2012	220	2,444	400	-	684	226	3,974
Sep 2013	180	1,975	303	142	577	176	3,354

Table 2

Number of Payments Received							
Period	AustPost	Bpay	IVR	RecDD	Receipt	RecNet	Total
Sep 2012	808	9,809	689		1,061	406	12,773
Sep 2013	662	9,558	519	1,709	995	343	13,786

Overall Trend August 2013 to September 2013

The overall percentage overdue has decreased by 4.8% on the August position in line with the expected trend.

Comparison September 2012 to September 2013

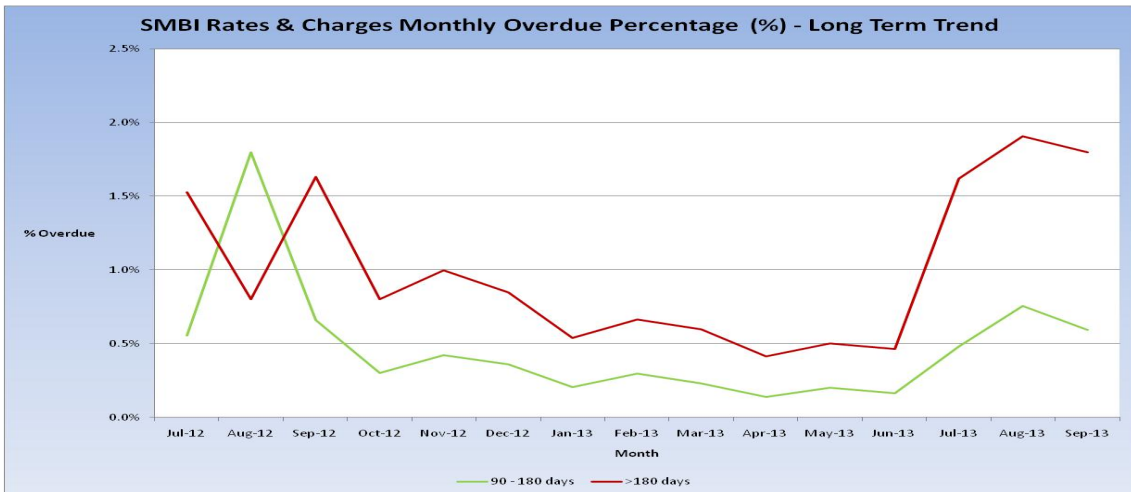
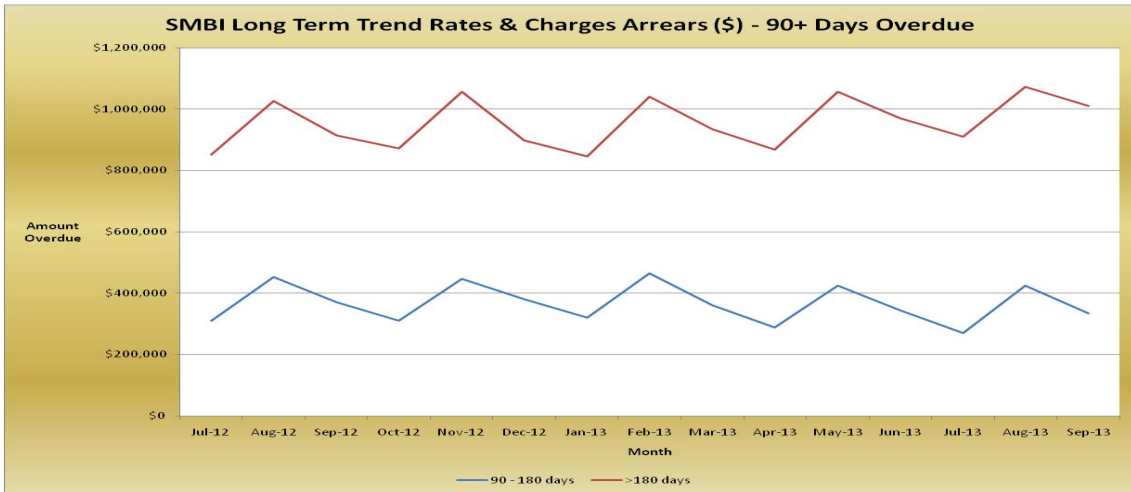
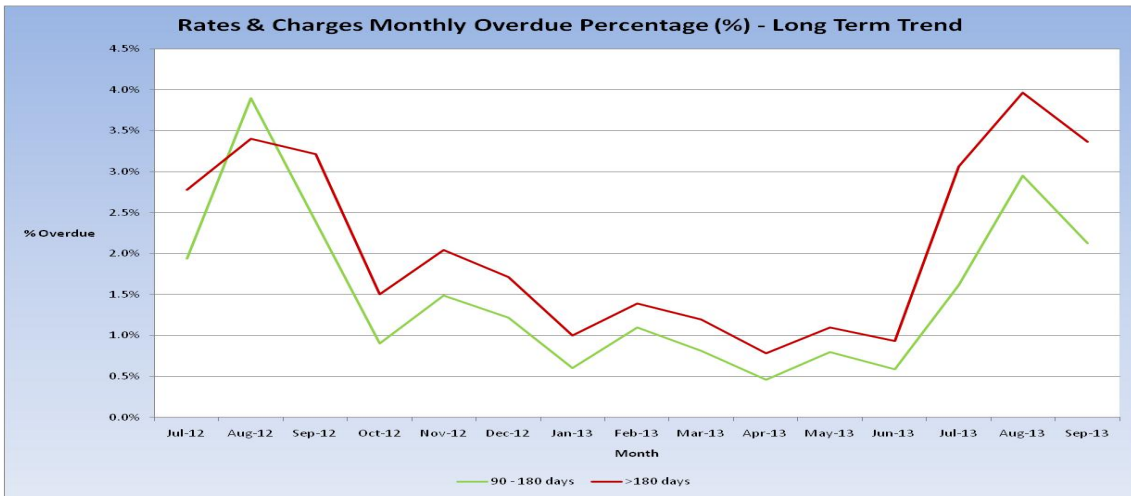
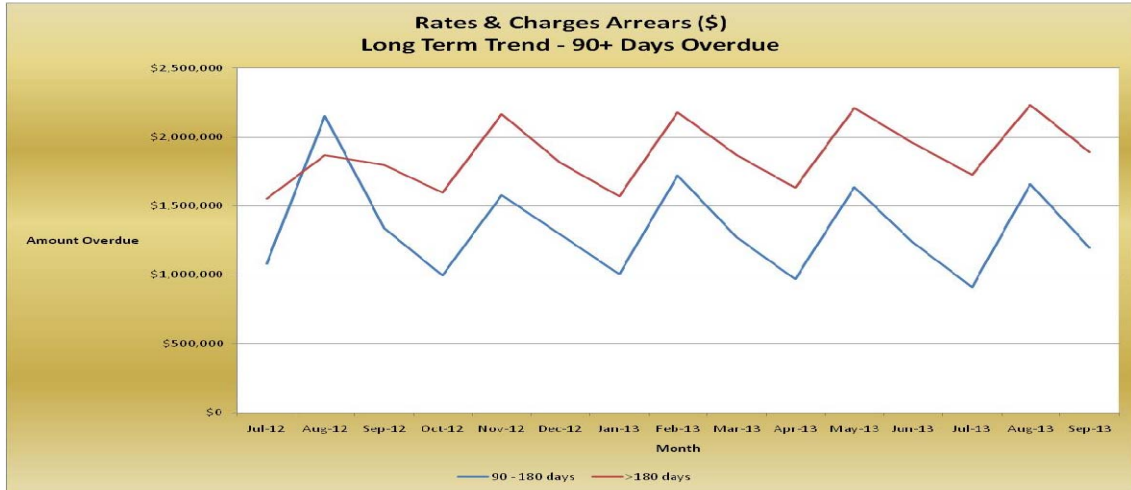
Total							Mainland						
Days Overdue	Sep-12	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase	Days Overdue	Sep-12	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase
<90	\$3,053,326	5.5%	\$2,788,784	5.0%	-\$264,543	-0.50%	<90	\$2,264,834	4.0%	\$2,042,738	3.6%	-\$222,097	-0.42%
90 - 180 days	\$1,337,396	2.4%	\$1,194,432	2.1%	-\$142,964	-0.27%	90 - 180 days	\$916,652	1.6%	\$829,009	1.5%	-\$87,643	-0.16%
>180 days	\$1,798,899	3.2%	\$1,892,513	3.4%	\$93,614	0.15%	>180 days	\$824,453	1.5%	\$849,721	1.5%	\$25,268	0.04%
Total	\$6,189,622	11.06%	\$5,875,729	10.44%	-\$313,893	-0.62%	Total	\$4,005,939	7.16%	\$3,721,468	6.61%	-\$284,471	-0.55%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Sep-12	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase	Days Overdue	Sep-12	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase
<90	\$105,473	0.19%	\$80,640	0.1%	-\$24,832	-0.05%	<90	\$683,019	1.2%	\$665,406	1.2%	-\$17,613	-0.04%
90 - 180 days	\$50,339	0.09%	\$31,097	0.1%	-\$19,241	-0.03%	90 - 180 days	\$370,405	0.7%	\$334,325	0.6%	-\$36,080	-0.07%
>180 days	\$61,032	0.11%	\$32,099	0.1%	-\$28,934	-0.05%	>180 days	\$913,414	1.6%	\$1,010,693	1.8%	\$97,279	0.16%
Total	\$216,844	0.39%	\$143,836	0.26%	-\$73,008	-0.13%	Total	\$1,966,838	3.51%	\$2,010,424	3.57%	\$43,586	0.06%

Trend - August 2013 to September 2013

Total							Mainland						
Days Overdue	Aug-13	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase	Days Overdue	Aug-13	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase
<90	\$4,687,017.4	8.3%	\$2,788,784	5.0%	-\$1,898,234	-3.38%	<90	\$3,557,556	6.3%	\$2,042,738	3.6%	-\$1,514,818	-2.69%
90 - 180 days	\$1,658,556.8	2.9%	\$1,194,432	2.1%	-\$464,125	-0.83%	90 - 180 days	\$1,190,713	2.1%	\$829,009	1.5%	-\$361,703	-0.64%
>180 days	\$2,231,938.0	4.0%	\$1,892,513	3.4%	-\$339,425	-0.60%	>180 days	\$1,109,407	2.0%	\$849,721	1.5%	-\$259,686	-0.46%
Total	\$8,577,512	15.25%	\$5,875,729	10.44%	-\$2,701,784	-4.81%	Total	\$5,857,676	10.41%	\$3,721,468	6.61%	-\$2,136,208	-3.80%

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Aug-13	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase	Days Overdue	Aug-13	% Overdue	Sep-13	% Overdue	\$ Variance	% Increase
<90	\$172,667	0.3%	\$80,640	0.1%	-\$92,026	-0.16%	<90	\$956,795	1.7%	\$665,406	1.2%	-\$291,389	-0.52%
90 - 180 days	\$43,779	0.1%	\$31,097	0.1%	-\$12,682	-0.02%	90 - 180 days	\$424,065	0.8%	\$334,325	0.6%	-\$89,740	-0.16%
>180 days	\$48,943	0.1%	\$32,099	0.1%	-\$16,845	-0.03%	>180 days	\$1,073,588	1.9%	\$1,010,693	1.8%	-\$62,895	-0.11%
Total	\$265,389	0.47%	\$143,836	0.26%	-\$121,553	-0.22%	Total	\$2,454,448	4.36%	\$2,010,424	3.57%	-\$444,024	-0.79%



9. STATEMENT OF COMPREHENSIVE INCOME

For the period ending 30 September 2013

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent Revenue					
Rates Charges	77,623	77,623	19,264	19,442	178
Levies & Charges	119,189	119,189	29,775	29,582	(192)
<i>Less: Pensioner Remissions</i>	(2,670)	(2,670)	(662)	(663)	(1)
Fees & Charges	9,775	9,775	2,587	2,813	226
Operating Grants & Subsidies	10,016	10,016	1,155	1,314	159
Operating Contributions and Donations	0	0	0	56	56
Interest External	4,104	4,104	1,026	964	(62)
Other Revenue	3,681	3,681	874	1,529	655
Total Recurrent Revenue	221,718	221,718	54,019	55,037	1,018
Capital revenue					
Grants, Subsidies and Contributions	9,157	9,179	2,292	3,410	1,119
Non-cash Contributions	3,154	3,154	38	0	(38)
Increase/(Decrease) in Investment Property	0	0	0	0	0
Total Capital Revenue	12,311	12,333	2,330	3,410	1,080
TOTAL REVENUE	234,029	234,051	56,349	58,447	2,099
Recurrent Expenses					
Employee Costs	74,422	74,422	18,392	19,137	745
Goods & Services	96,076	96,093	21,541	20,854	(687)
Finance Costs	4,109	4,109	1,028	1,065	38
Depreciation and Amortisation	46,794	46,794	11,698	12,165	466
Total Recurrent Expenses	221,401	221,418	52,659	53,221	562
Capital Expenses					
Loss on Disposal of Non-current Assets	(1,120)	(1,120)	(338)	217	555
TOTAL EXPENSES	220,281	220,298	52,321	53,438	1,117
NET RESULT	13,748	13,752	4,028	5,009	981
TOTAL COMPREHENSIVE INCOME	13,748	13,752	4,028	5,009	981

10. OPERATING STATEMENT

OPERATING STATEMENT For the Period Ending 30 September 2013

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Revenue					
Rates Charges	77,623	77,623	19,264	19,442	178
Levies & Charges	119,189	119,189	29,775	29,582	(192)
<i>Less: Pensioner Remissions</i>	(2,670)	(2,670)	(662)	(663)	(1)
Fees & Charges	9,775	9,775	2,587	2,813	226
Operating Grants & Subsidies	10,016	10,016	1,155	1,314	159
Operating Contributions and Donations	0	0	0	56	56
Interest External	4,104	4,104	1,026	964	(62)
Other Revenue	3,681	3,681	874	1,529	655
Total Revenue	221,718	221,718	54,019	55,037	1,018
Expenses					
Employee Costs	74,422	74,422	18,392	19,137	745
Goods & Services	96,879	96,897	21,712	20,996	(716)
Finance Costs Other	311	311	78	74	(4)
Other Expenditure	293	293	103	163	60
Net Internal Costs	(1,096)	(1,096)	(274)	(305)	(31)
Total Expenses	170,809	170,827	40,010	40,065	54
Earnings before Interest, Tax and Depreciation (EBITD)	50,909	50,891	14,009	14,972	964
Interest Expense	3,798	3,798	950	991	42
Depreciation	46,794	46,794	11,698	12,165	466
Operating Surplus/(Deficit)	317	300	1,360	1,816	456
Transfers to Constrained Operating Reserves	(13,639)	(13,572)	(3,382)	(3,454)	(71)
Transfers from Constrained Operating Reserves	11,128	11,274	2,311	1,961	(350)

11. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the Period Ending 30 September 2013

	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	4,896	4,896	1,756	3,096	1,340
Capital Grants & Subsidies	4,261	4,283	536	315	(221)
Proceeds on Disposal of Non Current Assets	1,424	1,424	356	649	293
Capital Transfers (to) from Reserves	3,975	6,198	987	(1,609)	(2,596)
Non Cash Contributions	3,154	3,154	38	0	(38)
New Loans	10,581	10,581	1,881	0	(1,881)
Funding from General Revenue	35,897	40,300	10,055	11,611	1,556
Total Sources of Capital Funding	64,188	70,836	15,609	14,061	(1,548)
Applications of Capital Funds					
Contributed Assets	3,154	3,154	788	0	(788)
Capitalised Goods & Services	48,623	55,271	12,344	12,251	(93)
Capitalised Employee Costs	8,294	8,294	1,448	808	(640)
Loan Redemption	4,118	4,118	1,029	1,002	(27)
Total Applications of Capital Funds	64,188	70,836	15,609	14,061	(1,548)
Other Budgeted Items					
WDV of Assets Disposed	(304)	(304)	(18)	(866)	(848)
Tax and Dividends	0	0	0	0	0
Internal Capital Structure Financing	0	0	0	0	0

12. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS			
Cash & Investments	80,139	75,598	84,582
Accounts Receivable	14,832	23,117	21,401
Inventories	991	943	915
Prepaid Expenses	1,035	1,298	1,665
Assets - Held for Sale	29	467	467
Total Current Assets	97,027	101,423	109,029
NON CURRENT ASSETS			
Property, Plant and Equipment	1,820,678	1,966,776	1,992,372
Accounts Receivable	9	0	0
Shares in Other Companies	0	73	73
Total Non Current Assets	1,820,687	1,966,849	1,992,445
TOTAL ASSETS	1,917,714	2,068,273	2,101,474
CURRENT LIABILITIES			
Accounts Payable	24,209	13,177	11,792
Current Employee Provisions	6,510	6,410	6,329
Current Loans	5,979	4,124	4,124
Current Landfill Rehabilitation Provisions	435	572	4,559
Other Liabilities	1,474	1,159	6,010
Total Current Liabilities	38,608	25,441	32,814
NON CURRENT LIABILITIES			
Non Current Loans	65,284	65,442	57,976
Non Current Employee Provisions	9,754	10,722	9,921
Non Current Landfill Rehabilitation Provisions	28,558	28,379	34,655
Non Current Trade & Other Payables	1,027	693	693
Total Non Current Liabilities	104,623	105,236	103,245
TOTAL LIABILITIES	143,231	130,677	136,059
NET ASSETS	1,774,483	1,937,595	1,965,415
COMMUNITY EQUITY			
Retained Earnings	1,728,791	1,880,049	1,902,556
Cash Reserves	45,692	57,546	62,859
TOTAL COMMUNITY EQUITY	1,774,483	1,937,595	1,965,415

As the accounts for the 2012/13 financial year are being finalised, the opening balances on the 2013/14 Statement of Financial Position are subject to change as per previous years, until Council gains Queensland Audit Office certification.

13. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS				
For the Period Ending 30 September 2013				
	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Rates Charges & Utility Charges	194,141	194,141	48,377	46,827
Other Operating Cash Flow	18,374	18,374	4,717	6,502
Receipts from Customers	212,516	212,516	53,093	53,329
Employee Costs	(72,412)	(72,412)	(17,889)	(17,192)
Materials & Services	(100,287)	(100,304)	(22,023)	(23,884)
Other Expenses	(604)	(604)	(181)	(237)
Payments to Suppliers & Employees	(173,303)	(173,320)	(40,093)	(41,313)
Interest Received	4,104	4,104	1,026	964
Borrowing Costs	(3,798)	(3,798)	(950)	(991)
Net Cash Inflow/(Outflow) from Operating Activities	39,519	39,502	13,077	11,989
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments - Property, Plant & Equipment	(56,916)	(63,564)	(13,792)	(13,059)
Proceeds - Capital Subsidies, Grants & Contributions	9,157	9,179	2,292	3,410
Proceeds - Sales of Property, Plant & Equipment	1,424	1,424	356	649
Net Cash Inflow/(Outflow) from Investing Activities	(46,336)	(52,962)	(11,144)	(9,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of Borrowings	10,581	10,581	1,881	0
Repayment of Borrowings	(4,118)	(4,118)	(1,029)	(1,002)
Net Cash Inflow/(Outflow) from Financing Activities	6,463	6,463	852	(1,002)
Net Increase / (Decrease) in Cash Held	(353)	(6,996)	2,785	1,987
Cash at Beginning of Year	80,492	82,595	82,595	82,595
Cash at End of Financial Year	80,139	75,598	85,380	84,582

14. GLOSSARY

Definition of Ratios

Level of Dependence on General Rate Revenue: Target less than 37.5%	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
Current Ratio: Target between 1.1 and 4.1	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt Servicing Ratio: Target less than or equal to 10%	$\frac{\text{Interest Expense} + \text{Loan Redemption}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
Cash Balance - \$M:	Cash Held at Period End
Cash Capacity in Months: Target 3 to 4 Months	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
Debt to Asset Ratio: Target less than or equal to 10%	$\frac{\text{Current and Non-current loans}}{\text{Total Assets}}$
Operating Performance: Target greater than or equal to 20%	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
Operating Surplus Ratio*: Target between 0 and 10%	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
Net Financial Liabilities*: Target less than 60%	$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue}}$
Interest Cover Ratio: Target between 0% and 5%	$\frac{\text{Net Interest Expense on Debt Service}}{\text{Total Operating Revenue}}$
Asset Consumption Ratio: Target between 40% and 80%	$\frac{\text{WDV of Infrastructure Assets}}{\text{Gross Current Replacement Cost of Infrastructure Assets}}$
Rates Overdue Percentage:	$\frac{\text{Rates Debtors Current Balance}}{(\text{Rates Debtors Balance 30 June last year} + \text{YTD Rates Levied})}$

*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.