



Monthly Financial Report

November 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 30 November 2019. The year to date and annual revised budget referred to in this report incorporates the changes from the budget capital carryovers adopted by Council on 28 August 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	14,975	16,442	1,467	10%	✓
Recurrent Revenue	297,572	134,726	134,107	(619)	0%	✗
Recurrent Expenditure	297,377	119,751	117,665	(2,086)	-2%	✓
Capital Works Expenditure	81,285	36,022	24,609	(11,413)	-32%	✓
Closing Cash & Cash Equivalents	167,928	174,966	175,205	239	0%	✓

Council reported a year to date operating surplus of \$16.44M which is favourable to the revised budget by \$1.47M mainly due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to underspend in contractor costs as well as depreciation behind budget due to timing of asset capitalisations.

Operating grants, subsidies and contributions are behind budget mainly due to timing of grant revenue recognition. Of note, interest income is lower than budget due to lower than expected interest rates on investments.

Capital grants, subsidies and contributions are below budget due to timing of capital grants.

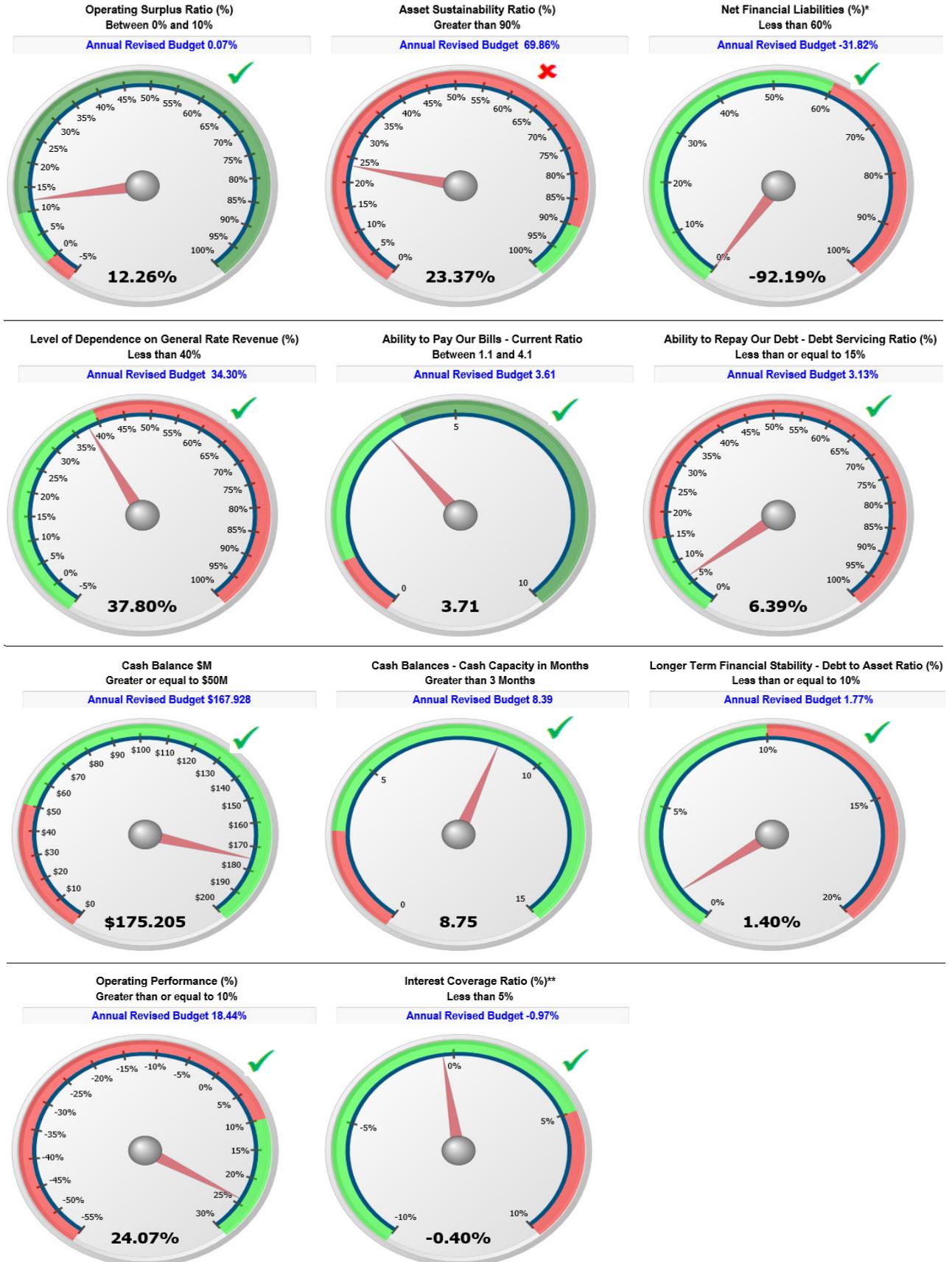
Council's capital works expenditure is below budget by \$11.41M due to timing of works for a number of infrastructure projects and assets acquisition.

Constrained cash reserves represent 62% of the cash balance.

The annual revised budgeted balances for 2019/2020 include the changes from the budget carryovers adopted by Council on 28 August 2019. However, until the first budget review is adopted by Council, the balances will reconcile to the financial management system and may be different to the published carryover budget.

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)

The annual revised budgeted targets for 2019/2020 include the changes from the budget carryovers adopted by Council on 28 August 2019. Until the first budget review is adopted by Council, the targets have been calculated in accordance with financial management system, therefore may be different to the published carryover budget.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME

For the period ending 30 November 2019

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised	Actual	Variance
	Budget	Budget	Budget	\$000	\$000
	\$000	\$000	\$000		
Recurrent revenue					
Rates charges	104,953	104,953	51,962	52,116	154
Levies and utility charges	152,328	152,328	63,838	63,747	(91)
Less: Pensioner remissions and rebates	(3,333)	(3,333)	(1,644)	(1,600)	44
Fees	14,632	14,632	5,960	5,767	(193)
Rental income	925	925	386	429	43
Interest received	5,231	5,231	2,065	1,522	(543)
Dividend received	-	-	-	-	-
Sales revenue	3,856	3,856	1,470	1,499	29
Other income	525	525	324	773	449
Grants, subsidies and contributions	18,456	18,456	10,365	9,854	(511)
Total recurrent revenue	297,572	297,572	134,726	134,107	(619)
Recurrent expenses					
Employee benefits	90,372	90,372	38,156	37,558	(598)
Materials and services	140,138	140,138	53,802	53,216	(586)
Finance costs	2,809	2,809	1,169	1,129	(40)
Depreciation and amortisation	65,279	65,279	27,200	26,240	(960)
Other expenditure	514	514	147	210	63
Net internal costs	(1,735)	(1,735)	(723)	(688)	35
Total recurrent expenses	297,377	297,377	119,751	117,665	(2,086)
OPERATING SURPLUS / (DEFICIT)	195	195	14,975	16,442	1,467
Capital revenue					
Grants, subsidies and contributions	24,492	25,436	10,837	10,443	(394)
Non-cash contributions	3,480	3,480	1,446	11	(1,435)
Total capital revenue	27,973	28,916	12,283	10,454	(1,829)
Capital expenses					
(Gain) / loss on disposal of non-current assets	112	112	30	591	561
Total capital expenses	112	112	30	591	561
TOTAL INCOME	325,545	326,488	147,009	144,561	(2,448)
TOTAL EXPENSES	297,489	297,489	119,781	118,256	(1,525)
NET RESULT	28,056	28,999	27,228	26,305	(923)
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	27,228	26,305	(923)

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 30 November 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	11,138	10,875	(263)
SES separate charge	487	487	244	242	(2)
Environment separate charge	8,721	8,721	4,337	4,333	(4)
Separate charge landfill remediation	2,896	2,896	1,200	1,199	(1)
Wastewater charges	46,347	46,347	19,064	18,832	(232)
Water access charges	19,105	19,105	7,904	7,898	(6)
Water consumption charges	47,804	47,804	19,951	20,368	417
Total levies and utility charges	152,328	152,328	63,838	63,747	(91)

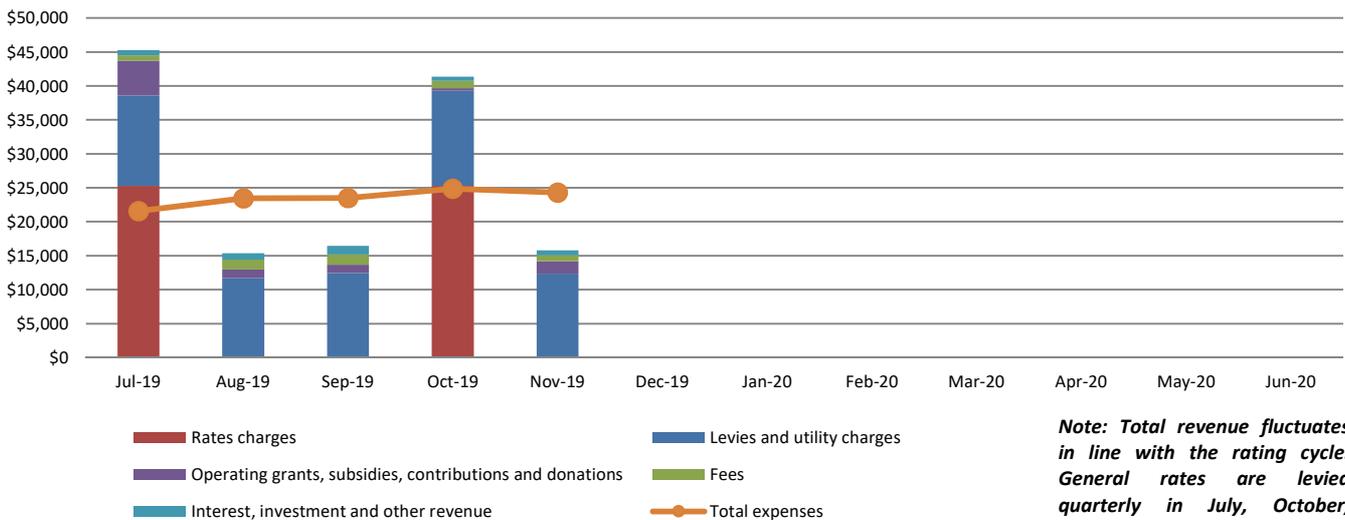
MATERIALS AND SERVICES ANALYSIS For the period ending 30 November 2019

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	41,225	40,816	14,073	13,608	(465)
Consultants	3,291	3,506	999	514	(485)
Other Council outsourcing costs*	17,527	17,612	6,934	7,156	222
Purchase of materials	50,161	50,573	20,571	20,256	(315)
Office administration costs	11,357	11,236	4,489	5,084	595
Electricity charges	6,138	5,814	2,507	2,312	(195)
Plant operations	3,873	3,873	1,475	1,743	268
Information technology resources	3,080	3,143	1,240	1,137	(103)
General insurance	1,195	1,195	493	493	-
Community assistance**	1,649	1,729	732	630	(102)
Other material and service expenses	642	641	289	283	(6)
Total materials and services	140,138	140,138	53,802	53,216	(586)

* 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

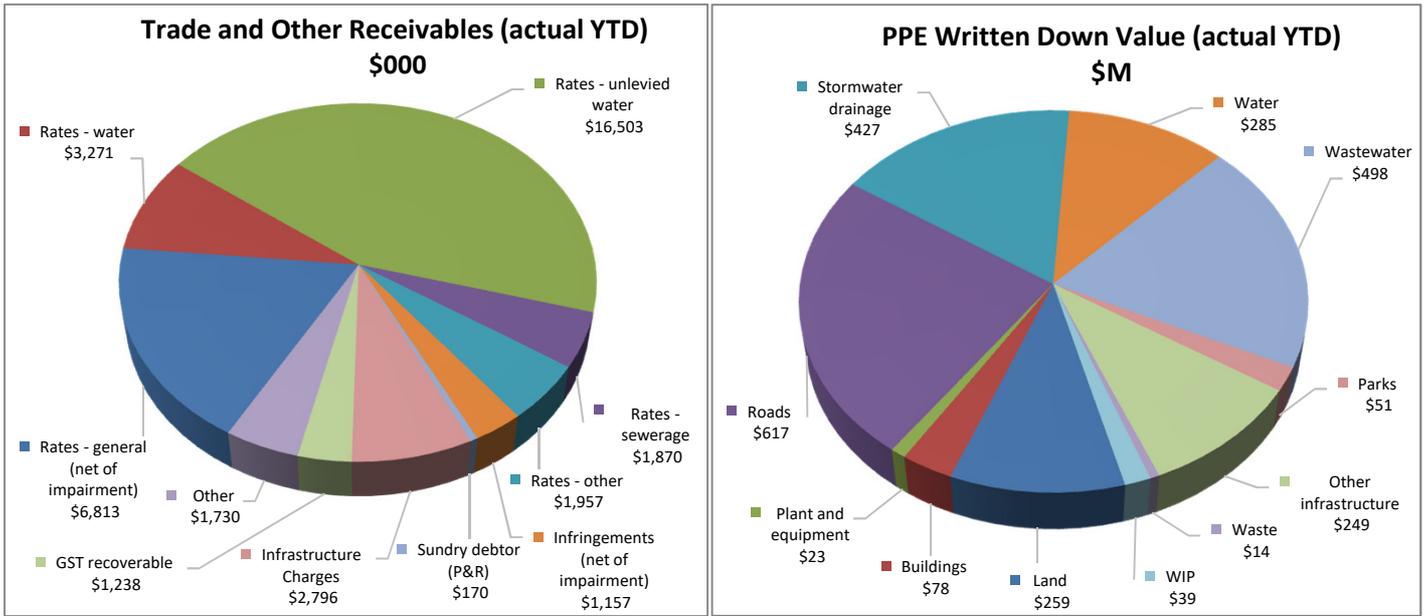
STATEMENT OF FINANCIAL POSITION As at 30 November 2019

	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	174,966	175,205
Trade and other receivables	30,532	34,609	32,988	37,505
Inventories	936	923	948	900
Non-current assets held for sale	-	-	11,113	11,113
Other current assets	1,765	2,340	2,340	5,482
Total current assets	203,260	205,800	222,355	230,205
NON-CURRENT ASSETS				
Investment property	1,091	1,091	1,091	1,091
Property, plant and equipment	2,555,393	2,562,000	2,552,429	2,539,879
Intangible assets	968	712	1,267	1,571
Right-of-use assets*	8,278	8,278	8,986	8,998
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	2,576,947	2,564,713
TOTAL ASSETS	2,794,966	2,802,168	2,799,302	2,794,918
CURRENT LIABILITIES				
Trade and other payables	23,817	30,981	28,231	28,130
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	13,443	14,381
Other current liabilities	2,940	6,803	15,753	10,626
Total current liabilities	43,340	57,019	66,311	62,019
NON-CURRENT LIABILITIES				
Borrowings - non-current	33,400	33,283	22,291	22,345
Lease liability - non-current*	7,412	7,412	8,018	7,952
Provisions - non-current	14,752	13,409	13,409	14,250
Total non-current liabilities	55,563	54,104	43,718	44,547
TOTAL LIABILITIES	98,904	111,123	110,029	106,566
NET COMMUNITY ASSETS	2,696,062	2,691,045	2,689,273	2,688,352
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	1,576,360	1,571,208
Constrained cash reserves	116,993	106,647	104,793	109,024
TOTAL COMMUNITY EQUITY	2,696,062	2,691,045	2,689,273	2,688,352

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

The annual revised budgeted balances for 2019/2020 include the changes from the budget carryovers adopted by Council on 28 August 2019. However, until the first budget review is adopted by Council, the balances will reconcile to the financial management system and may be different to the published carryover budget.

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT OF USE ASSETS For the period ending 30 November 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	3,853	3,853
Land	4,372	4,372	4,691	4,691
Plant and Equipment	415	415	442	454
Closing balance	8,278	8,278	8,986	8,998

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 November 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	37,468	24,357
Depreciation in year	(63,114)	(63,114)	(26,298)	(25,379)
Disposals	(1,531)	(1,531)	(622)	(1,073)
Other adjustments**	-	-	-	93
Closing balance	2,555,393	2,562,000	2,552,429	2,539,879

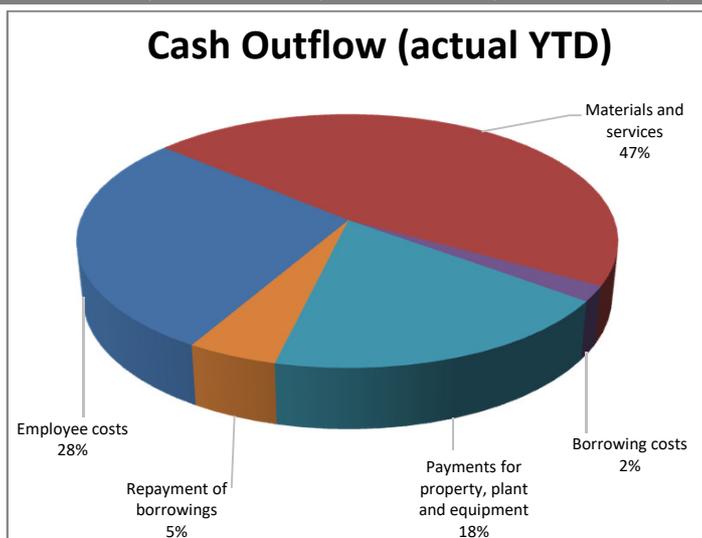
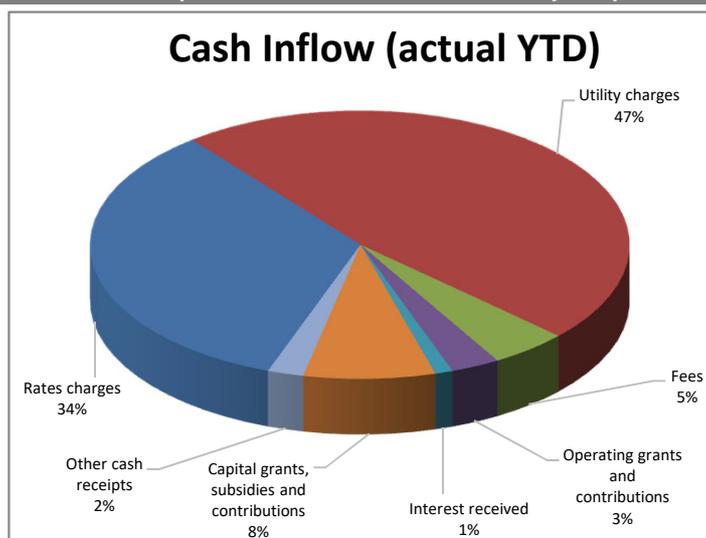
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

** 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 November 2019

STATEMENT OF CASH FLOWS				
For the period ending 30 November 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	130,603	125,716
Payments to suppliers and employees*	(237,536)	(237,536)	(99,125)	(97,591)
	34,835	34,835	31,478	28,125
Interest received	5,231	5,231	2,066	1,522
Dividend received	-	-	-	-
Rental income	925	925	386	429
Non-capital grants and contributions	16,097	16,097	9,386	4,186
Borrowing costs*	(2,480)	(2,480)	(2,466)	(2,416)
Right-of-use assets interest expense	(266)	(266)	(111)	(109)
Net cash inflow / (outflow) from operating activities	54,342	54,342	40,739	31,737
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(58,432)	(78,599)	(33,337)	(23,997)
Payments for intangible assets	-	-	-	(264)
Proceeds from sale of property, plant and equipment	1,419	1,419	591	483
Capital grants, subsidies and contributions	24,492	25,436	10,837	11,285
Other cash flows from investing activities	-	-	-	(90)
Net cash inflow / (outflow) from investing activities	(32,521)	(51,744)	(21,909)	(12,583)
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)	(433)	(514)
Net cash inflow / (outflow) from financing activities	3,234	3,234	(5,960)	(6,045)
Net increase / (decrease) in cash held	25,055	5,832	12,870	13,109
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	174,966	175,205

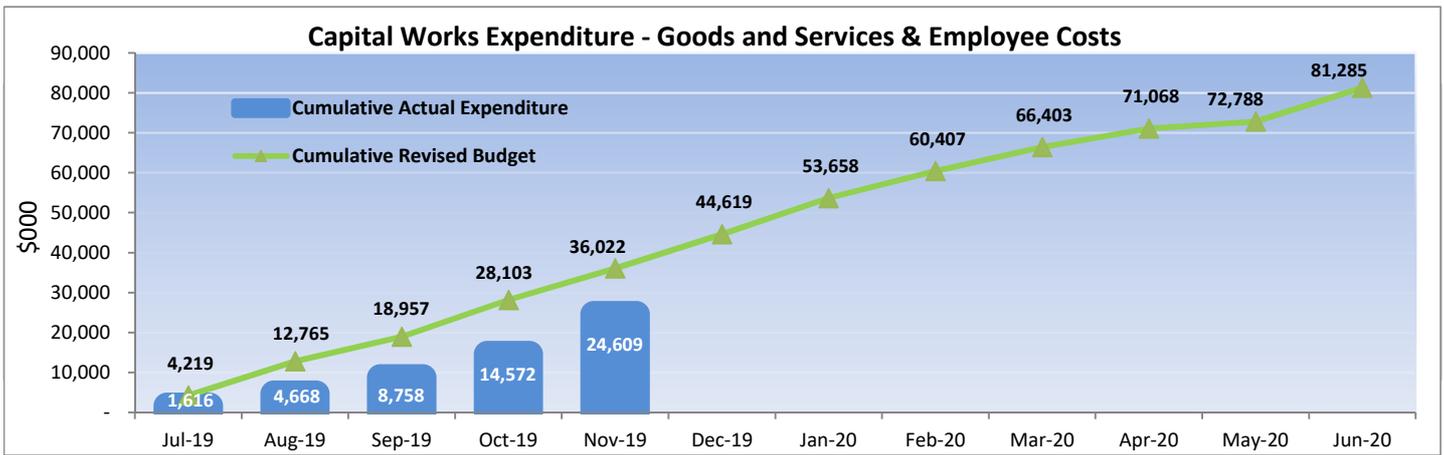


Total Cash Funding (Actual YTD)	143,621
Total Cash Funding (Annual Revised Budget)	331,279
% of Budget Achieved YTD	43%

Total Cash Expenditure (Actual YTD)	130,512
Total Cash Expenditure (Annual Revised Budget)	325,447
% of Budget Achieved YTD	40%

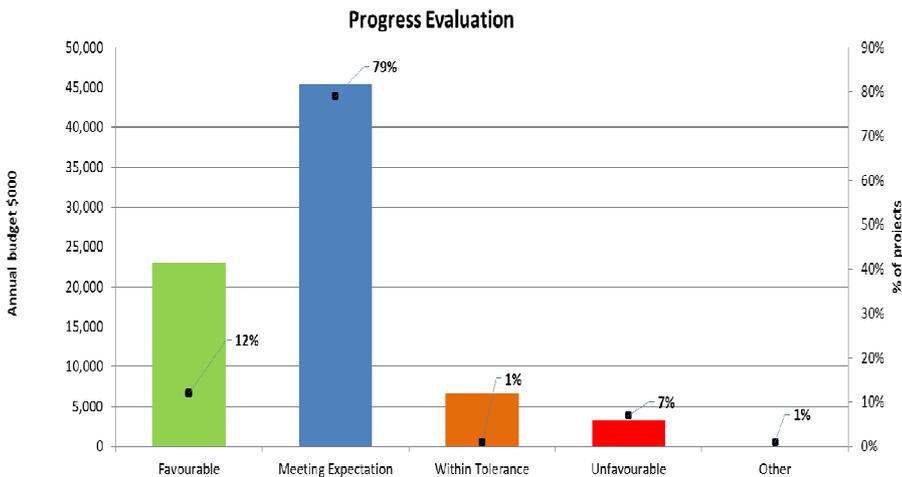
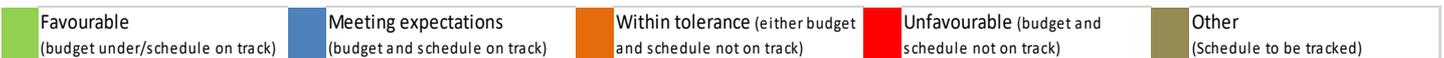
* Reclassified amounts in original budget to align with Annual Financial Statements and permitted by Australian Accounting Standard AASB 107 Statement of Cash Flows.

6. CAPITAL EXPENDITURE



	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	73,901	33,000	21,837	(11,163)
Capitalised employee costs	7,384	3,022	2,772	(250)
Total	81,285	36,022	24,609	(11,413)

7. PROGRAM AND PROJECT UPDATE



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

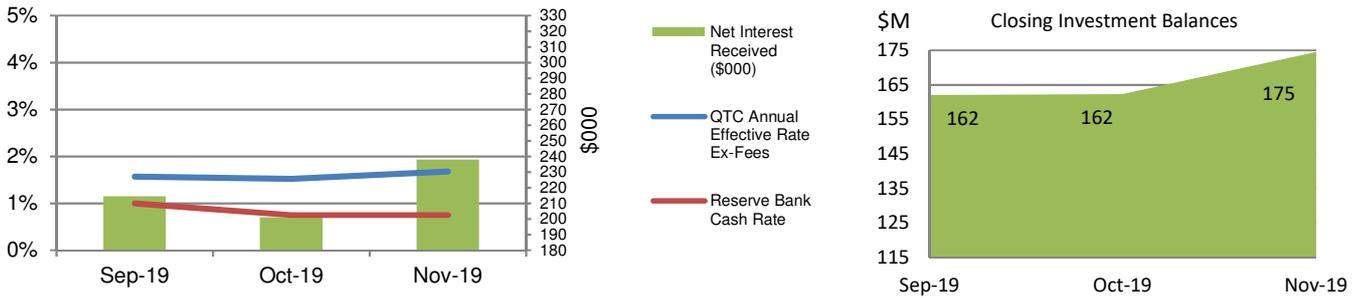
The status of two notable projects are as follows:

Project description	Progress
Aquatic Paradise Trench Blocks - This project is for the construction of silt trenches in the Aquatic Paradise Canal Estate.	Meeting Expectations
CCTV Installation Weinam Creek Precinct - This project is to install CCTV cameras that will provide surveillance of the Weinam Creek Precinct.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 November 2019

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total Investment at End of Month was \$174.50M

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

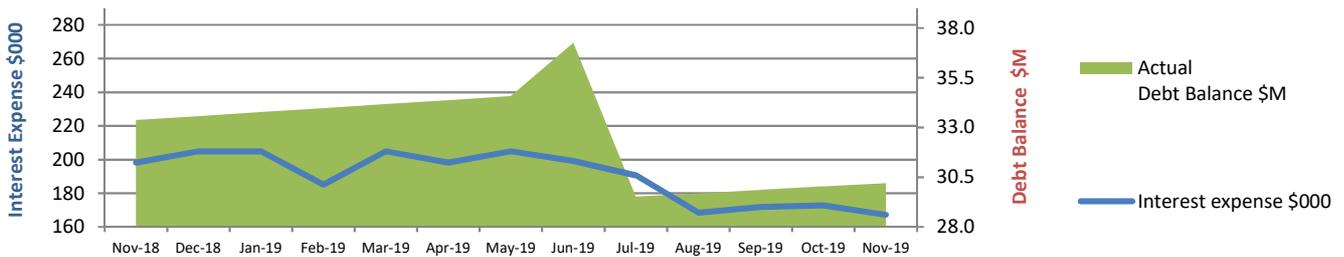
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.75% in the October 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 1.68%. 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 \$30.19M

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 November 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	154	(2)	1,694
Waste Levy Reserve	To fund Waste Levy Program	-	4,646	(2,283)	2,363
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	1,766	1,523	(1,356)	1,933
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	-	13	(1)	12
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	4,072	1,334	(967)	4,439
		7,380	7,670	(4,609)	10,441
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	7,898	1,366	(231)	9,033
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	2,551	215	-	2,766
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,273	241	-	14,514
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,414	1,156	(69)	12,501
Constrained Works Res-Cap Grants & Contribs	Unexpended capital grants and contributions received for specific projects	327	-	(327)	-
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,680	3,056	(3,439)	33,297
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	12,456	1,043	(2,024)	11,475
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,996	541	-	10,537
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	34	(15)	104
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	142	-	-	142
		93,046	7,652	(6,105)	94,593
Separate Charge Reserve:					
Environment Charge Acquisition Reserve	Acquisitions of land and facilities to support or enhance environmental outcomes	1,457	650	-	2,107
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	3,682	(2,658)	1,024
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	39	242	(275)	6
		1,496	4,574	(2,933)	3,137
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	754	2	-	756
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	3	-	853
TOTALS		102,772	19,899	(13,647)	109,024
					Closing cash and cash equivalents
					Reserves as percentage of cash balance
					175,205
					62%

10. REDLAND WATER STATEMENTS

REDLAND WATER SUMMARY OPERATING STATEMENT					
For the period ending 30 November 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	48,234	48,650	416
Total expenses	66,474	66,473	27,225	27,121	(104)
Earnings before interest, tax and depreciation (EBITD)	49,963	49,963	21,009	21,529	520
External interest expense	136	136	57	57	-
Internal interest expense	14,867	14,867	6,195	6,195	-
Depreciation	23,823	23,823	9,926	10,017	91
Operating surplus / (deficit)	11,136	11,136	4,831	5,260	429

REDLAND WATER CAPITAL FUNDING STATEMENT					
For the period ending 30 November 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	1,057	1,397	340
Net transfer (to) / from constrained capital reserves	(1,982)	295	(752)	(1,323)	(571)
Non-cash contributions	3,399	3,399	1,416	-	(1,416)
Funding from utility revenue	4,172	7,576	2,014	800	(1,214)
Total sources of capital funding	8,126	13,807	3,735	874	(2,861)
Contributed assets	3,399	3,399	1,416	-	(1,416)
Capitalised expenditure	4,179	9,859	2,090	633	(1,457)
Loan redemption	549	549	229	241	12
Total application of capital funds	8,126	13,807	3,735	874	(2,861)

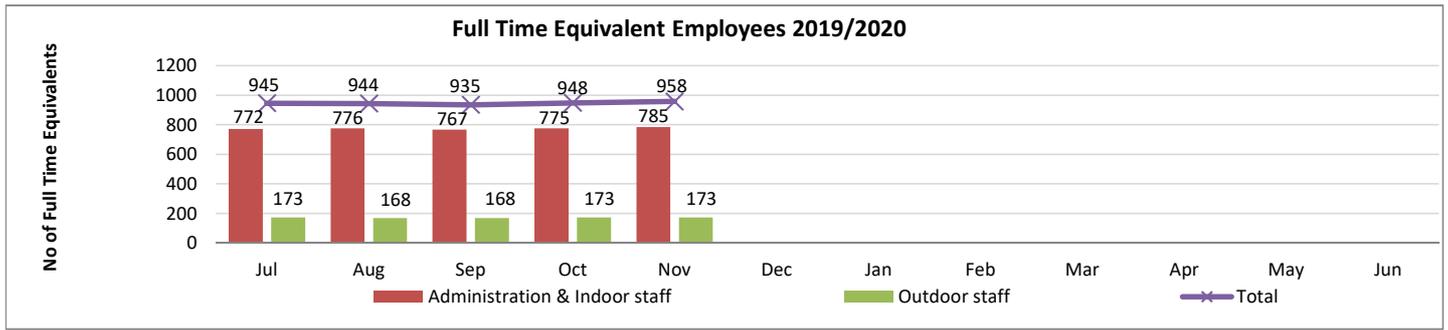
11. REDWASTE STATEMENTS

REDWASTE OPERATING STATEMENT					
For the period ending 30 November 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	16,526	16,383	(143)
Total expenses	26,197	26,197	10,875	10,983	108
Earnings before interest, tax and depreciation (EBITD)	7,504	7,504	5,651	5,400	(251)
External interest expense	31	31	13	11	(2)
Depreciation	278	278	116	124	8
Operating surplus / (deficit)	7,195	7,195	5,522	5,265	(257)

REDWASTE CAPITAL FUNDING STATEMENT					
For the period ending 30 November 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	420	330	(90)
Total sources of capital funding	746	746	420	330	(90)
Capitalised expenditure	608	608	304	221	(83)
Loan redemption	138	138	116	109	(7)
Total application of capital funds	746	746	420	330	(90)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



November 2019: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO	6	36	8	50
Organisational Services	6	213	17	236
Community and Customer Services	36	278	82	396
Infrastructure and Operations	14	344	17	375
Total	62	871	124	1,057

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	Nov-19	% Overdue	Nov-18	% Overdue	\$ Variance	% Variance	Comment
0 - 30	\$7,685,223	5.4%	\$6,468,810	4.7%	\$1,216,413	0.7%	Revenue Collection team continues to monitor and work with ratepayers who are unable to promptly meet their financial obligation to Council.
31 - 60	\$531	0.0%	\$231	0.0%	\$300	0.0%	
61 - 90	\$1,481	0.0%	\$749	0.0%	\$732	0.0%	
91 - 180	\$2,199,380	1.5%	\$2,190,102	1.6%	\$9,278	-0.1%	
>180	\$4,186,352	2.9%	\$4,070,288	3.0%	\$116,064	-0.1%	
Total	\$14,072,967	9.8%	\$12,730,180	9.3%	\$1,342,787	0.5%	

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 Debt**

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.

** Debt includes lease liabilities.

*** Interest expense includes interest on leases.