



Redland
CITY COUNCIL

**November
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	224,328	97,684	98,273
Operating Expenses	173,434	69,107	71,447
EBITD	50,894	28,577	26,826
Operating Surplus/(Deficit)	300	7,497	4,862

Capex YTD	\$000
Actuals YTD	19,803
Original Budget YTD	21,935
Revised Budget YTD	22,784
YTD Movements	
Actuals V Original Budget	-2,132 -9.72%
Actuals V Revised Budget	-2,981 -13.08%

Financial Stability Ratios	Target	Revised Budget 2013/14	Nov 2013
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	33.40%	37.90%
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	3.64	3.31
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.53%	3.37%
Cash Balance \$M		\$75.311M	\$96.367M
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	5.03	6.23
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	3.29%	2.91%
Operating Performance (%)	Target greater than or equal to 20%	18.05%	25.42%
Financial Sustainability Ratios	Target	Revised Budget 2013/14	Nov 2013
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	0.13%	4.95%
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	17.05%	17.69%
Interest Cover Ratio (%)	Target between 0% and 5%	-0.14%	0.05%
Asset Sustainability Ratio (%)	Target greater then 90% (on average over the long-term)	89.10%	50.88%
Asset Consumption Ratio (%)	Target between 40% and 80%	66.10%	65.87%

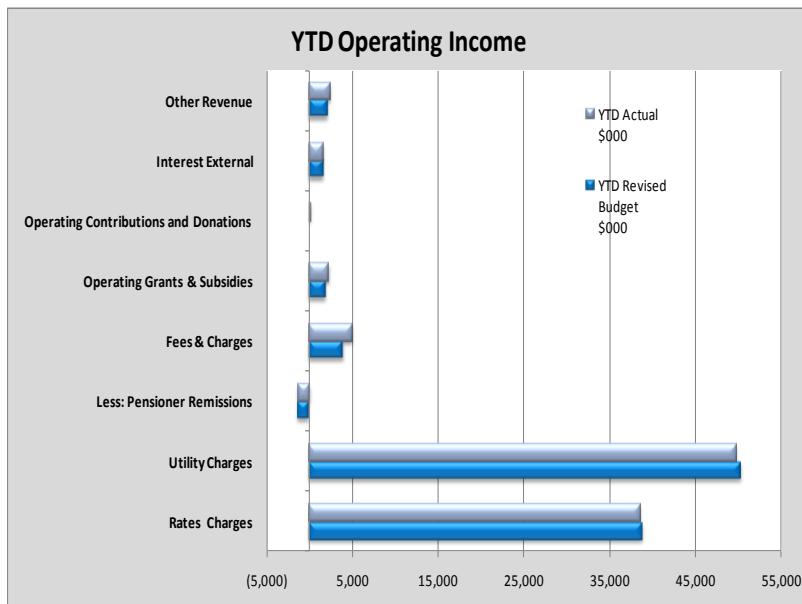
KEY NON-FINANCIAL INFORMATION

Total Council Full Time Equivalents	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013
Elected Members	11	11	11	11	11
Administration and indoor staff (LG Officers' Award)	691	685	680	675	676
Outdoor staff (State Awards)	187	187	187	193	195
Total	889	883	878	879	882

2. SUMMARY OPERATING STATEMENT

SUMMARY OPERATING STATEMENT For the period ending 30 November 2013

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Operating Revenue	221,718	224,328	97,684	98,273	589
Operating Expenses	170,809	173,434	69,107	71,447	2,340
Earnings Before Interest, Tax and Depreciation (EBITD)	50,909	50,894	28,577	26,826	(1,751)
Interest Expense	3,798	3,798	1,583	1,638	55
Depreciation	46,794	46,796	19,497	20,325	828
Operating Surplus/(Deficit)	317	300	7,497	4,862	(2,634)



Earnings Before Interest, Tax and Depreciation (EBITD)

Council's year to date (YTD) EBITD is \$26.83M with a \$1.75M (6.13%) variance to budget. This is as a result of operating revenue exceeding budget by \$589K and operating expenses exceeding budget by \$2.34M. Some of these variances are due to timing differences which will be addressed if required during the second quarter budget review.

Operating Income

The excess of \$589K is largely due to Fees & Charges being over budget by \$922K, offset by Utility Charges being under budget by \$535K.

The budget has been revised following the quarter 1 review. The revised budget was adopted in November 2013.

Utility Charges Breakup For the period ending 30 November 2013

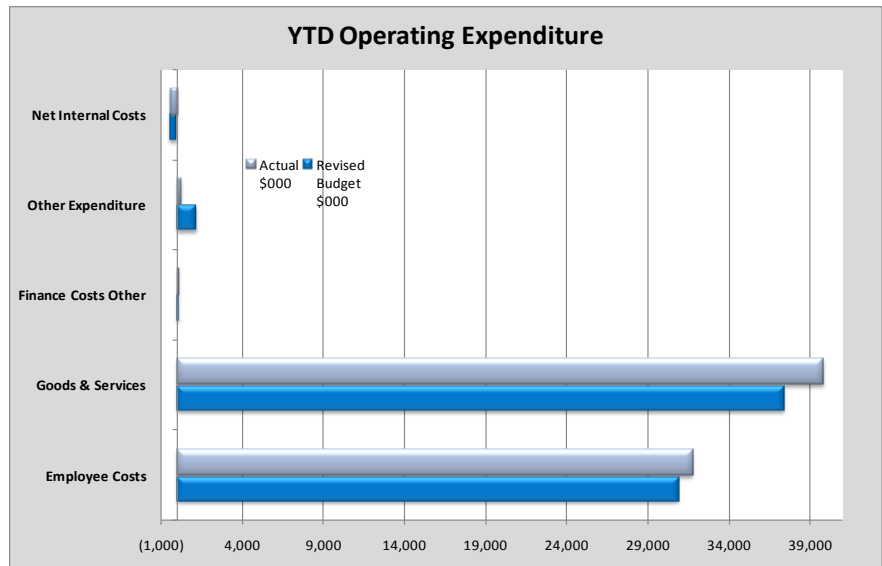
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Utility Charges					
Refuse Charges	18,453	18,453	7,678	7,499	(179)
Special Charges	3,166	3,166	1,555	1,611	56
Environment Levy	4,273	4,273	2,136	2,142	6
Landfill Remediation Charge	3,839	3,839	1,599	1,648	49
Wastewater Charges	37,466	37,466	15,611	15,434	(177)
Water Access Charges	17,474	17,509	7,316	7,045	(271)
Water Consumption Charges	34,517	33,936	14,367	14,348	(19)
Total Utility Charges Revenue	119,189	118,642	50,262	49,728	(535)

Operating Expenditure

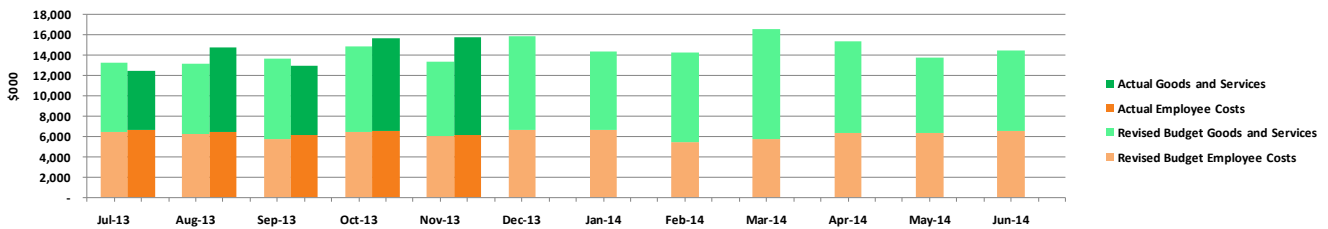
Operating expenditure is over budget by \$2.34M. This 3.39% variance mainly consists of employee costs which are \$879K over budget and goods and services which are over budget by \$2.44M. This is offset by \$976K positive variance in other expenditure.

The budget has been revised following the quarter 1 review. The revised budget was adopted in November 2013.

Total future commitments (where budget is approved) at the end of November was \$5.12M.



Monthly Operating Expenditure Analysis



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

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total Revenue	91,235	90,956	37,957	37,751	(206)
Total Expenses	42,425	42,081	18,079	19,223	1,144
Earnings before Interest, Tax and Depreciation (EBITD)	48,810	48,875	19,878	18,528	(1,350)
Interest Expense External	0	0	0	0	0
Interest Internal	21,681	21,681	9,034	9,034	0
Depreciation	16,895	16,895	7,039	6,807	(232)
Operating Surplus/(Deficit)	10,234	10,299	3,805	2,687	(1,118)

REDWASTE OPERATING STATEMENT For the Period Ending 30 November 2013

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total Revenue	21,707	19,765	8,242	8,107	(135)
Total Expenses	16,719	16,628	6,922	6,545	(377)
Earnings before Interest, Tax and Depreciation (EBITD)	4,988	3,137	1,320	1,562	242
Interest Expense External	29	29	13	20	7
Interest Internal	342	342	142	142	0
Depreciation	530	530	221	217	(4)
Operating Surplus/(Deficit)	4,087	2,236	944	1,183	239

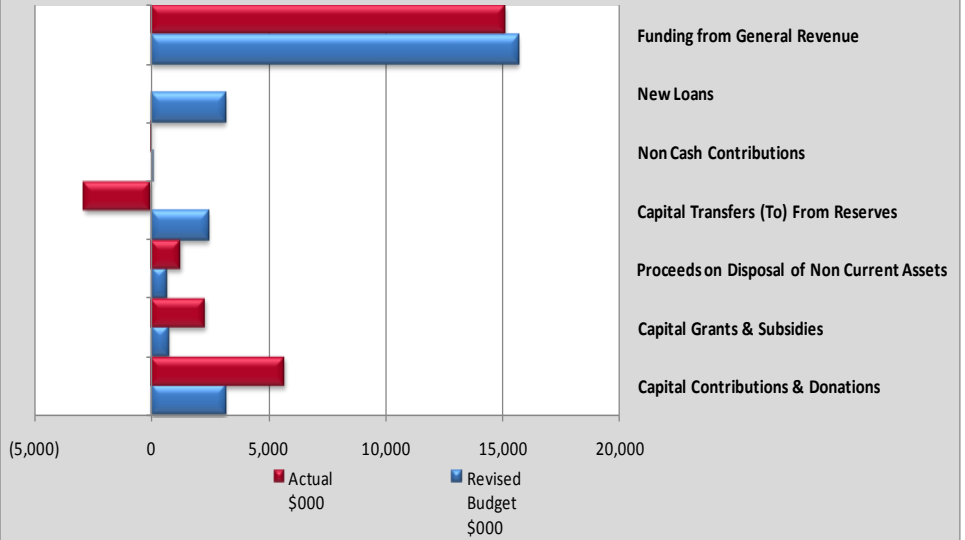
3. SUMMARY CAPITAL EXPENDITURE AND FUNDING

Sources of Capital Funding

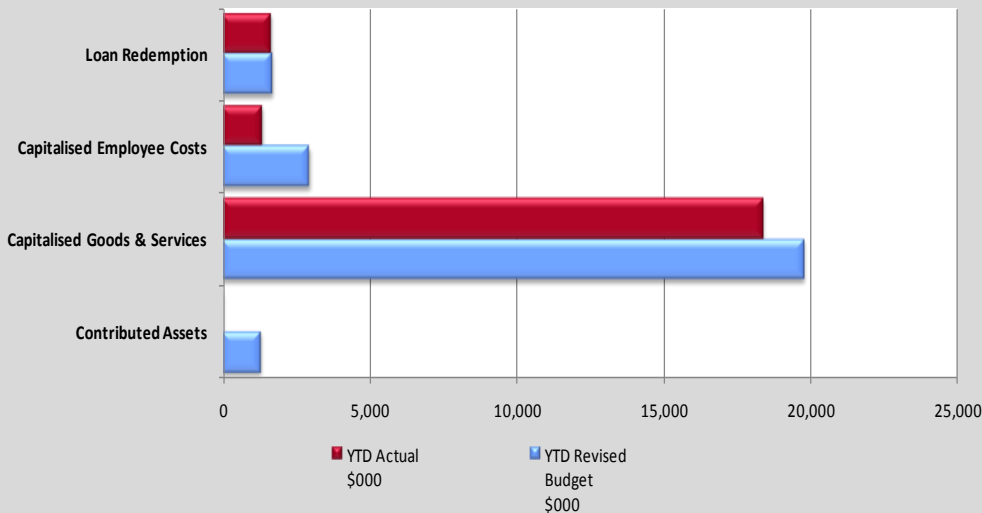
Transfers to reserves show a significant variance mainly due to the transfer of the additional developer cash contributions received, as well as capital grants & subsidies received, to reserves in order to ring-fence those funds. Council is expecting to refund approximately \$1M of contributions received in 2007 which may reduce this variance.

It should be noted that there has not been a requirement to draw down any loans during the YTD. Adjusting the budget phasing in the next period will address this variance.

Sources of Capital Funds



Applications of Capital Funding



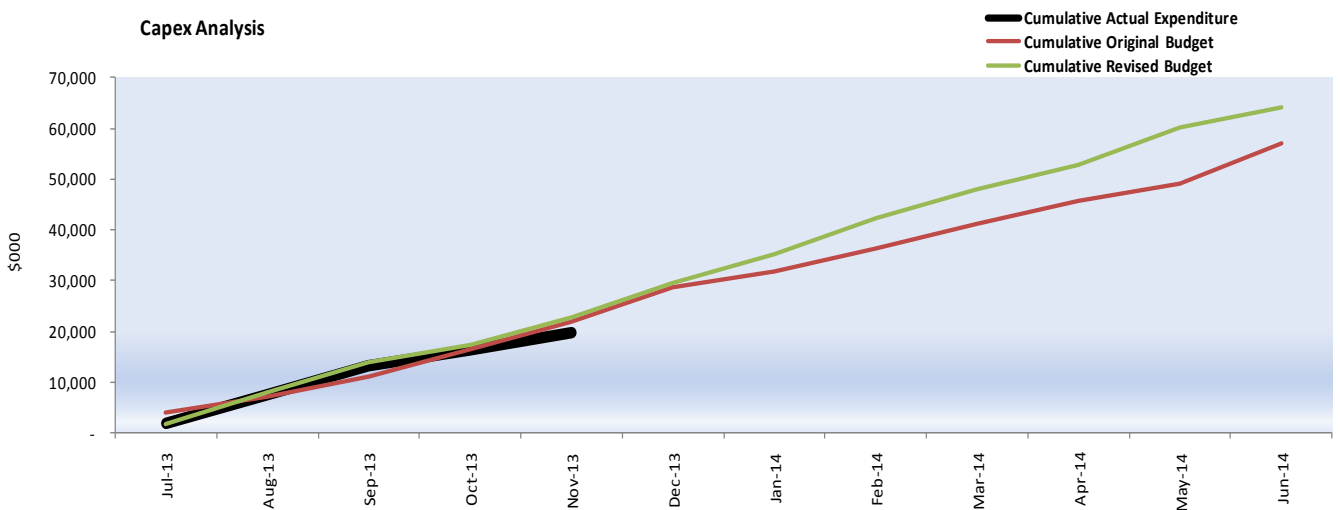
Applications of Capital Funds

Capital expenditure is underspent by \$4.33M mainly due to the timing of capital acquisitions.

The budget for Contributed Assets is based purely on estimates and the actual outcome is outside of Council's control. This variance will continued to be monitored on a monthly basis.

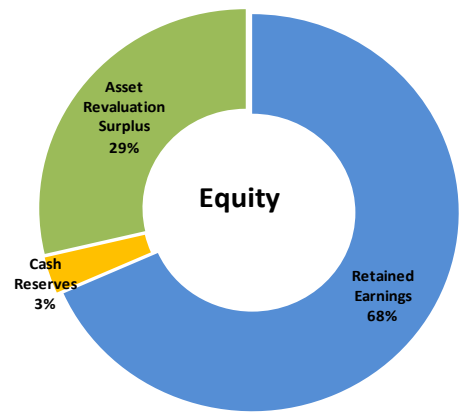
Total commitments at the end of the period (where budget is approved) was \$4.33M.

Capex Analysis



4. SUMMARY STATEMENT OF FINANCIAL POSITION

SUMMARY STATEMENT OF FINANCIAL POSITION			
As at 30 November 2013			
	Annual	Annual	YTD
	Original	Revised	Actual
	Budget	Budget	Balance
	\$000	\$000	\$000
Total Current Assets	97,027	98,933	122,533
Total Non Current Assets	1,820,687	2,012,784	1,990,194
TOTAL ASSETS	1,917,714	2,111,717	2,112,728
Total Current Liabilities	38,608	27,179	37,036
Total Non Current Liabilities	104,623	110,012	102,886
TOTAL LIABILITIES	143,231	137,191	139,922
NET ASSETS	1,774,483	1,974,526	1,972,806
COMMUNITY EQUITY			
Retained Earnings	1,728,791	1,929,235	1,914,295
Cash Reserves	45,692	45,291	58,510
TOTAL COMMUNITY EQUITY	1,774,483	1,974,526	1,972,806

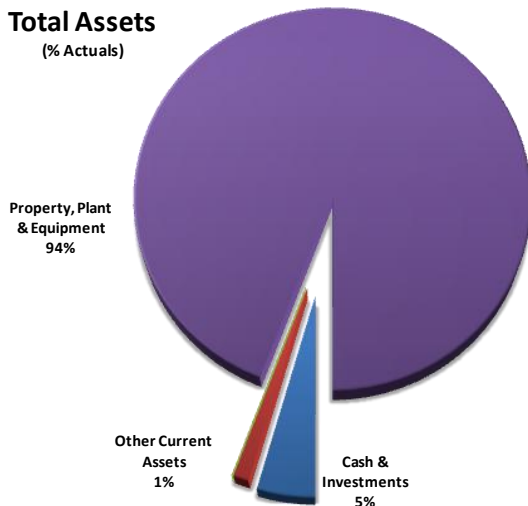


EQUITY	YTD
	Actual Balance \$000
Retained Earnings	1,348,538
Cash Reserves	58,510
Asset Revaluation Surplus	565,757
TOTAL EQUITY	1,972,805

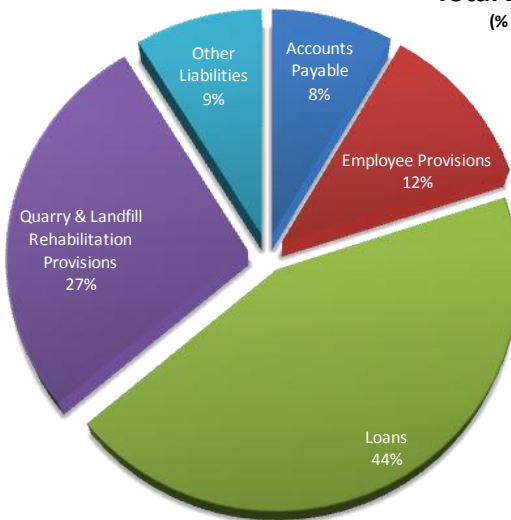
TOTAL ASSETS	YTD
	Actual Balance \$000
Cash & Investments	96,367
Other Current Assets	26,166
Shares in Other Companies	73
Property, Plant & Equipment	1,990,121
TOTAL ASSETS	2,112,727

TOTAL LIABILITIES	YTD
	Actual Balance \$000
Accounts Payable	11,776
Employee Provisions	16,181
Loans	61,425
Quarry & Landfill Rehabilitation Provisions	38,215
Other Liabilities	12,325
TOTAL LIABILITIES	139,922

Total Assets
(% Actuals)



Total Liabilities
(% Actuals)



5. SUMMARY STATEMENT OF CASH FLOWS

SUMMARY CASH FLOW STATEMENT For the period ending 30 November 2013

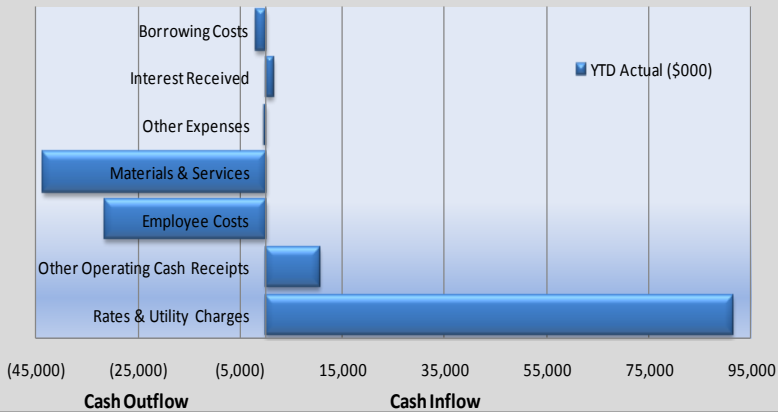
	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
Receipts from Customers	212,516	215,217	102,059
Payments to Suppliers & Employees	(173,303)	(175,927)	(75,330)
Interest Received	4,104	4,104	1,590
Borrowing Costs	(3,798)	(3,798)	(1,968)
Net Cash Inflow from Operating Activities	39,519	39,596	26,351
Net Cash Outflow from Investing Activities	(46,336)	(53,343)	(10,564)
Net Cash Outflow from Financing Activities	6,463	6,463	(2,014)
Net Increase / (Decrease) in Cash Held	(353)	(7,284)	13,772
Cash at Beginning of Year	80,492	82,595	82,595
Cash at End of Financial Year / Period	80,139	75,311	96,367

Cash on hand at the end of November was \$96.37M. It represents cash capacity of 6.23 months.

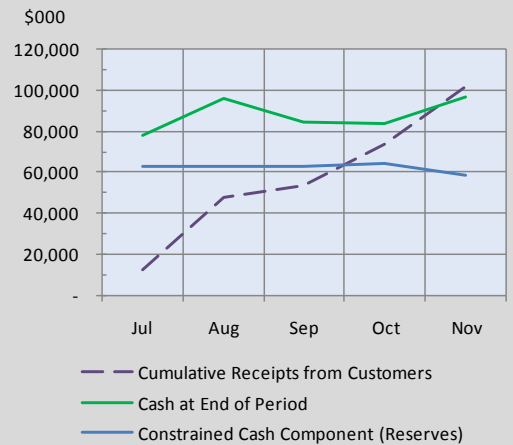
\$58.51M of the cash balance represents cash reserves.

The graph below shows the trending of YTD Receipts from Customers versus Cash Balance at Period End versus Reserve Balances. The sharp increases in receipts coincide with rate runs in July, October, January and April and rates due dates in August, November, February and May.

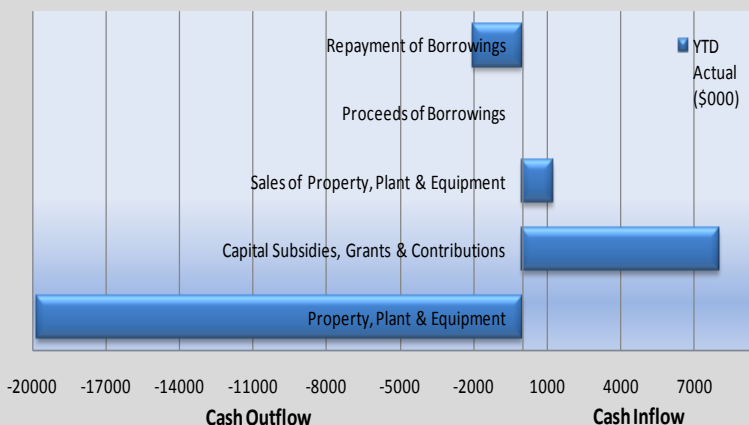
Cash Flow from Operating Activities



Monthly Cash Movements



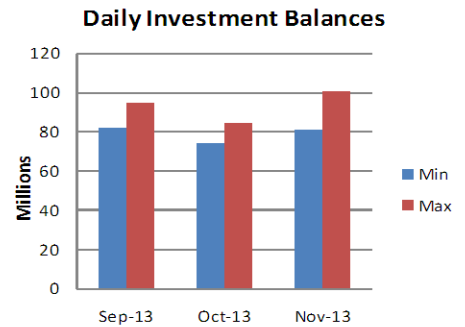
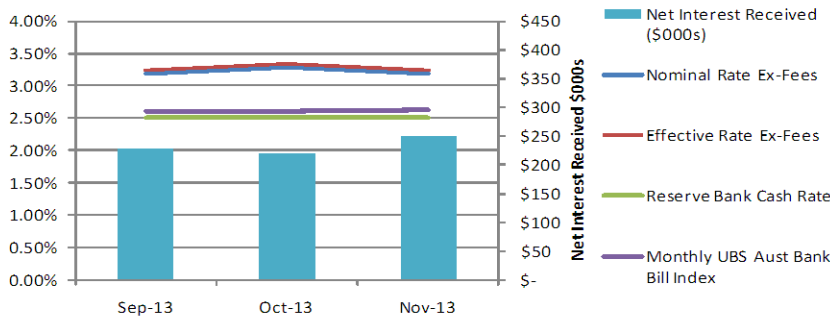
Cash Flow from Investing & Financing Activities



6. INVESTMENTS AND BORROWINGS REPORT

Period Ending 30 November 2013

INVESTMENT RETURNS



Total Investment at End of Month was \$95.59M

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 3.56% Benchmark UBS Aust Bank Bill Index 2.72% Reserve Bank Cash Rate at EOM 2.50%

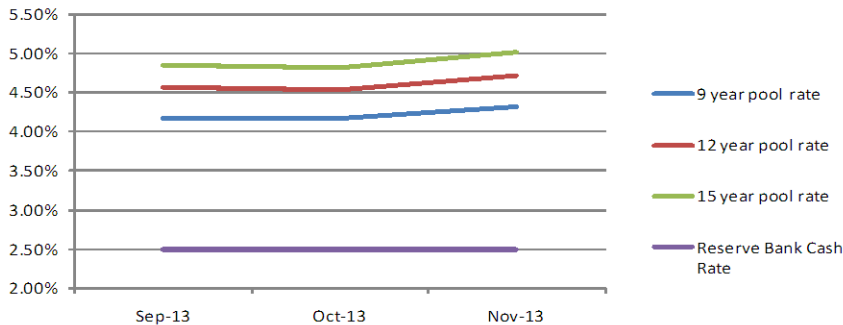
****This is the 41st consecutive month that the QTC Fund has outperformed the benchmark (Jul 10 - Nov 13)****

Future Strategy

The Tax and Treasury Team has recommended that Council diversify its investments outside of QTC to maximise returns. Currently, the short term term-deposit rates offered by the larger financial institutions exceed the QTC rate by approximately 20 - 50 basis points - which converts to an extra \$20k - \$50k pa for each \$10M invested. In the meantime 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 transaction account.

Council has adopted an Investment of Surplus Funds Policy POL-3013 as part of the 13/14 annual budget development

BORROWING COSTS

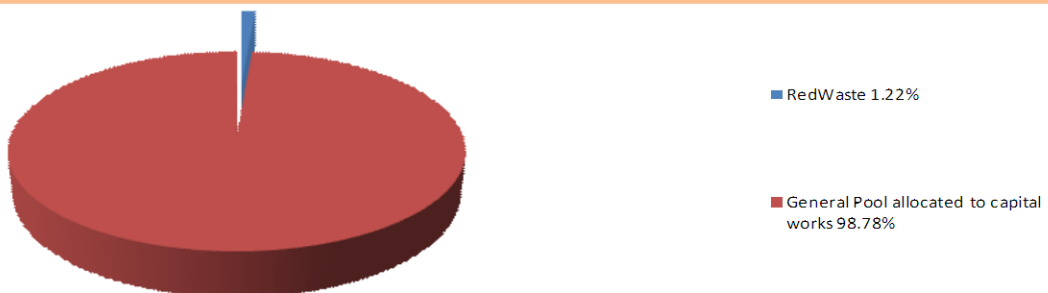


Current Position

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 \$61.43M



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.

Council has adopted a Debt Policy POL-1838 as part of the 13/14 annual budget development



7. CASH RESERVES

Reserves as at 30 November 2013	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
Special Projects Reserve:				
Cemetery Reserve	399	0	-354	45
State Emergency Service Reserve *	20	0	-20	0
Weinam Creek Reserve	2,335	261	-7	2,590
Road Maintenance Reserve *	155	0	-155	0
Redland Work Cover Reserve	5,147	219	-292	5,074
Contribution Raby Bay Land Sales	278	0	-23	254
Red Art Gallery Commissions & Donations Res	14	0	0	14
Interest Free Loans Reserve *	487	0	-487	0
Halls Reserve *	2	0	-2	0
Raby Bay Maintenance Reserve ***	336	3	-3	337
Aquatic Paradise Maintenance Reserve ***	936	10	0	946
Sovereign Waters Maintenance Reserve ***	118	1	0	120
	10,228	494	-1,342	9,380
Special Capital Projects Reserve:				
SMBI Capital Reserve	3,317	0	-132	3,185
	3,317	0	-132	3,185
Cleansing Reserve:				
RedWaste Reserve	2,497	358	-53	2,802
	2,497	358	-53	2,802
Constrained Works Capital Reserve:				
Tree Planting Reserve	50	24	0	75
Parks Reserve	254	1,249	-282	1,221
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	-13	0
Quarry Reserve *	358	0	-358	0
Contrib to R/Wks Infrastructure Reserve **	2,030	-2,030	0	0
Community Facility Infrastructure Reserve	148	94	0	242
Retail Water Renewal & Purchase Reserve	4,385	1,063	-147	5,300
Sewerage Renewal & Purchase Reserve	5,641	1,112	-593	6,159
Constrained Works Res-Cap Grants & Contribs	3,743	0	-659	3,084
Transport Trunk Infrastructure Reserve	1,316	3,579	-423	4,471
Cycling Trunk Infrastructure Reserve	407	284	-319	373
Stormwater Infrastructure Reserve	1,072	314	0	1,386
	21,336	5,690	-2,795	24,232
Separate Charge Reserve - Environment:				
Environment Charge Acquisition Reserve	7,036	0	0	7,036
Environment Charge Maintenance Reserve	1,254	2,143	-1,330	2,066
Landfill Remediation Charge Reserve *	5,738	0	-5,738	0
	14,027	2,143	-7,068	9,102
Special Charge Reserve - Other:				
Bay Island Rural Fire Levy Reserve	0	28	-19	8
SMBI Translink Reserve	0	462	0	462
	0	490	-19	470
Special Charge Reserve - Canals:				
Raby Bay Canal Reserve	0	0	0	0
Aquatic paradise Canal Reserve	559	302	-4	857
Sovereign Waters Lake Reserve	386	27	-9	404
Raby Bay Tidal Works Non CTS Reserve ***	2,882	1,004	-226	3,659
Raby Bay Tidal Works CTS Reserve ***	246	86	-18	313
Raby Bay Marina Reserve ***	210	63	-16	258
Aquatic Paradise Marina Reserve ***	64	17	0	81
	4,347	1,499	-273	5,573
Constrained Works Recurrent Reserve:				
Constrained Works Res-Opr Grants & Contribs	4,005	0	-238	3,767
	4,005	0	-238	3,767
TOTALS	59,757	10,674	-11,921	58,510

* These reserves have been closed during the 2013-14 financial year.

** This reserve has been closed during 2013-14 and funds transferred into the Transport Trunk Infrastructure Reserve.

*** These reserves will be amalgamated into the 3 existing canal & lake reserves during the 2013-14 financial year.

8. OVERDUE RATES DEBTORS

Comparison November 2012 to November 2013

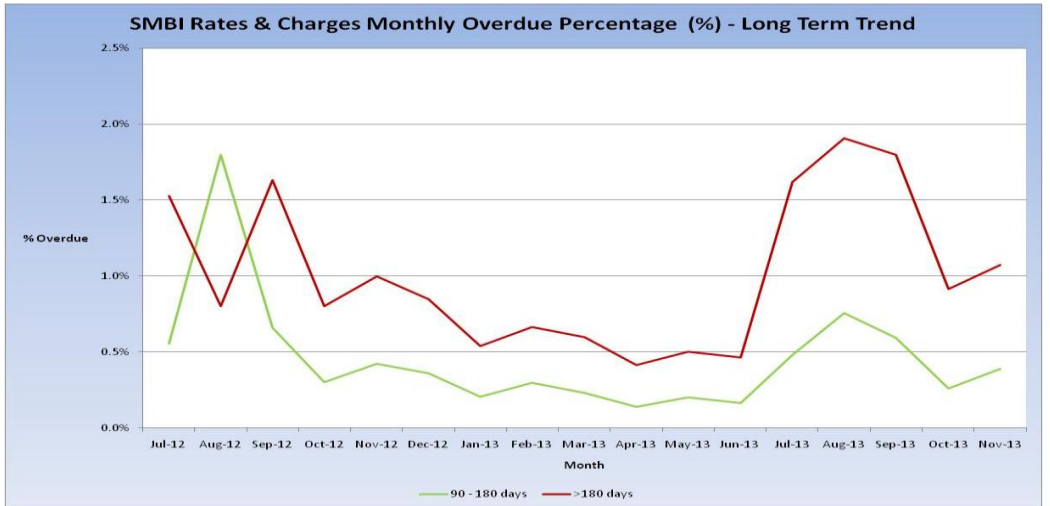
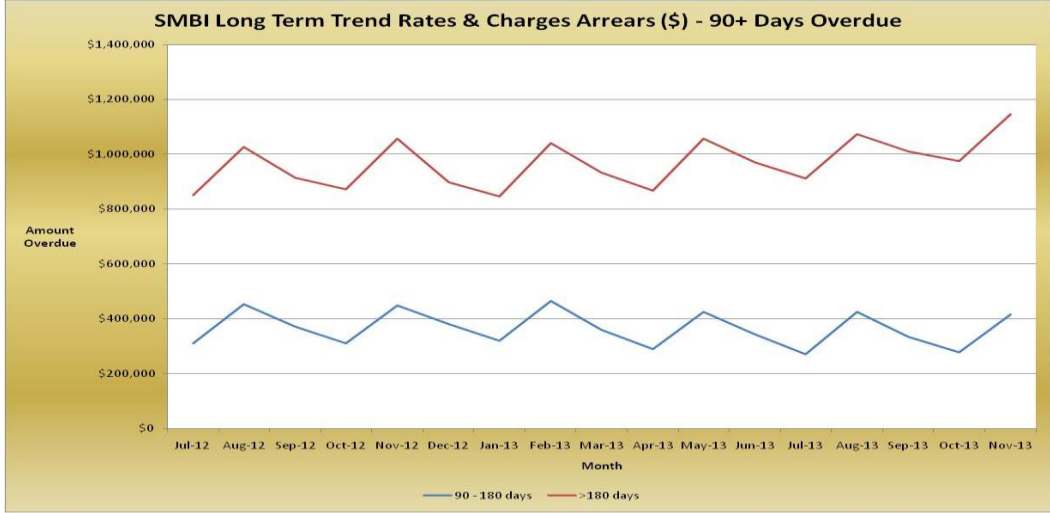
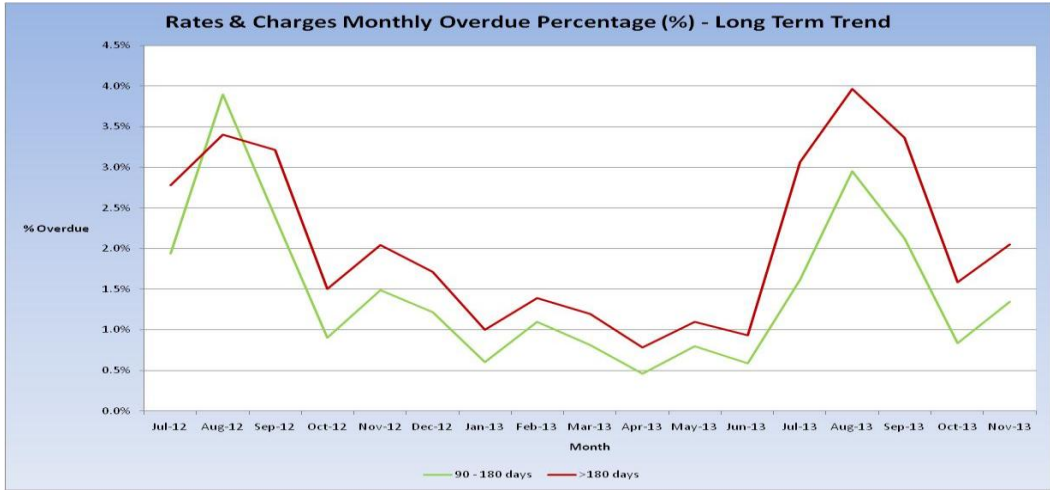
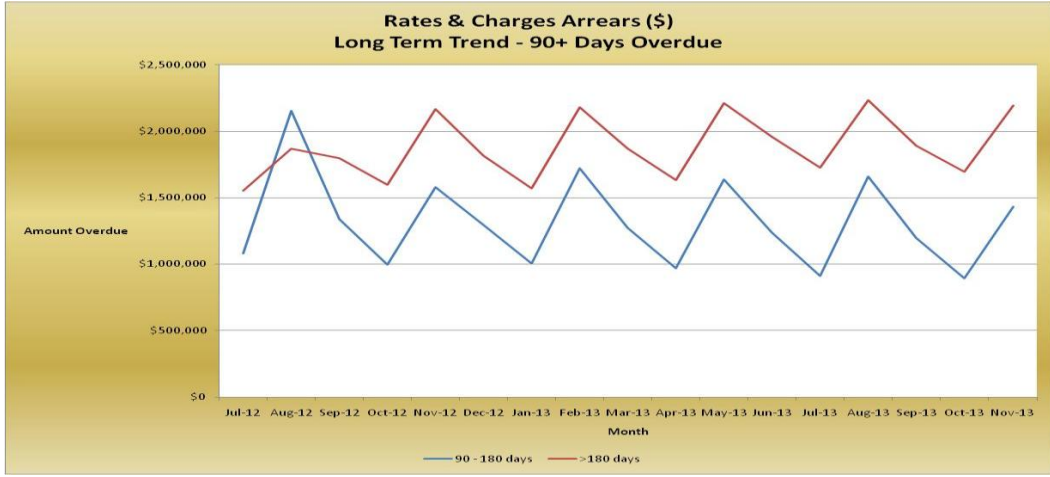
In comparison to November 2012 the overdue percentage for rates and charges debt is in a slightly more favourable position than the preceding 12 month period. The amount of debt is lower as is the percentage overdue.

Interestingly, the total amount of payments received in the month of November in comparison to the preceding 12 month period shows the average total payments per day is \$42k less than in November 2012.

Overall Trend October 2013 to November 2013

The overall percentage overdue has increased as expected with the October rate notice falling due for payment on 4 November.

Comparison November 2012 to November 2013													
Total							Mainland						
Days Overdue	Nov-12	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase	Days Overdue	Nov-12	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase
<90	\$3,886,754	3.7%	\$3,763,451	3.5%	-\$123,303	-0.14%	<90	\$2,932,772	2.8%	\$2,797,377	2.6%	-\$135,395	-0.15%
90 - 180 days	\$1,579,529	1.5%	\$1,434,046	1.3%	-\$145,483	-0.15%	90 - 180 days	\$1,069,873	1.0%	\$972,760	0.9%	-\$97,113	-0.10%
>180 days	\$2,165,787	2.0%	\$2,192,318	2.1%	\$26,531	0.01%	>180 days	\$1,029,575	1.0%	\$1,003,558	0.9%	-\$26,016	-0.03%
Total	\$7,632,069	7.20%	\$7,389,814	6.92%	-\$242,255	-0.28%	Total	\$5,032,220	4.75%	\$4,773,695	4.47%	-\$258,524	-0.28%
Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Nov-12	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase	Days Overdue	Nov-12	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase
<90	\$131,027	0.1%	\$123,787	0.1%	-\$7,240	-0.01%	<90	\$822,955	0.8%	\$842,287	0.8%	\$19,332	0.01%
90 - 180 days	\$62,229	0.1%	\$45,832	0.0%	-\$16,398	-0.02%	90 - 180 days	\$447,426	0.4%	\$415,454	0.4%	-\$31,972	-0.03%
>180 days	\$79,741	0.1%	\$42,720	0.0%	-\$37,021	-0.04%	>180 days	\$1,056,471	1.0%	\$1,146,039	1.1%	\$89,568	0.08%
Total	\$272,997	0.26%	\$212,339	0.20%	-\$60,659	-0.06%	Total	\$2,326,852	2.19%	\$2,403,780	2.25%	\$76,928	0.06%
Trend - October 2013 to November 2013													
Total							Mainland						
Days Overdue	Oct-13	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase	Days Overdue	Oct-13	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase
<90	\$1,983,008	1.9%	\$3,763,451	3.5%	\$1,780,443	1.67%	<90	\$1,398,251	1.3%	\$2,797,377	2.6%	\$1,399,125	1.31%
90 - 180 days	\$893,671	0.8%	\$1,434,046	1.3%	\$540,374	0.51%	90 - 180 days	\$593,890	0.6%	\$972,760	0.9%	\$378,871	0.35%
>180 days	\$1,692,947	1.6%	\$2,192,318	2.1%	\$499,371	0.47%	>180 days	\$687,074	0.6%	\$1,003,558	0.9%	\$316,484	0.30%
Total	\$4,569,626	4.28%	\$7,389,814	6.92%	\$2,820,188	2.64%	Total	\$2,679,215	2.51%	\$4,773,695	4.47%	\$2,094,480	1.96%
Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Oct-13	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase	Days Overdue	Oct-13	% Overdue	Nov-13	% Overdue	\$ Variance	% Increase
<90	\$57,886	0.1%	\$123,787	0.1%	\$65,901	0.06%	<90	\$526,871	0.5%	\$842,287	0.8%	\$315,416	0.30%
90 - 180 days	\$21,777	0.0%	\$45,832	0.0%	\$24,054	0.02%	90 - 180 days	\$278,004	0.3%	\$415,454	0.4%	\$137,449	0.13%
>180 days	\$29,397	0.0%	\$42,720	0.0%	\$13,323	0.01%	>180 days	\$976,476	0.9%	\$1,146,039	1.1%	\$169,564	0.16%
Total	\$109,061	0.10%	\$212,339	0.20%	\$103,278	0.10%	Total	\$1,781,351	1.67%	\$2,403,780	2.25%	\$622,429	0.58%



9. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME For the period ending 30 November 2013

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Recurrent Revenue					
Rates Charges	77,623	77,623	38,824	38,577	(248)
Levies & Charges	119,189	118,642	50,262	49,728	(535)
<i>Less: Pensioner Remissions</i>	(2,670)	(2,670)	(1,326)	(1,328)	(1)
Fees & Charges	9,775	9,890	4,040	4,962	922
Operating Grants & Subsidies	10,016	10,515	1,972	2,210	238
Operating Contributions and Donations	0	1,139	0	108	108
Interest External	4,104	4,104	1,710	1,590	(120)
Other Revenue	3,681	5,085	2,202	2,426	225
Total Recurrent Revenue	221,718	224,328	97,684	98,273	589
Capital revenue					
Grants, Subsidies and Contributions	9,157	9,406	3,898	7,988	4,089
Non-cash Contributions	3,154	3,154	64	3	(61)
Increase/(Decrease) in Investment Property	0	0	0	0	0
Total Capital Revenue	12,311	12,560	3,963	7,990	4,028
TOTAL REVENUE	234,029	236,887	101,646	106,263	4,617
Recurrent Expenses					
Employee Costs	74,422	74,509	30,855	31,734	879
Goods & Services	96,076	98,611	38,122	39,605	1,483
Finance Costs	4,109	4,111	1,713	1,746	33
Depreciation and Amortisation	46,794	46,796	19,497	20,325	828
Total Recurrent Expenses	221,401	224,028	90,187	93,410	3,223
Capital Expenses					
Loss on Disposal of Non-current Assets	(1,120)	(1,120)	(564)	636	1,201
TOTAL EXPENSES	220,281	222,908	89,623	94,047	4,424
NET RESULT	13,748	13,980	12,024	12,216	192
Other Comprehensive Income/(Loss)					
Increase/(decrease) in asset revaluation surplus	0	0	0	(42)	0
TOTAL COMPREHENSIVE INCOME	13,748	13,980	12,024	12,174	192

10. OPERATING STATEMENT

OPERATING STATEMENT For the period ending 30 November 2013

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Revenue					
Rates Charges	77,623	77,623	38,824	38,577	(248)
Utility Charges	119,189	118,642	50,262	49,728	(535)
<i>Less: Pensioner Remissions</i>	(2,670)	(2,670)	(1,326)	(1,328)	(1)
Fees & Charges	9,775	9,890	4,040	4,962	922
Operating Grants & Subsidies	10,016	10,515	1,972	2,210	238
Operating Contributions and Donations	0	1,139	0	108	108
Interest External	4,104	4,104	1,710	1,590	(120)
Other Revenue	3,681	5,085	2,202	2,426	225
Total Revenue	221,718	224,328	97,684	98,273	589
Expenses					
Employee Costs	74,422	74,509	30,855	31,734	879
Goods & Services	96,879	98,349	37,364	39,804	2,441
Finance Costs Other	311	313	130	108	(22)
Other Expenditure	293	1,358	1,210	233	(976)
Net Internal Costs	(1,096)	(1,096)	(451)	(432)	19
Total Expenses	170,809	173,434	69,107	71,447	2,340
Earnings Before Interest, Tax and Depreciation (EBITD)	50,909	50,894	28,577	26,826	(1,751)
Interest Expense	3,798	3,798	1,583	1,638	55
Depreciation	46,794	46,796	19,497	20,325	828
Operating Surplus/(Deficit)	317	300	7,497	4,862	(2,634)
Transfers to Constrained Operating Reserves	(13,639)	(10,321)	(3,895)	(4,983)	(1,088)
Transfer from Constrained Operating Reserves	11,128	18,486	10,648	9,108	(1,540)

11. CAPITAL FUNDING STATEMENT

CAPITAL FUNDING STATEMENT For the period ending 30 November 2013

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Sources of Capital Funding					
Capital Contributions & Donations	4,896	4,916	3,180	5,694	2,514
Capital Grants & Subsidies	4,261	4,490	718	2,293	1,575
Proceeds on Disposal of Non Current Assets	1,424	1,424	593	1,252	658
Capital Transfers (To) From Reserves	3,975	6,301	2,444	(2,878)	(5,322)
Non-cash Contributions	3,154	3,154	64	3	(61)
New Loans	10,581	10,581	3,136	0	(3,136)
Funding from General Revenue	35,897	40,579	15,679	15,118	(560)
Total Sources of Capital Funding	64,188	71,445	25,814	21,482	(4,332)
Applications of Capital Funds					
Contributed Assets	3,154	3,154	1,314	3	(1,311)
Capitalised Goods & Services	48,623	58,495	19,798	18,427	(1,370)
Capitalised Employee Costs	8,294	5,678	2,987	1,376	(1,611)
Loan Redemption	4,118	4,118	1,715	1,677	(39)
Total Applications of Capital Funds	64,188	71,445	25,814	21,482	(4,332)
Other Budgeted Items					
WDV of Assets Disposed	(304)	(304)	(29)	(1,888)	(1,859)
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 November 2013

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
CURRENT ASSETS			
Cash & Investments	80,139	75,311	96,367
Accounts Receivable	14,832	20,932	21,570
Inventories	991	943	932
Prepaid Expenses	1,035	1,280	3,196
Assets - Held for Sale	29	467	467
Total Current Assets	97,027	98,933	122,533
NON CURRENT ASSETS			
Property, Plant and Equipment	1,820,678	2,012,711	1,990,121
Accounts Receivable	9	0	0
Shares in Other Companies	0	73	73
Total Non Current Assets	1,820,687	2,012,784	1,990,194
TOTAL ASSETS	1,917,714	2,111,717	2,112,728
CURRENT LIABILITIES			
Accounts Payable	24,209	13,518	11,083
Current Employee Provisions	6,510	6,410	5,945
Current Loans	5,979	4,124	4,124
Current Landfill Rehabilitation Provisions	435	1,773	3,560
Other Liabilities	1,474	1,356	12,325
Total Current Liabilities	38,608	27,179	37,036
NON CURRENT LIABILITIES			
Non Current Loans	65,284	65,442	57,302
Non Current Employee Provisions	9,754	10,722	10,236
Non Current Landfill Rehabilitation Provisions	28,558	33,155	34,655
Non Current Trade & Other Payables	1,027	693	693
Total Non Current Liabilities	104,623	110,012	102,886
TOTAL LIABILITIES	143,231	137,191	139,922
NET ASSETS	1,774,483	1,974,526	1,972,806
COMMUNITY EQUITY			
Retained Earnings	1,728,791	1,929,235	1,914,295
Cash Reserves	45,692	45,291	58,510
TOTAL COMMUNITY EQUITY	1,774,483	1,974,526	1,972,805

13. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 30 November 2013

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates Charges & Utility Charges	194,141	193,595	91,549
Other Operating Cash Flow	18,374	21,622	10,510
Receipts from Customers	212,516	215,217	102,059
Employee costs	(72,412)	(72,499)	(31,487)
Materials & services	(100,287)	(101,757)	(43,502)
Other expenses	(604)	(1,672)	(341)
Payments to Suppliers & Employees	(173,303)	(175,927)	(75,330)
Interest Received	4,104	4,104	1,590
Borrowing Costs	(3,798)	(3,798)	(1,968)
Net Cash Inflow from Operating Activities	39,519	39,596	26,351
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments - Property, Plant & Equipment	(56,916)	(64,173)	(19,803)
Proceeds - Capital Subsidies, Grants & Contributions	9,157	9,406	7,988
Proceeds - Sales of Property, Plant & Equipment	1,424	1,424	1,252
Net Cash Outflow from Investing Activities	(46,336)	(53,343)	(10,564)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of Borrowings	10,581	10,581	0
Repayment of borrowings	(4,118)	(4,118)	(2,014)
Net Cash Outflow from Financing Activities	6,463	6,463	(2,014)
Net Increase / (Decrease) in Cash Held	(353)	(7,284)	13,772
Cash at Beginning of Year	80,492	82,595	82,595
Cash at End of Financial Year / Period	80,139	75,311	96,367

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% (on average over the long-term)	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
Net Financial Liabilities*: Target less than 60% (on average over the long-term)	$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue}}$
Interest Cover Ratio: Target between 0% and 5%	$\frac{\text{Net Interest Expense on Debt Service}}{\text{Total Operating Revenue}}$
Asset Sustainability Ratio*: Target greater than 90% (on average over the long-term)	$\frac{\text{Capital Expenditure on Replacement of Assets (Renewals)}}{\text{Depreciation Expenditure}}$
Asset Consumption Ratio: Target between 40% and 80%	$\frac{\text{WDV of Infrastructure Assets}}{\text{Gross Current Replacement Cost of Infrastructure Assets}}$

*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.