



Monthly Financial Report

November 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 30 November 2021. The year to date annual revised budget referred to in this report incorporates the changes from budget capital carryovers adopted by Council on 18 August 2021.

Key Financial Highlights and Overview

Key Financial Results (\$000)	Annual Revised Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance %	Status Favourable ✓ Unfavourable ✗
Operating Surplus / (Deficit)	43	20,906	25,264	4,358	21%	✓
Recurrent Revenue	310,942	146,016	146,714	698	0%	✓
Recurrent Expenditure	310,899	125,110	121,450	(3,660)	-3%	✓
Capital Works Expenditure	102,732	31,547	20,870	(10,677)	-34%	✓
Closing Cash & Cash Equivalents	196,457	223,551	212,653	(10,898)	-5%	✗

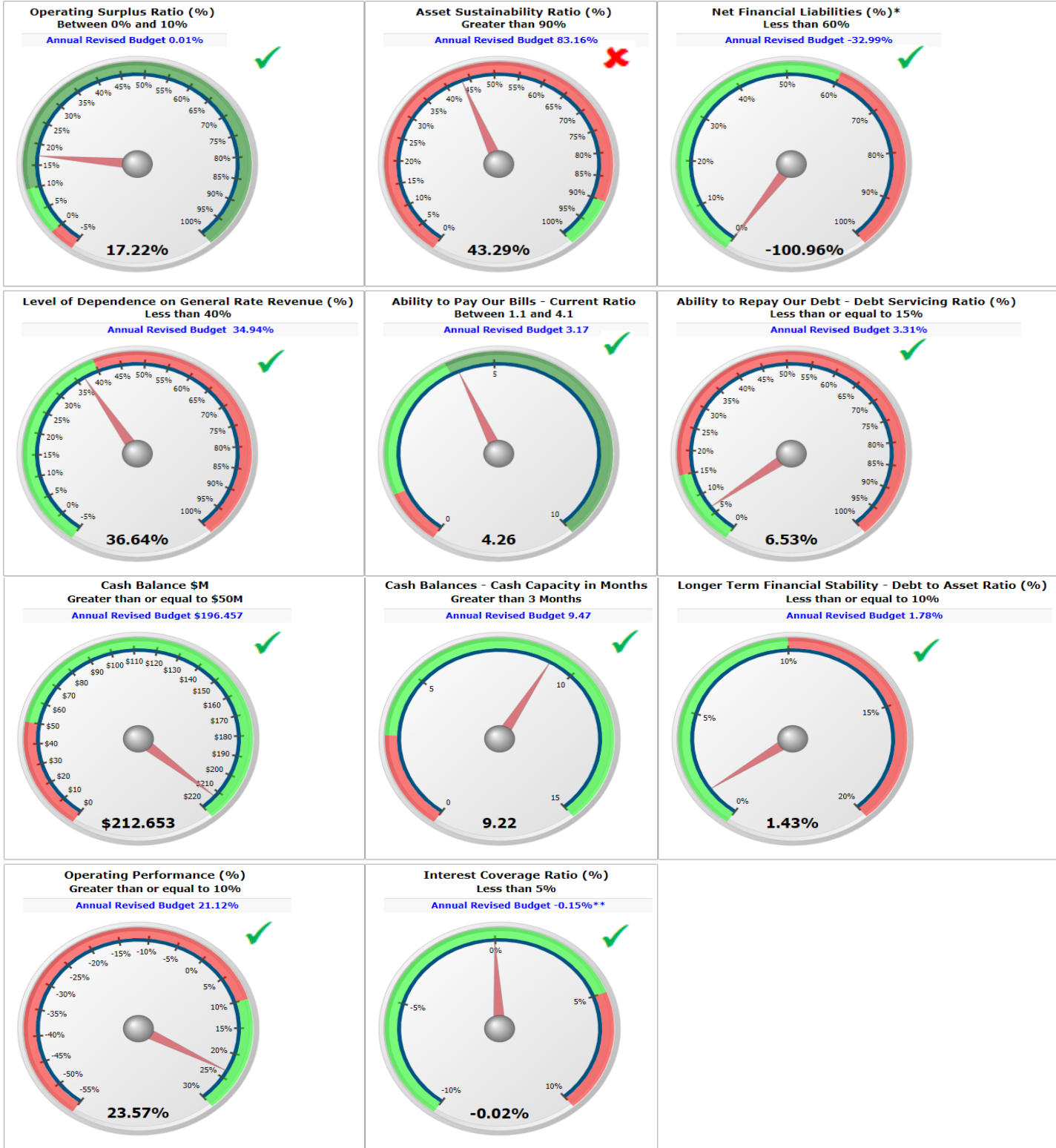
Council reported a year to date operating surplus of \$25.26M which is favourable to budget by \$4.36M mainly on account of higher fees income, lower than budgeted expenditure on materials and services and lower depreciation due to timing of asset capitalisations.

The Infrastructure and Operations (I&O) Department presented a briefing to Council that addressed the supply chain issues that are contributing to forecast underspends to the FY2021-22 capital works portfolio. This briefing included mitigation strategies that addressed the risks to delivering the capital works which was agreed to and resolved by Council at the General Meeting held on 20 October 2021.

Council's cash balance is behind budget mainly due to higher than anticipated payments to suppliers and lower than expected receipts from customers offset by lower than expected payment for property, plant and equipment. Constrained cash reserves represent 55% 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 30 November 2021

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
Recurrent revenue					
Rates charges	111,574	111,650	55,383	55,300	(83)
Levies and utility charges	170,378	170,378	77,309	76,471	(838)
Less: Pensioner remissions and rebates	(3,486)	(3,486)	(1,705)	(1,764)	(59)
Fees	15,337	15,337	6,681	7,887	1,206
Rental income	1,067	1,067	451	516	65
Interest received	2,037	2,037	794	709	(85)
Sales revenue	3,682	3,682	1,838	2,132	294
Other income	469	469	360	592	232
Grants, subsidies and contributions	9,496	9,808	4,905	4,871	(34)
Total recurrent revenue	310,554	310,942	146,016	146,714	698
Recurrent expenses					
Employee benefits	97,172	97,295	40,407	40,624	217
Materials and services	145,459	145,725	56,498	53,670	(2,828)
Finance costs	2,007	2,007	810	775	(35)
Depreciation and amortisation	67,563	67,563	28,153	27,070	(1,083)
Other expenditure	522	522	149	244	95
Net internal costs	(2,213)	(2,213)	(907)	(933)	(26)
Total recurrent expenses	310,511	310,899	125,110	121,450	(3,660)
OPERATING SURPLUS / (DEFICIT)	43	43	20,906	25,264	4,358
Capital revenue					
Grants, subsidies and contributions	22,133	28,638	7,707	7,999	292
Non-cash contributions	2,461	2,461	991	30	(961)
Total capital revenue	24,594	31,099	8,698	8,029	(669)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	48	238	190
Total capital expenses	289	289	48	238	190
TOTAL INCOME	335,148	342,041	154,714	154,743	29
TOTAL EXPENSES	310,799	311,188	125,158	121,688	(3,470)
NET RESULT	24,349	30,853	29,556	33,055	3,499
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	24,349	30,853	29,556	33,055	3,499

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Levies and utility charges					
Refuse collection rate charge	30,931	30,931	12,775	12,856	81
SES separate charge	514	514	256	255	(1)
Environment separate charge	10,802	10,802	5,299	5,354	55
Separate charge landfill remediation	3,473	3,473	1,853	1,721	(132)
Wastewater charges	50,354	50,354	24,930	25,006	76
Water access charges	20,949	20,949	10,442	10,386	(56)
Water consumption charges	53,355	53,355	21,754	20,893	(861)
Total levies and utility charges	170,378	170,378	77,309	76,471	(838)

MATERIALS AND SERVICES ANALYSIS

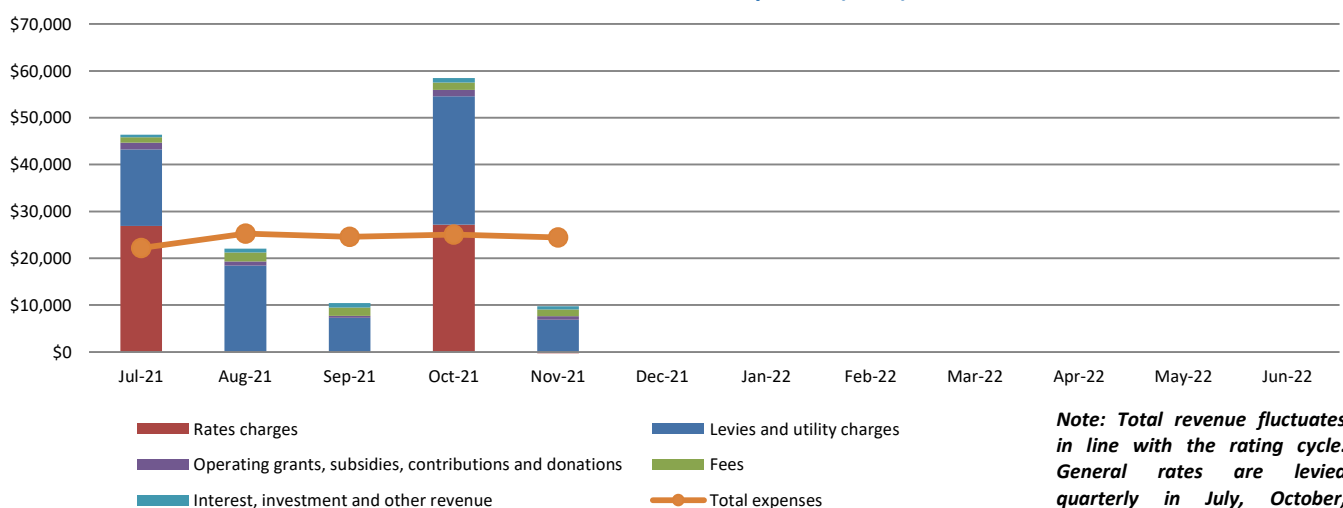
For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	37,447	38,063	11,615	11,570	(45)
Consultants	2,775	3,090	1,176	651	(525)
Other Council outsourcing costs*	26,444	24,926	9,736	8,785	(951)
Purchase of materials	54,490	55,245	21,853	21,245	(608)
Office administration costs	7,194	7,195	5,036	4,666	(370)
Electricity charges	5,723	5,723	2,402	2,259	(143)
Plant operations	3,458	3,458	1,306	1,410	104
Information technology resources	3,685	3,665	1,596	1,679	83
General insurance	1,467	1,467	611	611	-
Community assistance**	1,716	1,836	767	390	(377)
Other material and service expenses	1,057	1,057	400	404	4
Total materials and services	145,459	145,725	56,498	53,670	(2,828)

* 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)



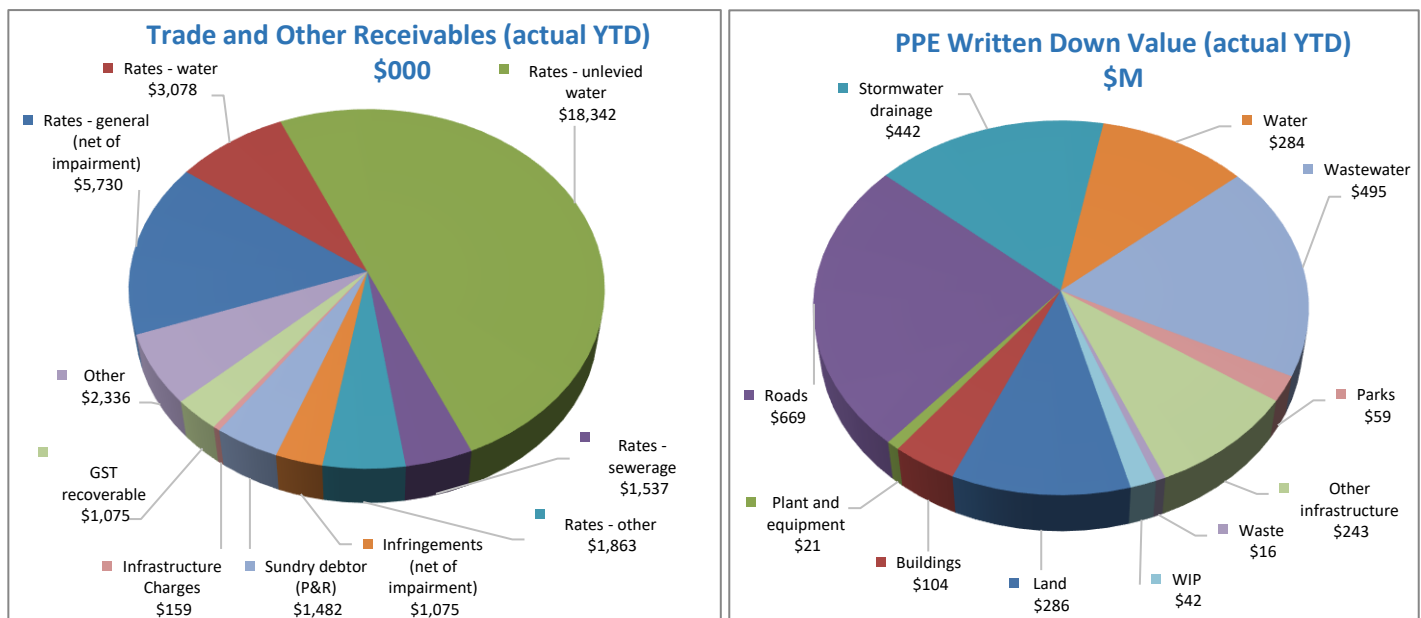
Note: Total revenue fluctuates in line with the rating cycle. General rates are levied quarterly in July, October, January and April.

4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION
As at 30 November 2021

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	198,990	196,457	223,551	212,653
Short-term investment - CBA	-	-	10,000	10,068
Trade and other receivables	42,672	43,012	45,179	36,677
Inventories	916	1,024	931	813
Other current assets	1,810	4,967	4,967	4,568
Total current assets	244,389	245,460	284,628	264,779
NON-CURRENT ASSETS				
Investment property	1,225	1,225	1,225	1,225
Property, plant and equipment	2,619,909	2,705,684	2,672,500	2,661,419
Intangible assets	1,135	1,160	1,477	1,468
Right-of-use assets	4,723	4,984	5,591	5,588
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	12,657
Total non-current assets	2,639,722	2,725,783	2,693,523	2,682,430
TOTAL ASSETS	2,884,111	2,971,243	2,978,151	2,947,209
CURRENT LIABILITIES				
Trade and other payables	37,171	45,927	50,977	24,711
Borrowings - current	8,326	8,919	8,919	8,919
Lease liability - current	1,294	1,130	1,130	1,130
Provisions - current	15,270	15,791	15,784	16,277
Other current liabilities	1,911	5,758	20,543	11,104
Total current liabilities	63,972	77,525	97,353	62,141
NON-CURRENT LIABILITIES				
Borrowings - non-current	38,659	37,990	26,931	26,860
Lease liability - non-current	4,377	4,704	5,371	5,323
Provisions - non-current	21,539	22,676	21,446	22,337
Total non-current liabilities	64,576	65,370	53,748	54,520
TOTAL LIABILITIES	128,547	142,895	151,101	116,661
NET COMMUNITY ASSETS	2,755,563	2,828,348	2,827,050	2,830,548
COMMUNITY EQUITY				
Asset revaluation surplus	1,035,840	1,106,353	1,106,353	1,106,353
Retained surplus	1,619,513	1,623,314	1,610,335	1,607,981
Constrained cash reserves	100,210	98,681	110,362	116,214
TOTAL COMMUNITY EQUITY	2,755,563	2,828,348	2,827,050	2,830,548

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Right-of-use asset				
Buildings	2,109	2,152	2,491	2,487
Land	2,435	2,508	2,751	2,752
Plant and Equipment	179	324	349	349
Closing balance	4,723	4,984	5,591	5,588

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,614,439	2,667,979	2,667,979	2,667,979
Acquisitions and WIP in year movement	72,958	105,193	32,538	20,900
Depreciation in year	(65,977)	(65,977)	(27,490)	(26,396)
Disposals	(1,511)	(1,511)	(527)	(1,083)
Other adjustments**	-	-	-	19
Closing balance	2,619,909	2,705,684	2,672,500	2,661,419

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

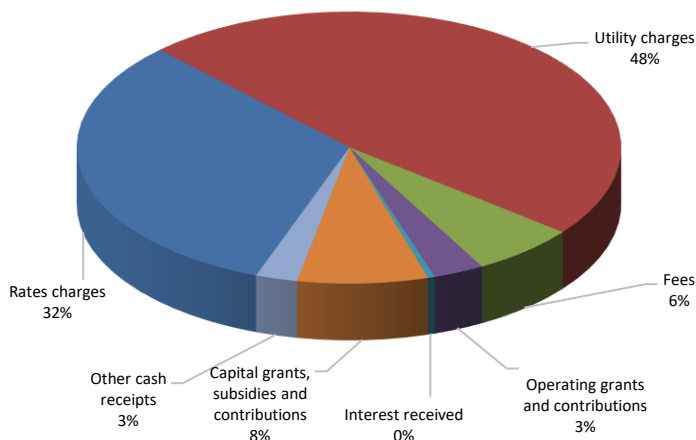
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

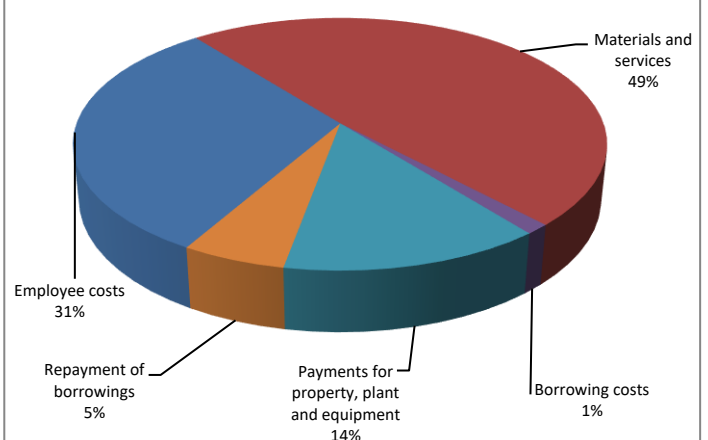
STATEMENT OF CASH FLOWS For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	297,941	298,017	155,592	144,830
Payments to suppliers and employees	(246,606)	(246,995)	(92,524)	(113,562)
	51,334	51,022	63,068	31,268
Interest received	2,037	2,037	794	682
Rental income	1,067	1,067	451	515
Non-capital grants and contributions	14,109	14,421	4,821	4,949
Borrowing costs	(1,763)	(1,763)	(1,740)	(1,769)
Right-of-use assets interest expense	(131)	(131)	(55)	(53)
Net cash inflow / (outflow) from operating activities	66,654	66,654	67,339	35,592
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(70,498)	(102,732)	(31,548)	(19,469)
Proceeds from sale of property, plant and equipment	1,222	1,222	480	845
Capital grants, subsidies and contributions	22,133	28,638	7,707	12,701
Other cash flows from investing activities*	3,500	3,500	-	3,500
Net cash inflow / (outflow) from investing activities	(43,642)	(69,372)	(23,361)	(2,423)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	10,323	10,323	-	-
Repayment of borrowings	(7,243)	(7,243)	(7,189)	(7,230)
Right-of-use lease payment	(1,145)	(1,145)	(478)	(526)
Net cash inflow / (outflow) from financing activities	1,936	1,935	(7,667)	(7,756)
Net increase / (decrease) in cash held	24,947	(783)	36,311	25,413
Cash and cash equivalents at the beginning of the year	174,043	197,240	187,240	187,240
Cash and cash equivalents at the end of the financial year / period	198,990	196,457	223,551	212,653

Cash Inflow (actual YTD)



Cash Outflow (actual YTD)

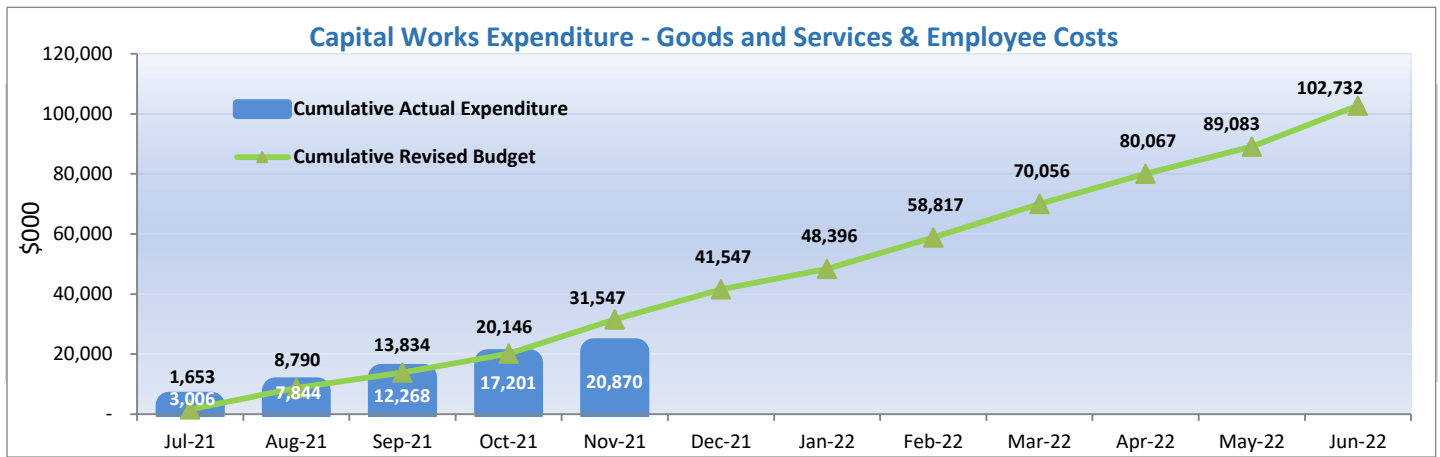


Total Cash Funding (Actual YTD)	168,022
Total Cash Funding (Annual Revised Budget)	359,226
% of Budget Achieved YTD	47%

Total Cash Expenditure (Actual YTD)	142,609
Total Cash Expenditure (Annual Revised Budget)	360,009
% of Budget Achieved YTD	40%

* Loan drawn down by RIC from February to June 2021 has been repaid in July 2021.

6. CAPITAL EXPENDITURE



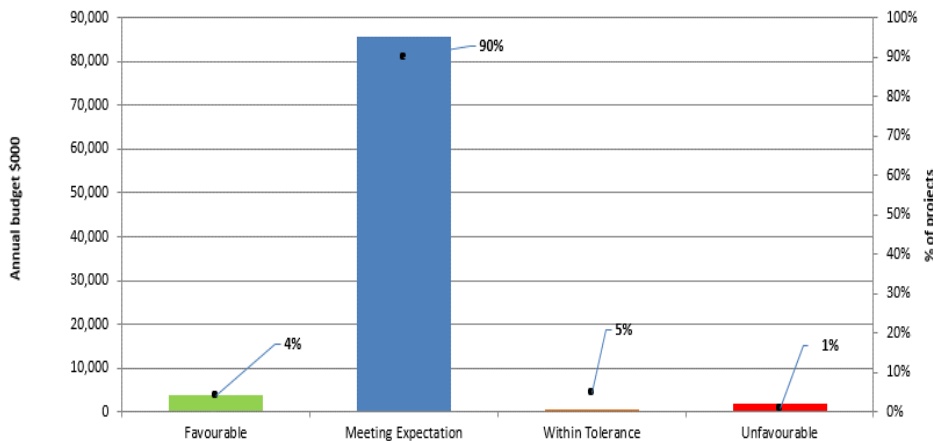
	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capitalised goods and services*	95,085	28,409	17,495	(10,914)
Capitalised employee costs	7,647	3,138	3,375	237
Total	102,732	31,547	20,870	(10,677)

* Excludes capital prepayments.

7. PROGRAM AND PROJECT UPDATE



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

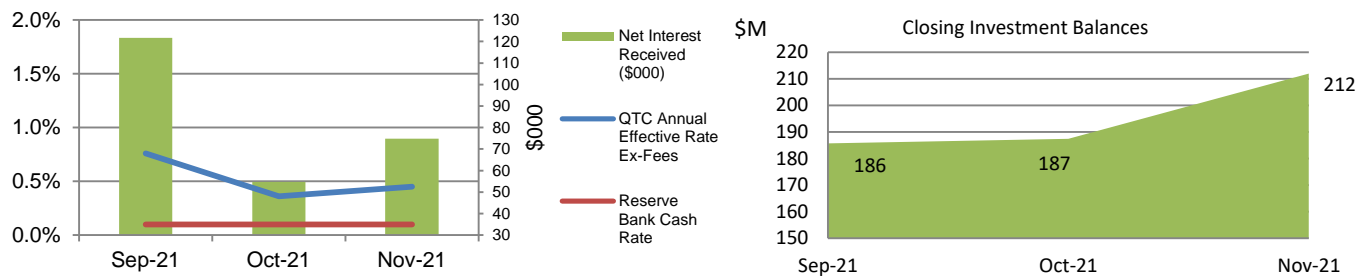
The status of two notable projects are as follows:

Project description	Progress
Victoria Point Reserve CCTV project - install CCTV cameras and associated equipment for the three Council owned parking areas located at Victoria Point	Meeting Expectations
Water and wastewater treatment plant switchboards program - Renewal and Upgrade of switchboards in waste water treatment plants	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 November 2021

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$211.92M

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 2021 \$10.068M was re-invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

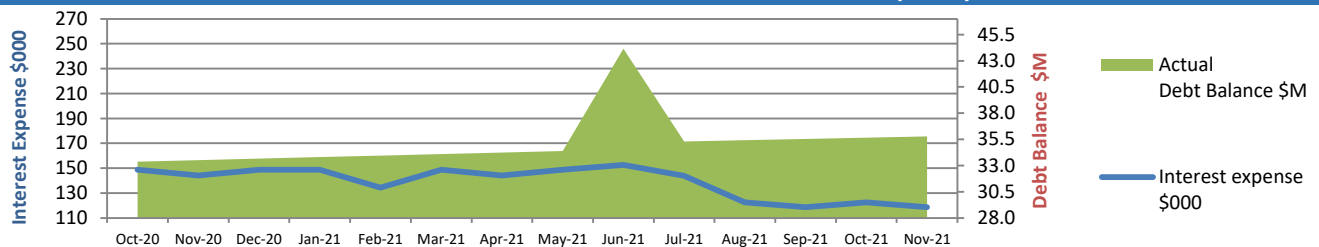
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle.

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 0.45%. Term deposit rates are being monitored to identify investment opportunities to ensure Council maximises its interest earnings.

Council adopted its Investment Policy (FIN-001-P) in June 2021 for the 2021/2022 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 \$9.00M, being \$7.23M principal and \$1.77M interest has been made *annually* for 2021/2022 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 2021. Interest will accrue monthly on a daily balance until next ADSP in July 2022 which is reflected in the increasing debt balance.

In June 2021 borrowings of \$9.61M were undertaken as part of Council's Capital Works Plan.

Total Borrowings at End of Month were \$35.78M

Council adopted its Debt Policy (FIN-009-P) in June 2021 for the 2021/2022 financial year

BORROWINGS

For the period ending 30 November 2021

	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual Balance \$'000
Borrowings				
Opening balance	(44,228)	(44,153)	(44,153)	(44,153)
Accrued interest on borrowings	(1,439)	(1,438)	(626)	(626)
Interest paid on borrowings	1,763	1,763	1,740	1,769
Principal repaid	7,243	7,243	7,189	7,231
Loan drawdown	(10,324)	(10,324)	-	-
Closing balance	(46,985)	(46,909)	(35,850)	(35,779)

9. CONSTRAINED CASH RESERVES

Reserves as at 30 November 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	-	13	(13)	-
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	-	166	(2)	164
Waste Levy Reserve	To fund Waste Levy Program	-	2,643	(1,979)	664
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	4,265	1,375	(472)	5,168
Fleet Plant & Capital Equipment Reserve	To support the long term fleet replacement program	3,716	1,222	(389)	4,549
		7,981	5,419	(2,855)	10,545
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	6,148	1,939	(1,205)	6,882
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	4,829	69	-	4,898
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,760	69	-	14,829
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	11,165	1,579	(1,163)	11,581
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	36,517	2,808	(374)	38,951
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	13,288	1,039	(419)	13,908
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	9,898	277	-	10,175
Tree Planting Reserve	Acquisition and planting of trees on footpaths	169	49	(7)	211
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	226	65	(29)	262
Special Property Reserve	Acquisition of property in line with the strategic property framework	0	796	-	796
		97,000	8,690	(3,197)	102,493
Separate Charge Reserve:					
Environment Charge Maintenance Reserve	Ongoing conservation and maintenance operations	-	5,354	(3,190)	2,164
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	70	255	(170)	155
		70	5,609	(3,360)	2,319
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		105,908	19,718	(9,412)	116,214
					Closing cash and cash equivalents
					212,653
					Reserves as percentage of cash balance
					55%

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

10. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	128,647	128,647	58,990	58,272	(718)
Total expenses	(76,264)	(76,465)	(30,025)	(29,398)	627
Earnings before interest, tax and depreciation (EBITD)	52,382	52,182	28,965	28,874	(91)
External interest expense	(224)	(224)	(101)	(99)	2
Internal interest expense	(15,139)	(15,139)	(6,308)	(6,308)	-
Depreciation	(24,711)	(24,711)	(10,296)	(10,237)	59
Operating surplus / (deficit)	12,309	12,109	12,260	12,230	(30)

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	2,956	2,956	1,232	1,648	416
Net transfer (to) / from constrained capital reserves	1,019	1,019	(1,232)	(1,613)	(381)
Non-cash contributions	5,747	5,747	991	-	(991)
Funding from utility revenue	(2,699)	7,450	3,100	2,434	(666)
Total sources of capital funding	7,023	17,173	4,091	2,469	(1,622)
Contributed assets	(2,379)	(2,379)	(991)	-	991
Capitalised expenditure	(3,982)	(14,132)	(2,673)	(1,939)	734
Loan redemption	(662)	(662)	(427)	(530)	(103)
Total application of capital funds	(7,023)	(17,173)	(4,091)	(2,469)	1,622

11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	33,057	33,057	16,146	16,335	189
Total expenses	(24,137)	(24,137)	(11,803)	(11,427)	376
Earnings before interest, tax and depreciation (EBITD)	8,920	8,920	4,343	4,908	565
External interest expense	(7)	(7)	(3)	(3)	-
Depreciation	(423)	(423)	(176)	(151)	25
Operating surplus / (deficit)	8,490	8,490	4,164	4,754	590

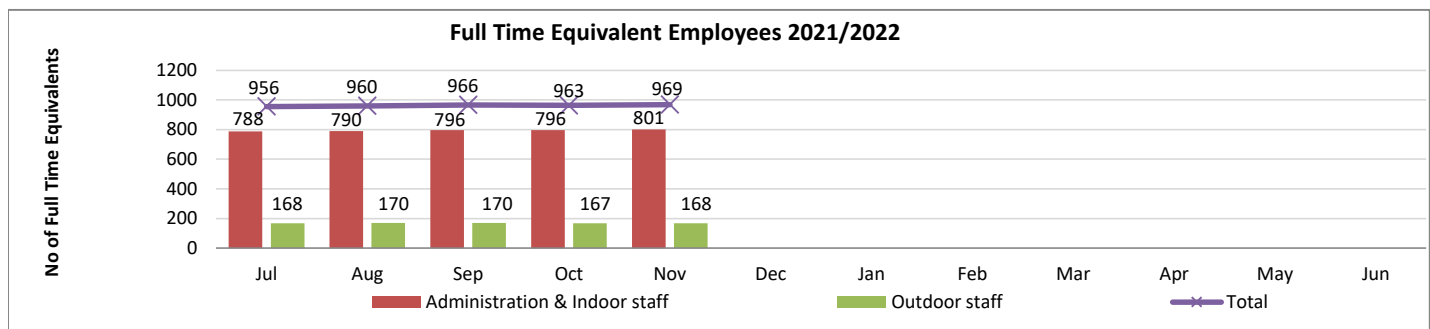
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 30 November 2021

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Funding from utility revenue	755	1,005	534	401	(133)
Total sources of capital funding	755	1,005	534	401	(133)
Capitalised expenditure	(600)	(850)	(402)	(288)	114
Loan redemption	(155)	(155)	(132)	(113)	19
Total application of capital funds	(755)	(1,005)	(534)	(401)	133

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



November 2021: Headcount	Employee Type			
	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	5	42	9	56
Organisational Services	3	210	20	233
Community and Customer Services	42	293	63	398
Infrastructure and Operations	9	346	17	372
Total	59	891	109	1,059

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

Comparison November 2021 to November 2020									
Days Overdue	Nov-21	% Overdue	Nov-20	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics		
								Nov-21	Nov-20
0 - 30	\$6,383,150	4.1%	\$6,166,713	4.1%	\$216,437	0.0%	Levied (Billed) Rates & Charges since 1 July 2021	\$146,464,976	\$139,572,969
31 - 60	\$3,422	0.0%	\$0	0.0%	\$3,422	0.0%	Rate arrears b/fwd 1 July 2021	\$10,693,344	\$12,988,652
61 - 90	\$1,039	0.0%	\$410	0.0%	\$629	0.0%	Total	\$157,158,320	\$152,561,621
91 - 180	\$1,899,835	1.2%	\$3,571,106	2.3%	-\$1,671,271	-1.1%	Balance of overdue rates & charges	\$12,284,347	\$13,096,072
>180	\$3,996,901	2.5%	\$3,357,843	2.2%	\$639,058	0.3%	Percentage Overdue	7.8%	8.6%
Total	\$12,284,347	7.8%	\$13,096,072	8.6%	-\$811,725	-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*: <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.