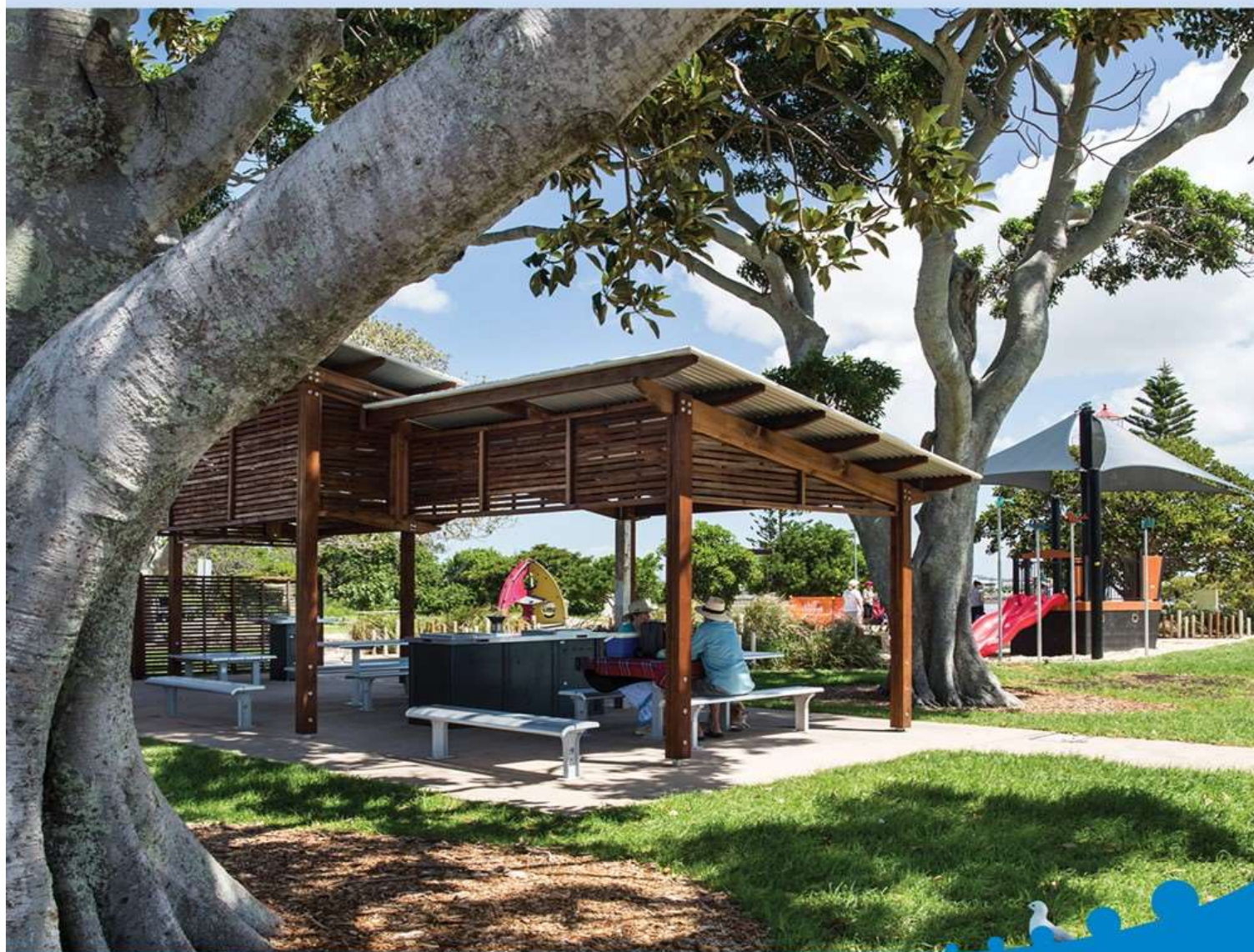




Monthly Financial Report

August 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 31 August 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 August 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	14,453	15,570	1,117	8%	✓
Recurrent Revenue	297,572	61,213	60,595	(618)	-1%	✗
Recurrent Expenditure	297,377	46,760	45,025	(1,735)	-4%	✓
Capital Works Expenditure	78,599	12,765	4,668	(8,097)	-63%	✓
Closing Cash & Cash Equivalents	167,928	173,762	173,942	180	0%	✓

Council reported an operating surplus for the month of \$15.57M. 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 the second month of the year, trends will start to emerge as the first quarter progresses.

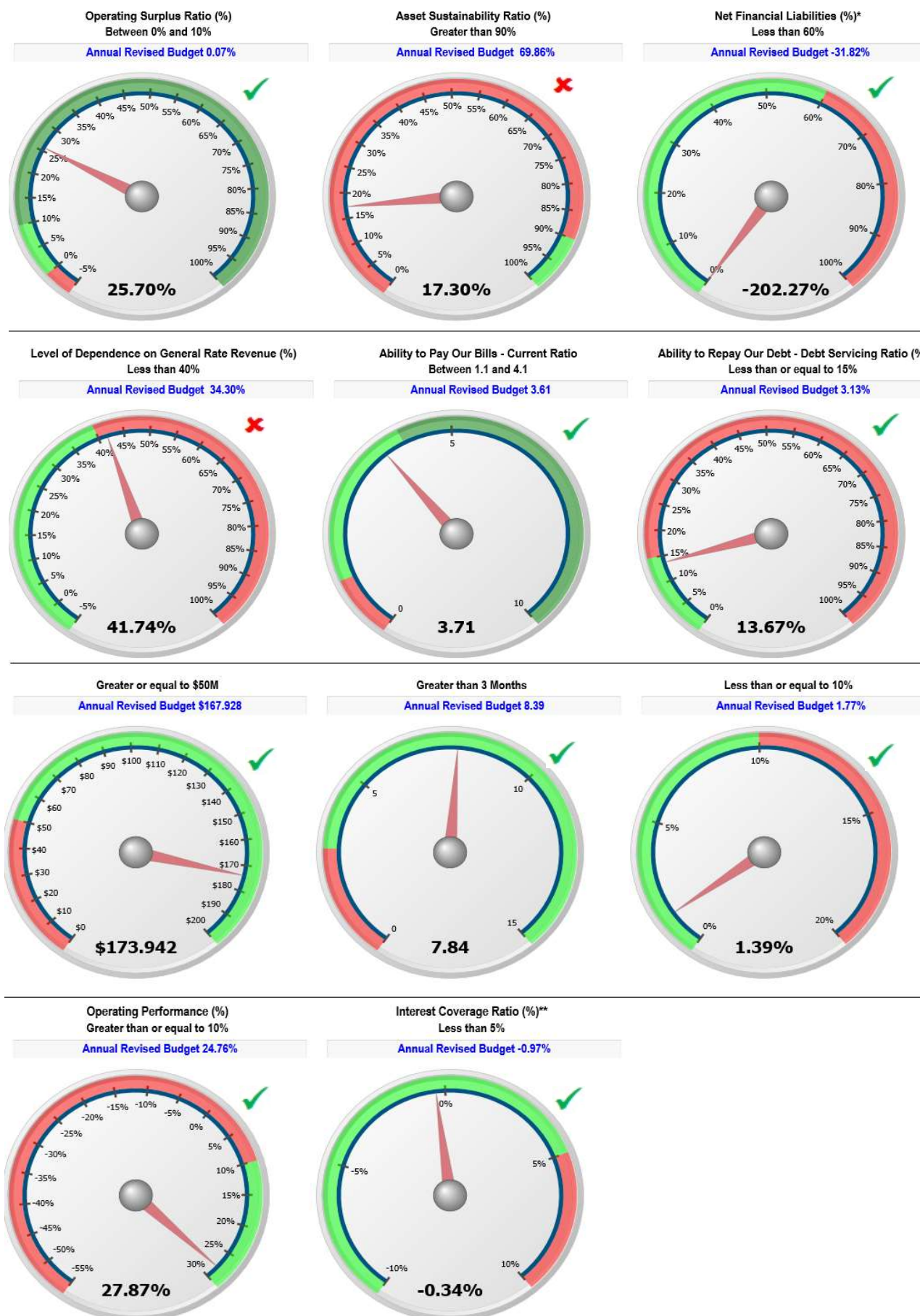
Capital grants, subsidies and contributions are above budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$8.10M due to timing of works for a number of infrastructure projects.

Constrained cash reserves represent 65% of the cash balance.

2. KEY PERFORMANCE INDICATORS

■ Target met
 ■ Target exceeded
 ■ Target not met



* 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 August 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	25,818	26,007	189
Levies and utility charges	152,328	152,328	25,862	25,021	(841)
Less: Pensioner remissions and rebates	(3,333)	(3,333)	(773)	(784)	(11)
Fees	14,632	14,632	2,415	2,282	(133)
Rental income	925	925	142	238	96
Interest received	5,231	5,231	808	612	(196)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,856	531	701	170
Other income	525	525	25	111	86
Grants, subsidies and contributions	18,456	18,456	6,385	6,407	22
Total recurrent revenue	297,572	297,572	61,213	60,595	(618)
Recurrent expenses					
Employee benefits	90,372	90,372	15,553	15,544	(9)
Materials and services	140,138	140,138	20,090	18,934	(1,156)
Finance costs	2,809	2,809	468	486	18
Depreciation and amortisation	65,279	65,279	10,880	10,270	(610)
Other expenditure	514	514	58	73	15
Net internal costs	(1,735)	(1,735)	(289)	(282)	7
Total recurrent expenses	297,377	297,377	46,760	45,025	(1,735)
OPERATING SURPLUS / (DEFICIT)	195	195	14,453	15,570	1,117
Capital revenue					
Grants, subsidies and contributions	24,492	25,436	4,185	6,469	2,284
Non-cash contributions	3,480	3,480	576	-	(576)
Total capital revenue	27,973	28,916	4,761	6,469	1,708
Capital expenses					
(Gain) / loss on disposal of non-current assets	112	112	5	(68)	(73)
Total capital expenses	112	112	5	(68)	(73)
TOTAL INCOME	325,545	326,488	65,974	67,064	1,090
TOTAL EXPENSES	297,489	297,489	46,765	44,957	(1,808)
NET RESULT	28,056	28,999	19,209	22,107	2,898
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	19,209	22,107	2,898

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 August 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	4,436	4,338	(98)
SES separate charge	487	487	122	121	(1)
Environment separate charge	8,721	8,721	2,159	2,162	3
Separate charge landfill remediation	2,896	2,896	478	479	1
Wastewater charges	46,347	46,347	7,550	7,538	(12)
Water access charges	19,105	19,105	3,136	3,159	23
Water consumption charges	47,804	47,804	7,981	7,224	(757)
Total levies and utility charges	152,328	152,328	25,862	25,021	(841)

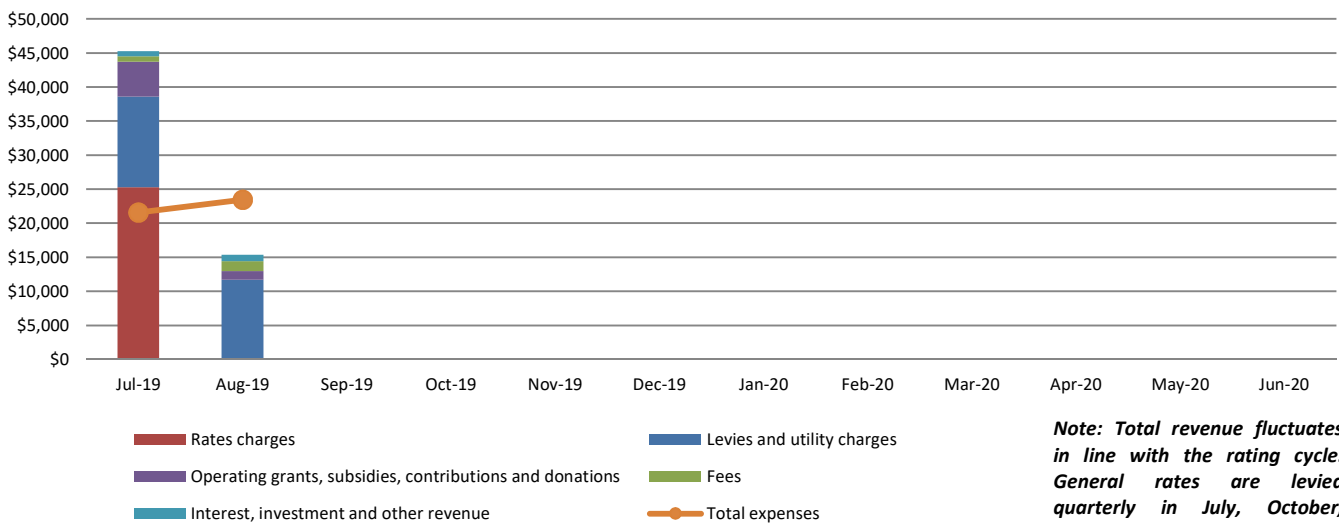
MATERIALS AND SERVICES ANALYSIS For the period ending 31 August 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	41,225	41,006	4,788	4,548	(240)
Consultants	3,291	3,347	193	117	(76)
Other Council outsourcing costs*	17,527	17,600	2,674	2,654	(20)
Purchase of materials	50,161	50,205	8,079	7,378	(701)
Office administration costs	11,357	11,323	1,843	1,850	7
Electricity charges	6,138	6,138	988	903	(85)
Plant operations	3,873	3,873	528	547	19
Information technology resources	3,080	3,080	477	430	(47)
General insurance	1,195	1,195	197	178	(19)
Community assistance**	1,649	1,729	212	198	(14)
Other material and service expenses	642	642	111	131	20
Total materials and services	140,138	140,138	20,090	18,934	(1,156)

* 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)



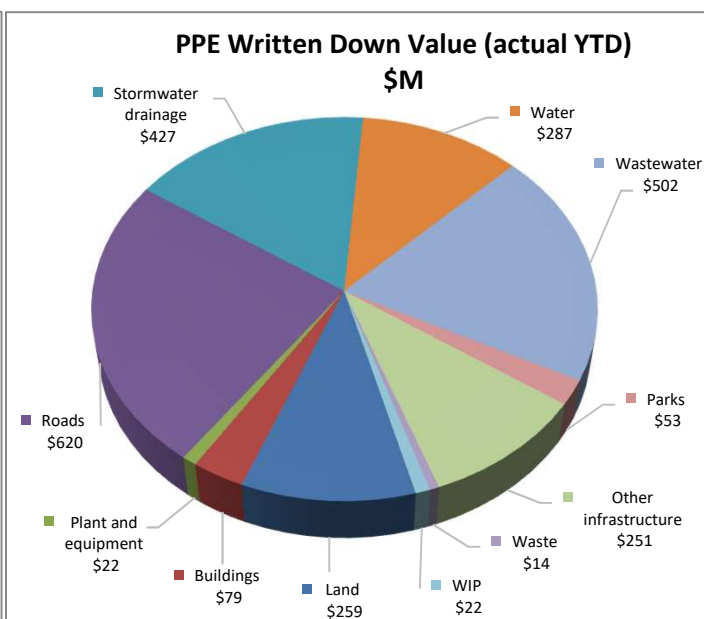
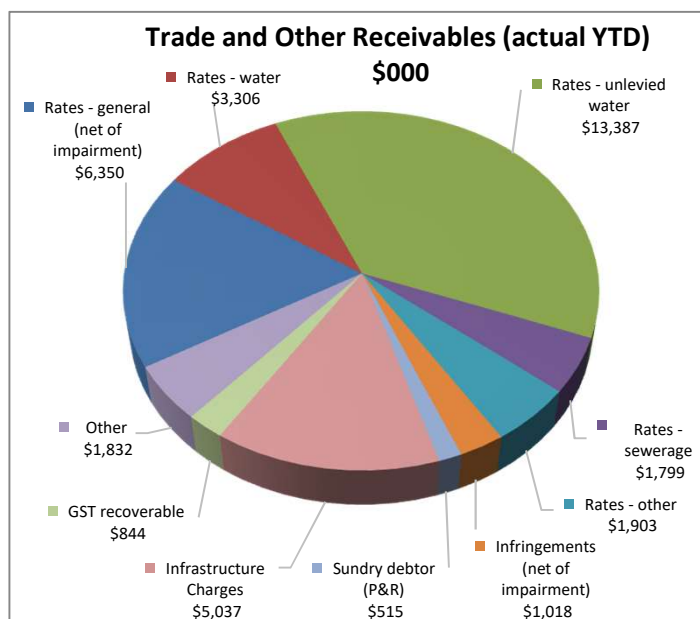
4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 August 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	173,762	173,942
Trade and other receivables	30,532	34,609	34,074	35,991
Inventories	936	923	955	936
Non-current assets held for sale	-	-	-	11,113
Other current assets	1,765	2,340	5,025	5,572
Total current assets	203,260	205,800	213,816	227,554
NON-CURRENT ASSETS				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,562,000	2,544,462	2,536,254
Intangible assets	968	712	1,504	1,767
Right-of-use assets*	8,278	8,278	9,289	9,301
Other financial assets	73	73	73	73
Investment in other entities	25,904	24,214	24,214	13,101
Total non-current assets	2,591,706	2,596,368	2,580,633	2,561,587
TOTAL ASSETS	2,794,966	2,802,168	2,794,449	2,789,141
CURRENT LIABILITIES				
Trade and other payables	23,817	30,981	29,928	26,689
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	14,683	14,893
Other current liabilities	2,940	6,803	16,234	10,935
Total current liabilities	43,340	57,019	69,729	61,399
NON-CURRENT LIABILITIES				
Borrowings - non-current	33,400	33,283	21,780	21,833
Lease liability - non-current*	7,412	7,412	8,278	8,176
Provisions - non-current	14,752	13,409	13,408	13,580
Total non-current liabilities	55,563	54,104	43,466	43,589
TOTAL LIABILITIES	98,904	111,123	113,195	104,988
NET COMMUNITY ASSETS	2,696,062	2,691,045	2,681,254	2,684,153
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	1,569,010	1,562,850
Constrained cash reserves	116,993	106,647	104,124	113,183
TOTAL COMMUNITY EQUITY	2,696,062	2,691,045	2,681,254	2,684,153

* 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 August 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	4,008	4,008
Land	4,372	4,372	4,827	4,827
Plant and Equipment	415	415	454	466
Closing balance	8,278	8,278	9,289	9,301

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 August 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	13,342	4,427
Depreciation in year	(63,114)	(63,114)	(10,519)	(9,920)
Disposals	(1,531)	(1,531)	(242)	(142)
Other adjustments**	-	-	-	8
Closing balance	2,555,393	2,562,000	2,544,462	2,536,254

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

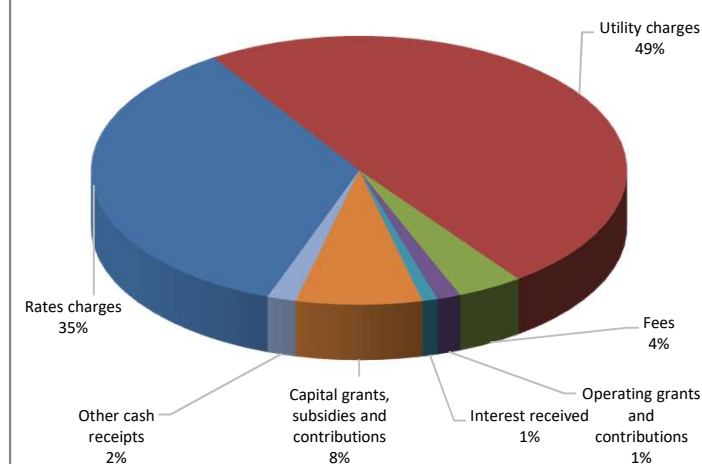
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

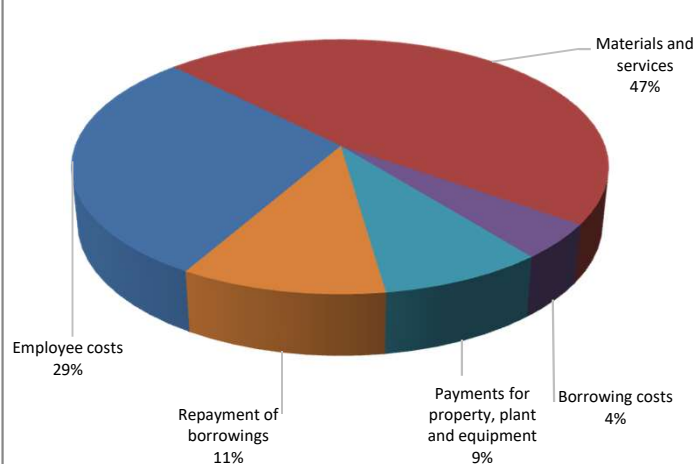
STATEMENT OF CASH FLOWS For the period ending 31 August 2019

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	272,371	272,371	61,495	59,710
Payments to suppliers and employees*	(237,536)	(237,536)	(40,018)	(41,910)
	34,835	34,835	21,477	17,800
Interest received	5,231	5,231	808	612
Dividend received	-	-	-	-
Rental income	925	925	141	239
Non-capital grants and contributions	16,097	16,097	5,787	954
Borrowing costs*	(2,480)	(2,480)	(2,459)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(44)	(44)
Net cash inflow / (outflow) from operating activities	54,342	54,342	25,710	17,145
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(58,432)	(78,599)	(12,765)	(4,415)
Payments for intangible assets	-	-	-	(252)
Proceeds from sale of property, plant and equipment	1,419	1,419	236	210
Capital grants, subsidies and contributions	24,492	25,436	4,185	5,069
Other cash flows from investing activities	-	-	-	(90)
Net cash inflow / (outflow) from investing activities	(32,521)	(51,744)	(8,344)	522
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)	(173)	(290)
Net cash inflow / (outflow) from financing activities	3,234	3,234	(5,700)	(5,821)
Net increase / (decrease) in cash held	25,055	5,832	11,666	11,846
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	173,762	173,942

Cash Inflow (actual YTD)



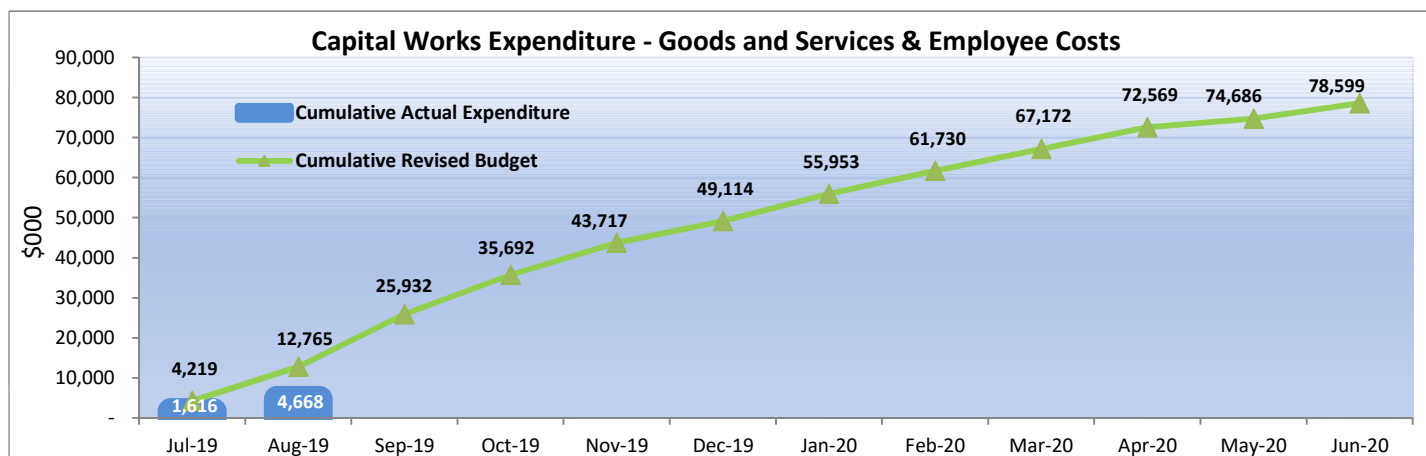
Cash Outflow (actual YTD)



Total Cash Funding (Actual YTD)	66,794	Total Cash Expenditure (Actual YTD)	54,948
Total Cash Funding (Annual Revised Budget)	331,279	Total Cash Expenditure (Annual Revised Budget)	325,447
% of Budget Achieved YTD	20%	% of Budget Achieved YTD	17%

* 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

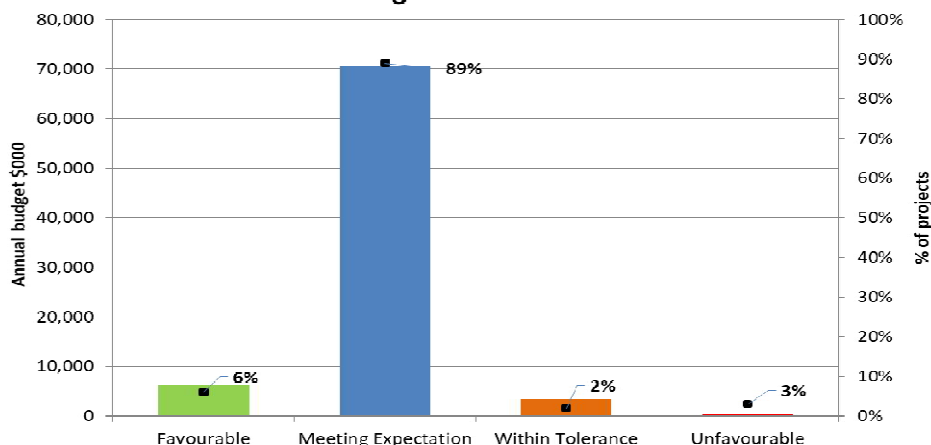


	Annual Revised Budget \$'000	YTD Revised Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services	71,215	10,503	3,529	(6,974)
Capitalised employee costs	7,384	2,262	1,139	(1,123)
Total	78,599	12,765	4,668	(8,097)

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

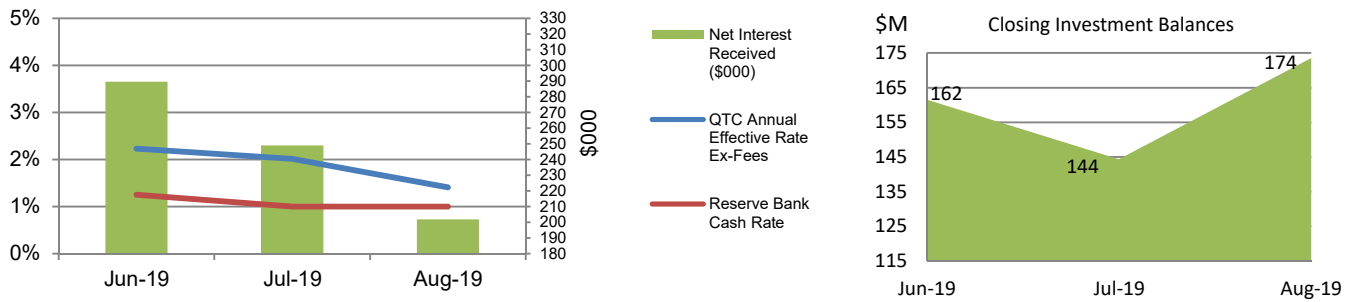
The status of two notable projects are as follows:

Project description	Progress
Energy and Solar Program aims to explore the feasibility of renewable energy (solar farm) and energy management to off-set increasing future electricity costs to Council through a number of projects.	Meeting Expectations
Culvert Upgrade Woodlands Drive, Thornlands aims to enhance the transport network within Redlands and improve freight movement within Redland City through upgrade of two culverts.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 August 2019

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$173.53M

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

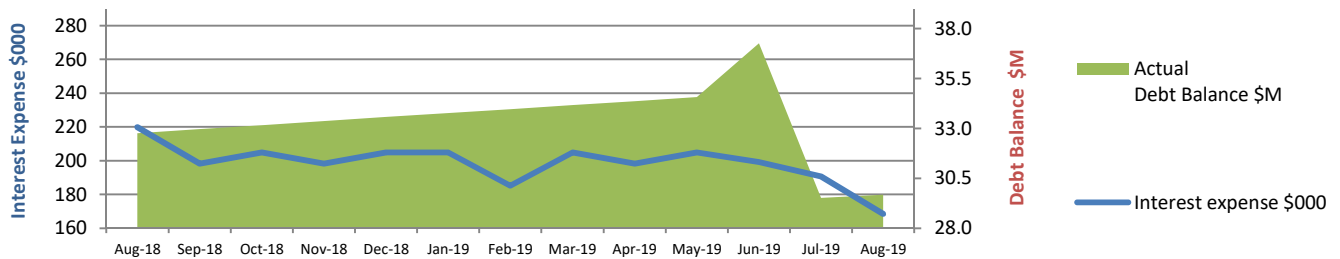
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 1.41%. 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 \$29.68M

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 August 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)	1,540
Waste Levy Reserve	To fund Waste Levy Program	-	4,620	(398)	4,222
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,765	467	(108)	2,124
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	4	-	4
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	210	(7)	4,275
		7,379	5,300	(514)	12,165
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	1,099	(137)	8,860
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	173	-	2,724
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	179	-	14,452
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	1,074	(6)	12,482
Constrained Works Res-Cap Grants & Contribs	Unexpended capital grants and contributions received for specific projects	327	-	(134)	193
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,680	2,135	(1,495)	34,320
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	862	(68)	13,250
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	443	-	10,439
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	8	(5)	88
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		93,046	5,973	(1,845)	97,174
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	(688)	1,474
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	121	(99)	61
		1,496	2,283	(787)	2,992
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	13,558	(3,146)	113,183
		Closing cash and cash equivalents			173,942
		Reserves as percentage of cash balance			65%

10. REDLAND WATER STATEMENTS

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

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	116,436	116,436	19,173	18,551	(622)
Total expenses	66,474	66,473	10,636	10,035	(601)
Earnings before interest, tax and depreciation (EBITD)	49,963	49,963	8,537	8,516	(21)
External interest expense	136	136	23	23	-
Internal interest expense	14,867	14,867	2,478	2,478	-
Depreciation	23,823	23,823	3,970	4,034	64
Operating surplus / (deficit)	11,136	11,136	2,066	1,981	(85)

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

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Capital contributions, donations, grants and subsidies	2,537	2,537	423	1,253	830
Net transfer (to) / from constrained capital reserves	(1,982)	295	(228)	(1,245)	(1,017)
Non-cash contributions	3,399	3,399	566	-	(566)
Funding from utility revenue	4,172	7,576	631	178	(453)
Total sources of capital funding	8,126	13,807	1,392	186	(1,206)
Contributed assets	3,399	3,399	566	-	(566)
Capitalised expenditure	4,179	9,859	735	66	(669)
Loan redemption	549	549	91	120	29
Total application of capital funds	8,126	13,807	1,392	186	(1,206)

11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT For the period ending 31 August 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Total revenue	33,701	33,701	9,347	9,234	(113)
Total expenses	26,197	26,197	4,302	4,201	(101)
Earnings before interest, tax and depreciation (EBITD)	7,504	7,504	5,045	5,033	(12)
External interest expense	31	31	5	5	-
Depreciation	278	278	46	50	4
Operating surplus / (deficit)	7,195	7,195	4,994	4,978	(16)

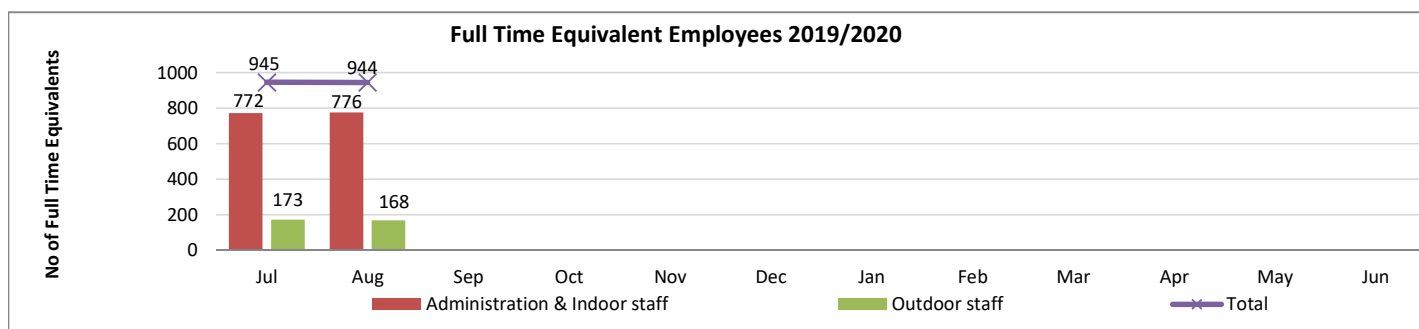
REDWASTE CAPITAL FUNDING STATEMENT For the period ending 31 August 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Non-cash contributions	-	-	-	-	-
Funding from utility revenue	746	746	251	167	(84)
Total sources of capital funding	746	746	251	167	(84)
Capitalised expenditure	608	608	152	55	(97)
Loan redemption	138	138	99	112	13
Total application of capital funds	746	746	251	167	(84)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting

Council has an approved establishment of 862* headcount and 829* FTE.



* This consists of permanent full-time employees 761 (761 FTE) and part-time employees 101 (68 FTE).

August 2019: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO	7	37	8	52	
Organisational Services	6	204	16	226	
Community and Customer Services	35	275	78	388	
Infrastructure and Operations	29	334	17	380	
Total	77	850	119	1,046	

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	Aug-19	% Overdue	Aug-18	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$7,241,298	9.5%	\$6,377,163	8.7%	\$864,135	0.8%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$2,959	0.0%	\$805	0.0%	\$2,154	0.0%	
61 - 90	\$389	0.0%	\$1,615	0.0%	-\$1,226	0.0%	
91 - 180	\$2,255,536	3.0%	\$2,150,374	2.9%	\$105,162	0.1%	
>180	\$3,999,128	5.3%	\$3,927,897	5.4%	\$71,231	-0.1%	
Total	\$13,499,310	17.8%	\$12,457,854	17.0%	\$1,041,456	0.8%	

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.