



Monthly Financial Report

July 2019



1.	Executive Summary	2
2.	Key Performance Indicators	3
3.	Statement of Comprehensive Income	4
4.	Statement of Financial Position	6
5.	Statement of Cash Flows	8
6.	Capital Expenditure	9
7.	Program and Project Update	9
8.	Investment & Borrowings Report	10
9.	Constrained Cash Reserves	11
10.	Redland Water Statements	12
11.	RedWaste Statements	12
12.	Appendix: Additional and Non-financial Information	13
13.	Glossary	14

1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 July 2019. The year to date annual budget referred to in this report reflects the 2019/2020 annual budget as adopted by Council on 27 June 2019.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of July may adjust over the coming months until Council receives Queensland Audit Office (QAO) certification in October 2019.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Original Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	195	22,587	23,683	1,096	5%	✓
Recurrent Revenue	297,572	45,845	45,264	(581)	-1%	✗
Recurrent Expenditure	297,377	23,258	21,581	(1,677)	-7%	✓
Capital Works Expenditure	58,433	4,219	1,616	(2,603)	-62%	✓
Closing Cash & Cash Equivalents	170,027	151,949	145,324	(6,625)	-4%	✗

Council reported an operating surplus for the month of \$23.68M. The first quarter rate notices were issued in July 2019. Bulk water consumption is lower than expected, resulting in lower than expected revenue. The favourable variance in recurrent expenditure is mainly due to underspend in bulk water costs and contractor costs. As this is only the first month of the year, trends will start to emerge as the first quarter progresses.

During the month, debt repayment of \$7.95M, being \$5.53M principal and \$2.42M interest has been made.

Capital grants, subsidies and contributions are below budget due to timing of developer cash and non-cash contributions.

Council's capital works expenditure is below budget by \$2.60M due to timing of works for a number of infrastructure projects.

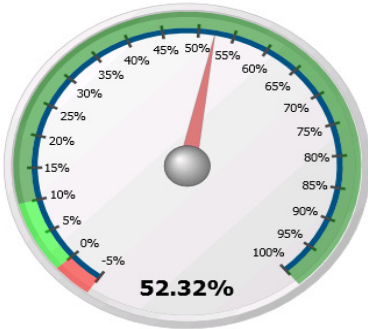
Constrained cash reserves represent 75% of the cash balance.

2. KEY PERFORMANCE INDICATORS

■ Target met
 ■ Target exceeded
 ■ Target not met

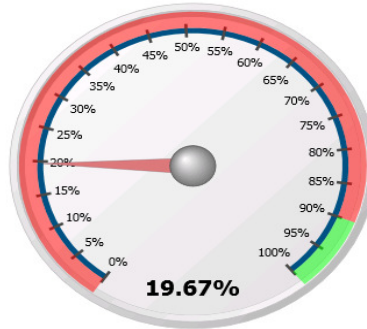
Operating Surplus Ratio (%)
Between 0% and 10%

Annual Original Budget 0.07%



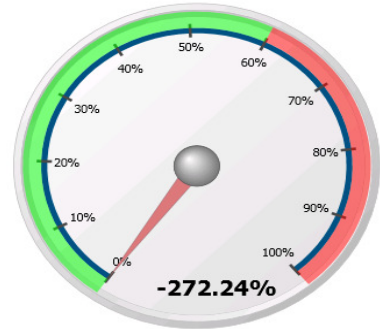
Asset Sustainability Ratio (%)
Greater than 90%

Annual Original Budget 52.23%



Net Financial Liabilities (%)*
Less than 60%

Annual Original Budget -35.07%



Level of Dependence on General Rate Revenue (%)
Less than 40%

Annual Original Budget 34.30%



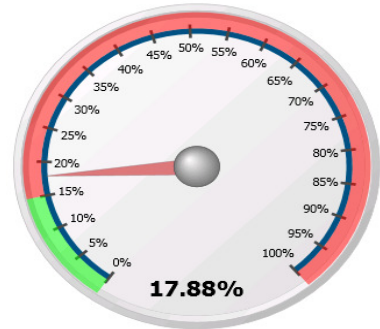
Ability to Pay Our Bills - Current Ratio
Between 1.1 and 4.1

Annual Original Budget 4.69



Ability to Repay Our Debt - Debt Servicing Ratio (%)
Less than or equal to 15%

Annual Revised Budget 2.87%



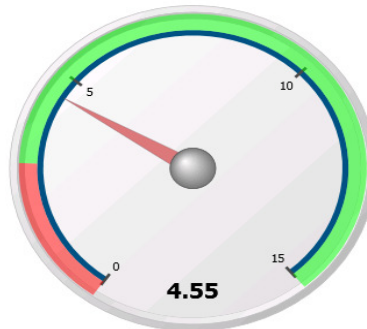
Cash Balance \$M
Greater or equal to \$50M

Annual Original Budget \$170.027



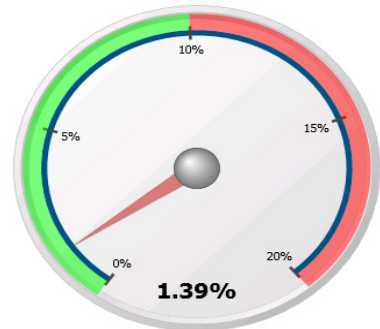
Cash Balances - Cash Capacity in Months
Greater than 3 Months

Annual Original Budget 8.51



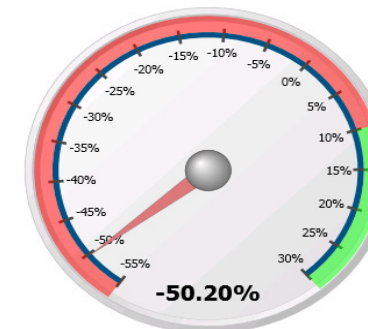
Longer Term Financial Stability - Debt to Asset Ratio (%)
Less than or equal to 10%

Annual Original Budget 1.47%



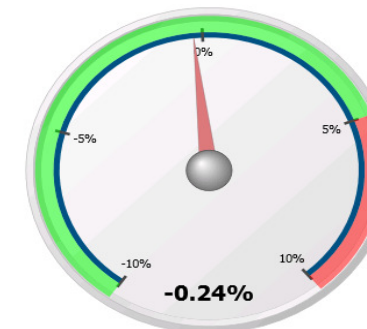
Operating Performance (%)
Greater than or equal to 10%

Annual Original Budget 18.58%



Interest Coverage Ratio (%)**
Less than 5%

Annual Original Budget -1.06%



* The net financial liabilities ratio exceeds the target range when current assets are greater than total liabilities (and the ratio is negative)

** The interest coverage ratio exceeds the target range when interest revenue is greater than interest expense (and the ratio is negative)

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME				
For the period ending 31 July 2019				
	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue				
Rates charges	104,953	25,850	26,019	169
Levies and utility charges	152,328	13,868	13,311	(557)
Less: Pensioner remissions and rebates	(3,333)	(743)	(759)	(16)
Fees	14,632	1,013	825	(188)
Rental income	925	74	51	(23)
Interest received	5,231	371	321	(50)
Dividend received	-	-	-	-
Sales revenue	3,856	246	309	63
Other income	525	10	64	54
Grants, subsidies and contributions	18,456	5,156	5,123	(33)
Total recurrent revenue	297,572	45,845	45,264	(581)
Recurrent expenses				
Employee benefits	90,372	7,989	7,781	(208)
Materials and services	140,138	9,731	8,542	(1,189)
Finance costs	2,809	223	263	40
Depreciation and amortisation	65,279	5,440	5,097	(343)
Other expenditure	514	20	53	33
Net internal costs	(1,735)	(145)	(155)	(10)
Total recurrent expenses	297,377	23,258	21,581	(1,677)
OPERATING SURPLUS / (DEFICIT)	195	22,587	23,683	1,096
Capital revenue				
Grants, subsidies and contributions	24,492	2,104	1,218	(886)
Non-cash contributions	3,480	288	-	(288)
Total capital revenue	27,973	2,392	1,218	(1,174)
Capital expenses				
(Gain) / loss on disposal of non-current assets	112	3	(113)	(116)
Total capital expenses	112	3	(113)	(116)
TOTAL INCOME	325,545	48,237	46,482	(1,755)
TOTAL EXPENSES	297,489	23,261	21,468	(1,793)
NET RESULT	28,056	24,976	25,014	38
Other comprehensive income / (loss)				
Items that will not be reclassified to a net result				
Revaluation of property, plant and equipment	-	-	-	-
TOTAL COMPREHENSIVE INCOME	28,056	24,976	25,014	38

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 July 2019

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Levies and utility charges				
Refuse collection rate charge	26,968	2,217	2,167	(50)
Special charges	-	-	-	-
SES separate charge	487	122	121	(1)
Environment separate charge	8,721	2,160	2,162	2
Separate charge landfill remediation	2,896	239	239	-
Wastewater charges	46,347	3,810	3,771	(39)
Water access charges	19,105	1,572	1,580	8
Water consumption charges	47,804	3,748	3,271	(477)
Total levies and utility charges	152,328	13,868	13,311	(557)

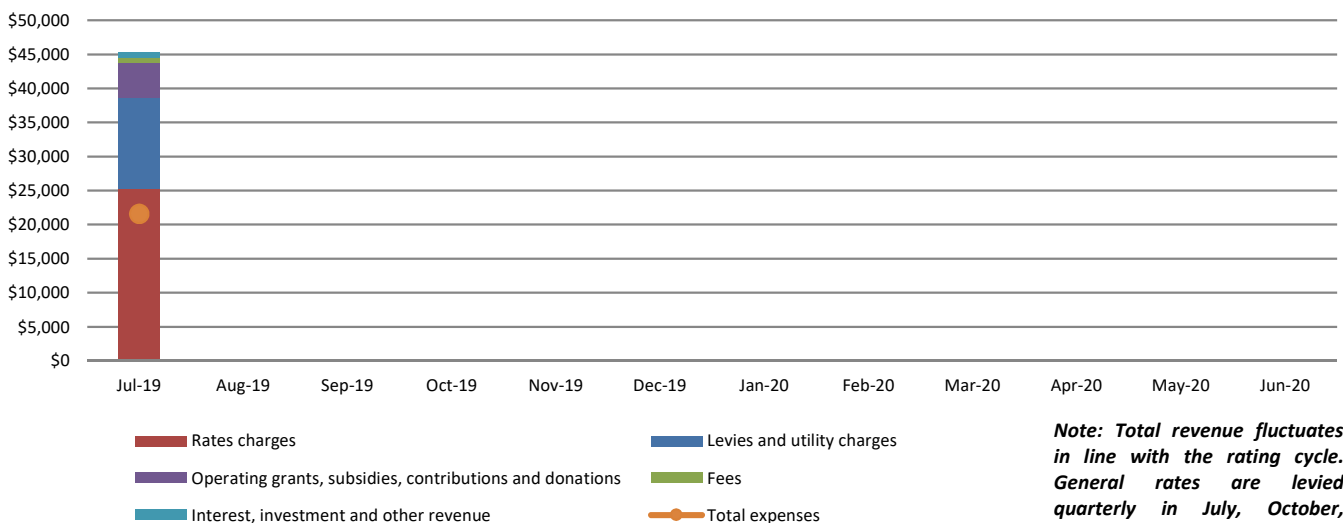
MATERIALS AND SERVICES ANALYSIS For the period ending 31 July 2019

	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services				
Contractors	41,225	2,180	1,619	(561)
Consultants	3,291	67	21	(46)
Other Council outsourcing costs*	17,527	1,291	1,275	(16)
Purchase of materials	50,161	3,913	3,450	(463)
Office administration costs	11,357	848	839	(9)
Electricity charges	6,138	492	482	(10)
Plant operations	3,873	289	222	(67)
Information technology resources	3,080	243	232	(11)
General insurance	1,195	100	174	74
Community assistance**	1,649	227	138	(89)
Other material and service expenses	642	81	90	9
Total materials and services	140,138	9,731	8,542	(1,189)

* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

** Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)



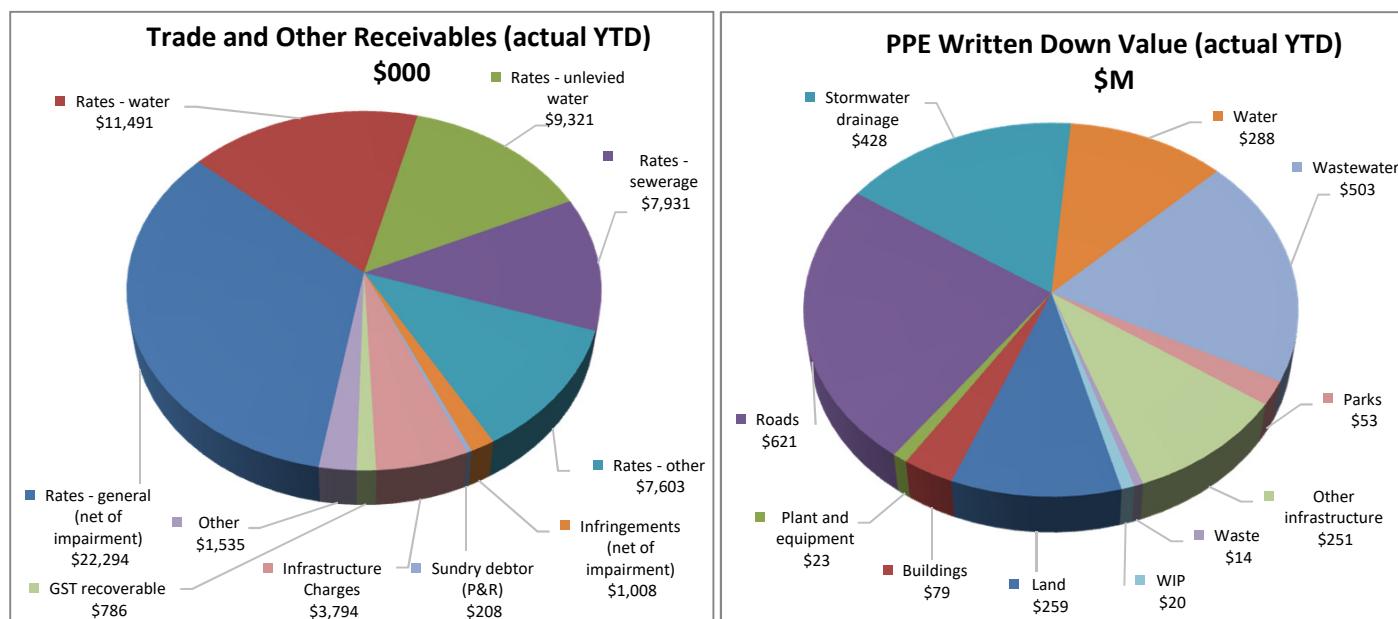
Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.

4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 July 2019			
	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS			
Cash and cash equivalents	170,027	151,949	145,324
Trade and other receivables	30,532	72,417	65,971
Inventories	936	958	939
Non-current assets held for sale	-	-	11,113
Other current assets	1,765	5,025	5,591
Total current assets	203,260	230,349	228,938
NON-CURRENT ASSETS			
Investment property	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,541,008	2,538,567
Intangible assets	968	1,583	1,597
Right-of-use assets*	8,278	9,390	9,403
Other financial assets	73	73	73
Investment in other entities	25,904	24,214	13,101
Total non-current assets	2,591,706	2,577,359	2,563,832
TOTAL ASSETS	2,794,966	2,807,708	2,792,770
CURRENT LIABILITIES			
Trade and other payables	23,817	29,160	20,740
Borrowings - current	7,728	7,845	7,845
Lease liability - current*	1,039	1,039	1,037
Provisions - current	7,816	15,026	15,035
Other current liabilities	2,940	24,235	17,466
Total current liabilities	43,340	77,305	62,123
NON-CURRENT LIABILITIES			
Borrowings - non-current	33,400	21,609	21,665
Lease liability - non-current*	7,412	8,364	8,342
Provisions - non-current	14,752	13,408	13,580
Total non-current liabilities	55,563	43,381	43,587
TOTAL LIABILITIES	98,904	120,686	105,710
NET COMMUNITY ASSETS	2,696,062	2,687,022	2,687,060
COMMUNITY EQUITY			
Asset revaluation surplus	1,003,168	1,008,120	1,008,120
Retained surplus	1,575,901	1,574,754	1,569,645
Constrained cash reserves	116,993	104,148	109,295
TOTAL COMMUNITY EQUITY	2,696,062	2,687,022	2,687,060

* From 1 July 2019, Australian Accounting Standard 16 Leases applies.

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT OF USE ASSETS For the period ending 31 July 2019

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Right of Use Asset			
Buildings	3,491	4,060	4,060
Land	4,372	4,873	4,873
Plant and Equipment	415	457	470
Closing balance	8,278	9,390	9,403

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 July 2019

	Annual Original Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement			
Opening balance (includes WIP from previous years)	2,558,126	2,541,881	2,541,881
Acquisitions and WIP in year movement	61,912	4,508	1,616
Depreciation in year	(63,114)	(5,260)	(4,930)
Disposals	(1,531)	(121)	-
Other adjustments**	-	-	-
Closing balance	2,555,393	2,541,008	2,538,567

* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

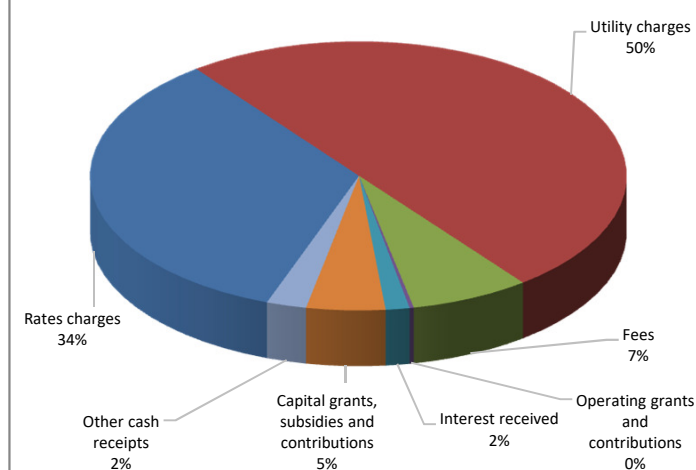
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

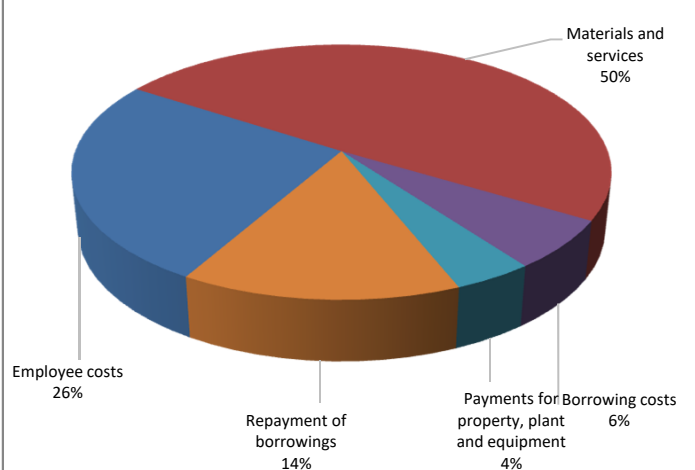
STATEMENT OF CASH FLOWS For the period ending 31 July 2019

	Annual	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	276,991	21,936	20,840
Payments to suppliers and employees*	(237,536)	(22,579)	(29,507)
	34,835	(643)	(8,667)
Interest received	5,231	371	321
Dividend received	-	-	-
Rental income	925	74	51
Non-capital grants and contributions	11,478	140	57
Borrowing costs*	(2,480)	(2,457)	(2,416)
Right-of-use assets interest expense	(266)	(22)	(22)
Net cash inflow / (outflow) from operating activities	54,342	(2,537)	(10,676)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	(58,432)	(4,218)	(1,616)
Payments for intangible assets	-	-	-
Proceeds from sale of property, plant and equipment	1,419	118	113
Capital grants, subsidies and contributions	24,492	2,104	1,062
Other cash flows from investing activities	-	-	-
Net cash inflow / (outflow) from investing activities	(32,521)	(1,996)	(441)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings	9,800	-	-
Repayment of borrowings*	(5,527)	(5,527)	(5,531)
Right-of-use lease payment	(1,039)	(87)	(124)
Net cash inflow / (outflow) from financing activities	3,234	(5,614)	(5,655)
Net increase / (decrease) in cash held	25,055	(10,147)	(16,772)
Cash and cash equivalents at the beginning of the year	144,972	162,096	162,096
Cash and cash equivalents at the end of the financial year / period	170,027	151,949	145,324

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)

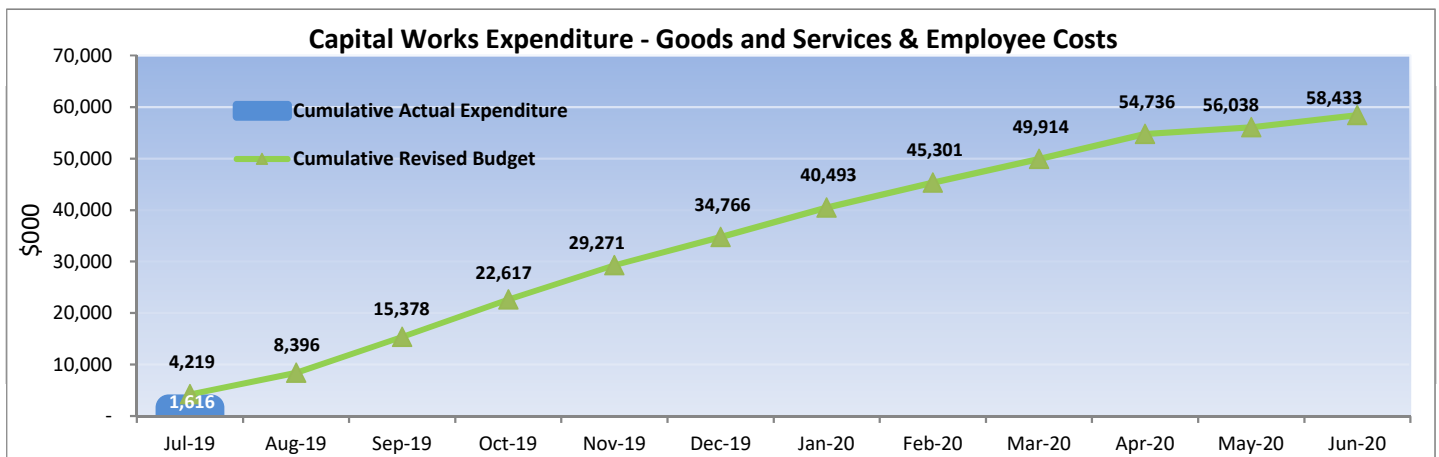


Total Cash Funding (Actual YTD)	22,444
Total Cash Funding (Annual Original Budget)	330,335
% of Budget Achieved YTD	7%

Total Cash Expenditure (Actual YTD)	39,216
Total Cash Expenditure (Annual Original Budget)	305,280
% of Budget Achieved YTD	13%

* Reclassified amounts in original budget to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.

6. CAPITAL EXPENDITURE

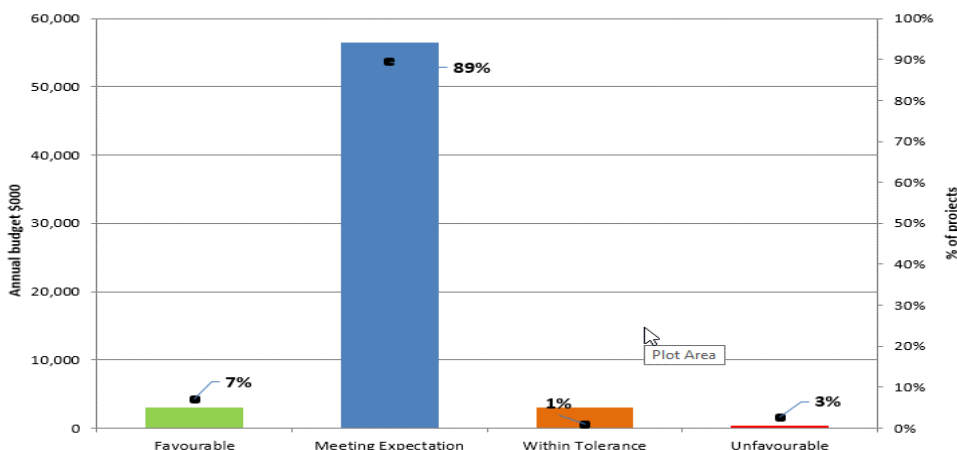


	Annual Original Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	51,434	3,349	1,049	(2,300)
Capitalised employee costs	6,999	870	567	(303)
Total	58,433	4,219	1,616	(2,603)

7. PROGRAM AND PROJECT UPDATE

■ Favourable (budget under/schedule on track)	■ Meeting expectations (budget and schedule on track)	■ Within tolerance (either budget or schedule not on track)	■ Unfavourable (budget and schedule not on track)
--	---	---	--

Progress Evaluation



Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.

Council is currently progressing more than 100 programs and projects.

Notable Projects

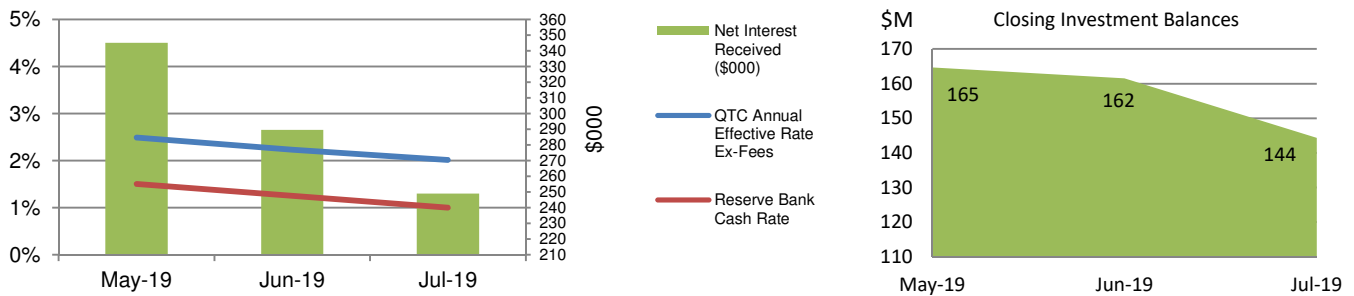
The status of two notable projects are as follows:

Project description	Progress
One Million Native Plants - Develop and commence project to plant one million native plants in the Redlands between 1 July 2016 - 2026 - by end of July approximately 292,500 native plants have been planted since the count began on 1 July 2016, including 24,900 native trees. Together with the new native plants expected to be planted through business as usual activities such as Bushcare, parks and conservation services, the project is expected to achieve the target one million native plants by 2026.	Meeting Expectations
Road resurfacing program - as in previous years, the resurfacing program comprises one of the most significant capital spends with a budget exceeding \$10 million. It involves the resurfacing of roads to avoid pavement failure and to prolong the overall pavement life.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 July 2019

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$144.32M

All Council investments are currently held in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC).

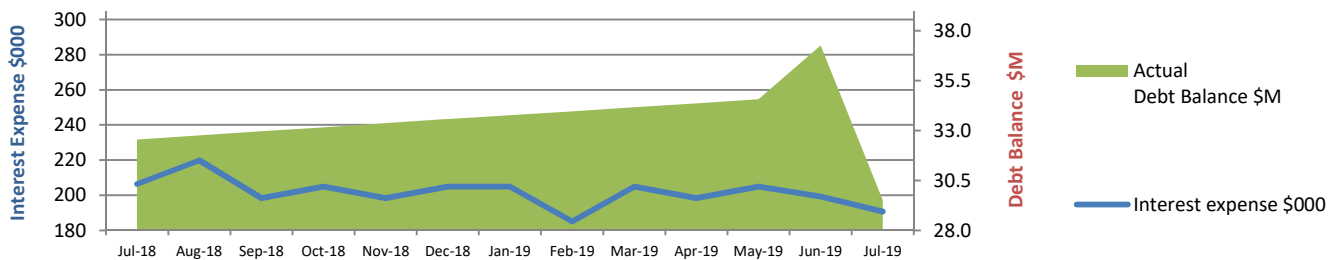
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 1.00% in the July 2019 sitting.

On a daily basis, cash surplus to requirements is deposited with QTC to earn higher interest as QTC is offering a higher rate than what is achieved from Council's transactional bank accounts. The current annual effective interest rate paid by QTC of 2.01% exceeds the Bloomberg AusBond Bank Bill Index (previously the UBS Bank Bill Index) of 1.90% as at the end of July 2019 in accordance with Corporate POL-3013. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its revised Investment Policy (POL-3013) in June 2019 for the 2019/2020 financial year

BORROWINGS AND BORROWING COSTS (QTC)



The existing loan accounts were converted to fixed rate loans on 1 April 2016 following a QTC restructure of loans and policies. In line with Council's debt policy, debt repayment of \$7.95M, being \$5.53M principal and \$2.42M interest has been made *annually* for 2019/2020 which will result in the loans being repaid approximately one year earlier.

The debt balance shows a decrease as the Annual Debt Service Payment (ADSP) was made during July 2019. Interest will accrue monthly on a daily balance until next ADSP in July 2020 which is reflected in the increasing debt balance.

In June 2019 additional borrowings of \$2.5M were undertaken as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$29.51M

General pool allocated to capital works is 99.68% and 0.32% is attributable to RedWaste.

Council adopted its revised Debt Policy (POL-1838) in June 2019 for the 2019/2020 financial year

9. CONSTRAINED CASH RESERVES

Reserves as at 31 July 2019	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	1,542	-	(1)	1,541
Waste Levy Reserve	To fund Waste Levy Program	-	4,620	-	4,620
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,765	234	(73)	1,926
Aquatic Paradise Reserve	To fund Aquatic Paradise revetment wall works program	-	2	-	2
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	113	-	4,185
		7,379	4,969	(74)	12,274
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	186	(131)	7,953
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	29	-	2,580
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	35	-	14,308
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	209	-	11,623
Constrained Works Res-Cap Grants & Contribs	Unexpended capital grants and contributions received for specific projects	327	-	(103)	224
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,680	489	(1,113)	33,056
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	147	(269)	12,334
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	107	-	10,103
Constrained Works Res-Opr Grants & Contribs	Unexpended operating grants and contributions received for specific projects	224	-	-	224
Tree Planting Reserve	Acquisition and planting of trees on footpaths	85	1	(1)	85
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		93,046	1,203	(1,617)	92,632
Separate Charge Reserve:					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	1,457	-	-	1,457
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	2,162	(162)	2,000
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	121	(79)	81
		1,496	2,283	(241)	3,538
Special Charge Reserve - Other:					
Bay Island Rural Fire Levy Reserve*	Pass on revenue collected from levy to the Bay Island Rural Fire Brigade	-	-	-	-
		-	-	-	-
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	754	1	-	755
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	428	-	-	428
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	-	-	219
1718 Aquatic Paradise Canal Reserve	Service, facility or activity of works in respect of the canals of the Aquatic Paradise canal estate	(495)	-	-	(495)
1718 Sovereign Waters Lake Reserve	Service, facility or activity of works in respect of the lake	(56)	-	-	(56)
		850	1	-	851
TOTALS		102,771	8,456	(1,932)	109,295
		Closing cash and cash equivalents		145,324	
		Reserves as percentage of cash balance		75%	

* Note: During the 2018/2019 end of year close the Bay Island Rural Fire Levy reserve was closed.

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 31 July 2019

	Annual	YTD	YTD	YTD
	Original Budget \$000	Budget \$000	Actual \$000	Variance \$000
Total revenue	116,436	9,407	8,881	(526)
Total expenses	66,474	4,966	4,389	(577)
Earnings before interest, tax and depreciation (EBITD)	49,963	4,441	4,492	51
External interest expense	136	11	11	-
Internal interest expense	14,867	1,239	1,239	-
Depreciation	23,823	1,985	2,012	27
Operating surplus / (deficit)	11,136	1,206	1,230	24

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 31 July 2019

	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	2,537	211	244	33
Net transfer (to) / from constrained capital reserves	(1,982)	(66)	(244)	(178)
Non-cash contributions	3,399	283	-	(283)
Funding from utility revenue	4,172	570	8	(562)
Total sources of capital funding	8,126	998	8	(990)
Contributed assets	3,399	283	-	(283)
Capitalised expenditure	4,179	681	19	(662)
Loan redemption	549	34	(11)	(45)
Total application of capital funds	8,126	998	8	(990)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 31 July 2019

	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	33,701	6,961	6,940	(21)
Total expenses	26,197	2,106	2,124	18
Earnings before interest, tax and depreciation (EBITD)	7,504	4,855	4,816	(39)
External interest expense	31	3	3	-
Depreciation	278	23	25	2
Operating surplus / (deficit)	7,195	4,829	4,788	(41)

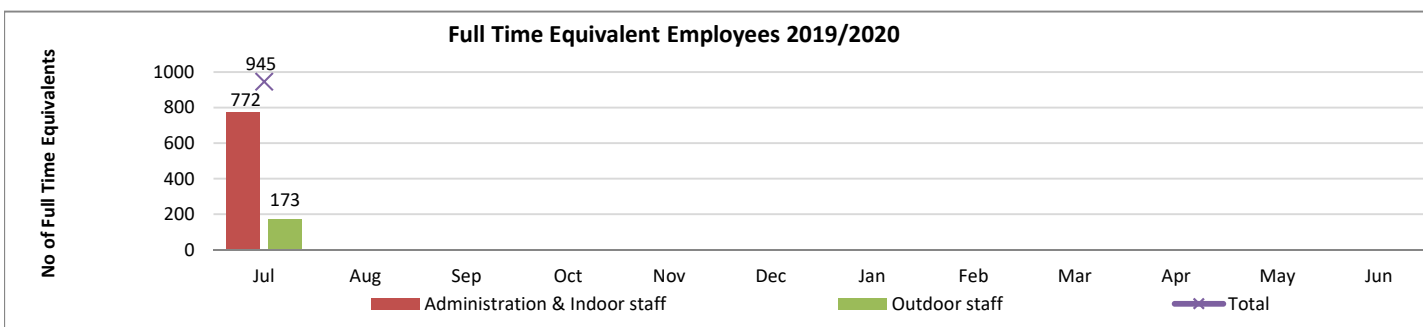
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 July 2019

	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Non-cash contributions	-	-	-	-
Funding from utility revenue	746	247	145	(102)
Total sources of capital funding	746	247	145	(102)
Capitalised expenditure	608	152	31	(121)
Loan redemption	138	95	114	19
Total application of capital funds	746	247	145	(102)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting

Council has an approved establishment of 846* headcount and 813* FTE. The information below includes temporary and contract of service positions that are budgeted within the year for project and other deliverables. Of note, these temporary and contract of service positions do not increase the approved establishment.



* This consists of permanent full-time employees 748 (748 FTE) and part-time employees 98 (65 FTE).

July 2019: Headcount	Employee Type						
Department Level	Casual	Contract of Service	Perm Full	Perm Part	Temp Full	Temp Part	Total
Office of CEO	7	2	28	5	5	2	49
Organisational Services	6	6	180	13	25	3	233
Community and Customer Services	37	5	236	64	44	10	396
Infrastructure and Operations	28	5	304	16	27	2	382
Total	78	18	748	98	101	17	1,060

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.

Overdue Rates Debtors

Days Overdue	Jul-19	% Overdue	Jul-18	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$15,270	0.0%	\$881	0.0%	\$14,389	0.0%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$2,144	0.0%	\$1,704	0.0%	\$440	0.0%	
61 - 90	\$2,847,673	4.4%	\$2,729,035	3.7%	\$118,638	0.7%	
>90	\$4,483,608	6.9%	\$4,410,425	6.0%	\$73,183	0.9%	
Total	\$7,348,695	11.3%	\$7,142,045	9.7%	\$206,650	1.6%	

13. GLOSSARY

Key Terms

Written Down Value:

This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.

Work In Progress:

This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.

Definition of Ratios

Operating Surplus Ratio*:

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes

Net Operating Surplus

Total Operating Revenue

Asset Sustainability Ratio*:

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

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)

Depreciation Expenditure on Infrastructure Assets

Net Financial Liabilities*:

This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues

Total Liabilities - Current Assets

Total Operating Revenue

Level of Dependence on General Rate Revenue:

This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)

General Rates - Pensioner Remissions

Total Operating Revenue - Gain on Sale of Developed Land

Current Ratio:

This measures the extent to which Council has liquid assets available to meet short term financial obligations

Current Assets

Current Liabilities

Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense** + Loan Redemption

Total Operating Revenue - Gain on Sale of Developed Land

Cash Balance - \$M:

Cash balance includes cash on hand, cash at bank and other short term investments.

Cash Held at Period End

Cash Capacity in Months:

This provides an indication as to the number of months cash held at period end would cover operating cash outflows

Cash Held at Period End

[[Cash Operating Costs + Interest Expense] / Period in Year]

Longer Term Financial Stability - Debt to Asset Ratio:

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

Current and Non-current loans

Total Assets

Operating Performance:

This ratio provides an indication of Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

Interest Coverage Ratio:

This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges

Net Interest Expense on Debt Service**

Total Operating Revenue

* 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.

** Interest expense includes interest on leases.