



Monthly Financial Report

September 2019



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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 30 September 2019. The year to date annual revised budget referred to in this report incorporates the changes from budget capital carryovers adopted by Council on 28 August 2019.

The opening balances for the current year were audited by Queensland Audit Office (QAO). As such, the financial position for the month of September may adjust over the coming months until Council receives QAO certification in October 2019.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Revised Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	195	5,884	8,504	2,620	45%	✓
Recurrent Revenue	297,572	77,932	77,030	(902)	-1%	✗
Recurrent Expenditure	297,377	72,048	68,526	(3,522)	-5%	✓
Capital Works Expenditure	81,285	18,957	8,757	(10,200)	-54%	✓
Closing Cash & Cash Equivalents	167,928	162,502	162,371	(131)	0%	✗

Council reported a year to date operating surplus of \$8.50M which is favourable to the revised budget by \$2.62M. Bulk water consumption is lower than expected, resulting in lower than expected revenue. Of note, interest income is lower than budget due to lower than expected interest rates on investments. The favourable variance in recurrent expenditure is mainly due to underspend in bulk water costs and contractor costs.

Capital grants, subsidies and contributions are above budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$10.20M due to timing of works for a number of infrastructure projects and land acquisition.

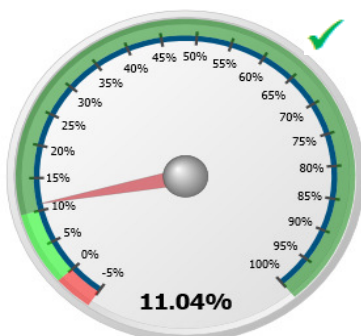
Constrained cash reserves represent 70% of the cash balance.

2. KEY PERFORMANCE INDICATORS

■ Target met
 ■ Target exceeded
 ■ Target not met

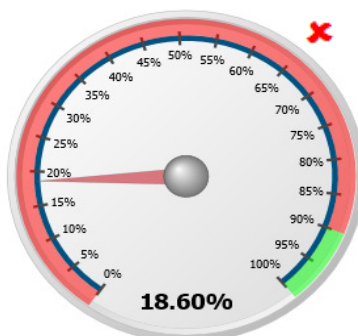
Operating Surplus Ratio (%)
Between 0% and 10%

Annual Revised Budget 0.07%



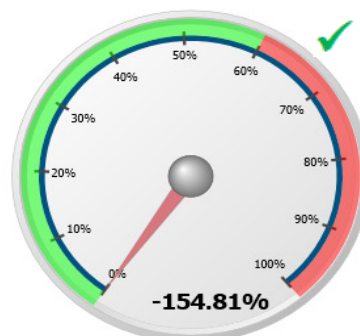
Asset Sustainability Ratio (%)
Greater than 90%

Annual Revised Budget 69.86%



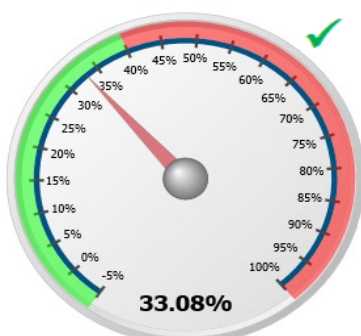
Net Financial Liabilities (%)*
Less than 60%

Annual Revised Budget -31.82%



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

Annual Revised Budget 34.30%



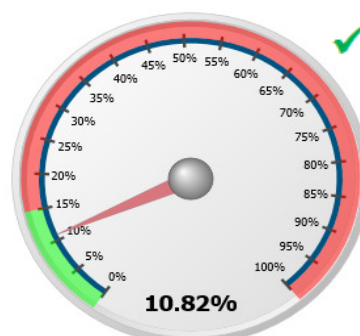
Ability to Pay Our Bills - Current Ratio
Between 1.1 and 4.1

Annual Revised Budget 3.61



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

Annual Revised Budget 3.13%



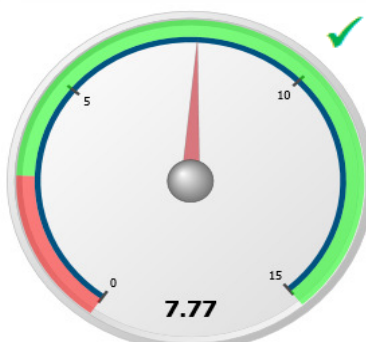
Cash Balance \$M
Greater or equal to \$50M

Annual Revised Budget \$167.928



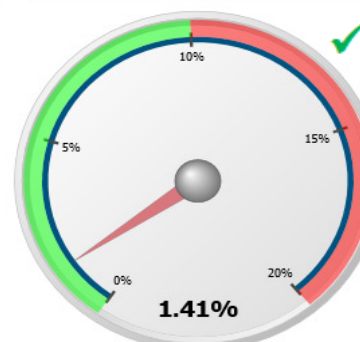
Cash Balances - Cash Capacity in Months
Greater than 3 Months

Annual Revised Budget 8.39



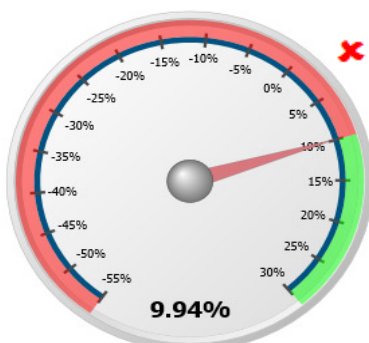
Longer Term Financial Stability - Debt to Asset Ratio (%)
Less than or equal to 10%

Annual Revised Budget 1.77%



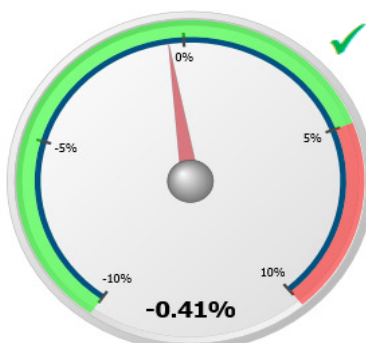
Operating Performance (%)
Greater than or equal to 10%

Annual Revised Budget 24.76%



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

Annual Revised Budget -0.97%



* 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 30 September 2019					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates charges	104,953	104,953	26,060	26,196	136
Levies and utility charges	152,328	152,328	38,259	37,311	(948)
Less: Pensioner remissions and rebates	(3,333)	(3,333)	(800)	(813)	(13)
Fees	14,632	14,632	3,902	3,773	(129)
Rental income	925	925	219	260	41
Interest received	5,231	5,231	1,221	909	(312)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,856	948	1,435	487
Other income	525	525	65	321	256
Grants, subsidies and contributions	18,456	18,456	8,058	7,638	(420)
Total recurrent revenue	297,572	297,572	77,932	77,030	(902)
Recurrent expenses					
Employee benefits	90,372	90,372	22,875	23,010	135
Materials and services	140,138	140,138	32,481	29,633	(2,848)
Finance costs	2,809	2,809	701	669	(32)
Depreciation and amortisation	65,279	65,279	16,320	15,577	(743)
Other expenditure	514	514	105	61	(44)
Net internal costs	(1,735)	(1,735)	(434)	(424)	10
Total recurrent expenses	297,377	297,377	72,048	68,526	(3,522)
OPERATING SURPLUS / (DEFICIT)	195	195	5,884	8,504	2,620
Capital revenue					
Grants, subsidies and contributions	24,492	25,436	6,053	8,959	2,906
Non-cash contributions	3,480	3,480	864	-	(864)
Total capital revenue	27,973	28,916	6,917	8,959	2,042
Capital expenses					
(Gain) / loss on disposal of non-current assets	112	112	8	54	46
Total capital expenses	112	112	8	54	46
TOTAL INCOME	325,545	326,488	84,849	85,989	1,140
TOTAL EXPENSES	297,489	297,489	72,056	68,580	(3,476)
NET RESULT	28,056	28,999	12,793	17,409	4,616
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	28,999	12,793	17,409	4,616

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 30 September 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse collection rate charge	26,968	26,968	6,680	6,524	(156)
SES separate charge	487	487	122	121	(1)
Environment separate charge	8,721	8,721	2,169	2,166	(3)
Separate charge landfill remediation	2,896	2,896	720	719	(1)
Wastewater charges	46,347	46,347	11,499	11,281	(218)
Water access charges	19,105	19,105	4,739	4,735	(4)
Water consumption charges	47,804	47,804	12,330	11,765	(565)
Total levies and utility charges	152,328	152,328	38,259	37,311	(948)

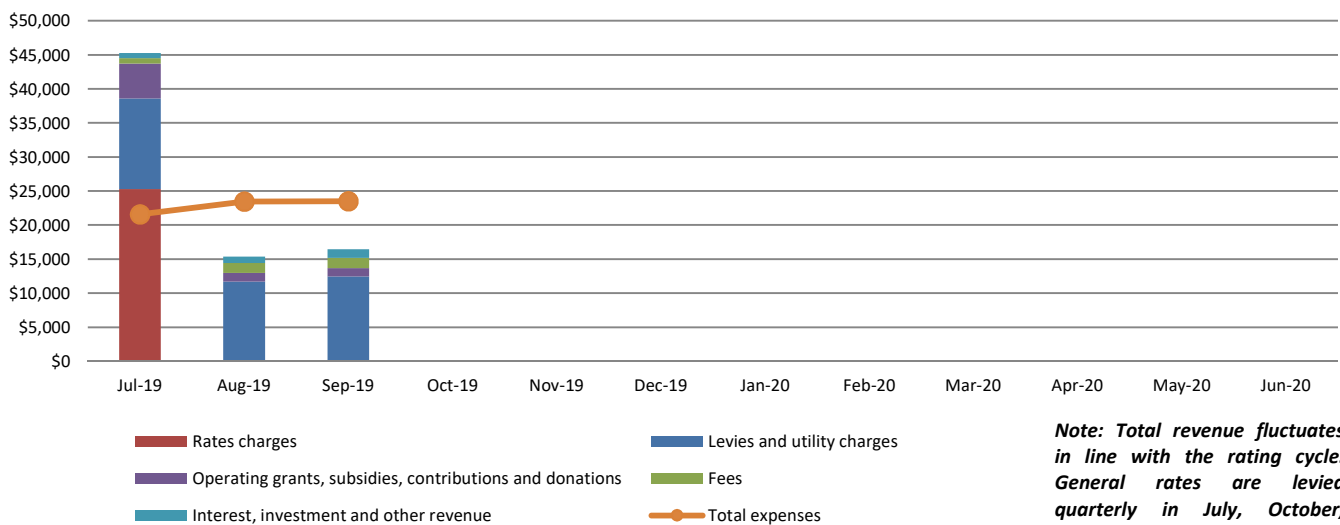
MATERIALS AND SERVICES ANALYSIS For the period ending 30 September 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	41,225	40,926	8,438	7,405	(1,033)
Consultants	3,291	3,427	596	153	(443)
Other Council outsourcing costs*	17,527	17,600	4,019	3,884	(135)
Purchase of materials	50,161	50,205	12,748	11,556	(1,192)
Office administration costs	11,357	11,323	2,718	2,767	49
Electricity charges	6,138	6,138	1,525	1,372	(153)
Plant operations	3,873	3,873	868	931	63
Information technology resources	3,080	3,080	783	737	(46)
General insurance	1,195	1,195	295	294	(1)
Community assistance**	1,649	1,729	341	372	31
Other material and service expenses	642	642	150	162	12
Total materials and services	140,138	140,138	32,481	29,633	(2,848)

* 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.

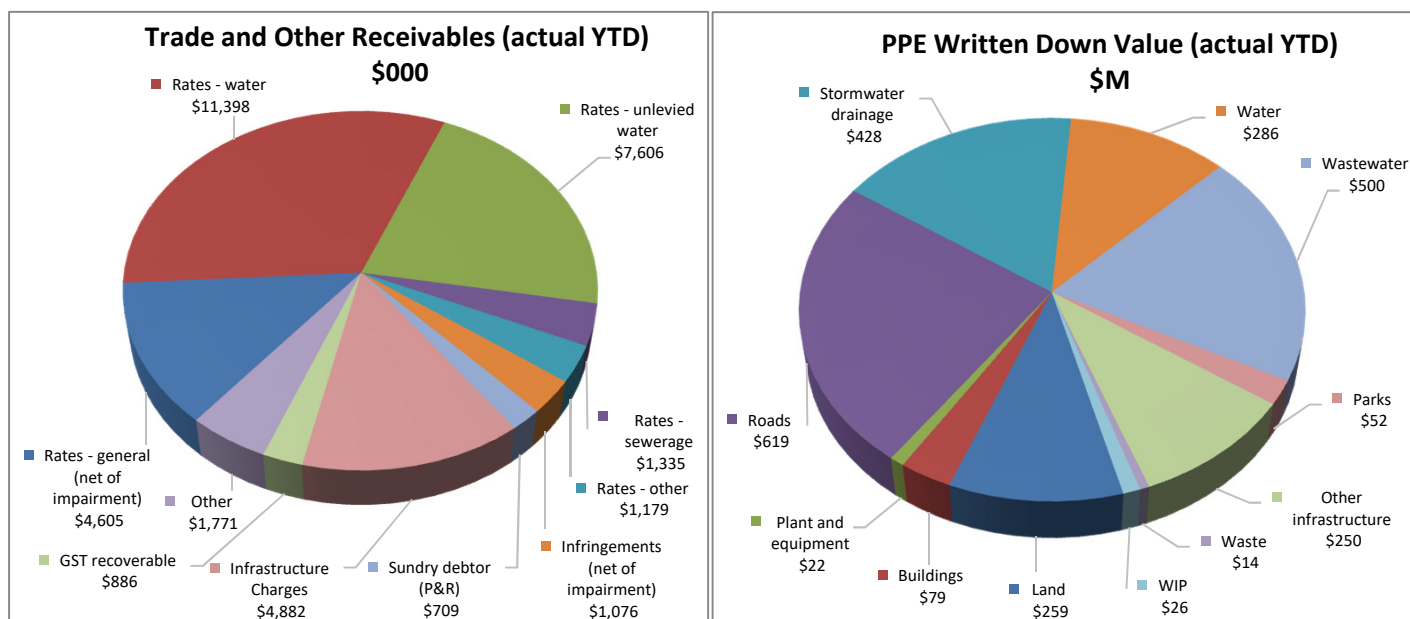
4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 30 September 2019

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	170,027	167,928	162,502	162,371
Trade and other receivables	30,532	34,609	32,407	35,447
Inventories	936	923	953	918
Non-current assets held for sale	-	-	11,113	11,113
Other current assets	1,765	2,340	2,340	5,904
Total current assets	203,260	205,800	209,315	215,753
NON-CURRENT ASSETS				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,562,000	2,545,561	2,535,041
Intangible assets	968	712	1,425	1,699
Right-of-use assets*	8,278	8,278	9,188	9,200
Other financial assets	73	73	73	73
Investment in other entities	25,904	24,214	13,101	13,101
Total non-current assets	2,591,706	2,596,368	2,570,439	2,560,205
TOTAL ASSETS	2,794,966	2,802,168	2,779,754	2,775,958
CURRENT LIABILITIES				
Trade and other payables	23,817	30,981	29,718	26,995
Borrowings - current	7,728	7,845	7,845	7,845
Lease liability - current*	1,039	1,039	1,039	1,037
Provisions - current	7,816	10,351	14,088	14,824
Other current liabilities	2,940	6,803	8,675	2,067
Total current liabilities	43,340	57,019	61,365	52,768
NON-CURRENT LIABILITIES				
Borrowings - non-current	33,400	33,283	21,950	22,005
Lease liability - non-current*	7,412	7,412	8,191	8,147
Provisions - non-current	14,752	13,409	13,408	13,581
Total non-current liabilities	55,563	54,104	43,549	43,733
TOTAL LIABILITIES	98,904	111,123	104,914	96,501
NET COMMUNITY ASSETS	2,696,062	2,691,045	2,674,840	2,679,457
COMMUNITY EQUITY				
Asset revaluation surplus	1,003,168	1,008,120	1,008,120	1,008,120
Retained surplus	1,575,901	1,576,278	1,563,582	1,558,172
Constrained cash reserves	116,993	106,647	103,138	113,165
TOTAL COMMUNITY EQUITY	2,696,062	2,691,045	2,674,840	2,679,457

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

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT OF USE ASSETS For the period ending 30 September 2019

	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual Balance \$'000
Right of Use Asset				
Buildings	3,491	3,491	3,956	3,956
Land	4,372	4,372	4,782	4,782
Plant and Equipment	415	415	450	462
Closing balance	8,278	8,278	9,188	9,200

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 September 2019

	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual Balance \$'000
PPE movement				
Opening balance (includes WIP from previous years)	2,558,126	2,541,881	2,541,881	2,541,881
Acquisitions and WIP in year movement	61,912	84,764	19,822	8,518
Depreciation in year	(63,114)	(63,114)	(15,779)	(15,058)
Disposals	(1,531)	(1,531)	(363)	(389)
Other adjustments**	-	-	-	89
Closing balance	2,555,393	2,562,000	2,545,561	2,535,041

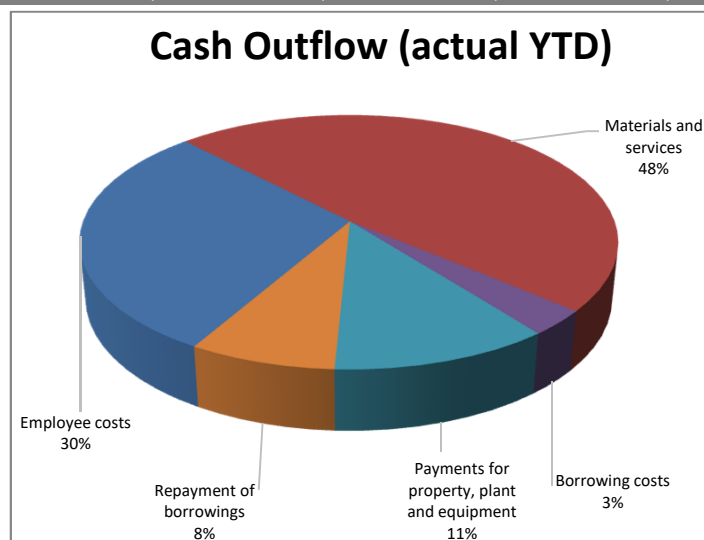
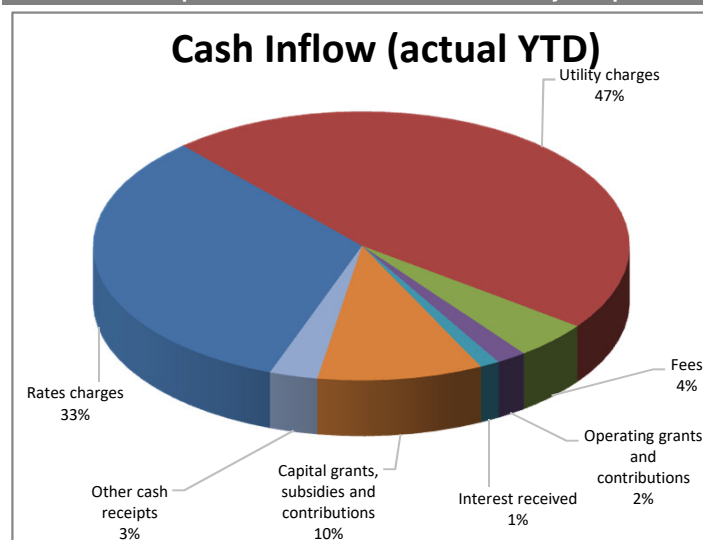
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

** 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 30 September 2019

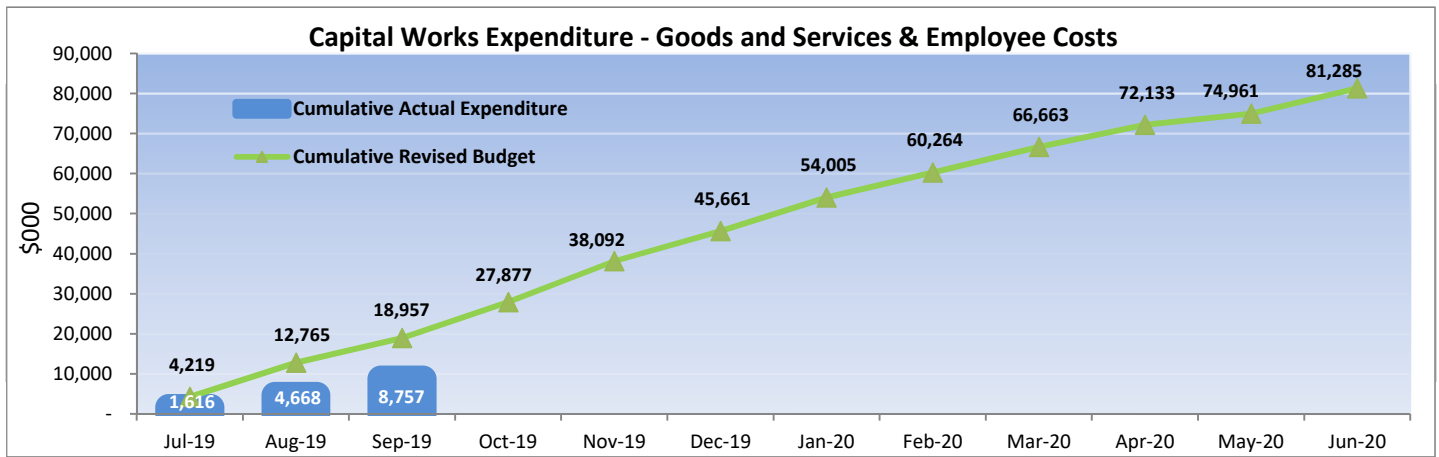
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	272,371	272,371	69,920	67,040
Payments to suppliers and employees*	(237,536)	(237,536)	(60,474)	(60,220)
	34,835	34,835	9,446	6,820
Interest received	5,231	5,231	1,221	909
Dividend received	-	-	-	-
Rental income	925	925	219	260
Non-capital grants and contributions	16,097	16,097	7,698	1,416
Borrowing costs*	(2,480)	(2,480)	(2,461)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(67)	(66)
Net cash inflow / (outflow) from operating activities	54,342	54,342	16,056	6,923
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(58,432)	(78,599)	(16,271)	(8,505)
Payments for intangible assets	-	-	-	(252)
Proceeds from sale of property, plant and equipment	1,419	1,419	355	335
Capital grants, subsidies and contributions	24,492	25,436	6,053	7,714
Other cash flows from investing activities	-	-	-	(90)
Net cash inflow / (outflow) from investing activities	(32,521)	(51,744)	(9,863)	(798)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	9,800	9,800	-	-
Repayment of borrowings*	(5,527)	(5,527)	(5,527)	(5,531)
Right-of-use lease payment	(1,039)	(1,039)	(260)	(319)
Net cash inflow / (outflow) from financing activities	3,234	3,234	(5,787)	(5,850)
Net increase / (decrease) in cash held	25,055	5,832	406	275
Cash and cash equivalents at the beginning of the year	144,972	162,096	162,096	162,096
Cash and cash equivalents at the end of the financial year / period	170,027	167,928	162,502	162,371



Total Cash Funding (Actual YTD)	77,674	Total Cash Expenditure (Actual YTD)	77,399
Total Cash Funding (Annual Revised Budget)	331,279	Total Cash Expenditure (Annual Revised Budget)	325,447
% of Budget Achieved YTD	23%	% of Budget Achieved YTD	24%

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

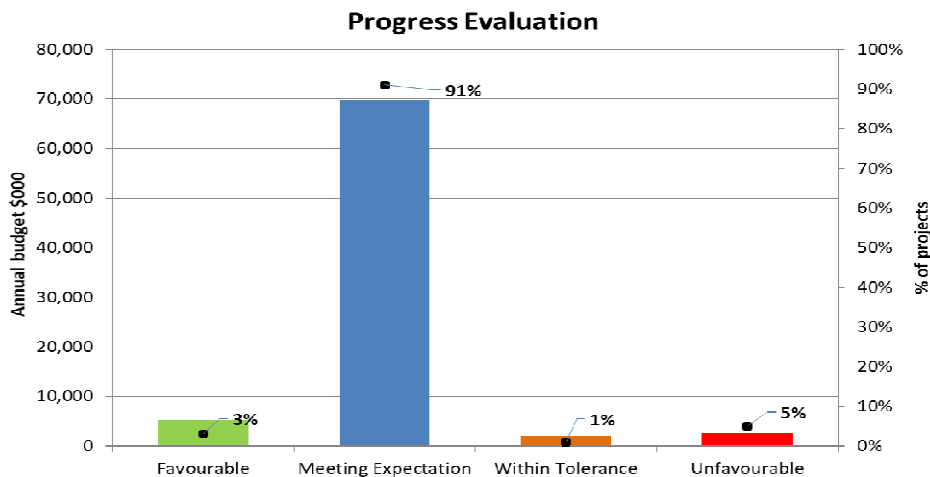
6. CAPITAL EXPENDITURE



	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	73,901	16,904	7,053	(9,851)
Capitalised employee costs	7,384	2,053	1,704	(349)
Total	81,285	18,957	8,757	(10,200)

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)
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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

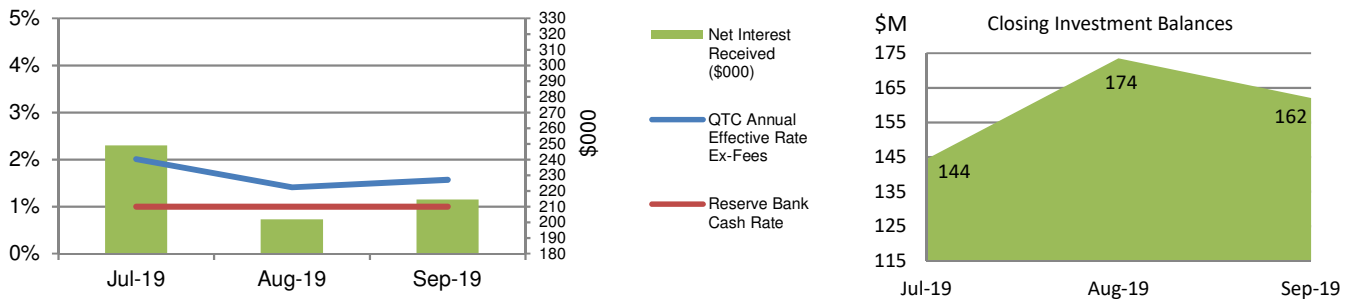
The status of two notable projects are as follows:

Project description	Progress
Dredging Southern Ramp & Ferry Landing (Victoria Point) - dredging at the Victoria Point boat/barge ramps and the ferry terminal areas.	Meeting Expectations
Footpath & Path Renewal Program - design and construct concrete pathways providing connectivity to key community areas including hospitals, schools, recreational and community activities within the Redlands.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 September 2019

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$162.00M

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

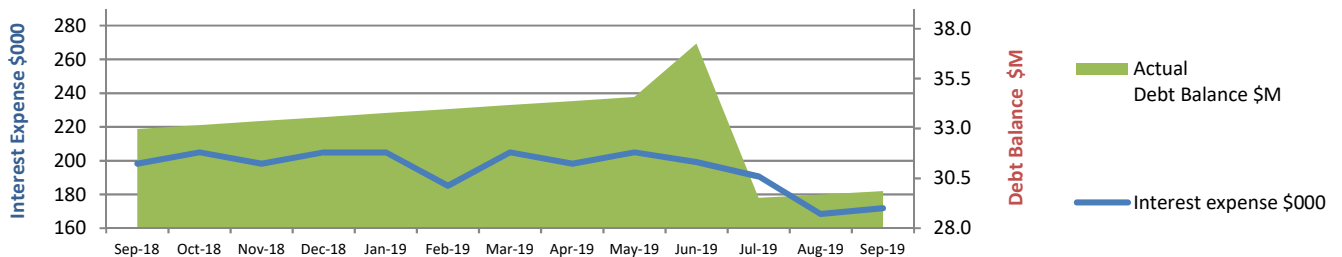
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 is 1.57%. 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.

Total Borrowings at End of Month were \$29.85M

General pool allocated to capital works is 99.67% and 0.33% 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 30 September 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	152	(1)	1,693
Waste Levy Reserve	To fund Waste Levy Program	-	4,646	(1,129)	3,517
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,765	823	(814)	1,774
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	7	-	7
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	839	(197)	4,714
		7,379	6,467	(2,141)	11,705
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	1,368	(144)	9,122
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	220	-	2,771
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	431	-	14,704
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	1,569	(15)	12,968
Constrained Works Res-Cap Grants & Contris	Unexpended capital grants and contributions received for specific projects	327	-	(147)	180
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,680	3,084	(1,943)	34,821
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	1,004	(972)	12,488
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	562	-	10,558
Constrained Works Res-Opr Grants & Contris	Unexpended operating grants and contributions received for specific projects	224	-	-	224
Tree Planting Reserve	Acquisition and planting of trees on footpaths	85	18	(9)	94
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		93,046	8,256	(3,230)	98,072
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	-	2,165	(1,065)	1,100
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	121	(181)	(21)
		1,496	2,286	(1,246)	2,536
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	1	-	429
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	2	-	852
TOTALS		102,771	17,011	(6,617)	113,165
		Closing cash and cash equivalents			162,371
		Reserves as percentage of cash balance			70%

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT For the period ending 30 September 2019					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	116,436	116,436	29,386	29,117	(269)
Total expenses	66,474	66,473	16,844	15,719	(1,125)
Earnings before interest, tax and depreciation (EBITD)	49,963	49,963	12,542	13,398	856
External interest expense	136	136	34	34	-
Internal interest expense	14,867	14,867	3,717	3,717	-
Depreciation	23,823	23,823	5,956	6,009	53
Operating surplus / (deficit)	11,136	11,136	2,835	3,638	803

REDLAND WATER CAPITAL FUNDING STATEMENT For the period ending 30 September 2019					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	2,537	2,537	634	2,001	1,367
Net transfer (to) / from constrained capital reserves	(1,982)	295	(434)	(1,981)	(1,547)
Non-cash contributions	3,399	3,399	850	-	(850)
Funding from utility revenue	4,172	7,576	781	235	(546)
Total sources of capital funding	8,126	13,807	1,831	255	(1,576)
Contributed assets	3,399	3,399	850	-	(850)
Capitalised expenditure	4,179	9,859	844	135	(709)
Loan redemption	549	549	137	120	(17)
Total application of capital funds	8,126	13,807	1,831	255	(1,576)

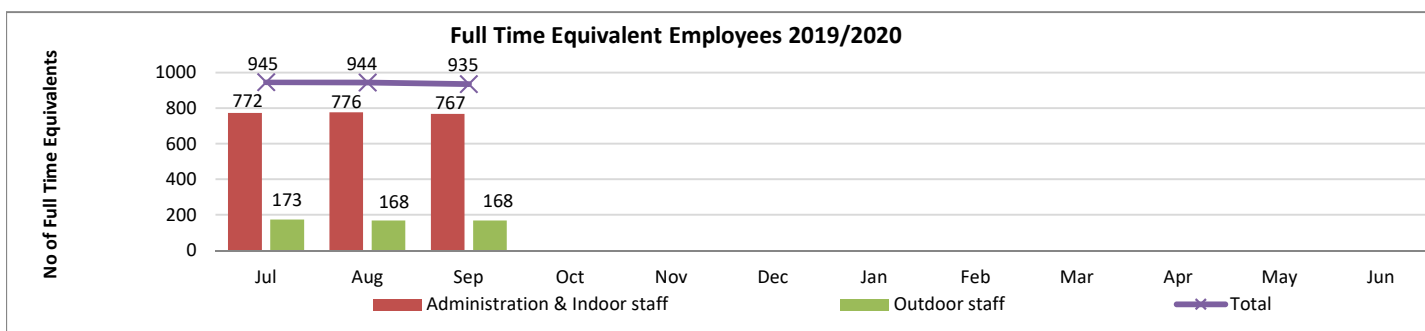
11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 30 September 2019					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	33,701	33,701	11,781	11,739	(42)
Total expenses	26,197	26,197	6,568	6,167	(401)
Earnings before interest, tax and depreciation (EBITD)	7,504	7,504	5,213	5,572	359
External interest expense	31	31	8	7	(1)
Depreciation	278	278	70	74	4
Operating surplus / (deficit)	7,195	7,195	5,135	5,491	356

REDWASTE CAPITAL FUNDING STATEMENT For the period ending 30 September 2019					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	746	746	255	193	(62)
Total sources of capital funding	746	746	255	193	(62)
Capitalised expenditure	608	608	152	84	(68)
Loan redemption	138	138	103	109	6
Total application of capital funds	746	746	255	193	(62)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



September 2019: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO	8	37	9	54
Organisational Services	5	207	18	230
Community and Customer Services	34	271	78	383
Infrastructure and Operations	34	335	19	388
Total	81	850	124	1,055

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. Following Ourspace, the table includes contract of service and temporary personnel. It includes casual staff in their non-substantive roles as at the end of the period where relevant.

Overdue Rates Debtors

Days Overdue	Sep-19	% Overdue	Sep-18	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$3,761	0.0%	\$1,112	0.0%	\$2,649	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	\$3,852,572	5.1%	\$3,602,724	4.9%	\$249,848	0.2%	
61 - 90	\$2,266	0.0%	\$432	0.0%	\$1,833	0.0%	
91 - 180	\$1,804,127	2.4%	\$1,714,466	2.3%	\$89,661	0.1%	
>180	\$3,518,703	4.6%	\$3,443,598	4.7%	\$75,106	-0.1%	
Total	\$9,181,429	12.1%	\$8,762,332	11.9%	\$419,097	0.2%	

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.