



# Monthly Financial Report

## May 2015

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## 1. INTRODUCTION AND OVERVIEW

This monthly report is designed to illustrate the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 May 2015. The annual budget referred to in this report reflects the Revised Budget as adopted by Council on 06 May 2015. Note: all amounts are rounded to the nearest thousand dollars.

Council implemented Ezescan during May 2015 to allow for automated invoice data entry and for invoices to be approved via a workflow in the finance system. Due to the timing of the implementation towards the end of the month, a number of invoices were unprocessed, resulting in material variances to budget reported in the operational, as well as capital goods and services line items in this report. Invoices were dealt with in early June.

### 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)	8,671	10,774	17,736	6,962	65%	✓
Recurrent Revenue	237,607	225,188	227,365	2,177	1%	✓
Recurrent Expenditure	228,936	214,414	209,629	(4,785)	-2%	✓
Capital Works Expenditure	63,942	50,105	40,704	(9,401)	-19%	✓
Closing Cash & Investments	74,197	91,115	138,227	47,112	52%	✓

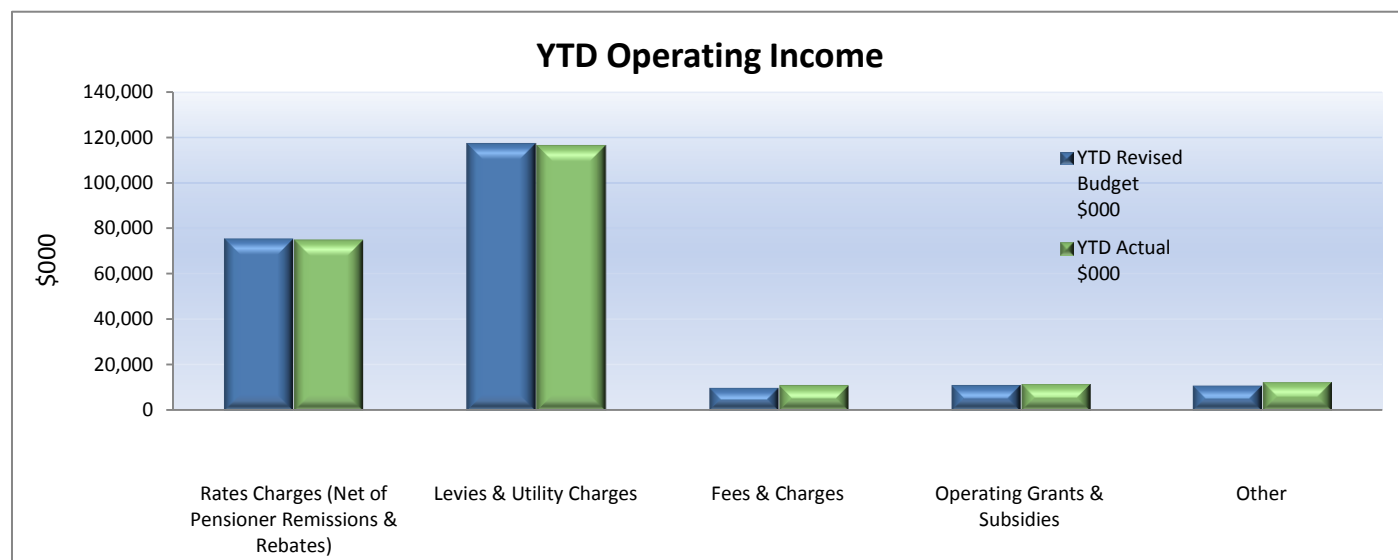
#### Status Legend:

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 exceeded the year to date revised budget by \$6.96M. Increased development activity in the Redlands area, both residential and commercial, resulted in increased revenue from fees and charges. The higher fees and charges revenue, as well as the additional revenue from recoverable works and the favourable variance in employee costs and goods & services costs contributed to the overall favourable variance at the end of May 2015.

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).

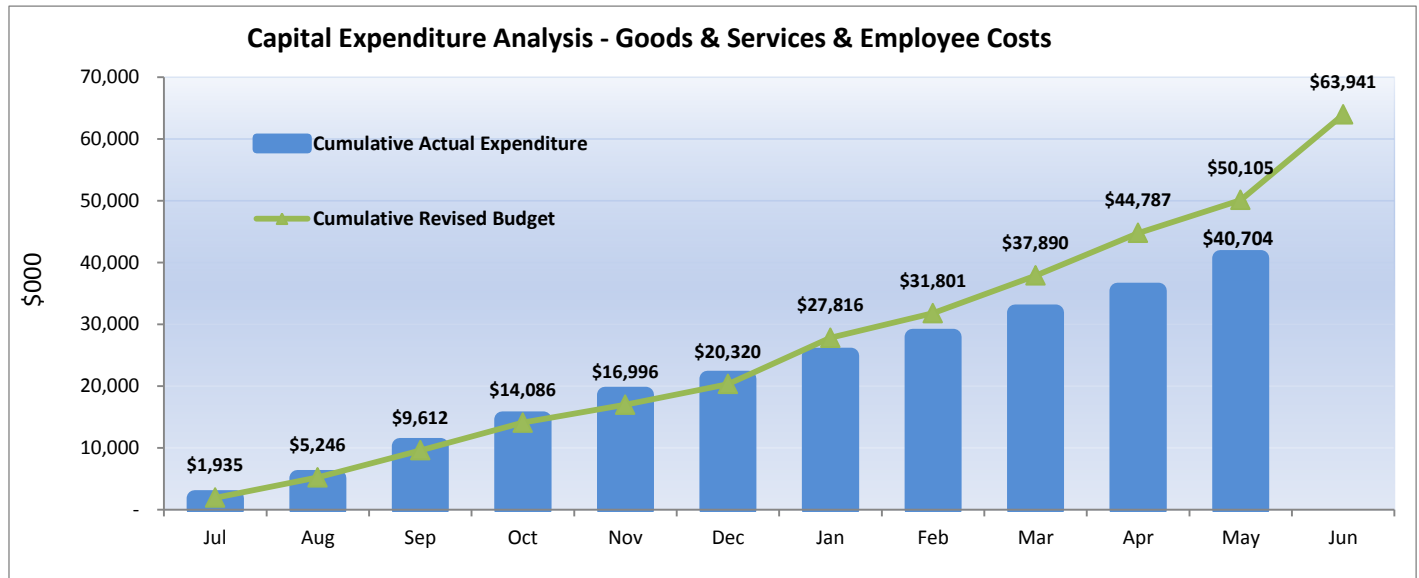


## 1. INTRODUCTION AND OVERVIEW (cont.)

### Capital works

Council's capital works expenditure is underspent by \$9.41M with year to date actual expenditure of \$40.70M which is below year to date budget of \$50.11M. Council's capital works is underpinned by a recently approved Capital Works Prioritisation Policy.

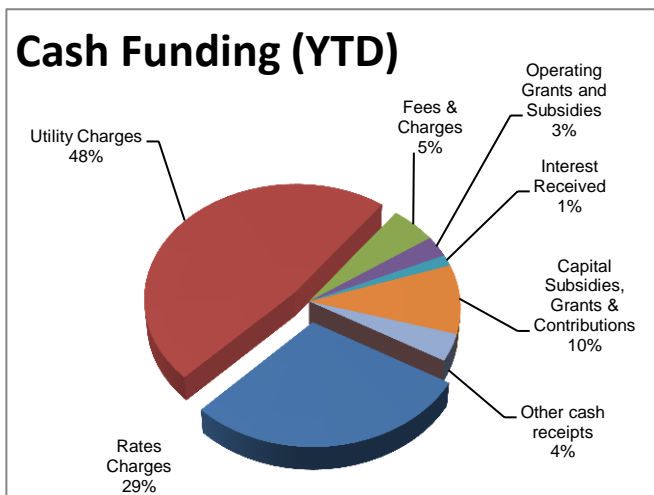
Total capital commitments at the end of May 2015 (where budget is approved) was \$2.16M.



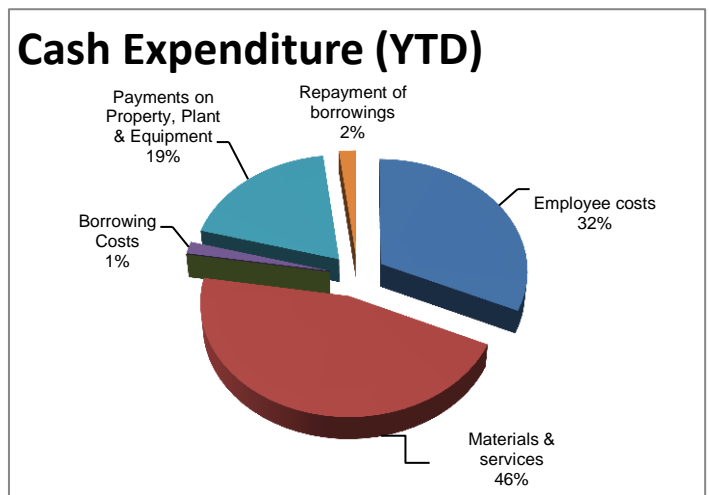
### Financial position and cash flow results

Council's Balance Sheet depicts a sustainable result with total current assets of \$176.42M and total current liabilities of \$42.77M (current ratio of 4.12).

The property, plant and equipment balance is impacted by the capital works as illustrated above. Council's cash balance at the end of May 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, lower than expected payment for property, plant and equipment and higher than expected capital contributions received during the year to date. Of the \$138.23M cash balance at the end of the period, \$77.81M 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). \$137.82M 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)	258,723
Total Cash Funding (Annual Revised Budget)	239,491
% of Budget Achieved YTD	108%



Total Cash Expenditure (Actual YTD)	216,731
Total Cash Expenditure (Annual Revised Budget)	261,528
% of Budget Achieved YTD	83%

## 2. KEY PERFORMANCE INDICATORS

Financial Stability Ratios	Target	Annual Revised Budget 2014/2015	May 2015	Status
Level of Dependence on General Rate Revenue (%)	Target less than 37.5%	31.78%	33.05%	✓
Ability to Pay Our Bills - Current Ratio	Target between 1.1 and 4.1	3.26	4.12	✓
Ability to Repay Our Debt - Debt Servicing Ratio (%)	Target less than or equal to 10%	3.35%	3.08%	✓
Cash Balance \$M	Target greater than or equal to \$40M	\$74.197M	\$138.227M	✓
Cash Balances - Cash Capacity in Months	Target 3 to 4 months	4.61	8.85	✓
Longer Term Financial Stability - Debt to Asset Ratio (%)	Target less than or equal to 10%	2.45%	2.45%	✓
Operating Performance (%)	Target greater than or equal to 20%	12.17%	26.10%	✓
Financial Sustainability Ratios	Target	Annual Revised Budget 2014/2015	May 2015	Status
Operating Surplus Ratio (%)	Target between 0% and 10% (on average over the long-term)	3.65%	7.80%	✓
Net Financial Liabilities (%)	Target less than 60% (on average over the long-term)	-11.43%	-27.10%	✓
Interest Cover Ratio (%)	Target between 0% and 5%	-0.27%	-0.39%	✓
Asset Sustainability Ratio (%)	Target greater than 90% (on average over the long-term)	38.48%	30.88%	✗
Asset Consumption Ratio (%)	Target between 40% and 80%	66.90%	67.37%	✓

### Status Legend

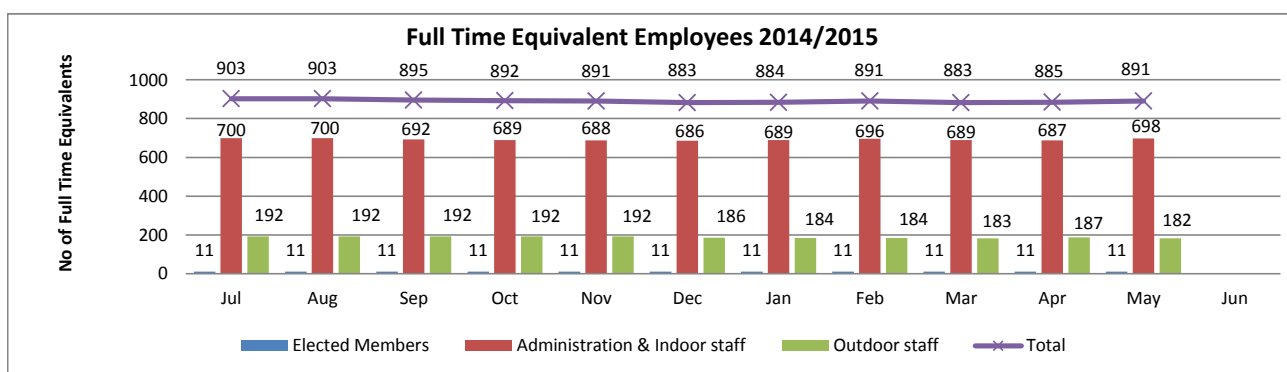
KPI target achieved or exceeded



KPI target not achieved



## 3. KEY NON-FINANCIAL INFORMATION



Workforce reporting - May 2015: Headcount	Employee Type						
	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Grand Total
Office of CEO	11	4	82	10	7	4	118
Organisational Services	5	6	99	10	9	5	134
Community and Customer Service	32	5	247	50	28	6	368
Infrastructure and Operations	14	6	305	13	19	1	358
Total	62	21	733	83	63	16	978

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 (excluding agency staff) and does not include a workload weighting. It includes casual staff in their non-substantive roles as at the end of the period where relevant.



#### 4. STATEMENT OF COMPREHENSIVE INCOME

##### STATEMENT OF COMPREHENSIVE INCOME

For the period ending 31 May 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	81,365	80,875	(490)
Levies & Utility Charges	124,757	126,689	117,235	116,614	(621)
Less: Pensioner Remissions & Rebates	(2,743)	(5,842)	(5,792)	(5,741)	51
Fees & Charges	10,629	11,108	10,102	11,190	1,088
Operating Grants & Subsidies	3,983	12,248	11,232	11,830	598
Operating Contributions & Donations	260	547	503	350	(153)
Interest External	3,872	4,012	3,655	4,000	345
Other Revenue	4,021	7,479	6,888	8,247	1,359
<b>Total Recurrent Revenue</b>	<b>226,144</b>	<b>237,607</b>	<b>225,188</b>	<b>227,365</b>	<b>2,177</b>
<b>Capital revenue</b>					
Grants, Subsidies & Contributions	15,050	18,586	15,435	24,957	9,522
Non-Cash Contributions	3,146	3,226	2,192	3,709	1,517
<b>Total Capital Revenue</b>	<b>18,196</b>	<b>21,812</b>	<b>17,627</b>	<b>28,666</b>	<b>11,039</b>
<b>TOTAL REVENUE</b>	<b>244,340</b>	<b>259,419</b>	<b>242,815</b>	<b>256,031</b>	<b>13,216</b>
<b>Recurrent Expenses</b>					
Employee Costs	76,094	76,925	70,531	69,208	(1,323)
Goods & Services	106,425	99,174	95,701	92,435	(3,266)
Finance Costs	3,643	4,003	3,395	3,506	111
Depreciation & Amortisation	51,209	48,834	44,787	44,480	(307)
<b>Total Recurrent Expenses</b>	<b>237,370</b>	<b>228,936</b>	<b>214,414</b>	<b>209,629</b>	<b>(4,785)</b>
<b>Capital Expenses</b>					
(Gain)/Loss on Disposal of Non-Current Assets	(3,192)	(842)	(952)	733	1,685
<b>Total Capital Expenses</b>	<b>(3,192)</b>	<b>(842)</b>	<b>(952)</b>	<b>733</b>	<b>1,685</b>
<b>TOTAL EXPENSES</b>	<b>234,178</b>	<b>228,094</b>	<b>213,462</b>	<b>210,362</b>	<b>(3,100)</b>
<b>NET RESULT</b>	<b>10,161</b>	<b>31,325</b>	<b>29,353</b>	<b>45,669</b>	<b>16,316</b>
<b>Other Comprehensive Income</b>					
Increase/(Decrease) in Asset Revaluation Surplus	-	-	-	107	107
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>10,161</b>	<b>31,325</b>	<b>29,353</b>	<b>45,776</b>	<b>16,423</b>

## 5. OPERATING STATEMENT

### OPERATING STATEMENT For the period ending 31 May 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	81,365	80,875	(490)
Levies & Utility Charges	124,757	126,689	117,235	116,614	(621)
Less: Pensioner Remissions & Rebates	(2,743)	(5,842)	(5,792)	(5,741)	51
Fees & Charges	10,629	11,108	10,102	11,190	1,088
Operating Grants & Subsidies	3,983	12,248	11,232	11,830	598
Operating Contributions & Donations	260	547	503	350	(153)
Interest External	3,872	4,012	3,655	4,000	345
Other Revenue	4,021	7,479	6,888	8,247	1,359
<b>Total Revenue</b>	<b>226,144</b>	<b>237,607</b>	<b>225,188</b>	<b>227,365</b>	<b>2,177</b>
<b>Expenses</b>					
Employee Costs	76,094	76,925	70,531	69,208	(1,323)
Goods & Services	107,098	99,847	96,324	93,078	(3,246)
Finance Costs Other	281	623	298	382	84
Other Expenditure	315	315	283	234	(49)
Net Internal Costs	(988)	(988)	(906)	(877)	29
<b>Total Expenses</b>	<b>182,799</b>	<b>176,722</b>	<b>166,530</b>	<b>162,025</b>	<b>(4,505)</b>
<b>Earnings Before Interest, Tax &amp; Depreciation (EBITD)</b>	<b>43,345</b>	<b>60,885</b>	<b>58,658</b>	<b>65,340</b>	<b>6,682</b>
Interest Expense	3,362	3,380	3,097	3,124	27
Depreciation	51,209	48,834	44,787	44,480	(307)
<b>Operating Surplus/(Deficit)</b>	<b>(11,226)</b>	<b>8,671</b>	<b>10,774</b>	<b>17,736</b>	<b>6,962</b>

### Utility Charges Breakup For the period ending 31 May 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
<b>Utility Charges</b>					
Refuse Charges	18,797	18,934	17,339	17,415	76
Special Charges	3,795	3,795	3,795	3,800	5
Environment Levy	5,637	5,637	5,637	5,688	51
Landfill Remediation Charge	4,102	4,102	3,760	3,802	42
Wastewater Charges	38,161	39,547	36,597	36,838	241
Water Access Charges	17,592	17,592	16,126	15,819	(307)
Water Consumption Charges	36,673	37,083	33,981	33,252	(729)
<b>Total Utility Charges</b>	<b>124,757</b>	<b>126,689</b>	<b>117,235</b>	<b>116,614</b>	<b>(621)</b>

## 5. OPERATING STATEMENT (cont.)

### REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 May 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	94,706	96,482	88,695	88,604	(92)
Total Expenses	49,157	48,816	44,788	45,553	765
Earnings Before Interest, Tax & Depreciation (EBITD)	45,550	47,666	43,907	43,051	(856)
Depreciation	16,987	16,585	15,200	15,142	(58)
Operating Surplus/(Deficit)	28,562	31,080	28,707	27,909	(798)

### REDWASTE OPERATING STATEMENT For the period ending 31 May 2015

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total Revenue	19,967	20,350	18,567	18,845	278
Total Expenses	16,200	14,871	13,729	14,018	289
Earnings Before Interest, Tax & Depreciation (EBITD)	3,767	5,479	4,838	4,827	(11)
Interest Expense External	42	42	39	37	(2)
Depreciation	556	541	496	467	(29)
Operating Surplus/(Deficit)	3,169	4,896	4,303	4,323	20



## 6. STATEMENT OF FINANCIAL POSITION

### STATEMENT OF FINANCIAL POSITION As at 31 May 2015

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual Balance \$000
<b>CURRENT ASSETS</b>			
Cash & Investments	49,157	74,197	138,227
Accounts Receivable	34,311	39,606	26,150
Inventories	943	845	793
Prepaid Expenses	1,320	1,155	1,997
Non-Current Assets - Held for Sale	467	9,257	9,257
<b>Total Current Assets</b>	<b>86,199</b>	<b>125,059</b>	<b>176,424</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	2,021,416	2,091,466	2,071,458
Financial Assets	-	1,233	1,233
<b>Total Non-Current Assets</b>	<b>2,021,416</b>	<b>2,092,699</b>	<b>2,072,691</b>
<b>TOTAL ASSETS</b>	<b>2,107,615</b>	<b>2,217,758</b>	<b>2,249,115</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	17,301	19,033	12,840
Current Employee Provisions	2,468	9,493	12,497
Current Loans	5,247	5,498	4,375
Current Landfill Rehabilitation Provisions	1,144	3,084	4,330
Other Liabilities	3,201	1,283	8,731
<b>Total Current Liabilities</b>	<b>29,361</b>	<b>38,390</b>	<b>42,773</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-Current Loans	49,149	48,897	50,727
Non-Current Employee Provisions	10,998	2,013	3,255
Non-Current Landfill Rehabilitation Provisions	28,189	8,130	17,578
Non-Current Trade & Other Payables	693	478	478
<b>Total Non-Current Liabilities</b>	<b>89,029</b>	<b>59,517</b>	<b>72,038</b>
<b>TOTAL LIABILITIES</b>	<b>118,390</b>	<b>97,908</b>	<b>114,811</b>
<b>NET ASSETS</b>	<b>1,989,225</b>	<b>2,119,851</b>	<b>2,134,304</b>
<b>COMMUNITY EQUITY</b>			
Retained Earnings	1,943,302	2,054,103	2,056,491
Cash Constrained Reserves	45,923	65,747	77,813
<b>TOTAL COMMUNITY EQUITY</b>	<b>1,989,225</b>	<b>2,119,851</b>	<b>2,134,304</b>

## 7. CAPITAL FUNDING STATEMENT

### CAPITAL FUNDING STATEMENT For the period ending 31 May 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	12,756	11,714	21,221	9,507
Capital Grants & Subsidies	8,862	5,830	3,721	3,736	15
Proceeds on Disposal of Non-current Assets	4,049	1,154	1,260	1,296	36
Capital Transfers (To)/From Reserves	4,602	5,703	3,685	(7,667)	(11,352)
Non-Cash Contributions	3,146	3,226	2,192	3,709	1,517
New Loans	-	-	-	-	-
Funding from General Revenue	42,787	43,088	33,931	25,999	(7,932)
<b>Total Sources of Capital Funding</b>	<b>69,633</b>	<b>71,756</b>	<b>56,503</b>	<b>48,294</b>	<b>(8,209)</b>
<b>Applications of Capital Funds</b>					
Contributed Assets	3,146	3,226	2,192	3,709	1,517
Capitalised Goods & Services	56,263	58,646	46,098	36,267	(9,831)
Capitalised Employee Costs	5,636	5,295	4,007	4,437	430
Loan Redemption	4,589	4,589	4,206	3,881	(325)
<b>Total Applications of Capital Funds</b>	<b>69,633</b>	<b>71,756</b>	<b>56,503</b>	<b>48,294</b>	<b>(8,209)</b>
<b>Other Budgeted Items</b>					
WDV of Assets Disposed	(857)	(311)	(308)	(2,029)	(1,721)
Transfers to Constrained Operating Reserves	(13,124)	(18,065)	(11,890)	(13,082)	(1,192)
Transfer from Constrained Operating Reserves	12,180	19,296	20,828	15,616	(5,212)

## 8. STATEMENT OF CASH FLOWS

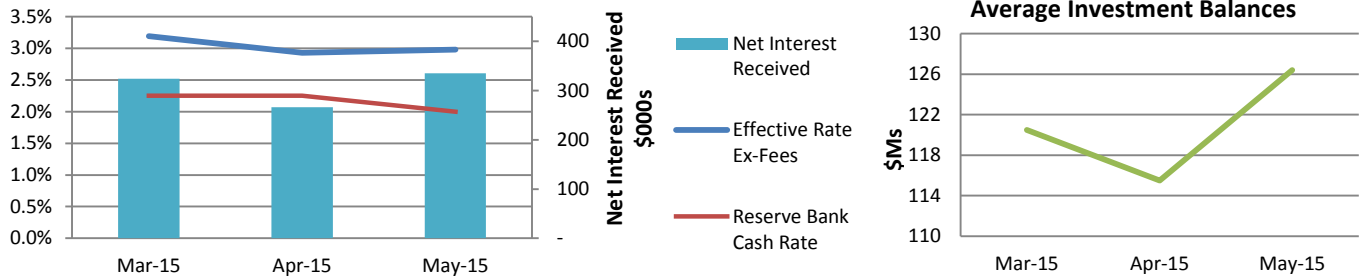
### STATEMENT OF CASH FLOWS For the period ending 31 May 2015

	Annual	Annual	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rates Charges (net)	78,623	75,523	75,133
Utility Charges	111,427	113,359	123,732
Fees & Charges	10,879	11,358	13,475
Operating Grants & Subsidies	3,983	7,472	7,533
Cash Contributions	260	547	350
Other Revenue	4,021	7,479	8,247
<b>Receipts from Customers</b>	<b>209,192</b>	<b>215,739</b>	<b>228,470</b>
Employee costs	(79,473)	(80,305)	(68,897)
Materials & services	(109,237)	(108,376)	(98,541)
Other expenses	(596)	(938)	(637)
<b>Payments to Suppliers &amp; Employees</b>	<b>(189,306)</b>	<b>(189,618)</b>	<b>(168,075)</b>
Interest Received	3,872	4,012	4,000
Borrowing Costs	(3,362)	(3,380)	(3,718)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>20,396</b>	<b>26,753</b>	<b>60,677</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments - Property, Plant & Equipment	(61,899)	(63,942)	(40,704)
Proceeds - Capital Subsidies, Grants & Contributions	15,050	18,586	24,957
Proceeds - Sale of Property, Plant & Equipment	4,049	1,154	1,296
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(42,800)</b>	<b>(44,202)</b>	<b>(14,451)</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>(22,037)</b>	<b>41,992</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>74,197</b>	<b>138,227</b>

## 9. INVESTMENT & BORROWINGS REPORT

For the Period Ending 31 May 2015

### INVESTMENT RETURNS



**Total Investment at End of Month was \$137.82M**

#### Current Position

All Council investments are currently held in the Capital Guaranteed Cash Fund which is 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 daily basis. The average investment balances are reflective of the rating cycle (shows higher balances in the months that rates are due being August, November, February and May).

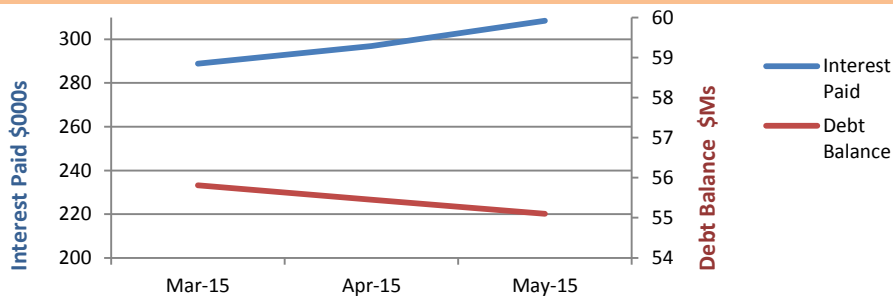
Note: the Reserve Bank reduced the cash rate down to 2% in its May sitting and has maintained this position in June.

#### 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 now completed procurement procedures to achieve this outcome. Council adopted its revised Investment Policy in April 2015 for the 2015-16 financial year. 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

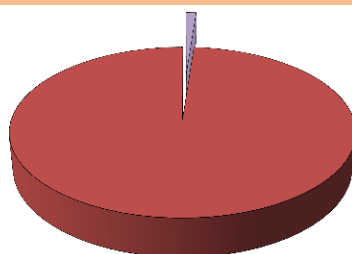


#### Current Position

Debt is split into 6, 9 and 12 year pools with repayment made *annually* in advance for 2014-15.

The movement in interest expense is reflective of the capitalisation of the interest each month.

**Total Borrowings at End of Month was \$55.1M**



RedWaste 1.18%

General Pool allocated to capital works 98.82%

#### 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 is scheduled to adopt a revised Debt Policy in June 2015 at the Special Budget Meeting for the 2015-16 financial year.

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

## 10. CONSTRAINED CASH RESERVES

Reserves as at 31 May 2015	Opening Balance	To Reserve	From Reserve	Closing Balance
	\$000	\$000	\$000	\$000
<b>Special Projects Reserve:</b>				
Weinam Creek Reserve	2,782	398	(213)	2,968
Redland Work Cover Reserve *	4,965	91	(4,872)	184
Red Art Gallery Commissions & Donations Res	17	-	(15)	2
SMBI Capital Reserve *	3,894	1,158	(4,931)	121
	<b>11,659</b>	<b>1,647</b>	<b>(10,031)</b>	<b>3,275</b>
<b>Utilities Reserve:</b>				
RedWaste Reserve *	3,118	997	(4,114)	-
Redland Water Reserve	8,300	-	-	8,300
Redland WasteWater Reserve	1,600	-	-	1,600
	<b>13,018</b>	<b>997</b>	<b>(4,114)</b>	<b>9,900</b>
<b>Constrained Works Reserve:</b>				
Tree Planting Reserve **	70	26	(80)	16
Parks Reserve	2,408	2,950	(42)	5,316
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	435	-	876
Retail Water Renewal & Purchase Reserve	5,505	2,620	(713)	7,412
Sewerage Renewal & Purchase Reserve	7,384	4,937	(1,489)	10,832
Constrained Works Res-Cap Grants & Contribs	4,389	-	(3,359)	1,030
Transport Trunk Infrastructure Reserve	5,846	6,637	-	12,483
Cycling Trunk Infrastructure Reserve	706	1,949	-	2,655
Stormwater Infrastructure Reserve	1,938	1,378	-	3,317
Constrained Works Res-Opr Grants & Contribs	919	-	(274)	644
	<b>31,731</b>	<b>20,934</b>	<b>(7,408)</b>	<b>45,256</b>
<b>Separate Charge Reserve - Environment:</b>				
Environment Charge Acquisition Reserve	6,936	-	(55)	6,881
Environment Charge Maintenance Reserve	1,505	5,688	(4,615)	2,578
	<b>8,441</b>	<b>5,688</b>	<b>(4,670)</b>	<b>9,459</b>
<b>Special Charge Reserve - Other:</b>				
Bay Island Rural Fire Levy Reserve	-	161	(136)	25
SMBI Translink Reserve	3	947	(711)	239
	<b>3</b>	<b>1,108</b>	<b>(847)</b>	<b>264</b>
<b>Special Charge Reserve - Canals:</b>				
Raby Bay Canal Reserve	5,187	2,689	(1,603)	6,272
Aquatic Paradise Canal Reserve	2,163	894	(168)	2,889
Sovereign Waters Lake Reserve	480	58	(41)	498
	<b>7,830</b>	<b>3,642</b>	<b>(1,812)</b>	<b>9,659</b>
<b>TOTALS</b>	<b>72,680</b>	<b>34,015</b>	<b>(28,882)</b>	<b>77,813</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 May 2014 to May 2015

The May 2015 overdue percentage shows a marginal increase of 0.10% on the May 2014 position. The percentage overdue for the Southern Moreton Bay Islands continues to show improvement.

#### Payments

The number of payments received in May in comparison to the preceding 12 month period was 10% higher, while the value of payments showed an increase of 14%.

Month/Year	AustPost		Bpay		IVR		Direct Debit		Receipt		Internet		Total	
	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount	Count of Transactions	Sum of Amount
May-14	4,240	-\$2,442,204	29,251	-\$16,595,399	5,533	-\$4,213,806	4,018	-\$1,144,161	4,735	-\$4,889,761	3,214	-\$2,508,342	50,991	-\$31,793,673
May-15	4,770	-\$2,959,833	32,238	-\$19,427,923	5,361	-\$4,218,301	4,430	-\$1,433,979	4,956	-\$4,930,895	4,193	-\$3,356,265	55,948	-\$36,327,196
Variance	530	-\$517,629	2,987	-\$2,832,524	-172	-\$4,495	412	-\$289,819	221	-\$41,134	979	-\$847,923	4,957	-\$4,533,523
% Variance	13%	21%	10%	17%	-3%	0%	10%	25%	5%	1%	30%	34%	10%	14%

### Overall April 2015 to May 2015

The rate notices, which were issued on 10 April, fell due for payment on 11 May. This resulted in an increase on the previous month in overdue rates and charges, with the May month end showing an overdue percentage of 4.36%. SMBI continues to show a good downward trend in the percentage of arrears overdue. While the mainland continues to register an upward trend in the percentage of rates and charges overdue greater than 180 days.

### Comparison May 2014 to May 2015

Total							Mainland						
Days Overdue	May-14	% Overdue	May-15	% Overdue	\$ Variance	% Variance	Days Overdue	May-14	% Overdue	May-15	% Overdue	\$ Variance	% Variance
<90	\$4,765,087	2.22%	\$5,184,195	2.27%	\$419,109	0.05%	<90	\$3,657,397	1.70%	\$4,004,387	1.75%	\$346,990	0.05%
90 - 180 days	\$1,708,470	0.80%	\$1,628,924	0.71%	-\$79,546	-0.08%	90 - 180 days	\$1,177,419	0.55%	\$1,107,432	0.48%	-\$69,987	-0.06%
>180 days	\$2,683,376	1.25%	\$3,170,070	1.39%	\$486,695	0.13%	>180 days	\$1,260,790	0.59%	\$1,690,026	0.74%	\$429,236	0.15%
<b>Total</b>	<b>\$9,156,932</b>	<b>4.27%</b>	<b>\$9,983,190</b>	<b>4.36%</b>	<b>\$826,258</b>	<b>0.10%</b>	<b>Total</b>	<b>\$6,095,606</b>	<b>2.84%</b>	<b>\$6,801,844</b>	<b>2.97%</b>	<b>\$706,238</b>	<b>0.13%</b>

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	May-14	% Overdue	May-15	% Overdue	\$ Variance	% Variance	Days Overdue	May-14	% Overdue	May-15	% Overdue	\$ Variance	% Variance
<90	\$159,411	0.07%	\$173,628	0.08%	\$14,217	0.00%	<90	\$948,279	0.44%	\$1,006,181	0.44%	\$57,901	0.00%
90 - 180 days	\$45,042	0.02%	\$57,082	0.02%	\$12,040	0.00%	90 - 180 days	\$486,009	0.23%	\$464,411	0.20%	-\$21,599	-0.02%
>180 days	\$49,730	0.02%	\$94,263	0.04%	\$44,533	0.02%	>180 days	\$1,372,855	0.64%	\$1,385,782	0.61%	\$12,926	-0.03%
<b>Total</b>	<b>\$254,183</b>	<b>0.12%</b>	<b>\$324,973</b>	<b>0.14%</b>	<b>\$70,790</b>	<b>0.02%</b>	<b>Total</b>	<b>\$2,807,144</b>	<b>1.31%</b>	<b>\$2,856,373</b>	<b>1.25%</b>	<b>\$49,229</b>	<b>-0.06%</b>

### Trend - April 2015 to May 2015

Total							Mainland						
Days Overdue	Apr-15	% Overdue	May-15	% Overdue	\$ Variance	% Variance	Days Overdue	Apr-15	% Overdue	May-15	% Overdue	\$ Variance	% Variance
<90	\$2,227,009	1.0%	\$5,184,195	2.27%	\$2,957,186	1.29%	<90	\$1,594,233	0.7%	\$4,004,387	1.75%	\$2,410,154	1.05%
90 - 180 days	\$1,050,998	0.5%	\$1,628,924	0.71%	\$577,927	0.25%	90 - 180 days	\$712,037	0.3%	\$1,107,432	0.48%	\$395,395	0.17%
>180 days	\$2,500,700	1.1%	\$3,170,070	1.39%	\$669,371	0.29%	>180 days	\$1,257,110	0.5%	\$1,690,026	0.74%	\$432,917	0.19%
<b>Total</b>	<b>\$5,778,706</b>	<b>2.53%</b>	<b>\$9,983,190</b>	<b>4.36%</b>	<b>\$4,204,484</b>	<b>1.84%</b>	<b>Total</b>	<b>\$3,563,379</b>	<b>1.56%</b>	<b>\$6,801,844</b>	<b>2.97%</b>	<b>\$3,238,465</b>	<b>1.42%</b>

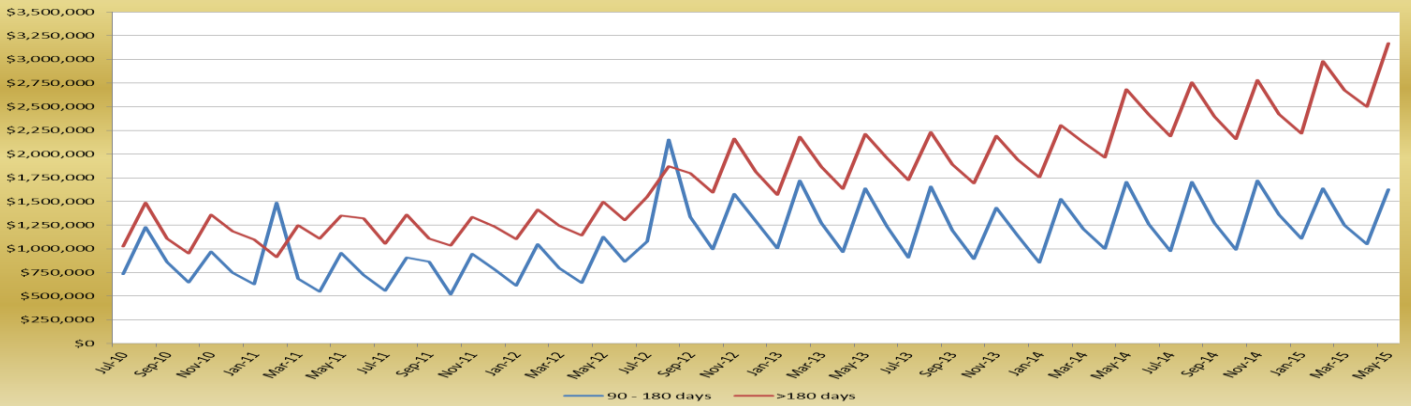
  

Nth Stradbroke Is / Coochiemudlo Is / Garden Is							SMBI						
Days Overdue	Apr-15	% Overdue	May-15	% Overdue	\$ Variance	% Variance	Days Overdue	Apr-15	% Overdue	May-15	% Overdue	\$ Variance	% Variance
<90	\$76,983	0.0%	\$173,628	0.08%	\$96,645	0.04%	<90	\$555,793	0.2%	\$1,006,181	0.44%	\$450,387	0.20%
90 - 180 days	\$46,252	0.0%	\$57,082	0.02%	\$10,831	0.00%	90 - 180 days	\$292,709	0.1%	\$464,411	0.20%	\$171,702	0.08%
>180 days	\$66,068	0.0%	\$94,263	0.04%	\$28,195	0.01%	>180 days	\$1,177,522	0.5%	\$1,385,782	0.61%	\$208,259	0.09%
<b>Total</b>	<b>\$189,303</b>	<b>0.08%</b>	<b>\$324,973</b>	<b>0.14%</b>	<b>\$135,670</b>	<b>0.06%</b>	<b>Total</b>	<b>\$2,026,024</b>	<b>0.89%</b>	<b>\$2,856,373</b>	<b>1.25%</b>	<b>\$830,348</b>	<b>0.36%</b>

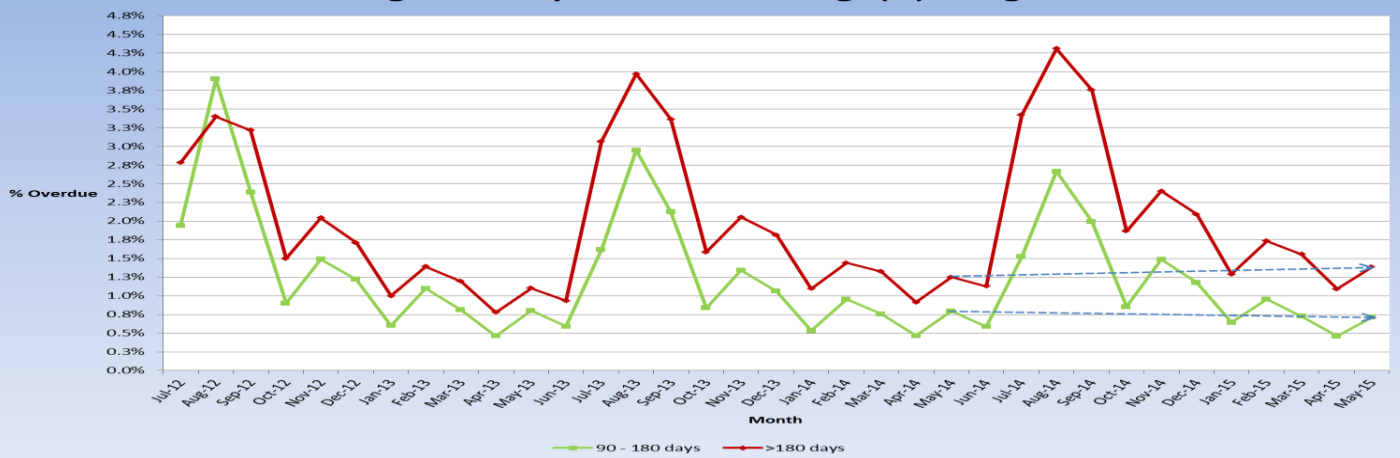




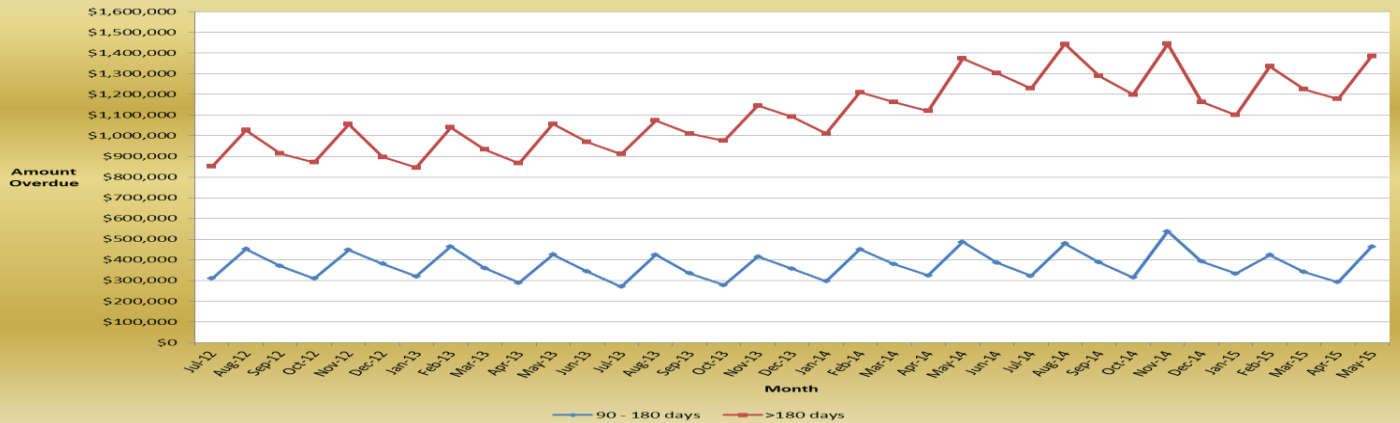
### Rates & Charges Arrears (\$) Long Term Trend - 90+ Days Overdue



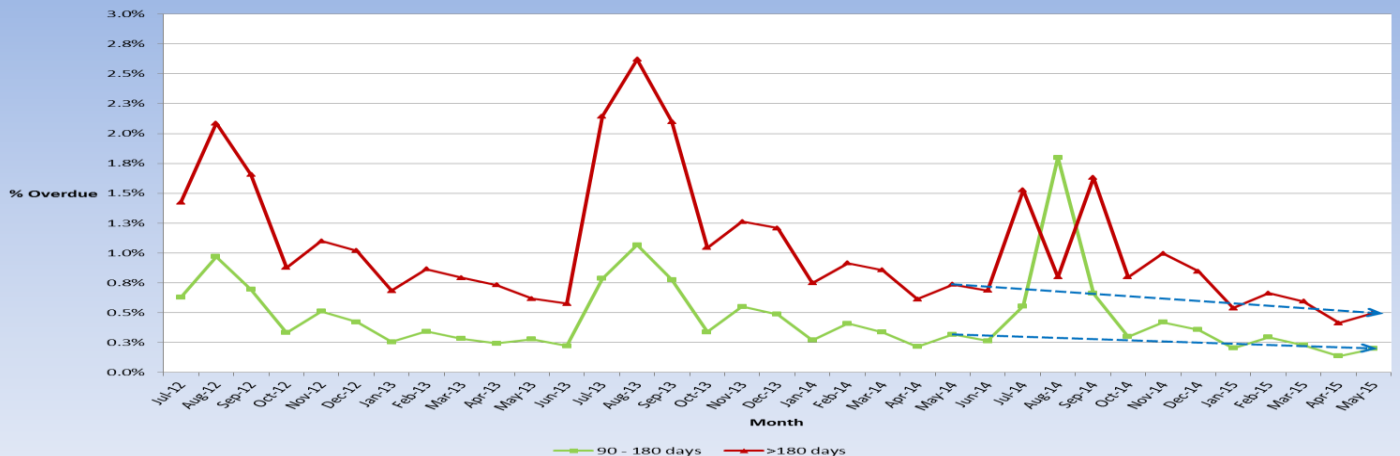
### Rates & Charges Monthly Overdue Percentage (%) - Long Term Trend



### 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.