

Monthly Financial Report

February 2021



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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 28 February 2021. The year to date and annual revised budget referred to in this report incorporates the changes from budget review adopted by Council on 17 February 2021.

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)	(1,397)	9,925	16,527	6,602	67%	✓
Recurrent Revenue	304,599	209,916	207,710	(2,206)	-1%	✗
Recurrent Expenditure	305,996	199,991	191,183	(8,808)	-4%	✓
Capital Works Expenditure	102,202	40,522	31,167	(9,355)	-23%	✓
Closing Cash & Cash Equivalents	167,495	202,646	204,295	1,649	1%	✓

Council reported a year to date operating surplus of \$16.53M which is favourable to budget by \$6.60M due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to timing of contractor cost expenditure. Of note, interest income is lower than budget due to lower than expected interest rates on investments.

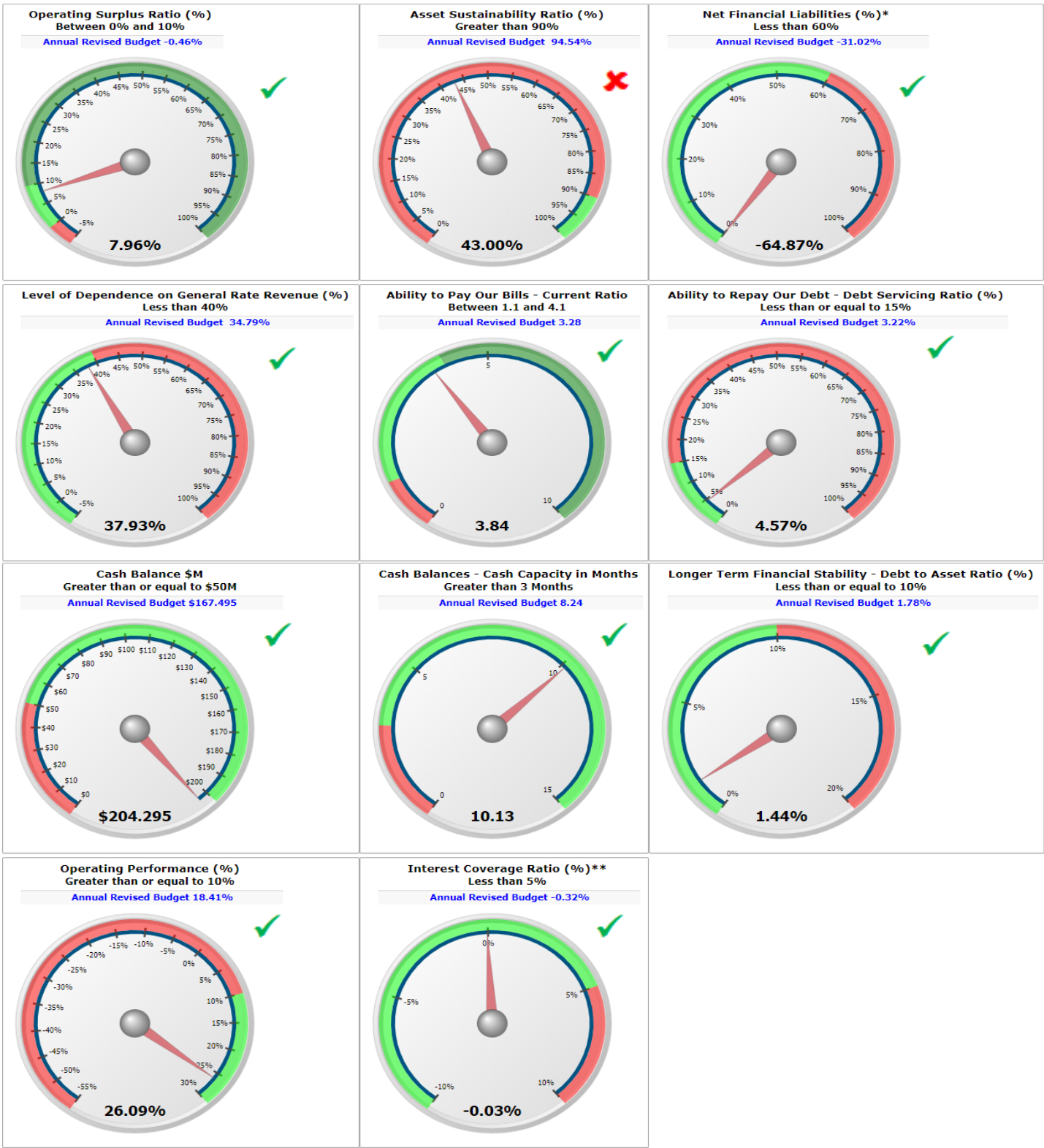
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$9.36M mainly due to timing of works for a number of infrastructure projects including computer system upgrade, Road Renewal - Vienna Road Alexandra Hills, Acquisition of Birkdale Land and SES Redland Bay. The variance is also due to timing of procurement for Annual Desktop Replacement Program.

Constrained cash reserves represent 50% 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 28 February 2021

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Revised Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
Recurrent revenue					
Rates charges	108,926	108,926	81,450	81,036	(414)
Levies and utility charges	160,082	160,082	107,170	105,635	(1,535)
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(2,544)	(2,627)	(83)
Fees	13,554	13,999	9,069	9,796	727
Rental income	956	1,069	573	730	157
Interest received	2,999	2,899	1,899	1,343	(556)
Sales revenue	3,630	3,740	2,601	2,263	(338)
Other income	533	712	583	963	380
Grants, subsidies and contributions	14,896	16,603	9,115	8,571	(544)
Total recurrent revenue	302,146	304,599	209,916	207,710	(2,206)
Recurrent expenses					
Employee benefits	91,988	93,095	61,778	61,112	(666)
Materials and services	145,591	146,725	94,022	87,011	(7,011)
Finance costs	2,382	2,382	1,587	1,606	19
Depreciation and amortisation	64,938	64,931	43,338	42,697	(641)
Other expenditure	520	509	338	182	(156)
Net internal costs	(1,800)	(1,646)	(1,072)	(1,425)	(353)
Total recurrent expenses	303,619	305,996	199,991	191,183	(8,808)
OPERATING SURPLUS / (DEFICIT)	(1,473)	(1,397)	9,925	16,527	6,602
Capital revenue					
Grants, subsidies and contributions	25,922	37,486	18,143	12,045	(6,098)
Non-cash contributions	3,480	3,480	54	-	(54)
Total capital revenue	29,402	40,966	18,197	12,045	(6,152)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	192	726	534
Total capital expenses	289	289	192	726	534
TOTAL INCOME	331,548	345,565	228,113	219,755	(8,358)
TOTAL EXPENSES	303,908	306,285	200,183	191,909	(8,274)
NET RESULT	27,641	39,280	27,930	27,846	(84)
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	27,641	39,280	27,930	27,846	(84)

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 28 February 2021

	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	29,127	29,127	19,326	19,499	173
SES separate charge	497	497	372	371	(1)
Environment separate charge	8,388	8,388	6,290	6,253	(37)
Separate charge landfill remediation	2,163	2,163	1,438	1,434	(4)
Wastewater charges	47,842	47,842	31,788	31,628	(160)
Water access charges	20,120	20,120	13,368	13,370	2
Water consumption charges	51,945	51,945	34,588	33,080	(1,508)
Total levies and utility charges	160,082	160,082	107,170	105,635	(1,535)

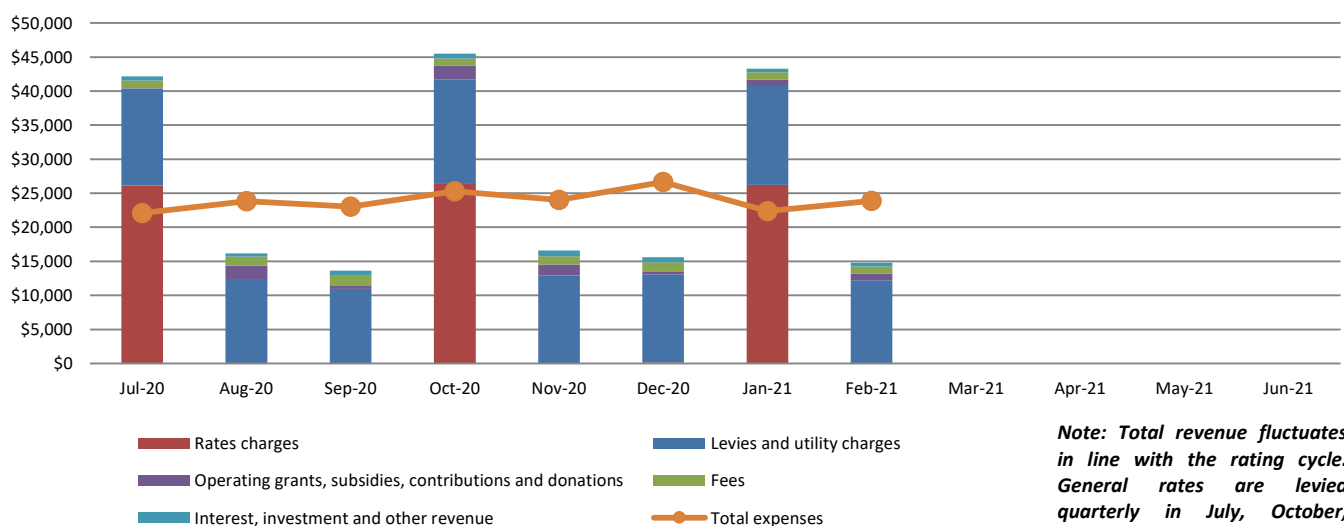
MATERIALS AND SERVICES ANALYSIS For the period ending 28 February 2021

	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Materials and services					
Contractors	38,549	39,064	25,424	21,203	(4,221)
Consultants	2,813	3,374	1,934	1,111	(823)
Other Council outsourcing costs*	23,063	21,199	13,556	12,720	(836)
Purchase of materials	53,059	54,776	34,884	35,363	479
Office administration costs	11,685	11,656	7,378	7,304	(74)
Electricity charges	5,748	5,743	3,828	3,597	(231)
Plant operations	3,548	3,545	2,293	1,893	(400)
Information technology resources	3,067	3,470	2,356	1,879	(477)
General insurance	1,646	1,457	976	882	(94)
Community assistance**	1,777	1,814	969	707	(262)
Other material and service expenses	636	627	424	352	(72)
Total materials and services	145,591	146,725	94,022	87,011	(7,011)

* 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

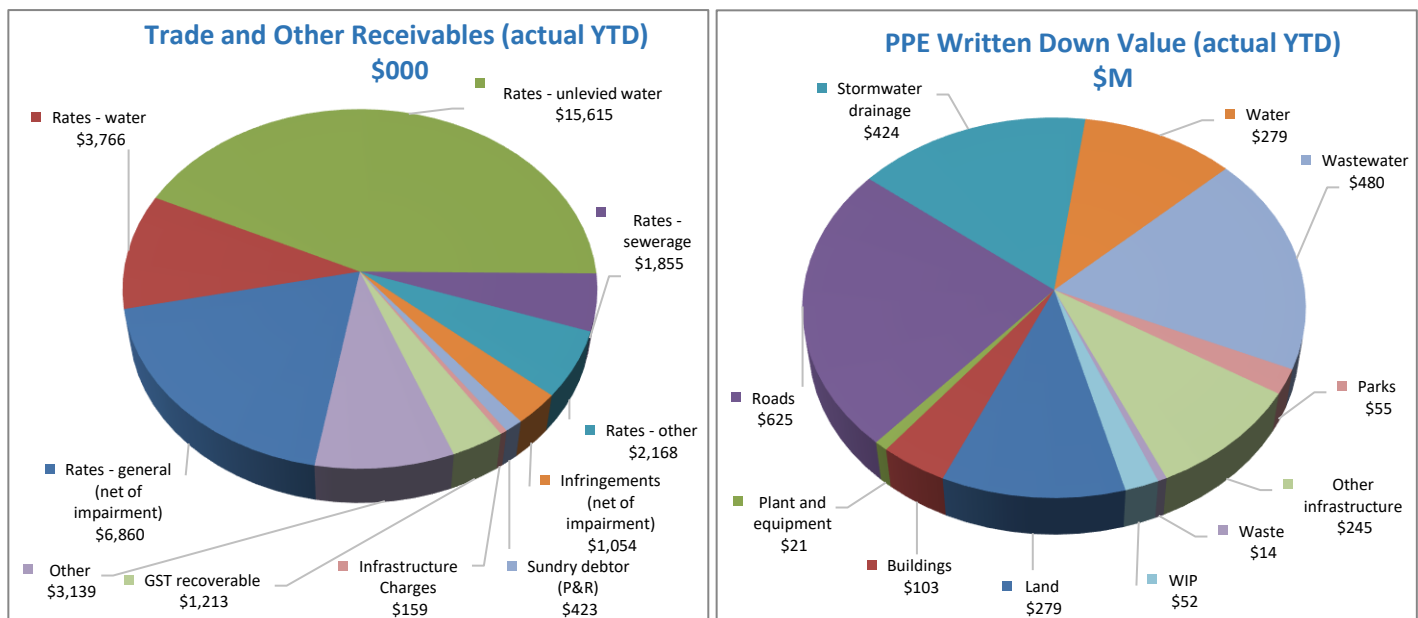
STATEMENT OF FINANCIAL POSITION
As at 28 February 2021

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	169,264	167,495	202,646	204,295
Trade and other receivables*	45,924	44,200	45,388	36,252
Inventories	918	853	863	801
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,956	2,440
Total current assets	218,061	215,621	251,971	243,788
NON-CURRENT ASSETS				
Investment property	1,091	1,225	1,225	1,225
Property, plant and equipment	2,572,288	2,629,009	2,585,574	2,577,309
Intangible assets	486	1,682	1,829	1,836
Right-of-use assets	5,919	5,876	6,229	6,179
Other financial assets	73	73	73	73
Investment in other entities**	13,101	13,101	13,101	12,657
Total non-current assets	2,592,958	2,650,965	2,608,031	2,599,279
TOTAL ASSETS	2,811,018	2,866,586	2,860,002	2,843,067
CURRENT LIABILITIES				
Trade and other payables	28,839	41,895	47,205	29,027
Borrowings - current	6,361	8,326	8,326	8,326
Lease liability - current	1,302	1,294	1,294	1,294
Provisions - current	10,769	12,188	12,930	13,773
Other current liabilities	-	1,960	10,510	11,058
Total current liabilities	47,271	65,663	80,265	63,478
NON-CURRENT LIABILITIES				
Borrowings - non-current	37,900	35,840	25,631	25,620
Lease liability - non-current	5,481	5,469	5,839	5,788
Provisions - non-current	15,120	14,162	14,162	14,162
Total non-current liabilities	58,501	55,470	45,632	45,570
TOTAL LIABILITIES	105,772	121,133	125,897	109,048
NET COMMUNITY ASSETS	2,705,246	2,745,453	2,734,105	2,734,019
COMMUNITY EQUITY				
Asset revaluation surplus	1,008,120	1,035,840	1,035,840	1,035,840
Retained surplus	1,580,316	1,605,281	1,588,752	1,595,871
Constrained cash reserves	116,810	104,333	109,513	102,308
TOTAL COMMUNITY EQUITY	2,705,246	2,745,453	2,734,105	2,734,019

* Included \$1m loan drawn down by Redland Investment Corporation (RIC) in February 2021. Current loan receivable from RIC is \$1.09m.

** \$444k movement is due to transfer back of 521 Old Cleveland Road East Birkdale land from RIC to Council. This amount is also reflected as an increase in Property plant & equipment.

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS

For the period ending 28 February 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
Right-of-use asset				
Buildings	2,780	2,697	2,904	2,919
Land	2,763	2,815	2,945	2,964
Plant and Equipment	376	364	380	296
Closing balance	5,919	5,876	6,229	6,179

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*

For the period ending 28 February 2021

	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)	2,556,325	2,588,458	2,588,458	2,588,458
Acquisitions, Asset transfers and WIP in year movement	81,096	105,684	40,576	31,506
Depreciation in year	(63,282)	(63,282)	(42,188)	(41,357)
Disposals	(1,851)	(1,851)	(1,272)	(1,301)
Other adjustments**	-	-	-	3
Closing balance	2,572,288	2,629,009	2,585,574	2,577,309

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

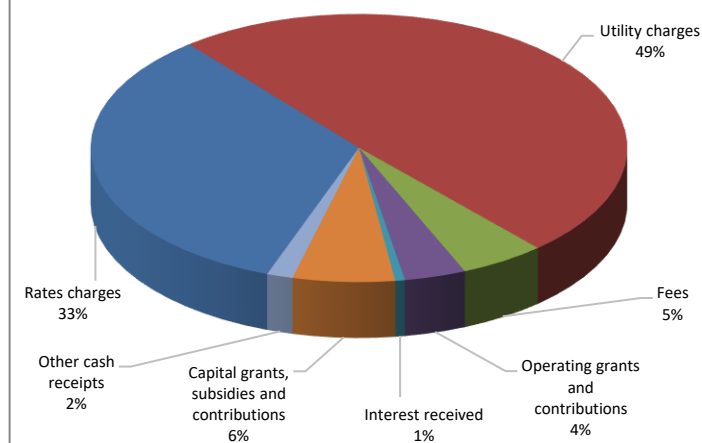
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

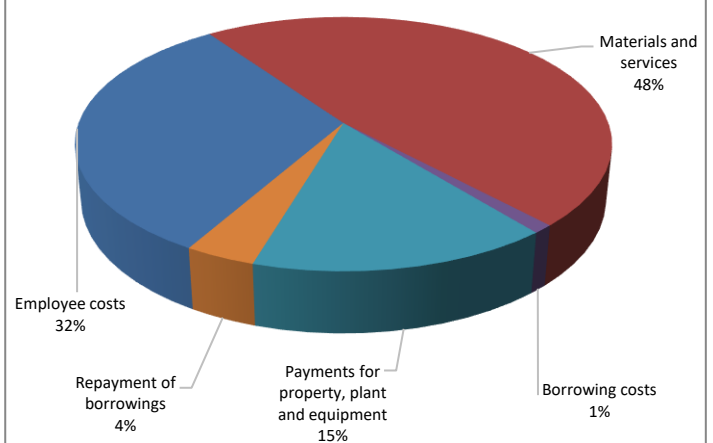
STATEMENT OF CASH FLOWS For the period ending 28 February 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	276,486	278,920	200,156	207,618
Payments to suppliers and employees	(239,435)	(241,818)	(151,978)	(159,205)
	37,051	37,101	48,178	48,413
Interest received	2,999	2,899	1,899	1,343
Rental income	956	1,069	573	730
Non-capital grants and contributions	14,483	16,189	9,098	8,616
Borrowing costs	(2,052)	(2,052)	(2,052)	(2,048)
Right-of-use assets interest expense	(144)	(144)	(97)	(98)
Net cash inflow / (outflow) from operating activities	53,294	55,063	57,599	56,956
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(77,614)	(102,202)	(40,522)	(31,062)
Payments for intangible assets	-	-	-	(105)
Proceeds from sale of property, plant and equipment	1,562	1,562	1,080	693
Capital grants, subsidies and contributions	25,922	39,186	19,843	14,268
Other cash flows from investing activities*	-	-	-	(1,000)
Net cash inflow / (outflow) from investing activities	(50,131)	(61,455)	(19,599)	(17,206)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	9,612	9,612	-	-
Repayment of borrowings	(6,361)	(6,361)	(6,361)	(6,369)
Right-of-use lease payment	(1,294)	(1,265)	(894)	(987)
Net cash inflow / (outflow) from financing activities	1,957	1,986	(7,255)	(7,356)
Net increase / (decrease) in cash held	5,120	(4,406)	30,745	32,394
Cash and cash equivalents at the beginning of the year	164,145	171,901	171,901	171,901
Cash and cash equivalents at the end of the financial year / period	169,264	167,495	202,646	204,295

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)

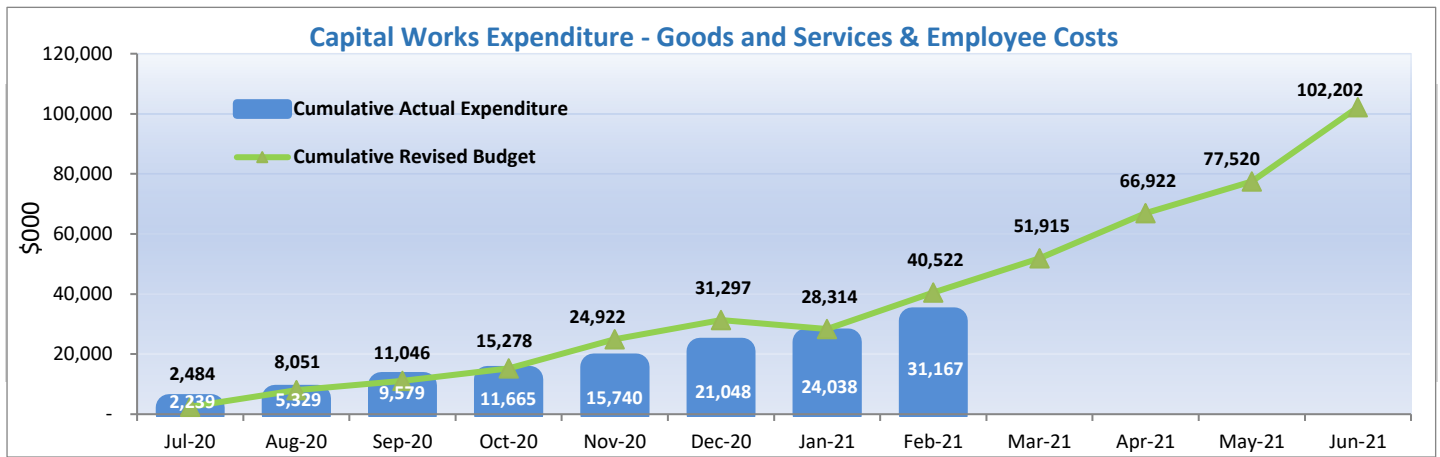


Total Cash Funding (Actual YTD)	233,268
Total Cash Funding (Annual Revised Budget)	349,437
% of Budget Achieved YTD	67%

Total Cash Expenditure (Actual YTD)	200,874
Total Cash Expenditure (Annual Revised Budget)	353,842
% of Budget Achieved YTD	57%

* Loan drawn down by RIC in February 2021.

6. CAPITAL EXPENDITURE



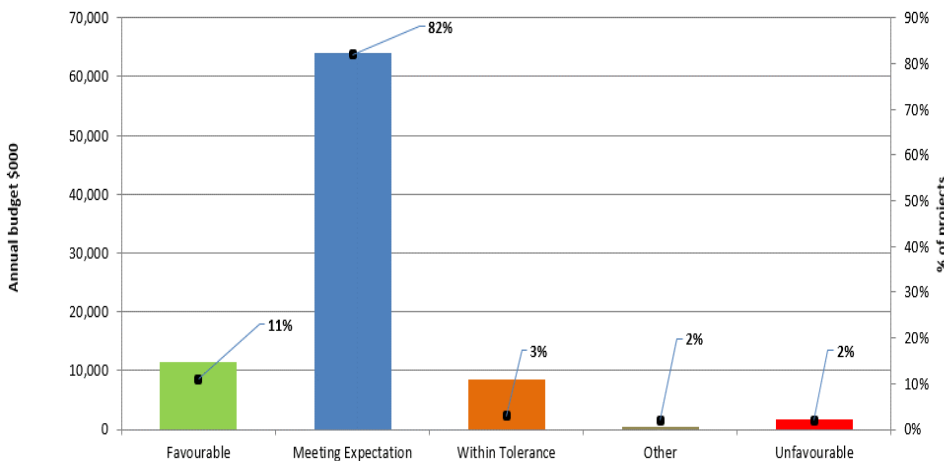
	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services *	93,416	34,536	26,698	(7,838)
Capitalised employee costs	8,786	5,986	4,469	(1,517)
Total	102,202	40,522	31,167	(9,355)

* Excludes 521 Old Cleveland Road East Birkdale land transferred back from RIC to Council.

7. PROGRAM AND PROJECT UPDATE

Favourable (budget under/schedule on track)	Meeting expectations (budget and schedule on track)	Within tolerance (either budget and schedule not on track)	Unfavourable (budget and schedule not on track)	Other (Schedule to be tracked)
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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

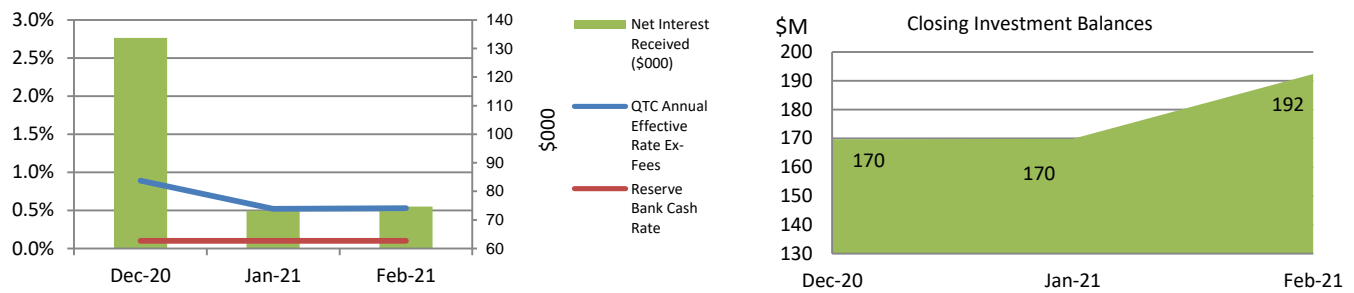
The status of two notable projects are as follows:

Project description	Progress
Amity Point Coastal Protection - Active erosion at the 'Basin' located at the southern end of Amity Point Campground has been underway over a period of time and is now impacting on the amenity and operation of the campground. This includes undermining of utility infrastructure and the campground internal road. The erosion has now progressed from the foreshore reserve into the property leased to Straddie Camping. This project will protect the foreshore from erosion pressure and allow access across the foreshore for campground patrons.	Meeting Expectations
RPAC Pile wind hoist renewal project - Renewal/upgrade of Pile Wind Hoist - Concert Hall overhead bars/fly system includes installation of digital system to accurately monitor usage, installation of wireless operating control system.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 28 February 2021

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$192.31M

Council investments are currently held predominantly in the Capital Guaranteed Cash Fund, which is a fund operated by the Queensland Treasury Corporation (QTC). In October 2020 \$10M was invested in a term desposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

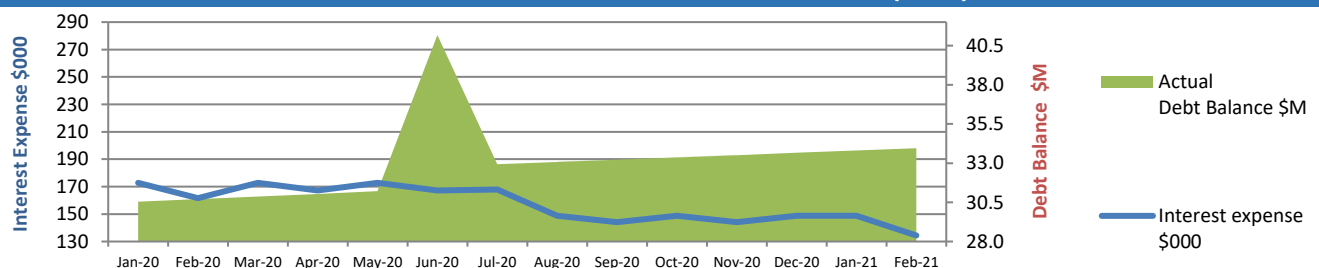
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

Note: the Reserve Bank reduced the cash rate down to 0.10% during November 2020.

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 0.53%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its Investment Policy (POL-3013) in June 2020 for the 2020/2021 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 \$8.42M, being \$6.37M principal and \$2.05M interest has been made *annually* for 2020/2021 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 2020. Interest will accrue monthly on a daily balance until next ADSP in July 2021 which is reflected in the increasing debt balance.

In June 2020 additional borrowings of \$9.80M were undertaken as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$33.95M

Council adopted its Debt Policy (POL-1838) in June 2020 for the 2020/2021 financial year

BORROWINGS

For the period ending 28 February 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual Balance \$000
Borrowings				
Opening balance	(41,273)	(41,178)	(41,178)	(41,178)
Accrued interest on borrowings	(1,789)	(1,789)	(1,192)	(1,185)
Interest paid on borrowings	2,052	2,052	2,052	2,048
Principal repaid	6,361	6,361	6,361	6,369
Loan drawdown	(9,612)	(9,612)	-	-
Closing balance	(44,261)	(44,166)	(33,957)	(33,946)

9. CONSTRAINED CASH RESERVES

Reserves as at 28 February 2021	Purpose of reserve	Opening Balance	To Reserve	From Reserve	Closing Balance
		\$000	\$000	\$000	\$000
Special Projects Reserve:					
Aquatic Paradise Revetment Wall Reserve	To fund Aquatic Paradise revetment wall works program	2	20	(1)	21
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	307	(307)	-
Waste Levy Reserve	To fund Waste Levy Program	-	3,276	(2,811)	465
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	2,135	(440)	3,788
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	682	(854)	2,364
		4,631	6,420	(4,413)	6,638
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	934	(1,020)	6,576
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	933	-	4,019
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	75	(297)	14,404
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	1,047	(1,399)	10,557
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	2,663	(1,081)	35,313
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	966	(138)	12,751
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	313	(1,478)	9,677
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	52	(5)	150
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	-	(12)	-
		91,894	6,983	(5,430)	93,447
Separate Charge Reserve:					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	6,257	(5,067)	1,190
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	371	(233)	176
		38	6,628	(5,300)	1,366
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve*	Maintenance and repairs of Aquatic Paradise canals	758	-	-	758
Sovereign Waters Lake Reserve*	Maintenance and repairs of Sovereign Lake	431	-	-	431
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)
		857	-	-	857
TOTALS		97,420	20,031	(15,143)	102,308
					Closing cash and cash equivalents
					204,295
					Reserves as percentage of cash balance
					50%

*No interest charged for these reserves February 2021 year to date due to low prevailing interest rate.

10. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 28 February 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	122,970	124,190	82,985	80,310	(2,675)
Total expenses	71,469	71,476	46,672	46,526	(146)
Earnings before interest, tax and depreciation (EBITD)	51,501	52,714	36,313	33,784	(2,529)
External interest expense	71	71	47	74	27
Internal interest expense	10,621	10,621	7,081	7,081	-
Depreciation	24,142	24,142	16,094	15,910	(184)
Operating surplus / (deficit)	16,667	17,880	13,091	10,719	(2,372)

CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 28 February 2021					
	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	1,691	1,229	(462)
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	(396)	207	603
Non-cash contributions	3,399	3,399	-	-	-
Funding from utility revenue	8,568	10,373	3,396	1,424	(1,972)
Total sources of capital funding	12,138	15,936	4,691	2,860	(1,831)
Contributed assets	3,399	3,399	-	-	-
Capitalised expenditure	8,258	12,056	4,370	2,104	(2,266)
Loan redemption	482	482	321	756	435
Total application of capital funds	12,138	15,936	4,691	2,860	(1,831)

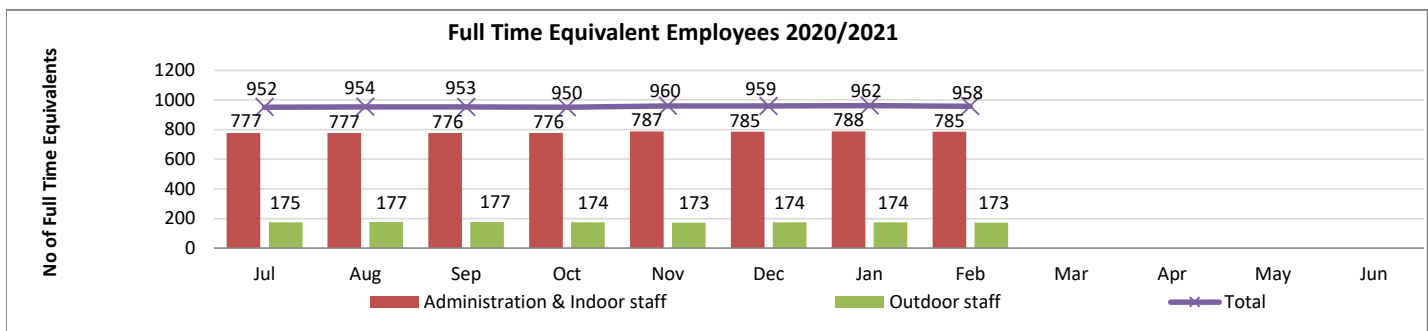
11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT					
For the period ending 28 February 2021					
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,715	35,639	24,116	23,954	(162)
Total expenses	27,427	27,280	17,830	18,269	439
Earnings before interest, tax and depreciation (EBITD)	8,288	8,359	6,286	5,685	(601)
External interest expense	17	17	12	12	-
Depreciation	327	327	218	222	4
Operating surplus / (deficit)	7,943	8,014	6,056	5,451	(605)

CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 28 February 2021					
	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	924	2,729	1,730	1,605	(125)
Total sources of capital funding	924	2,729	1,730	1,605	(125)
Capitalised expenditure	779	2,584	1,595	1,477	(118)
Loan redemption	145	145	135	128	(7)
Total application of capital funds	924	2,729	1,730	1,605	(125)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



February 2021: Headcount		Employee Type			
Department Level		Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance		9	38	9	56
Organisational Services		4	201	18	223
Community and Customer Services		45	290	67	402
Infrastructure and Operations		8	347	18	373
Total		66	876	112	1,054

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 & Statistics

Days Overdue	Feb-21	% Overdue	Feb-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Feb-21	Feb-20
0 - 30	\$7,411,763	3.3%	\$7,974,268	3.8%	-\$562,505	-0.5%	Levied (Billed) Rates & Charges since 1 July 2020	\$211,269,225	\$201,873,541
31 - 60	\$0	0.0%	\$812	0.0%	-\$812	0.0%	Rate arrears b/fwd 1 July 2020	\$12,988,652	\$9,452,770
61 - 90	\$0	0.0%	\$0	0.0%	\$0	0.0%	Total	\$224,257,877	\$211,326,310
91 - 180	\$2,156,052	1.0%	\$2,388,153	1.1%	-\$232,101	-0.1%	Balance of overdue rates & charges	\$14,709,877	\$14,818,205
>180	\$5,142,062	2.3%	\$4,454,972	2.1%	\$687,090	0.2%	Percentage Overdue	6.6%	7.0%
Total	\$14,709,877	6.6%	\$14,818,205	7.0%	-\$108,328	-0.4%			

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*: <i>This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes</i>	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
Asset Sustainability Ratio*: <i>This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out</i>	$\frac{\text{Capital Expenditure on Replacement of Infrastructure Assets (Renewals)}}{\text{Depreciation Expenditure on Infrastructure Assets}}$
Net Financial Liabilities*: <i>This is an indicator of the extent to which the net financial liabilities of Council can be serviced by operating revenues</i>	$\frac{\text{Total Liabilities - Current Assets}}{\text{Total Operating Revenue}}$
Level of Dependence on General Rate Revenue: <i>This ratio measures Council's reliance on operating revenue from general rates (excludes utility revenues)</i>	$\frac{\text{General Rates - Pensioner Remissions}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
Current Ratio: <i>This measures the extent to which Council has liquid assets available to meet short term financial obligations</i>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt Servicing Ratio: <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	$\frac{\text{Interest Expense}^{***} + \text{Loan Redemption}^{\wedge}}{\text{Total Operating Revenue - Gain on Sale of Developed Land}}$
Cash Balance - \$M: <i>Cash balance includes cash on hand, cash at bank and other short term investments.</i>	Cash Held at Period End
Cash Capacity in Months: <i>This provides an indication as to the number of months cash held at period end would cover operating cash outflows</i>	$\frac{\text{Cash Held at Period End}}{[(\text{Cash Operating Costs} + \text{Interest Expense}) / \text{Period in Year}]}$
Longer Term Financial Stability - Debt to Asset Ratio: <i>This is total debt as a percentage of total assets, i.e. to what extent will our long term debt be covered by total assets</i>	$\frac{\text{Current and Non-current Debt}^{**}}{\text{Total Assets}}$
Operating Performance: <i>This ratio provides an indication of Council's cash flow capabilities</i>	$\frac{\text{Net Cash from Operations} + \text{Interest Revenue and Expense}}{\text{Cash Operating Revenue} + \text{Interest Revenue}}$
Interest Coverage Ratio: <i>This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges</i>	$\frac{\text{Net Interest Expense on Debt Service}^{***}}{\text{Total Operating Revenue}}$

* 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.

^ Loan redemption includes lease redemption.