



# Monthly Financial Report

## February 2015

## CONTENTS

1.	Introduction and Overview	3
2.	Key Performance Indicators	5
3.	Key Non-Financial Information	5
4.	Statement of Comprehensive Income	6
5.	Operating Statement	7
6.	Statement of Financial Position	9
7.	Capital Funding Statement	10
8.	Statement of Cash Flows	11
9.	Investment and Borrowings Report	12
10.	Constrained Cash Reserves	13
11.	Overdue Rates Debtors	14
12.	Glossary	16

## 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 28 February 2015. The year to date and annual budget referred to in this report reflects the Revised Budget as adopted by Council on 10 December 2014. Note: all amounts are rounded to the nearest thousand dollars.

### Key financial highlights and overview

Key Financial Results	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000	YTD Variance %	Status
Operating Surplus/(Deficit)	(4,718)	12,293	14,549	2,256	18%	✓
Recurrent Revenue	234,786	165,234	166,323	1,089	1%	✓
Recurrent Expenditure	239,504	152,941	151,774	(1,167)	-1%	✓
Capital Works Expenditure	69,892	31,801	27,991	(3,810)	-12%	✓
Closing Cash & Investments	59,298	96,581	125,624	29,043	30%	✓

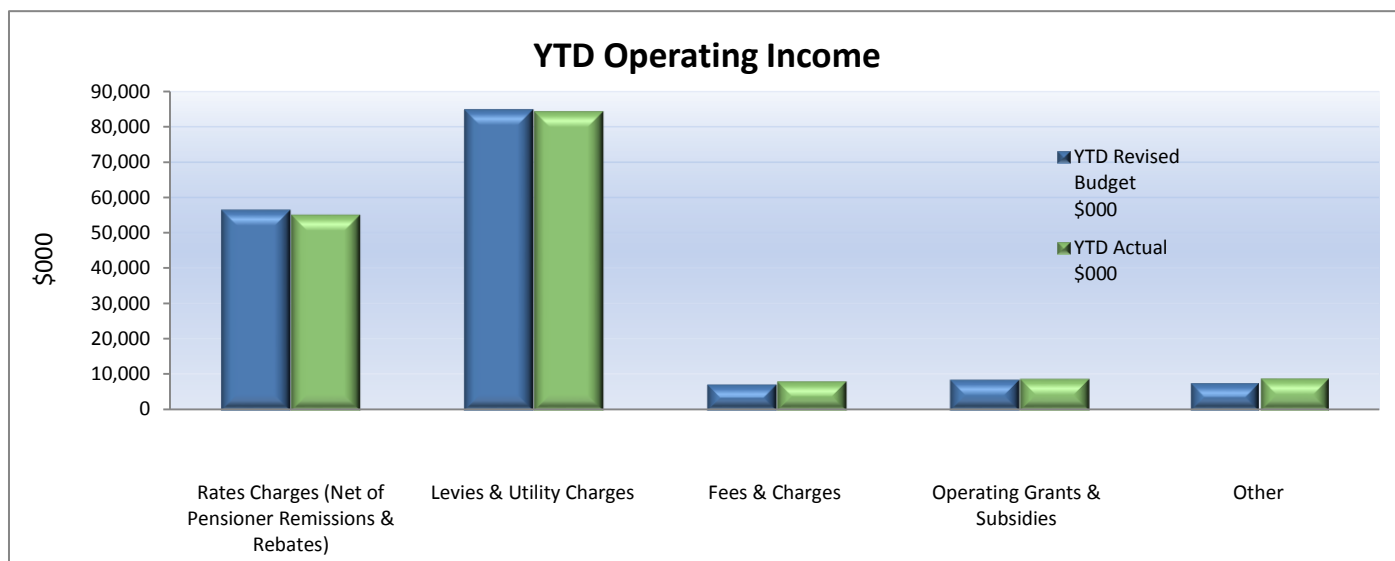
#### Status Legend:

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 \$14.55M is \$2.26M above the year to date revised budget. The year to date favourable variance is primarily due to operating employee costs being lower than budget by \$1.76M, and operating revenue higher than budget by \$1.09M.

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).

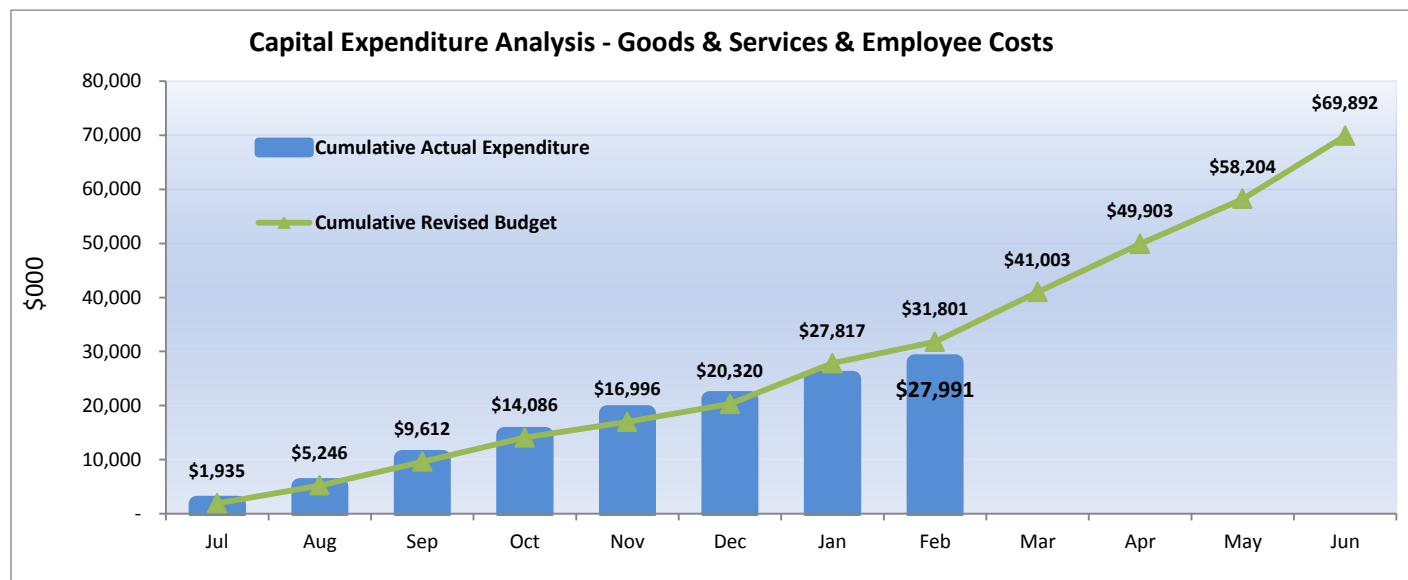


## 1. INTRODUCTION AND OVERVIEW (cont.)

### Capital works

Council's capital works expenditure is underspent by \$3.81M with year to date actual expenditure of \$27.99M which is below year to date budget of \$31.80M.

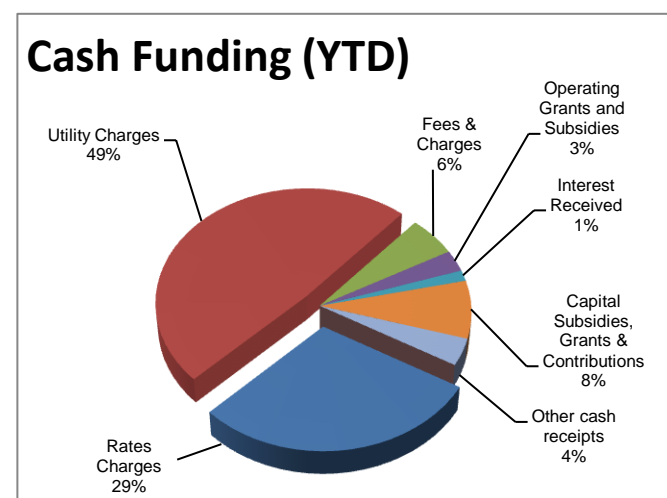
Total capital commitments at the end of February 2015 (where budget is approved) was \$3.82M.



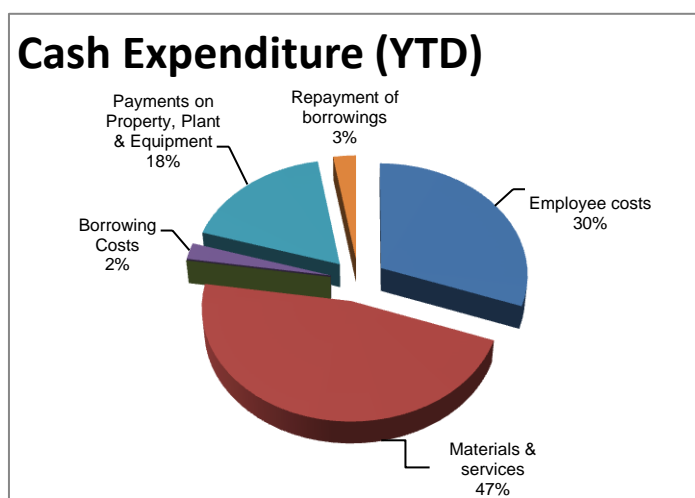
### Financial position and cash flow results

Council's Balance Sheet depicts a sustainable result with total current assets of \$156.81M and total current liabilities of \$44.29M (current ratio of 3.54).

Council's cash balance at the end of February 2015 exceeded the year to date budgeted cash balance (refer p.3). This result is attributable mainly to higher than anticipated cash collection from utility charges, lower than expected payments to employees and lower than expected payment for property plant & equipment. Of the \$125.62M cash balance at the end of the period, \$84.11M is held as constrained cash reserves. On 10 December 2014 Council resolved to close four reserves and utilise a further three reserves on or before 30 June 2015 (refer p.13). \$125.24M 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)	188,506
Total Cash Funding (Annual Revised Budget)	235,703
% of Budget Achieved YTD	80%



Total Cash Expenditure (Actual YTD)	159,117
Total Cash Expenditure (Annual Revised Budget)	272,640
% of Budget Achieved YTD	58%

## 2. KEY PERFORMANCE INDICATORS

Financial Stability Ratios	Target	Annual Revised Budget 2014/2015	February 2015	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	32.44%	33.26%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	2.88	3.54	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.39%	3.04%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$59.298M	\$125.624M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	3.59	7.92	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.46%	2.51%	✓
Operating Performance (%)	Target greater than or equal to 20%	8.65%	26.42%	✓
Financial Sustainability Ratios	Target	Annual Revised Budget 2014/2015	February 2015	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	-2.01%	8.75%	✓
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	1.27%	-23.95%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.21%	-0.36%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	49.82%	28.78%	✗
Asset Consumption Ratio (%)	Target between 40% and 80%	66.87%	67.63%	✓

### Status Legend

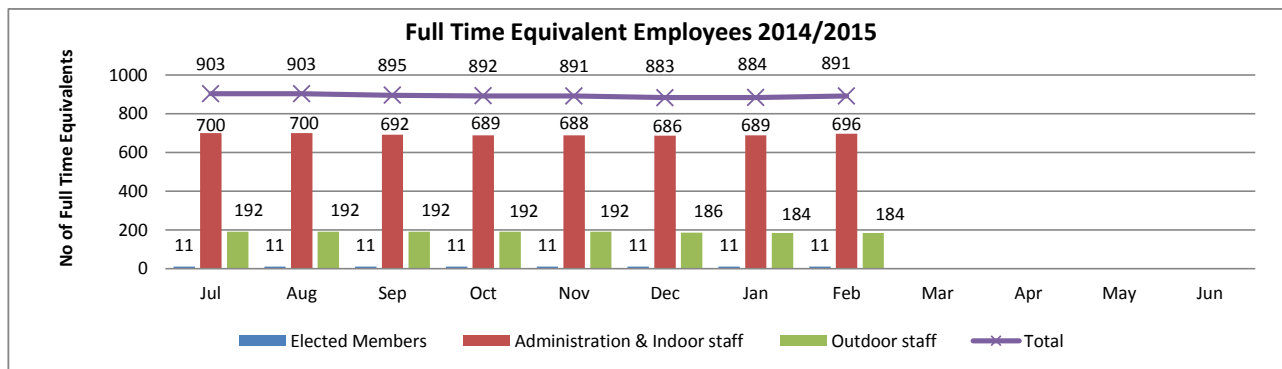
KPI target achieved or exceeded



KPI target not achieved



## 3. KEY NON-FINANCIAL INFORMATION



Workforce reporting - February 2015: Headcount		Employee Type					
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	16	4	79	9	5	3	116
Organisational Services	3	5	104	10	9	4	135
Community and Customer Service	32	5	250	51	23	9	370
Infrastructure and Operations	16	6	312	10	16	1	361
<b>Total</b>	<b>67</b>	<b>20</b>	<b>745</b>	<b>80</b>	<b>53</b>	<b>17</b>	<b>982</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.



#### 4. STATEMENT OF COMPREHENSIVE INCOME

##### STATEMENT OF COMPREHENSIVE INCOME

For the period ending 28 February 2015

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
<b>Recurrent Revenue</b>					
Rates Charges	81,366	81,366	61,024	60,257	(767)
Levies & Utility Charges	124,757	124,781	84,799	84,457	(342)
Less: Pensioner Remissions & Rebates	(2,743)	(5,197)	(4,511)	(4,938)	(427)
Fees & Charges	10,629	10,814	7,386	8,311	925
Operating Grants & Subsidies	3,983	11,975	8,798	9,076	278
Operating Contributions & Donations	260	260	-	266	266
Interest External	3,872	3,872	2,581	2,830	249
Other Revenue	4,021	6,915	5,157	6,064	907
<b>Total Recurrent Revenue</b>	<b>226,144</b>	<b>234,786</b>	<b>165,234</b>	<b>166,323</b>	<b>1,089</b>
<b>Capital revenue</b>					
Grants, Subsidies & Contributions	15,050	14,724	10,663	15,236	4,573
Non-Cash Contributions	3,146	3,226	53	3,690	3,637
<b>Total Capital Revenue</b>	<b>18,196</b>	<b>17,950</b>	<b>10,716</b>	<b>18,926</b>	<b>8,210</b>
<b>TOTAL REVENUE</b>	<b>244,340</b>	<b>252,735</b>	<b>175,950</b>	<b>185,249</b>	<b>9,299</b>
<b>Recurrent Expenses</b>					
Employee Costs	76,094	77,352	51,653	49,896	(1,757)
Goods & Services	106,425	110,565	67,141	67,109	(32)
Finance Costs	3,643	3,709	2,482	2,492	10
Depreciation & Amortisation	51,209	47,878	31,665	32,277	612
<b>Total Recurrent Expenses</b>	<b>237,370</b>	<b>239,504</b>	<b>152,941</b>	<b>151,774</b>	<b>(1,167)</b>
<b>Capital Expenses</b>					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(2,940)	(1,635)	371	2,006
<b>Total Capital Expenses</b>	<b>(3,192)</b>	<b>(2,940)</b>	<b>(1,635)</b>	<b>371</b>	<b>2,006</b>
<b>TOTAL EXPENSES</b>	<b>234,178</b>	<b>236,564</b>	<b>151,306</b>	<b>152,145</b>	<b>839</b>
<b>NET RESULT</b>	<b>10,161</b>	<b>16,172</b>	<b>24,644</b>	<b>33,104</b>	<b>8,460</b>
<b>Other Comprehensive Income</b>					
Increase/(Decrease) in Asset Revaluation Surplus	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>10,161</b>	<b>16,172</b>	<b>24,644</b>	<b>33,104</b>	<b>8,460</b>

## 5. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 28 February 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Revenue</b>					
Rates Charges	81,366	81,366	61,024	60,257	(767)
Levies & Utility Charges	124,757	124,781	84,799	84,457	(342)
Less: Pensioner Remissions & Rebates	(2,743)	(5,197)	(4,511)	(4,938)	(427)
Fees & Charges	10,629	10,814	7,386	8,311	925
Operating Grants & Subsidies	3,983	11,975	8,798	9,076	278
Operating Contributions & Donations	260	260	-	266	266
Interest External	3,872	3,872	2,581	2,830	249
Other Revenue	4,021	6,915	5,157	6,064	907
<b>Total Revenue</b>	<b>226,144</b>	<b>234,786</b>	<b>165,234</b>	<b>166,323</b>	<b>1,089</b>
<b>Expenses</b>					
Employee Costs	76,094	77,352	51,653	49,896	(1,757)
Goods & Services	107,098	111,238	67,602	67,522	(80)
Finance Costs Other	281	329	233	263	30
Other Expenditure	315	315	198	181	(17)
Net Internal Costs	(988)	(988)	(659)	(594)	65
<b>Total Expenses</b>	<b>182,799</b>	<b>188,246</b>	<b>119,027</b>	<b>117,268</b>	<b>(1,759)</b>
<b>Earnings Before Interest, Tax &amp; Depreciation (EBITD)</b>	<b>43,345</b>	<b>46,540</b>	<b>46,207</b>	<b>49,055</b>	<b>2,848</b>
Interest Expense	3,362	3,380	2,249	2,229	(20)
Depreciation	51,209	47,878	31,665	32,277	612
<b>Operating Surplus/(Deficit)</b>	<b>(11,226)</b>	<b>(4,718)</b>	<b>12,293</b>	<b>14,549</b>	<b>2,256</b>

### Levies & Utility Charges Breakdown For the period ending 28 February 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Levies &amp; Utility Charges</b>					
Refuse Charges	18,797	18,821	12,542	12,623	81
Special Charges	3,795	3,795	2,835	2,850	15
Environment Levy	5,637	5,637	4,227	4,257	30
Landfill Remediation Charge	4,102	4,102	2,735	2,760	25
Wastewater Charges	38,161	38,161	26,049	26,884	835
Water Access Charges	17,592	17,592	11,728	11,484	(244)
Water Consumption Charges	36,673	36,673	24,683	23,599	(1,084)
<b>Total Levies &amp; Utility Charges</b>	<b>124,757</b>	<b>124,781</b>	<b>84,799</b>	<b>84,457</b>	<b>(342)</b>

## 5. OPERATING STATEMENT (cont.)

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 28 February 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	94,706	95,053	64,219	63,585	(634)
Total Expenses	49,157	48,956	33,458	33,445	(13)
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	46,097	30,761	30,140	(621)
Interest Internal	21,681	21,681	14,454	14,454	-
Depreciation	16,987	16,551	11,025	11,004	(21)
Operating Surplus/(Deficit)	6,881	7,865	5,282	4,682	(600)

### REDWASTE OPERATING STATEMENT For the period ending 28 February 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	19,967	20,204	13,306	13,546	240
Total Expenses	16,200	15,020	10,266	10,085	(181)
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	5,184	3,040	3,461	421
Interest Expense External	42	42	28	26	(2)
Interest Internal	313	313	209	235	26
Depreciation	556	545	364	339	(25)
Operating Surplus/(Deficit)	2,856	4,284	2,439	2,861	422



## 6. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 28 February 2015

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
<b>CURRENT ASSETS</b>			
Cash & Investments	49,157	59,298	125,624
Accounts Receivable	34,311	39,606	25,472
Inventories	943	845	849
Prepaid Expenses	1,320	1,154	4,510
Non-Current Assets - Held for Sale	467	354	354
<b>Total Current Assets</b>	<b>86,199</b>	<b>101,257</b>	<b>156,809</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	2,021,416	2,107,711	2,081,801
<b>Total Non-Current Assets</b>	<b>2,021,416</b>	<b>2,107,711</b>	<b>2,081,801</b>
<b>TOTAL ASSETS</b>	<b>2,107,615</b>	<b>2,208,968</b>	<b>2,238,610</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	17,301	19,032	12,361
Current Employee Provisions	2,468	9,493	12,468
Current Loans	5,247	5,498	4,375
Current Landfill Rehabilitation Provisions	1,144	-	5,635
Other Liabilities	3,201	1,283	9,453
<b>Total Current Liabilities</b>	<b>29,361</b>	<b>35,306</b>	<b>44,292</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-Current Loans	49,149	48,896	51,786
Non-Current Employee Provisions	10,998	2,013	2,842
Non-Current Landfill Rehabilitation Provisions	28,189	17,578	17,578
Non-Current Trade & Other Payables	693	478	478
<b>Total Non-Current Liabilities</b>	<b>89,029</b>	<b>68,965</b>	<b>72,684</b>
<b>TOTAL LIABILITIES</b>	<b>118,390</b>	<b>104,271</b>	<b>116,976</b>
<b>NET ASSETS</b>	<b>1,989,225</b>	<b>2,104,697</b>	<b>2,121,634</b>
<b>COMMUNITY EQUITY</b>			
Retained Earnings	1,943,302	2,038,049	2,037,524
Constrained Cash Reserves	45,923	66,648	84,110
<b>TOTAL COMMUNITY EQUITY</b>	<b>1,989,225</b>	<b>2,104,697</b>	<b>2,121,634</b>

Whilst preparing the interim financial statements as at 28 February 2015, prior year errors have been identified which were corrected and reflected in the opening balances for the 2014/15 financial year. These corrections impacted the Annual Revised Budgeted numbers. The balances shown includes the revised opening balances plus budgeted movements for the current period.

## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 28 February 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Sources of Capital Funding</b>					
Capital Contributions & Donations	6,188	8,008	7,885	12,417	4,532
Capital Grants & Subsidies	8,862	6,715	2,778	2,820	42
Proceeds on Disposal of Non-current Assets	4,049	4,049	2,458	814	(1,644)
Capital Transfers (To)/From Reserves	4,602	6,029	1,697	(6,678)	(8,375)
Non-Cash Contributions	3,146	3,226	53	3,690	3,637
New Loans	-	-	-	-	-
Funding from General Revenue	42,787	49,680	20,042	21,440	1,398
<b>Total Sources of Capital Funding</b>	<b>69,633</b>	<b>77,707</b>	<b>34,913</b>	<b>34,503</b>	<b>(410)</b>
<b>Applications of Capital Funds</b>					
Contributed Assets	3,146	3,226	53	3,690	3,637
Capitalised Goods & Services	56,263	64,378	29,072	24,845	(4,227)
Capitalised Employee Costs	5,636	5,514	2,729	3,146	417
Loan Redemption	4,589	4,589	3,059	2,822	(237)
<b>Total Applications of Capital Funds</b>	<b>69,633</b>	<b>77,707</b>	<b>34,913</b>	<b>34,503</b>	<b>(410)</b>
<b>Other Budgeted Items</b>					
WDV of Assets Disposed	(857)	(1,109)	(823)	(1,185)	(362)
Transfers to Constrained Operating Reserves	(13,124)	(12,996)	(8,465)	(9,691)	(1,226)
Transfer from Constrained Operating Reserves	12,180	13,000	5,828	4,939	(889)

## 8. STATEMENT OF CASH FLOWS

### STATEMENT OF CASH FLOWS For the period ending 28 February 2015

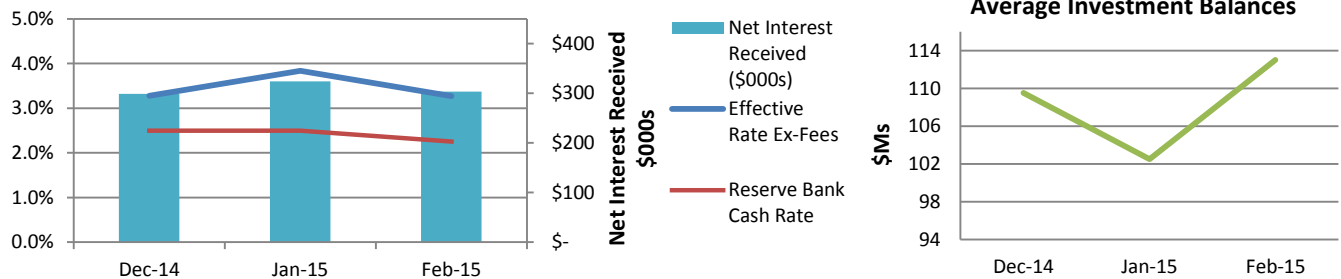
	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rates Charges (net)	78,623	76,169	55,319
Levies & Utility Charges	111,427	111,451	91,830
Fees & Charges	10,879	11,064	10,501
Operating Grants & Subsidies	3,983	7,199	5,644
Cash Contributions	260	260	266
Other Revenue	4,021	6,915	6,065
<b>Receipts from Customers</b>	<b>209,192</b>	<b>213,058</b>	<b>169,625</b>
Employee costs	(79,473)	(80,732)	(48,547)
Materials & services	(109,237)	(113,403)	(74,160)
Other expenses	(596)	(644)	(466)
<b>Payments to Suppliers &amp; Employees</b>	<b>(189,306)</b>	<b>(194,779)</b>	<b>(123,173)</b>
Interest Received	3,872	3,872	2,830
Borrowing Costs	(3,362)	(3,380)	(3,719)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>20,396</b>	<b>18,771</b>	<b>45,563</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments - Property, Plant & Equipment	(61,899)	(69,892)	(27,991)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	14,724	15,237
Proceeds - Sale of Property, Plant & Equipment	4,049	4,049	814
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(42,800)</b>	<b>(51,119)</b>	<b>(11,940)</b>
Proceeds of Borrowings	-	-	-
Repayment of borrowings	(4,589)	(4,589)	(4,234)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(4,589)</b>	<b>(4,589)</b>	<b>(4,234)</b>
<b>Net Increase / (Decrease) in Cash Held</b>	<b>(26,993)</b>	<b>(36,937)</b>	<b>29,389</b>
Cash at Beginning of Year	76,150	96,235	96,235
<b>Cash at End of Financial Period</b>	<b>49,157</b>	<b>59,298</b>	<b>125,624</b>



## 9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 28 February 2015

### INVESTMENT RETURNS



**Total Investment at End of Month was \$125.24M**

#### 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 higher average investment balances in December and February are reflective of the rating cycle, reduced payment runs during December as well as irregular receipts in December.

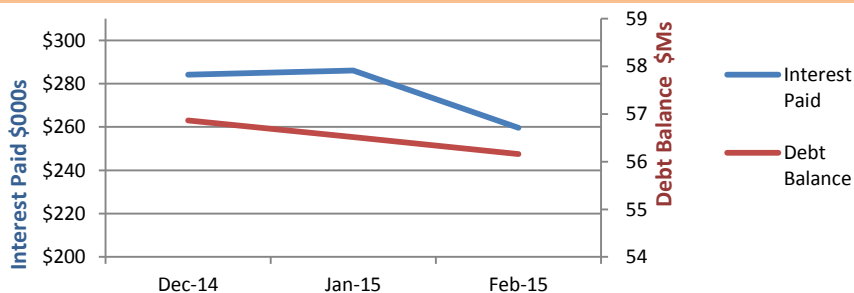
Note: the Reserve Bank reduced the cash rate down to 2.25% in its February sitting and maintained it in its March sitting.

#### 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 has nearly completed 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

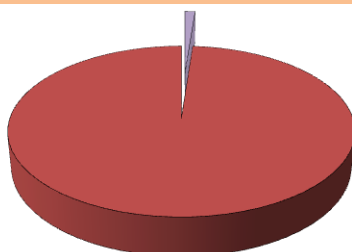


#### Current Position

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

The reduced interest expense is reflective of the 28 days in February vs. 31 days in previous months.

**Total Borrowings at End of Month was \$56.16M**



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 28 February 2015	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,782	267	(205)	2,844
Redland Work Cover Reserve *	4,965	74	(385)	4,654
Red Art Gallery Commissions & Donations Res	17	-	(15)	2
SMBI Capital Reserve *	3,894	868	(78)	4,684
	<b>11,659</b>	<b>1,209</b>	<b>(683)</b>	<b>12,185</b>
<b>Utilities Reserve:</b>				
RedWaste Reserve *	3,118	664	-	3,782
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>13,018</b>	<b>664</b>	<b>-</b>	<b>13,682</b>
<b>Constrained Works Reserve:</b>				
Tree Planting Reserve **	70	15	-	86
Parks Reserve	2,408	1,682	-	4,090
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	232	-	672
Retail Water Renewal & Purchase Reserve	5,505	1,848	(560)	6,794
Sewerage Renewal & Purchase Reserve	7,384	3,072	(1,028)	9,428
Constrained Works Res-Cap Grants & Contribs	4,389	-	(2,672)	1,717
Transport Trunk Infrastructure Reserve	5,846	3,604	0	9,449
Cycling Trunk Infrastructure Reserve	706	984	0	1,690
Stormwater Infrastructure Reserve	1,938	787	0	2,726
Constrained Works Res-Opr Grants & Contribs	919	-	(190)	729
	<b>31,731</b>	<b>12,225</b>	<b>(4,450)</b>	<b>39,505</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,936	-	-	6,936
Environment Charge Maintenance Reserve	1,505	4,258	(3,266)	2,498
	<b>8,441</b>	<b>4,258</b>	<b>(3,266)</b>	<b>9,434</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	120	(95)	25
SMBI Translink Reserve	3	710	(474)	239
	<b>3</b>	<b>830</b>	<b>(569)</b>	<b>264</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	5,187	2,015	(1,359)	5,843
Aquatic Paradise Canal Reserve	2,163	670	(119)	2,714
Sovereign Waters Lake Reserve	480	44	(40)	484
	<b>7,830</b>	<b>2,728</b>	<b>(1,518)</b>	<b>9,040</b>
<b>TOTALS</b>	<b>72,680</b>	<b>21,915</b>	<b>(10,485)</b>	<b>84,110</b>

\* On 10 December 2014 Council resolved to close these reserves in the 2014-15 financial year. Department support officers are currently liaising with the reserve users as to the timing of the closure.

\*\* On 10 December 2014 Council resolved to utilise these reserves in the 2014-15 financial year. The reserves will be retained for possible future use and department support officers are currently liaising with reserve users as to the timing of utilisation.

## 11. OVERDUE RATES DEBTORS

### Comparison February 2014 to February 2015

The February 2015 overall result shows a marginal decrease of 0.04% on the February 2014 position.

Within this movement is a decrease on the 2014 position of 0.3% in the value of charges overdue less than 90 days. Considering the value of rate increases from one year to the next this result is against the trend, which is for the overdue value to rise in the month that a rate notice falls due for payment.

The overall movement for 90-180 days was nil, while charges >180 days overdue showed an increase of 0.3% on the same period last year.

#### Payments

Reminder letters were issued on Friday, 20<sup>th</sup> February. This resulted in a good payment response rate for the final week of the month with the total value of payments received showing a 19% increase from the previous week. This is a much better payment response rate compared to February 2014 where a 17% decrease in the total value of payments received was recorded against the final week of the month.

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
Feb-14	4,548	-\$2,641,869	29,435	-\$17,113,323	6,033	-\$4,551,194	3,259	-\$1,030,162	4,829	-\$5,120,970	3,582	-\$2,803,958	51,686	-\$33,261,476
Feb-15	4,477	-\$2,789,415	30,704	-\$18,869,527	5,510	-\$4,344,454	4,121	-\$1,325,614	4,751	-\$4,879,496	3,936	-\$3,142,404	53,499	-\$35,350,909
Variance	-71	-\$147,545.61	1,269	-\$1,756,204.28	-523	\$206,740.94	862	-\$295,452.10	-78	\$241,473.62	354	-\$338,445.69	1,813	-\$2,089,433.12
% Variance	-2%	6%	4%	10%	-9%	-5%	26%	29%	-2%	-5%	10%	12%	4%	6%

### Overall January 2015 to February 2015

The January rate notice fell due for payment on 9<sup>th</sup> February and reminder letters issued on 20<sup>th</sup> February. The overall percentage movement shows an increase, but as explained above the good payment response rate to the reminder letters has had a positive impact for the month of February.

### Comparison February 2014 to February 2015

Total							Mainland						
Days Overdue	Feb-14	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance	Days Overdue	Feb-14	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance
<90	\$4,919,826	3.07%	\$4,701,593	2.73%	-\$218,233	-0.33%	<90	\$3,770,230	2.35%	\$3,619,036	2.10%	-\$151,194	-0.25%
90 - 180 days	\$1,528,207	0.95%	\$1,637,237	0.95%	\$109,030	0.00%	90 - 180 days	\$1,035,167	0.65%	\$1,149,235	0.67%	\$114,068	0.02%
>180 days	\$2,307,162	1.44%	\$2,980,979	1.73%	\$673,817	0.29%	>180 days	\$1,055,138	0.66%	\$1,548,870	0.90%	\$493,732	0.24%
<b>Total</b>	<b>\$8,755,195</b>	<b>5.46%</b>	<b>\$9,319,809</b>	<b>5.42%</b>	<b>\$564,614</b>	<b>-0.04%</b>	<b>Total</b>	<b>\$5,860,535</b>	<b>3.66%</b>	<b>\$6,317,142</b>	<b>3.67%</b>	<b>\$456,606</b>	<b>0.02%</b>

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Feb-14	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance	Days Overdue	Feb-14	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance
<90	\$148,904	0.09%	\$149,516	0.09%	\$612	-0.01%	<90	\$1,000,692	0.62%	\$933,041	0.54%	-\$67,651	-0.08%
90 - 180 days	\$42,055	0.03%	\$64,990	0.04%	\$22,935	0.01%	90 - 180 days	\$450,985	0.28%	\$423,011	0.25%	-\$27,973	-0.04%
>180 days	\$41,551	0.03%	\$96,030	0.06%	\$54,479	0.03%	>180 days	\$1,210,473	0.76%	\$1,336,079	0.78%	\$125,606	0.02%
<b>Total</b>	<b>\$232,509</b>	<b>0.15%</b>	<b>\$310,536</b>	<b>0.18%</b>	<b>\$78,026</b>	<b>0.04%</b>	<b>Total</b>	<b>\$2,662,150</b>	<b>1.66%</b>	<b>\$2,692,132</b>	<b>1.57%</b>	<b>\$29,982</b>	<b>-0.10%</b>

### Trend - January 2015 to February 2015

Total							Mainland						
Days Overdue	Jan-15	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance	Days Overdue	Jan-15	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance
<90	\$2,220,201	1.29%	\$4,701,593	2.73%	\$2,481,392	1.44%	<90	\$1,588,976	0.92%	\$3,619,036	2.10%	\$2,030,060	1.18%
90 - 180 days	\$1,107,221	0.64%	\$1,637,237	0.95%	\$530,017	0.31%	90 - 180 days	\$726,834	0.42%	\$1,149,235	0.67%	\$422,402	0.25%
>180 days	\$2,219,704	1.29%	\$2,980,979	1.73%	\$761,275	0.44%	>180 days	\$1,060,170	0.62%	\$1,548,870	0.90%	\$488,700	0.28%
<b>Total</b>	<b>\$5,547,126</b>	<b>3.22%</b>	<b>\$9,319,809</b>	<b>5.42%</b>	<b>\$3,772,684</b>	<b>2.20%</b>	<b>Total</b>	<b>\$3,375,979</b>	<b>1.96%</b>	<b>\$6,317,142</b>	<b>3.67%</b>	<b>\$2,941,163</b>	<b>1.71%</b>

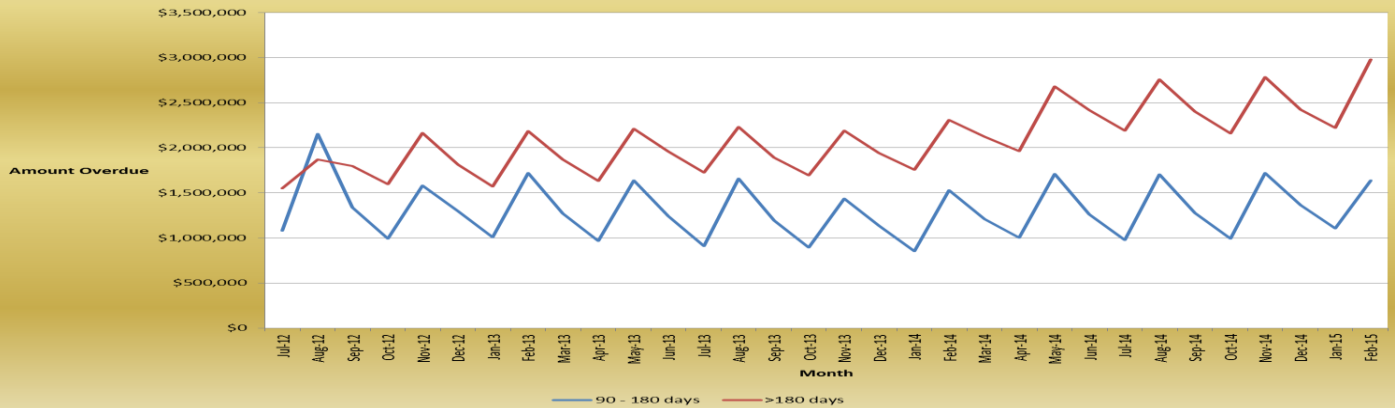
  

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Jan-15	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance	Days Overdue	Jan-15	% Overdue	Feb-15	% Overdue	\$ Variance	% Variance
<90	\$90,314	0.05%	\$149,516	0.09%	\$59,202	0.03%	<90	\$540,912	0.31%	\$933,041	0.54%	\$392,130	0.23%
90 - 180 days	\$46,631	0.03%	\$64,990	0.04%	\$18,359	0.01%	90 - 180 days	\$333,756	0.19%	\$423,011	0.25%	\$89,256	0.05%
>180 days	\$58,704	0.03%	\$96,030	0.06%	\$37,326	0.02%	>180 days	\$1,100,830	0.64%	\$1,336,079	0.78%	\$235,249	0.14%
<b>Total</b>	<b>\$195,649</b>	<b>0.11%</b>	<b>\$310,536</b>	<b>0.18%</b>	<b>\$114,887</b>	<b>0.07%</b>	<b>Total</b>	<b>\$1,975,498</b>	<b>1.15%</b>	<b>\$2,692,132</b>	<b>1.57%</b>	<b>\$716,634</b>	<b>0.42%</b>

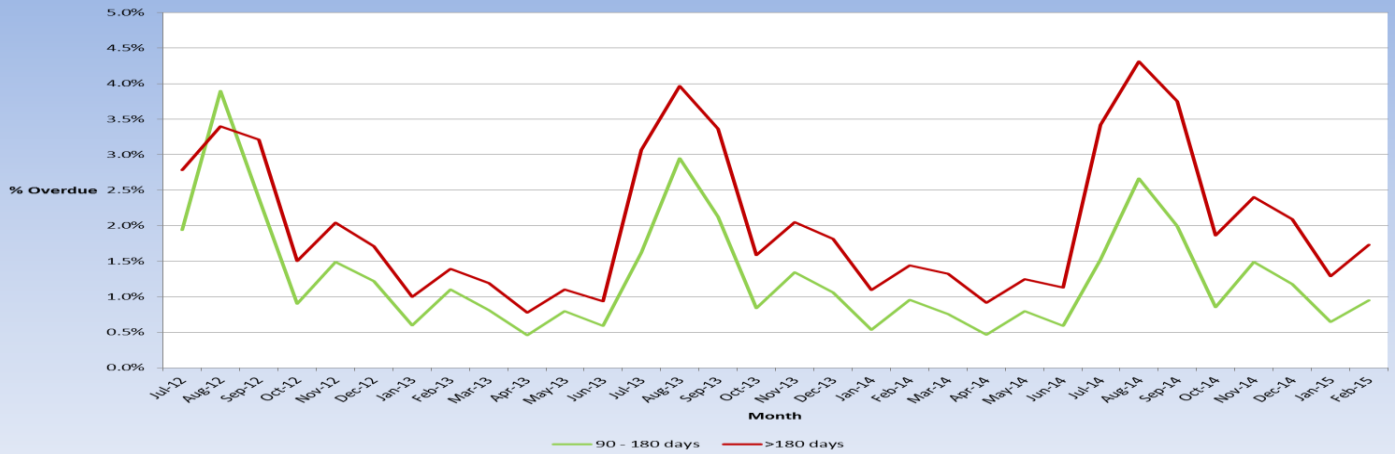




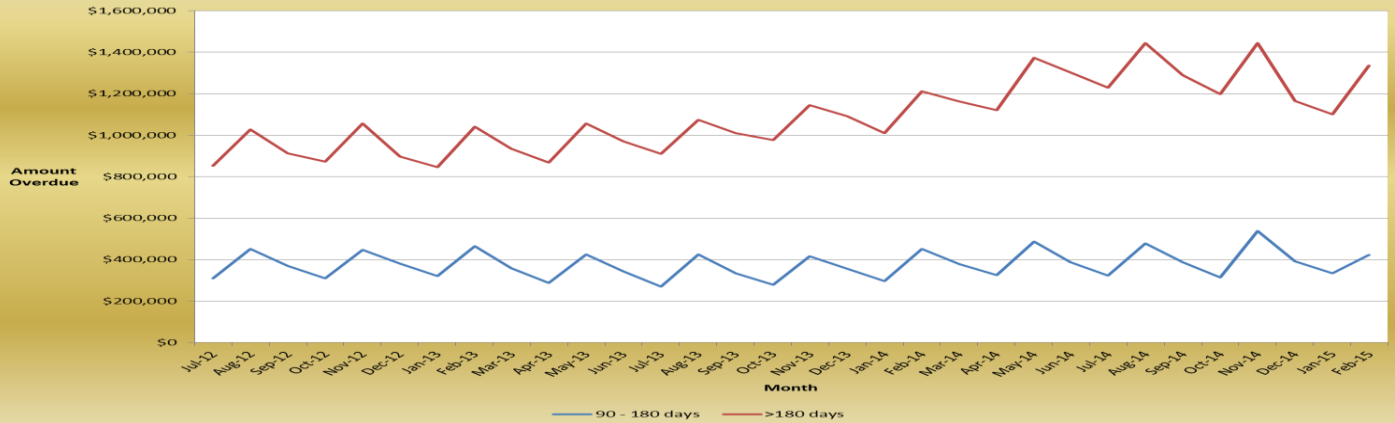
### Rates & Charges Arrears (\$) Long Term Trend - 90+ Days Overdue



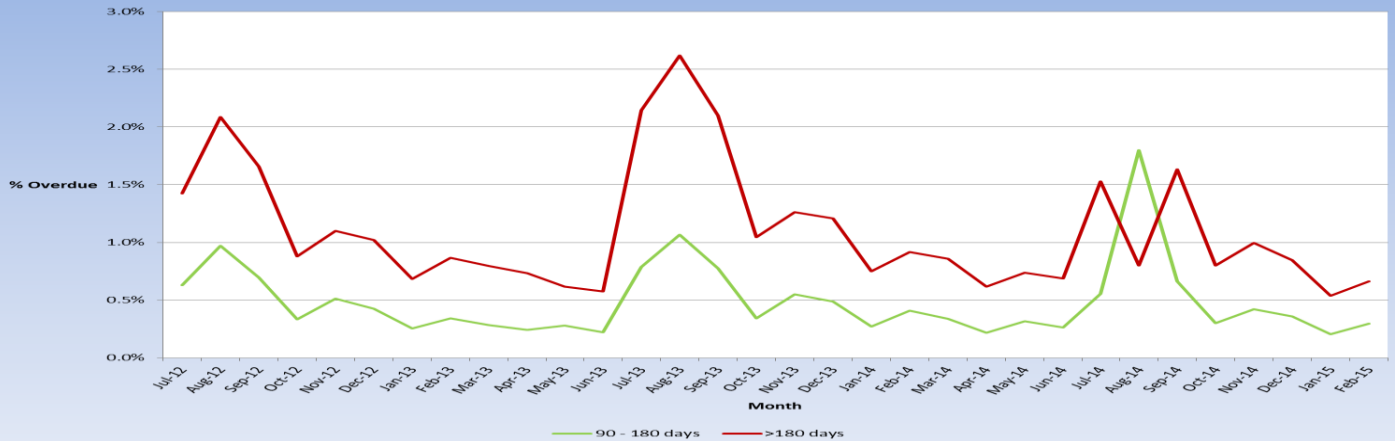
### Rates & Charges Monthly Overdue Percentage (%) - Long Term Trend



### SMBI Long Term Trend Rates & Charges Arrears (\$) - 90+ Days Overdue



### SMBI Rates & Charges Monthly Overdue Percentage (%) - Long Term Trend



## 12. 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>	General Rates - Pensioner Remissions 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>	Current Assets Current Liabilities
<b>Debt Servicing Ratio:</b> <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	Interest Expense + Loan Redemption 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>	Cash Held at Period End [[Cash Operating Costs + Interest Expense] / 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>	Current and Non-current loans Total Assets
<b>Operating Performance:</b> <i>This ratio provides an indication of Redland City Council's cash flow capabilities</i>	Net Cash from Operations + Interest Revenue and Expense 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>	Net Operating Surplus 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>	Total Liabilities - Current Assets 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>	Net Interest Expense on Debt Service 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>	Capital Expenditure on Replacement of Assets (Renewals) 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>	WDV of Infrastructure Assets 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.