

Monthly Financial Report

May 2021



CONTENTS

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.	City Water Statements	12
11.	City Waste Statements	12
12.	Appendix: Additional and Non-financial Information	13
13.	Glossary	14

1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 May 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)	10,827	16,668	5,841	54%	✓
Recurrent Revenue	304,599	286,172	285,543	(629)	0%	✗
Recurrent Expenditure	305,996	275,345	268,875	(6,470)	-2%	✓
Capital Works Expenditure	102,202	70,554	54,580	(15,974)	-23%	✓
Closing Cash & Cash Equivalents	167,495	199,215	191,101	(8,114)	-4%	✗

Council reported a year to date operating surplus of \$16.67M which is favourable to budget by \$5.84M due to less than budget recurrent expenditure. The favourable variance in recurrent expenditure is mainly due to a favourable variance in materials and services which is primarily due to underspend in contractor costs. Of note, interest income is lower than budget due to lower than expected interest rates on investments, noting the RBA cash rate is at a historical low of 0.10%.

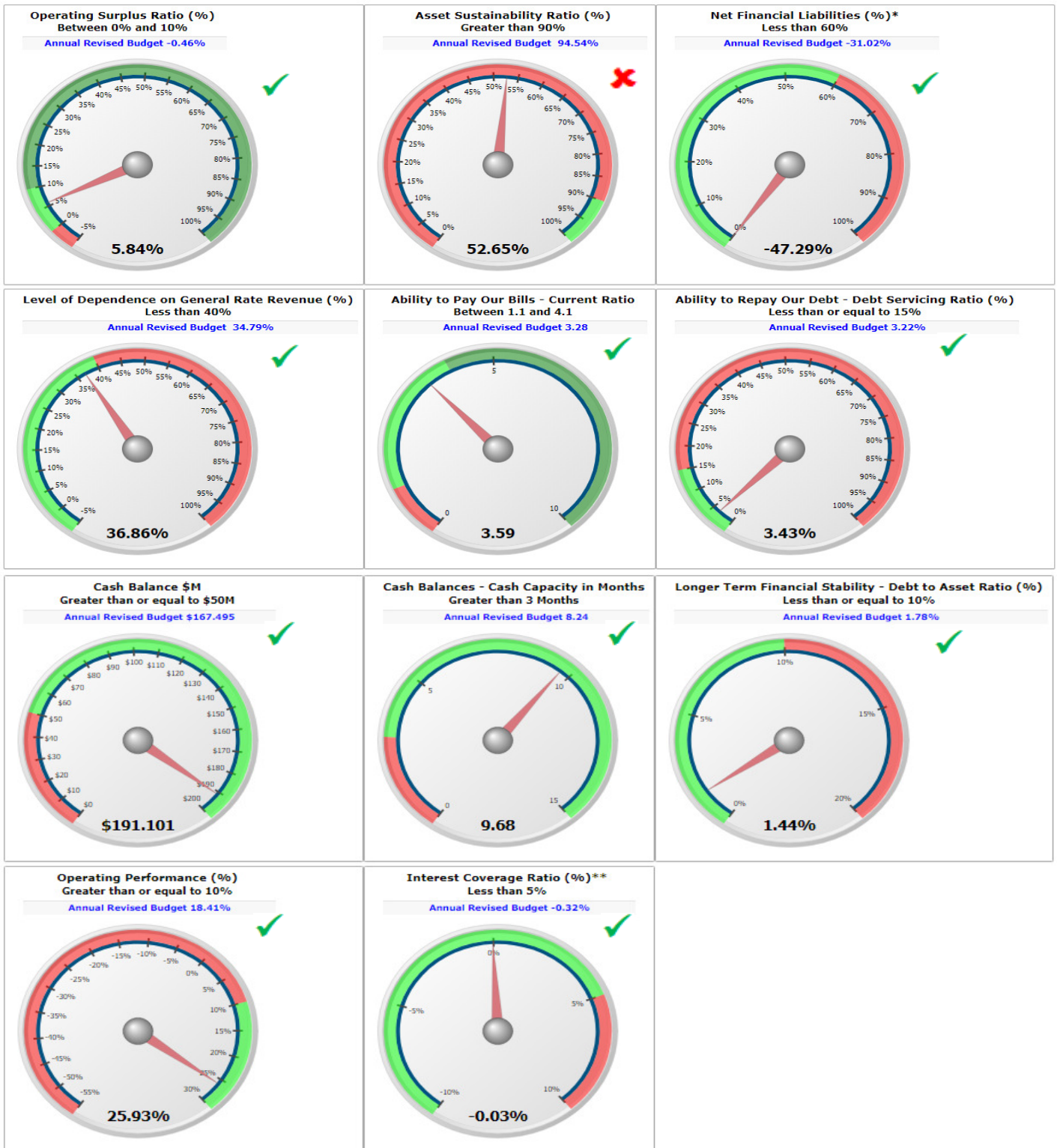
Capital grants, subsidies and contributions are below budget due to timing of developer cash contributions.

Council's capital works expenditure is below budget by \$15.97M mainly due to timing of works for a number of projects including the Kinross road intersection upgrade, Wellington Street upgrade, Canaipa Point Drive footpath upgrade, Russell Island ferry terminal, sewer manhole refurbishment, Weinam Creek development and Boundary Road trunk sewer.

Constrained cash reserves represent 56% 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 May 2021					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates charges	108,926	108,926	108,842	108,246	(596)
Levies and utility charges	160,082	160,082	147,986	147,301	(685)
Less: Pensioner remissions and rebates	(3,430)	(3,430)	(3,392)	(3,493)	(101)
Fees	13,554	13,999	12,358	13,701	1,343
Rental income	956	1,069	909	1,085	176
Interest received	2,999	2,899	2,649	1,839	(810)
Sales revenue	3,630	3,740	3,192	3,194	2
Other income	533	712	710	1,180	470
Grants, subsidies and contributions	14,896	16,603	12,918	12,490	(428)
Total recurrent revenue	302,146	304,599	286,172	285,543	(629)
Recurrent expenses					
Employee benefits	91,988	93,095	84,912	85,700	788
Materials and services	145,591	146,725	129,741	123,177	(6,564)
Finance costs	2,382	2,382	2,181	2,139	(42)
Depreciation and amortisation	64,938	64,931	59,533	59,454	(79)
Other expenditure	520	509	461	260	(201)
Net internal costs	(1,800)	(1,646)	(1,483)	(1,855)	(372)
Total recurrent expenses	303,619	305,996	275,345	268,875	(6,470)
OPERATING SURPLUS / (DEFICIT)	(1,473)	(1,397)	10,827	16,668	5,841
Capital revenue					
Grants, subsidies and contributions	25,922	37,486	28,684	18,756	(9,928)
Non-cash contributions	3,480	3,480	1,612	2,278	666
Total capital revenue	29,402	40,966	30,296	21,034	(9,262)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	265	1,521	1,256
Total capital expenses	289	289	265	1,521	1,256
TOTAL INCOME	331,548	345,565	316,468	306,577	(9,891)
TOTAL EXPENSES	303,908	306,285	275,610	270,396	(5,214)
NET RESULT	27,641	39,280	40,858	36,181	(4,677)
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	40,858	36,181	(4,677)

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS For the period ending 31 May 2021

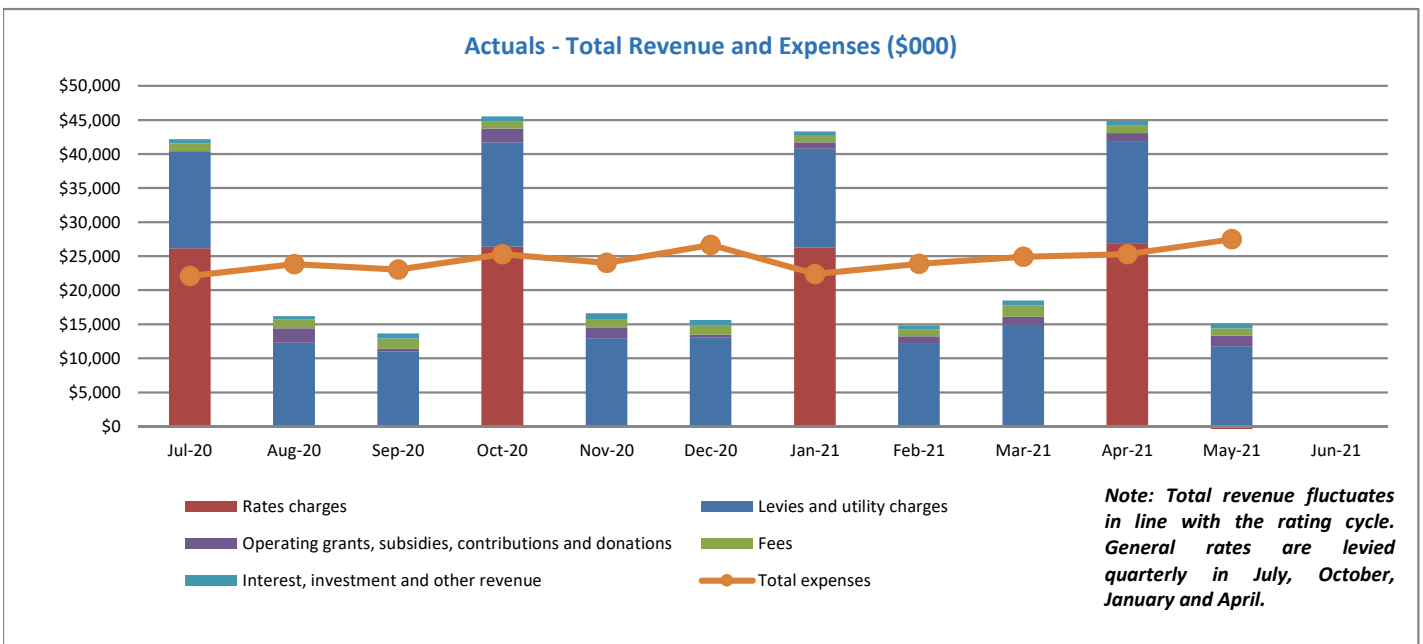
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual \$000	Variance \$000
Levies and utility charges					
Refuse collection rate charge	29,127	29,127	26,663	26,866	203
SES separate charge	497	497	496	495	(1)
Environment separate charge	8,388	8,388	8,387	8,340	(47)
Separate charge landfill remediation	2,163	2,163	1,982	1,971	(11)
Wastewater charges	47,842	47,842	43,796	43,551	(245)
Water access charges	20,120	20,120	18,418	18,389	(29)
Water consumption charges	51,945	51,945	48,244	47,689	(555)
Total levies and utility charges	160,082	160,082	147,986	147,301	(685)

MATERIALS AND SERVICES ANALYSIS For the period ending 31 May 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	39,268	34,039	30,736	(3,303)
Consultants	2,813	3,449	3,026	1,933	(1,093)
Other Council outsourcing costs*	23,063	20,917	18,516	18,071	(445)
Purchase of materials	53,059	54,893	49,000	48,408	(592)
Office administration costs	11,685	11,648	10,218	10,494	276
Electricity charges	5,748	5,624	5,129	5,079	(50)
Plant operations	3,548	3,543	3,196	2,994	(202)
Information technology resources	3,067	3,474	3,161	2,835	(326)
General insurance	1,646	1,457	1,336	1,206	(130)
Community assistance**	1,777	1,828	1,534	944	(590)
Other material and service expenses	636	624	586	477	(109)
Total materials and services	145,591	146,725	129,741	123,177	(6,564)

* 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.



4. STATEMENT OF FINANCIAL POSITION

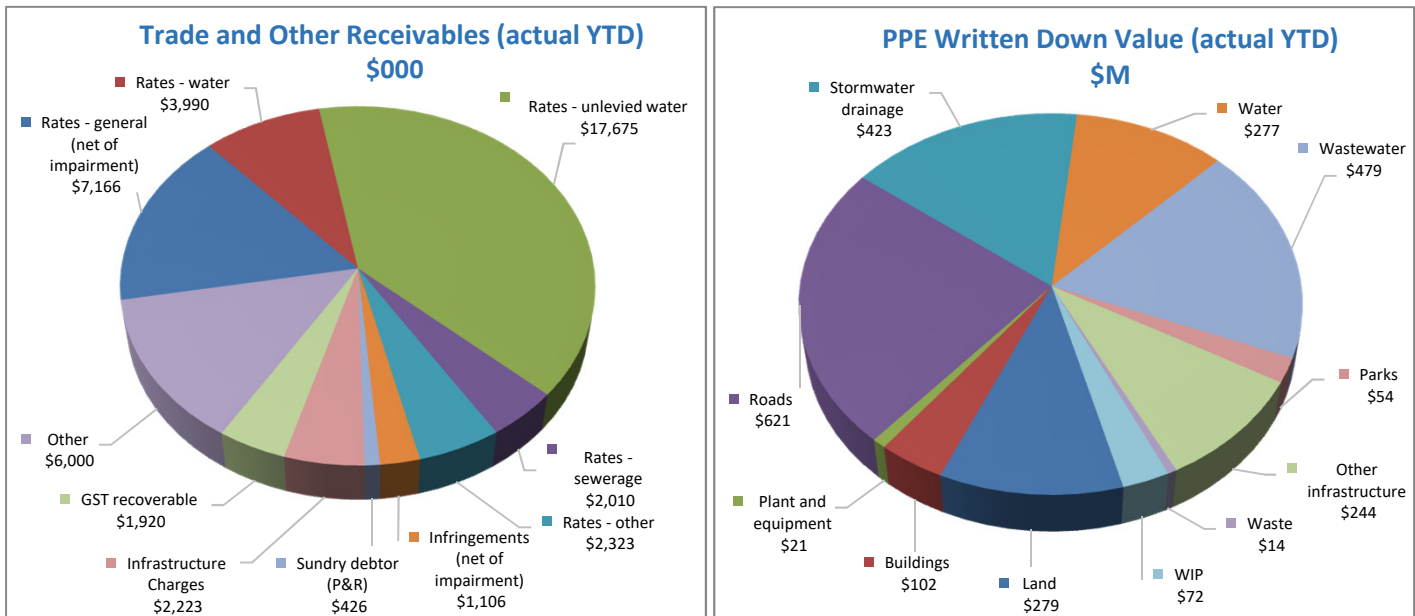
STATEMENT OF FINANCIAL POSITION
As at 31 May 2021

	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	199,215	191,101
Short-term investment - CBA	-	-	-	10,000
Trade and other receivables*	45,924	44,200	44,365	44,839
Inventories	918	853	855	749
Non-current assets held for sale	-	118	118	-
Other current assets	1,955	2,956	2,955	4,075
Total current assets	218,061	215,621	247,508	250,764
NON-CURRENT ASSETS				
Investment property	1,091	1,225	1,225	1,225
Property, plant and equipment	2,572,288	2,629,009	2,601,179	2,585,784
Intangible assets	486	1,682	1,719	1,751
Right-of-use assets	5,919	5,876	5,964	5,825
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	2,623,261	2,607,315
TOTAL ASSETS	2,811,018	2,866,586	2,870,769	2,858,079
CURRENT LIABILITIES				
Trade and other payables	28,839	41,895	45,350	33,439
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	12,373	14,100
Other current liabilities	-	1,960	10,594	12,710
Total current liabilities	47,271	65,663	77,937	69,869
NON-CURRENT LIABILITIES				
Borrowings - non-current	37,900	35,840	26,079	26,062
Lease liability - non-current	5,481	5,469	5,561	5,535
Provisions - non-current	15,120	14,162	14,162	14,259
Total non-current liabilities	58,501	55,470	45,802	45,856
TOTAL LIABILITIES	105,772	121,133	123,739	115,725
NET COMMUNITY ASSETS	2,705,246	2,745,453	2,747,030	2,742,354
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	1,599,899	1,599,440
Constrained cash reserves	116,810	104,333	111,291	107,074
TOTAL COMMUNITY EQUITY	2,705,246	2,745,453	2,747,030	2,742,354

* Included \$3.41M loan drawn down by Redland Investment Corporation (RIC) from February to May 2021. Current loan receivable from RIC is \$3.50M.

** \$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 31 May 2021

Right-of-use asset	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
Buildings	2,780	2,697	2,749	2,770
Land	2,763	2,815	2,847	2,858
Plant and Equipment	376	364	368	197
Closing balance	5,919	5,876	5,964	5,825

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 May 2021

PPE movement	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Revised Budget \$000	Actual Balance \$000
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	72,165	56,696
Depreciation in year	(63,282)	(63,282)	(58,008)	(57,585)
Disposals	(1,851)	(1,851)	(1,436)	(2,248)
Other adjustments**	-	-	-	463
Closing balance	2,572,288	2,629,009	2,601,179	2,585,784

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

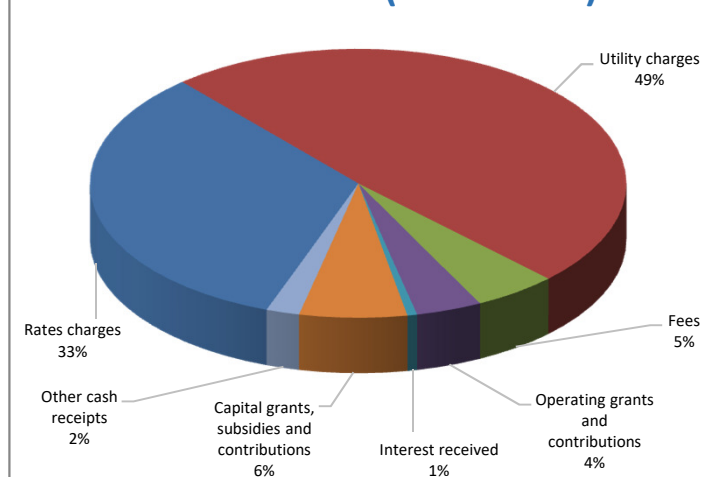
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

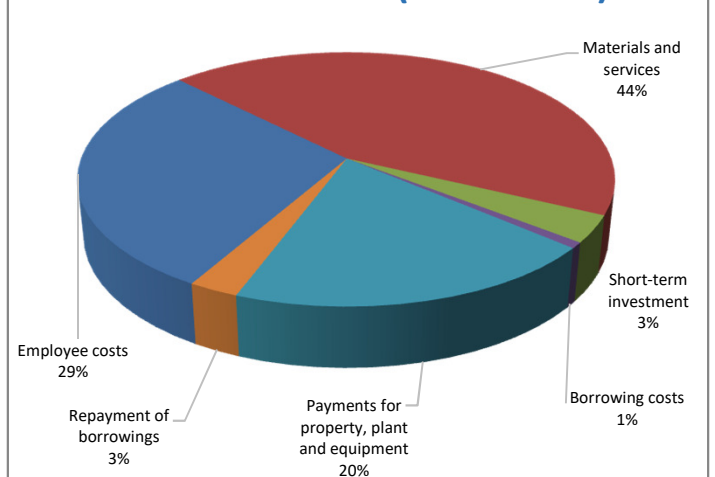
STATEMENT OF CASH FLOWS
For the period ending 31 May 2021

	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	272,712	277,817
Payments to suppliers and employees	(239,435)	(241,818)	(213,090)	(215,025)
	37,051	37,101	59,622	62,792
Interest received	2,999	2,899	2,649	1,839
Rental income	956	1,069	909	1,085
Non-capital grants and contributions	14,483	16,189	12,849	12,487
Borrowing costs	(2,052)	(2,052)	(2,052)	(2,048)
Right-of-use assets interest expense	(144)	(144)	(132)	(135)
Net cash inflow / (outflow) from operating activities	53,294	55,063	73,845	76,020
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(77,614)	(102,202)	(70,554)	(56,836)
Payments for intangible assets	-	-	-	(162)
Proceeds from sale of property, plant and equipment	1,562	1,562	1,172	846
Capital grants, subsidies and contributions	25,922	39,186	30,384	20,351
Short-term investment - CBA	-	-	-	(10,000)
Other cash flows from investing activities*	-	-	-	(3,410)
Net cash inflow / (outflow) from investing activities	(50,131)	(61,455)	(38,998)	(49,211)
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)	(1,172)	(1,240)
Net cash inflow / (outflow) from financing activities	1,957	1,986	(7,533)	(7,609)
Net increase / (decrease) in cash held	5,120	(4,406)	27,314	19,200
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	199,215	191,101

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)

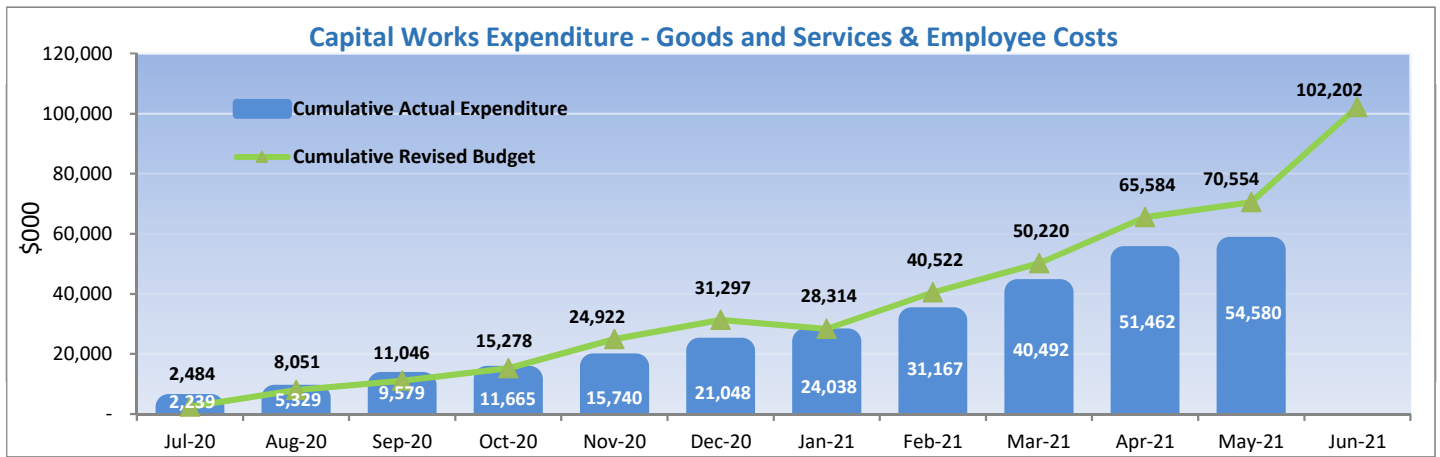


Total Cash Funding (Actual YTD)	314,425
Total Cash Funding (Annual Revised Budget)	349,437
% of Budget Achieved YTD	90%

Total Cash Expenditure (Actual YTD)	295,225
Total Cash Expenditure (Annual Revised Budget)	353,842
% of Budget Achieved YTD	83%

* Loan drawn down by RIC from February to May 2021.

6. CAPITAL EXPENDITURE

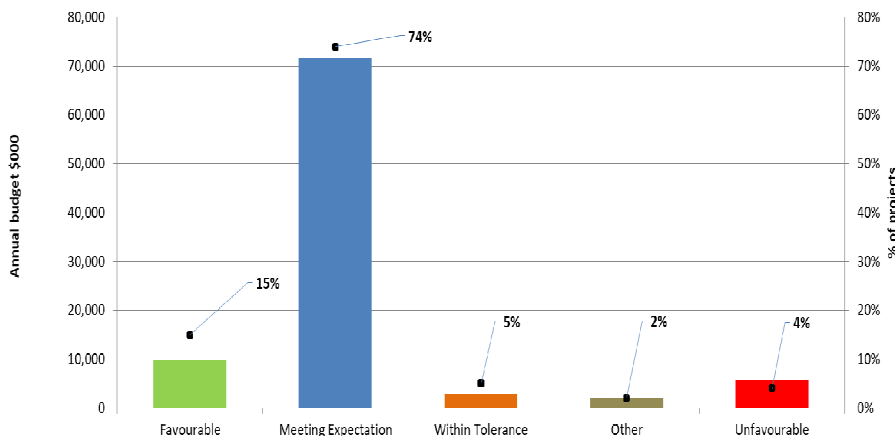


	Annual Revised Budget \$000	YTD Revised Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services	93,416	63,047	47,945	(15,102)
Capitalised employee costs	8,786	7,507	6,635	(872)
Total	102,202	70,554	54,580	(15,974)

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)
--	---	--	--	---

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

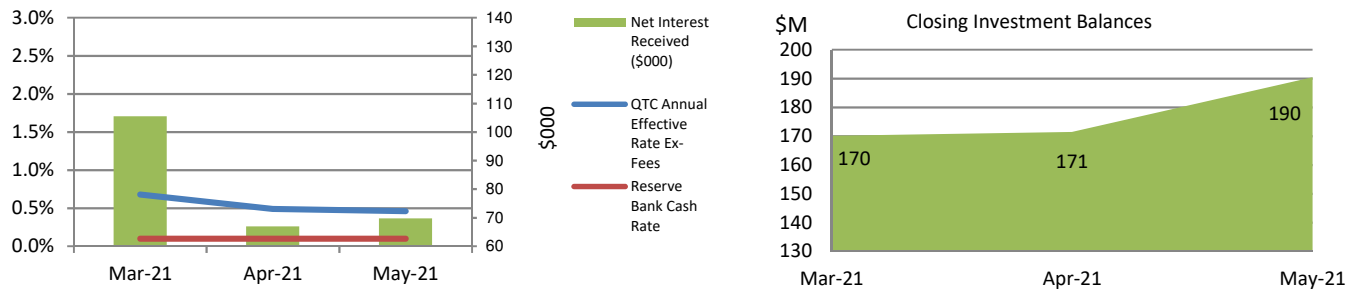
The status of two notable projects are as follows:

Project description	Progress
<p>Build Fibre Optic Connecting 6 Council Sites Together This project will deliver critical fibre connections for Redland City Council and the community, connecting multiple Council operations across the city, critical data centres which host production and disaster recovery capabilities, and essential services.</p>	Meeting Expectation
<p>Redlands Coast Eastern Hinterland Experience This project will provide multi-use fire trails, mountain biking downhill tracks, shared used trails and visitor infrastructure, connecting neighbouring trail networks, accommodation and businesses, providing a unique regional destination with recreation and tourism value.</p>	Favourable

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 May 2021

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$190.49M

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 deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

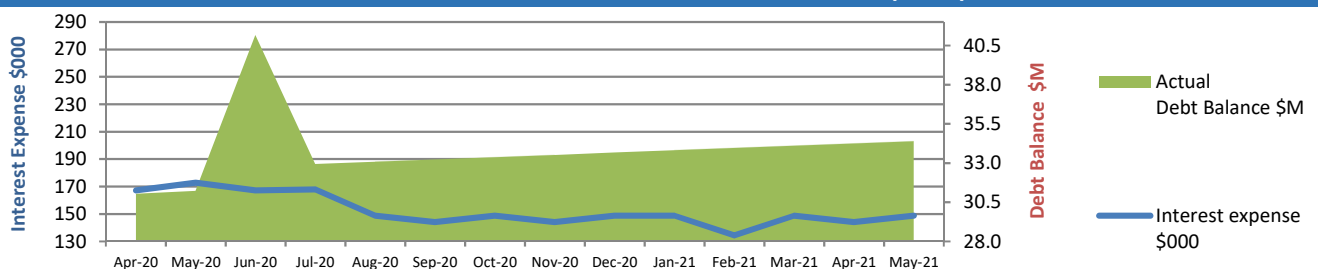
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.46%. 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 \$34.39M

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

BORROWINGS For the period ending 31 May 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)	(1,640)	(1,627)
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)	(34,405)	(34,388)

9. CONSTRAINED CASH RESERVES

Reserves as at 31 May 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	27	(10)	19
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	463	(463)	-
Waste Levy Reserve	To fund Waste Levy Program	-	4,361	(4,020)	341
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	2,093	2,847	(609)	4,331
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	2,536	2,493	(1,497)	3,532
		4,631	10,191	(6,599)	8,223
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,662	1,656	(1,995)	6,323
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	3,086	1,477	-	4,563
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,626	419	(297)	14,748
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	10,909	1,711	(1,554)	11,066
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	33,731	4,251	(1,720)	36,262
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	11,923	1,625	(295)	13,253
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,842	493	(1,479)	9,856
Tree Planting Reserve	Acquisition and planting of trees on footpaths	103	76	(8)	171
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	12	170	(7)	175
		91,894	11,878	(7,355)	96,417
Separate Charge Reserve:					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	8,340	(6,909)	1,431
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	38	495	(387)	146
		38	8,835	(7,296)	1,577
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	30,904	(21,250)	107,074
					Closing cash and cash equivalents
					191,101
					Reserves as percentage of cash balance
					56%

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

10. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT					
For the period ending 31 May 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	114,401	113,210	(1,191)
Total expenses	71,469	71,476	64,443	62,552	(1,891)
Earnings before interest, tax and depreciation (EBITD)	51,501	52,714	49,958	50,658	700
External interest expense	71	71	65	101	36
Internal interest expense	10,621	10,621	9,736	9,736	-
Depreciation	24,142	24,142	22,130	22,048	(82)
Operating surplus / (deficit)	16,667	17,880	18,027	18,773	746

CITY WATER CAPITAL FUNDING STATEMENT					
For the period ending 31 May 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	2,326	1,833	(493)
Net transfer (to) / from constrained capital reserves	(2,365)	(374)	(243)	(418)	(175)
Non-cash contributions	3,399	3,399	1,537	1,855	318
Funding from utility revenue	8,568	10,373	5,984	2,717	(3,267)
Total sources of capital funding	12,138	15,936	9,604	5,987	(3,617)
Contributed assets	3,399	3,399	1,536	1,836	300
Capitalised expenditure	8,258	12,056	7,626	3,608	(4,018)
Loan redemption	482	482	442	543	101
Total application of capital funds	12,138	15,936	9,604	5,987	(3,617)

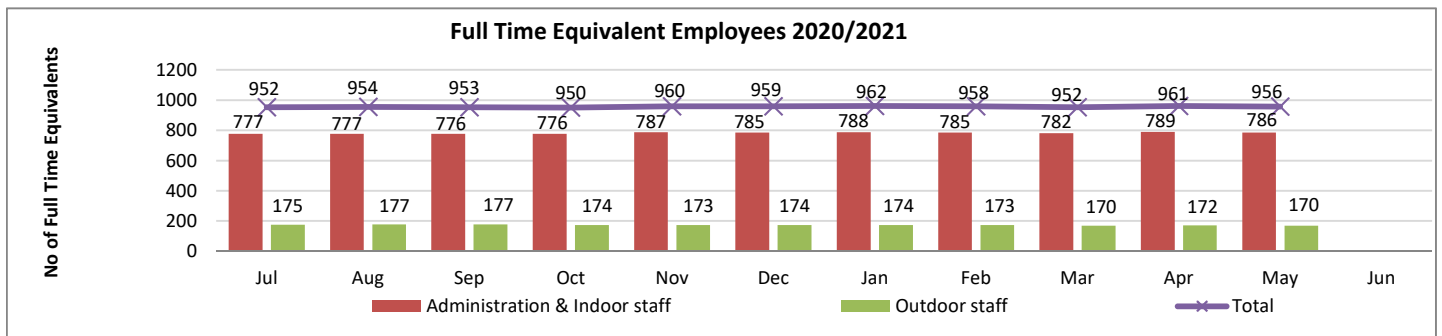
11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT					
For the period ending 31 May 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	33,052	32,950	(102)
Total expenses	27,427	27,280	24,674	25,356	682
Earnings before interest, tax and depreciation (EBITD)	8,288	8,359	8,378	7,594	(784)
External interest expense	17	17	16	16	-
Depreciation	327	327	300	305	5
Operating surplus / (deficit)	7,943	8,014	8,062	7,273	(789)

CITY WASTE CAPITAL FUNDING STATEMENT					
For the period ending 31 May 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	2,428	1,692	(736)
Total sources of capital funding	924	2,729	2,428	1,692	(736)
Capitalised expenditure	779	2,584	2,286	1,569	(717)
Loan redemption	145	145	142	123	(19)
Total application of capital funds	924	2,729	2,428	1,692	(736)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



May 2021: Headcount	Employee Type			
	Casual	Full Time	Part Time	Total
Office of CEO and People, Culture and Organisational Performance	5	41	10	56
Organisational Services	4	201	24	229
Community and Customer Services	47	286	68	401
Infrastructure and Operations	8	342	16	366
Total	64	870	118	1,052

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	May-21	% Overdue	May-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	May-21	May-20
0 - 30	\$8,007,912	2.7%	\$608	0.0%	\$8,007,304	2.7%	Levied (Billed) Rates & Charges since 1 July 2020	\$282,747,735	\$273,200,689
31 - 60	\$0	0.0%	\$376	0.0%	-\$376	0.0%	Rate arrears b/fwd 1 July 2020	\$12,988,652	\$9,452,770
61 - 90	\$350	0.0%	\$15,865	0.0%	-\$15,515	0.0%	Total	\$295,736,387	\$282,653,459
91 - 180	\$2,185,146	0.7%	\$2,367,533	0.8%	-\$182,387	-0.1%	Balance of overdue rates & charges	\$15,583,199	\$7,092,944
>180	\$5,389,791	1.8%	\$4,708,562	1.7%	\$681,229	0.1%	Percentage Overdue	5.2%	2.5%
Total	\$15,583,199	5.2%	\$7,092,944	2.5%	\$8,490,255*	2.7%			

* The \$8.49M variance is due to the extension of rates settlement as part of the COVID 19 economic stimulus package adopted by Council in FY 2019-2020.

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

* 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.