



Monthly Financial Report

August 2022



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1. EXECUTIVE SUMMARY

This monthly report illustrates the financial performance and position of Redland City Council compared to its adopted budget at an organisational level for the period ended 31 August 2022. The year to date annual revised budget referred to in this report incorporates the changes from budget capital carryovers adopted by Council on 17 August 2022.

The opening balances for the current year are still to be finalised and audited. As such, the financial position for the month of August may adjust over the coming months until Council receives Queensland Audit Office (QAO) certification, expected in September 2022.

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)	(4,102)	25,979	26,408	429	2%	✓
Recurrent Revenue	328,711	73,730	73,916	186	0%	✓
Recurrent Expenditure	332,813	47,751	47,508	(243)	-1%	✓
Capital Works Expenditure	150,226	11,193	9,573	(1,620)	-14%	✓
Closing Cash & Cash Equivalents	203,047	287,750	254,827	(32,923)	-11%	✗

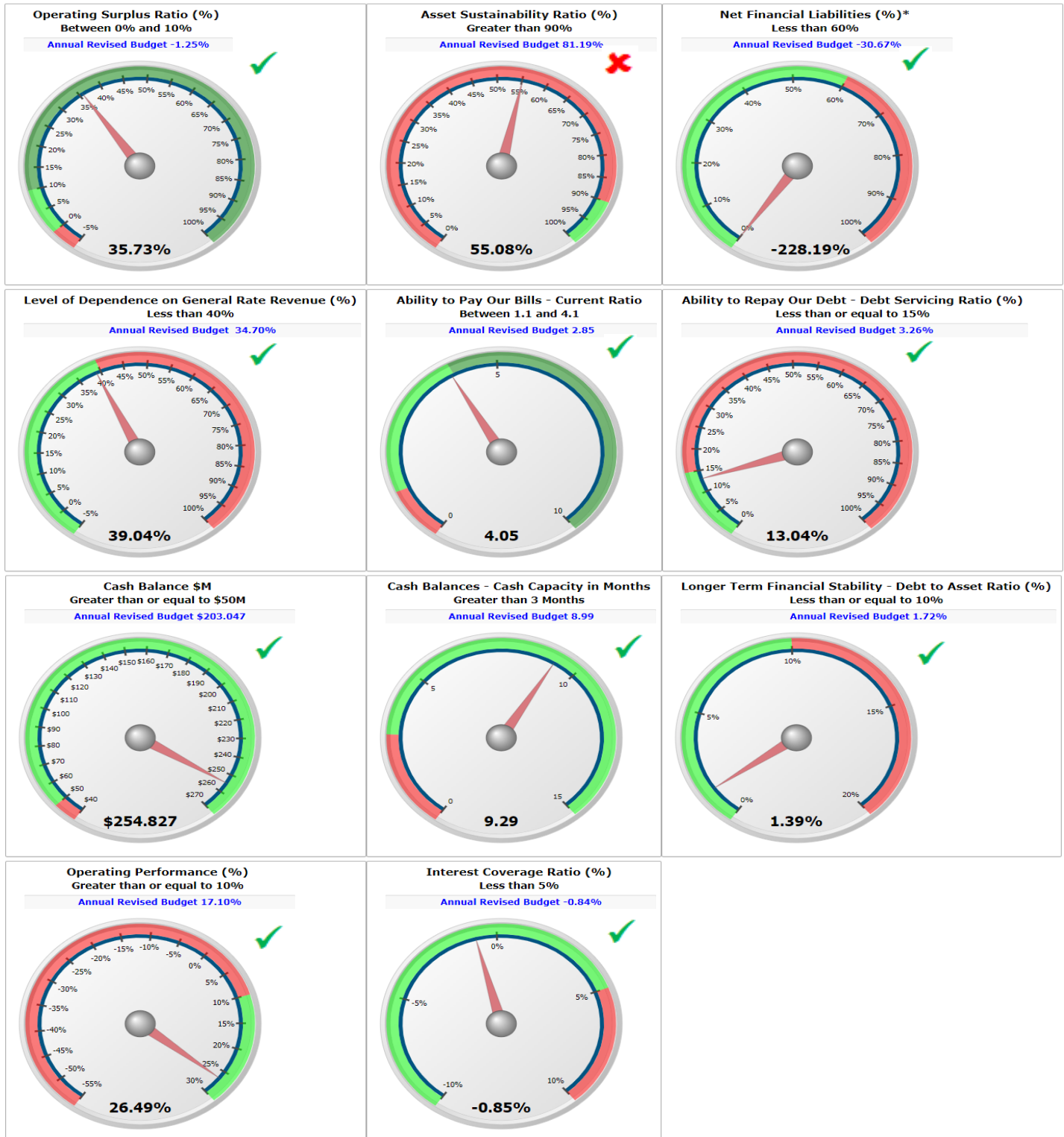
Council reported a year to date operating surplus of \$26.41M which is favourable to budget by \$429K mainly on account of lower than budgeted employee expenses, offset by higher materials and services costs, and higher rates offset by lower grant income.

Council's capital works expenditure is below budget by \$1.62M due to timing of works for a number of infrastructure projects.

Council's cash balance is behind budget mainly due to lower than anticipated receipts from customers and higher than anticipated payments to suppliers offset by lower than budgeted payments for property, plant and equipment. Constrained cash reserves represent 46% of the cash balance.

2. KEY PERFORMANCE INDICATORS

■ Target met
 ■ Target exceeded
 ■ Target not met



* The net financial liabilities ratio is negative as current assets are greater than total liabilities.

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 31 August 2022					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates charges	117,211	117,211	29,271	29,620	349
Levies and utility charges	177,511	177,511	39,242	39,146	(96)
Less: Pensioner remissions and rebates	(3,661)	(3,661)	(870)	(869)	1
Fees	18,412	18,412	3,625	3,658	33
Rental income	1,140	1,140	220	187	(33)
Interest received	4,196	4,196	724	899	175
Sales revenue	3,989	3,989	735	834	99
Other income	465	465	15	52	37
Grants, subsidies and contributions	9,053	9,448	768	389	(379)
Total recurrent revenue	328,316	328,711	73,730	73,916	186
Recurrent expenses					
Employee benefits	101,228	101,228	16,840	16,048	(792)
Materials and services	160,436	160,820	19,105	19,942	837
Finance costs	1,980	1,980	386	314	(72)
Depreciation and amortisation	70,578	70,578	11,765	11,588	(177)
Other expenditure	525	525	41	71	30
Net internal costs	(2,314)	(2,318)	(386)	(455)	(69)
Total recurrent expenses	332,434	332,813	47,751	47,508	(243)
OPERATING SURPLUS / (DEFICIT)	(4,118)	(4,102)	25,979	26,408	429
Capital revenue					
Grants, subsidies and contributions	39,249	45,793	2,569	2,419	(150)
Non-cash contributions	2,250	2,250	-	-	-
Total capital revenue	41,499	48,043	2,569	2,419	(150)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	2	(145)	(147)
Total capital expenses	289	289	2	(145)	(147)
TOTAL INCOME	369,815	376,754	76,299	76,335	36
TOTAL EXPENSES	332,722	333,102	47,753	47,363	(390)
NET RESULT	37,093	43,652	28,546	28,972	426
Other comprehensive income / (loss)					
Items that will not be reclassified to a net result					
Revaluation of property, plant and equipment	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	37,093	43,652	28,546	28,972	426

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 August 2022

	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	33,206	33,206	5,614	5,453	(161)
SES separate charge	500	500	124	125	1
Environment & Coastal Management Separate Charge	11,762	11,762	2,920	2,930	10
Separate charge landfill remediation	3,545	3,545	884	883	(1)
Wastewater charges	53,189	53,189	13,448	13,456	8
Water access charges	21,740	21,740	5,435	5,423	(12)
Water consumption charges	53,569	53,569	10,817	10,876	59
Total levies and utility charges	177,511	177,511	39,242	39,146	(96)

MATERIALS AND SERVICES ANALYSIS

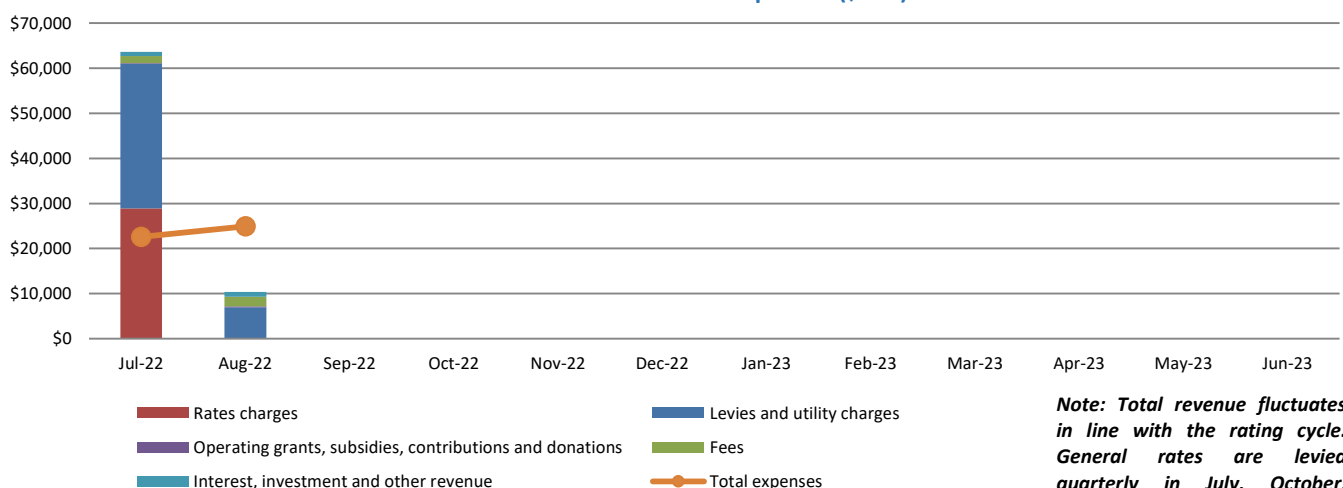
For the period ending 31 August 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	39,275	42,345	2,477	3,613	1,136
Consultants	5,435	5,393	482	301	(181)
Other Council outsourcing costs*	33,279	30,619	3,540	3,618	78
Purchase of materials	56,766	56,778	8,514	8,345	(169)
Office administration costs	7,181	7,196	1,183	1,113	(70)
Electricity charges	5,921	5,921	973	960	(13)
Plant operations	3,682	3,672	563	637	74
Information technology resources	4,493	4,493	799	801	2
General insurance	1,785	1,784	287	297	10
Community assistance**	1,975	1,975	171	140	(31)
Other material and service expenses	644	644	116	117	1
Total materials and services	160,436	160,820	19,105	19,942	837

* Other Council outsourcing costs are various outsourced costs including refuse collection and disposal, waste disposal, legal services, traffic control, external training, valuation fees, etc.

** Community assistance costs represent community related costs including community grants, exhibitions and awards, donations and sponsorships.

Actuals - Total Revenue and Expenses (\$000)

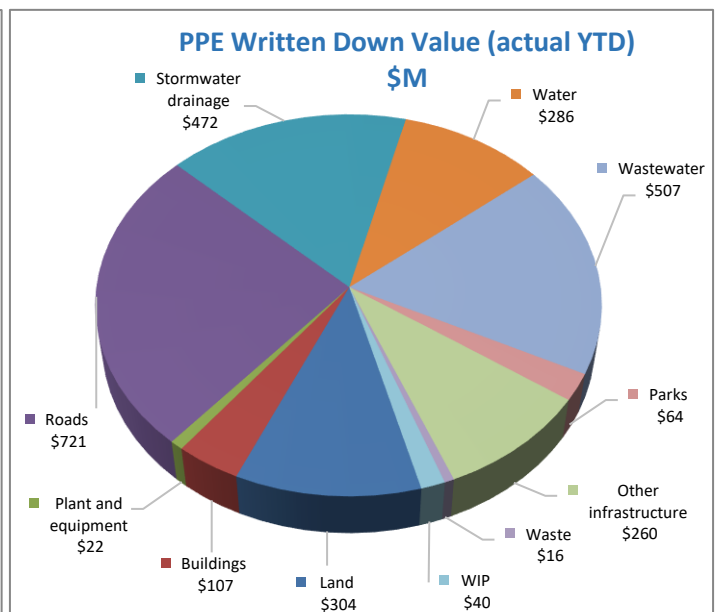
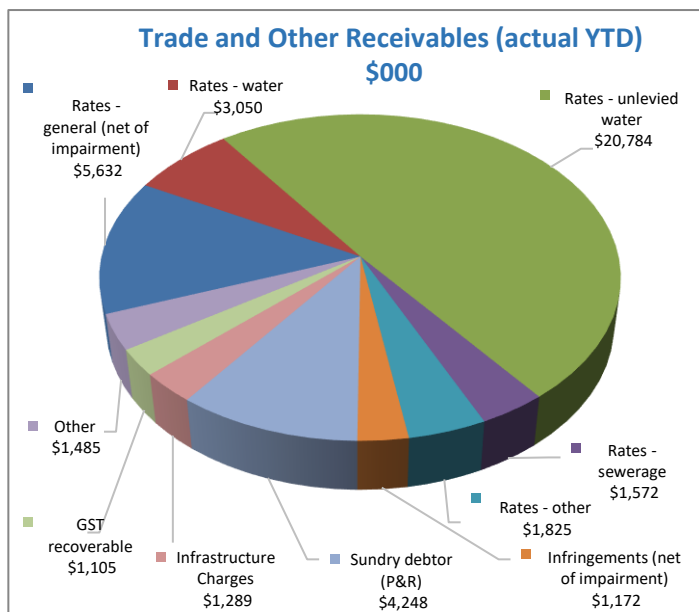


4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 August 2022

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	208,298	203,047	287,750	254,827
Short-term investment - CBA	-	10,068	10,068	10,068
Trade and other receivables	43,669	43,794	42,070	42,162
Inventories	818	928	887	983
Other current assets	4,172	5,486	5,486	5,681
Total current assets	256,956	263,323	346,261	313,721
NON-CURRENT ASSETS				
Investment property	1,225	1,293	1,293	1,293
Property, plant and equipment	2,735,181	2,882,797	2,800,287	2,798,972
Intangible assets	584	1,285	1,775	1,720
Right-of-use assets	3,963	4,017	4,859	4,872
Other financial assets	73	73	73	73
Investment in other entities	12,657	12,657	12,657	12,657
Total non-current assets	2,753,683	2,902,122	2,820,944	2,819,587
TOTAL ASSETS	3,010,640	3,165,444	3,167,205	3,133,308
CURRENT LIABILITIES				
Trade and other payables	43,417	49,354	53,263	32,126
Borrowings - current	8,919	9,355	9,355	9,355
Lease liability - current	1,130	1,044	1,044	1,044
Provisions - current	16,125	18,257	19,710	19,450
Other current liabilities	3,569	14,426	29,186	15,474
Total current liabilities	73,160	92,436	112,558	77,449
NON-CURRENT LIABILITIES				
Borrowings - non-current	40,684	40,262	28,376	28,404
Lease liability - non-current	3,742	3,689	4,640	4,650
Provisions - non-current	22,073	15,499	17,456	18,202
Other non-current liabilities	-	10,628	16,350	16,350
Total non-current liabilities	66,498	70,079	66,822	67,606
TOTAL LIABILITIES	139,658	162,515	179,380	145,055
NET COMMUNITY ASSETS	2,870,982	3,002,929	2,987,825	2,988,253
COMMUNITY EQUITY				
Asset revaluation surplus	1,106,353	1,225,400	1,225,400	1,225,400
Retained surplus	1,667,474	1,683,622	1,644,035	1,646,274
Constrained cash reserves	97,154	93,907	118,390	116,579
TOTAL COMMUNITY EQUITY	2,870,982	3,002,929	2,987,825	2,988,253

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS For the period ending 31 August 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
Right-of-use asset				
Buildings	1,548	1,282	1,777	1,789
Land	2,134	2,451	2,765	2,766
Plant and Equipment	281	284	317	317
Closing balance	3,963	4,017	4,859	4,872

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 31 August 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual Balance \$000
PPE movement				
Opening balance (includes WIP from previous years)	2,687,627	2,800,792	2,800,792	2,800,792
Acquisitions and WIP in year movement	118,025	152,476	11,193	9,573
Depreciation in year	(68,978)	(68,978)	(11,496)	(11,277)
Disposals	(1,493)	(1,493)	(202)	(116)
Closing balance	2,735,181	2,882,797	2,800,287	2,798,972

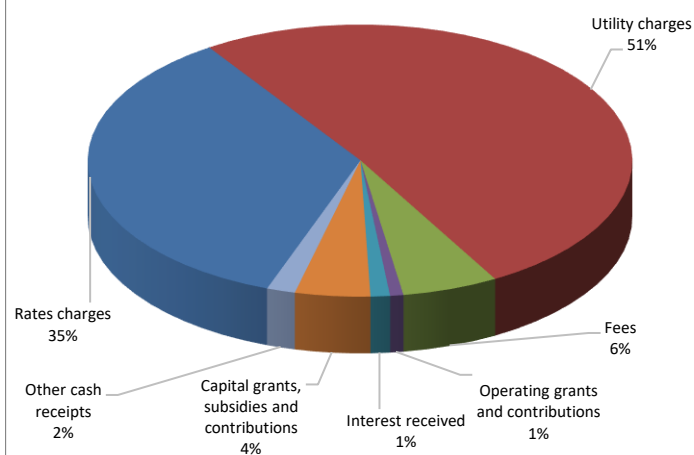
* This table includes movement relating to property, plant and equipment only and is exclusive of intangible assets.

5. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 31 August 2022

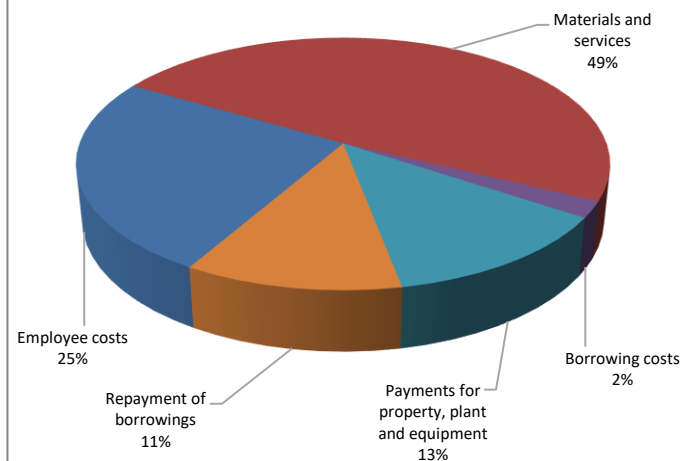
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	312,698	312,698	88,026	72,907
Payments to suppliers and employees	(269,244)	(269,599)	(32,501)	(53,344)
	43,454	43,099	55,525	19,563
Interest received	4,196	4,196	724	899
Rental income	1,140	1,140	220	186
Non-capital grants and contributions	14,301	9,074	697	616
Borrowing costs	(1,466)	(1,466)	(1,466)	(1,483)
Right-of-use assets interest expense	(114)	(114)	(19)	(18)
Net cash inflow / (outflow) from operating activities	61,511	55,929	55,681	19,763
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(115,776)	(150,226)	(11,193)	(9,172)
Proceeds from sale of property, plant and equipment	1,205	1,205	201	261
Capital grants, subsidies and contributions	39,249	45,793	2,569	3,487
Net cash inflow / (outflow) from investing activities	(75,322)	(103,228)	(8,423)	(5,424)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of borrowings	10,805	10,805	-	-
Repayment of borrowings	(7,982)	(7,982)	(7,982)	(7,952)
Right-of-use lease payment	(1,143)	(1,143)	(193)	(227)
Net cash inflow / (outflow) from financing activities	1,679	1,679	(8,175)	(8,179)
Net increase / (decrease) in cash held	(12,132)	(45,620)	39,083	6,160
Cash and cash equivalents at the beginning of the year	220,429	248,667	248,667	248,667
Cash and cash equivalents at the end of the financial year / period	208,298	203,047	287,750	254,827

Cash Inflow (actual YTD)



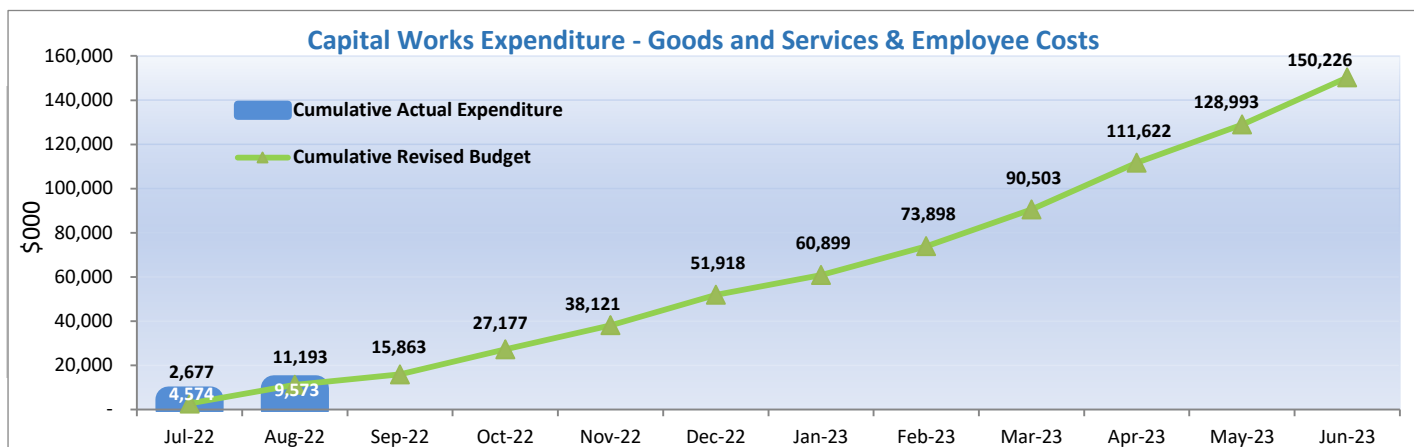
Total Cash Funding (Actual YTD)	78,356
Total Cash Funding (Annual Revised Budget)	384,910
% of Budget Achieved YTD	20%

Cash Outflow (actual YTD)



Total Cash Expenditure (Actual YTD)	72,196
Total Cash Expenditure (Annual Revised Budget)	430,530
% of Budget Achieved YTD	17%

6. CAPITAL EXPENDITURE



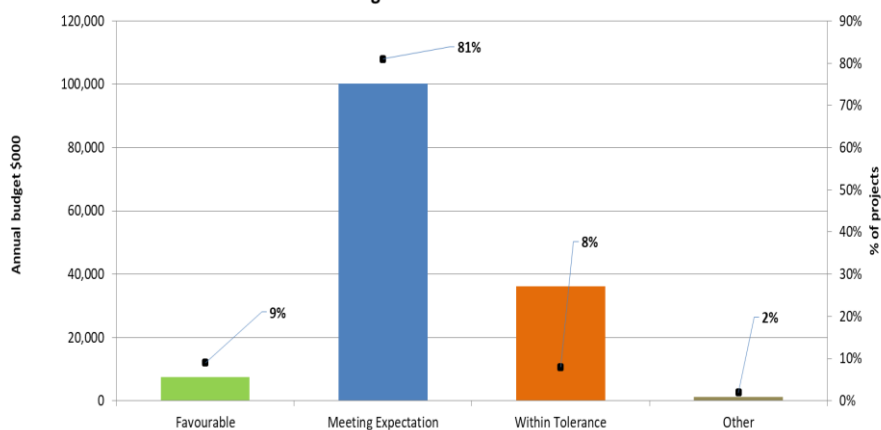
	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	139,092	9,097	8,245	(852)
Capitalised employee costs	11,134	2,096	1,328	(768)
Total	150,226	11,193	9,573	(1,620)

* Excludes capital prepayments.

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)	■ 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

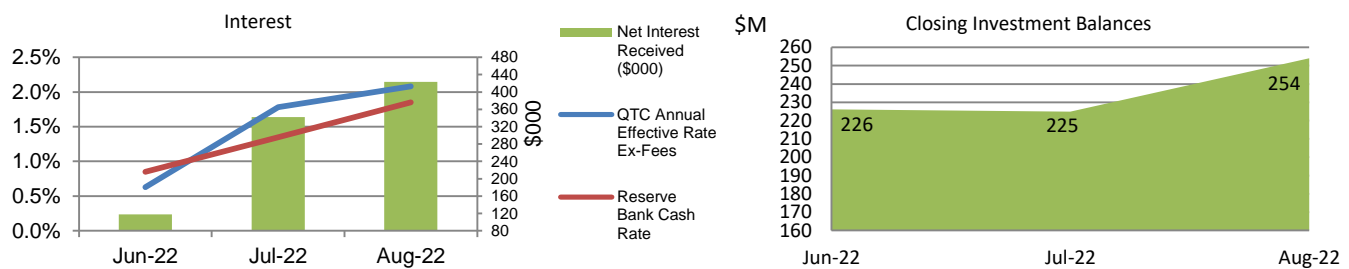
The status of two notable projects are as follows:

Project description	Progress
Pump Station Relining and Infiltration Reduction Program - this project is to inspect and determine whether re-lining is required. The benefit of re-lining (should it be required) is an economic method of extending the useful life of an existing sewer as opposed to more costly replacement.	Meeting Expectations
Redland Performing Arts Centre (RPAC) Lighting Renewal Project - this is replacement of internal and external lighting with modern energy efficient equivalent, meeting the industry standards.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 August 2022

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$254.02M

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.

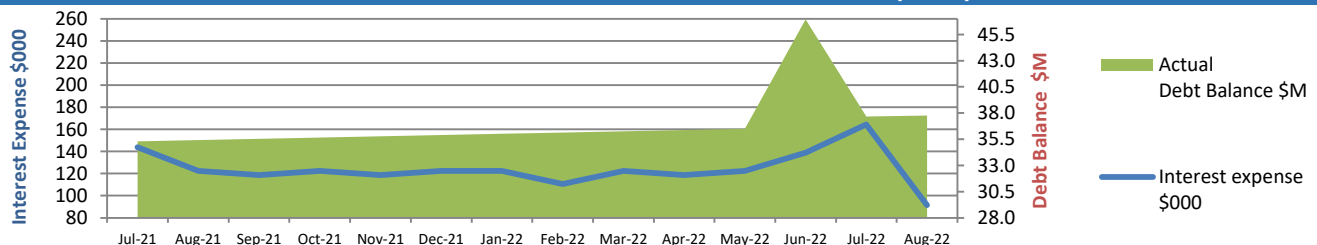
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from June to August due to increase in QTC annual effective rate (excluding fee) from 0.63% to 2.08%.

Note: the Reserve Bank increased the cash rate to 1.85% during August 2022.

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 2.08%. 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 2022 for the 2022/2023 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 \$9.43M, being \$7.95M principal and \$1.48M interest has been made in July 2022 for 2022/2023, which will result in the loans being repaid approximately one year earlier.

The debt balance increased in June 2022 due to new borrowings of \$10.30M as part of Council's Capital Works Plan.

In July 2022 the debt balance showed a decrease due to the Annual Debt Service Payment (ADSP). Interest will accrue monthly on a daily balance until next ADSP in July 2023 which is reflected in the increasing debt balance.

Total Borrowings at End of Month were \$37.76M

Council adopted its Debt Policy (FIN-009-P) in June 2022 for the 2022/2023 financial year

BORROWINGS

For the period ending 31 August 2022

	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual Balance \$'000
Borrowings				
Opening balance	(46,924)	(46,938)	(46,938)	(46,938)
Accrued interest on borrowings	(1,322)	(1,322)	(241)	(256)
Interest paid on borrowings	1,466	1,466	1,466	1,483
Principal repaid	7,982	7,982	7,982	7,952
Loan drawdown	(10,805)	(10,805)	-	-
Closing balance	(49,603)	(49,617)	(37,731)	(37,759)

9. CONSTRAINED CASH RESERVES

Reserves as at 31 August 2022	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	-	8	-	8
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	652	-	-	652
Waste Levy Reserve	To fund Waste Levy Program	379	937	(906)	410
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	3,677	707	(18)	4,366
Fleet Plant & Capital Equipment Reserve*	To support the long term fleet replacement program	4,599	-	(4,599)	-
		9,307	1,652	(5,523)	5,436
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	4,309	164	(118)	4,355
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,297	-	-	5,297
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,952	477	-	15,429
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	13,341	484	(6)	13,819
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	40,631	1,095	(303)	41,423
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	14,819	79	-	14,898
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,559	31	-	10,590
Tree Planting Reserve	Acquisition and planting of trees on footpaths	259	18	-	277
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	259	-	(1)	258
Special Property Reserve	Acquisition of property in line with the strategic property framework	1,654	364	-	2,018
		106,080	2,712	(428)	108,364
Separate Charge Reserve:					
Environment & Coastal management Separate Charge Reserve	Ongoing conservation and maintenance operations	2	2,930	(1,154)	1,778
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	119	125	(100)	144
		121	3,055	(1,254)	1,922
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	758	1	-	759
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	430	-	-	430
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)
		856	1	-	857
TOTALS		116,364	7,420	(7,205)	116,579
		Closing cash and cash equivalents			254,827
		Reserves as percentage of cash balance			46%

*Council does not require to constrain cash for fleet plant and capital equipment. The cash has been made available for general use and the reserve was closed following the end of year accounts finalisation.

10. CITY WATER STATEMENTS

CITY WATER SUMMARY OPERATING STATEMENT

For the period ending 31 August 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	134,826	134,889	30,759	30,908	149
Total expenses	78,703	78,766	11,787	11,610	(177)
Earnings before interest, tax and depreciation (EBITD)	56,123	56,123	18,972	19,298	326
External interest expense	355	228	39	39	-
Internal interest expense	14,750	14,750	2,458	2,458	-
Depreciation	25,587	25,587	4,264	4,309	45
Operating surplus / (deficit)	15,432	15,559	12,211	12,492	281

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 31 August 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	4,847	6,307	823	960	137
Net transfer (to) / from constrained capital reserves	(502)	909	(543)	(955)	(412)
Non-cash contributions	652	652	-	-	-
New loans	-	-	-	-	-
Funding from utility revenue	11,941	17,552	1,825	1,553	(272)
Total sources of capital funding	16,937	25,419	2,105	1,558	(547)
Contributed assets	652	652	-	-	-
Capitalised expenditure	15,512	23,989	1,536	984	(552)
Loan redemption	774	779	569	574	5
Total application of capital funds	16,937	25,419	2,105	1,558	(547)

11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 31 August 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,765	35,765	6,047	6,016	(31)
Total expenses	26,515	26,539	3,895	4,002	107
Earnings before interest, tax and depreciation (EBITD)	9,249	9,226	2,152	2,014	(138)
External interest expense	6	6	1	1	-
Depreciation	556	556	93	73	(20)
Operating surplus / (deficit)	8,687	8,663	2,058	1,940	(118)

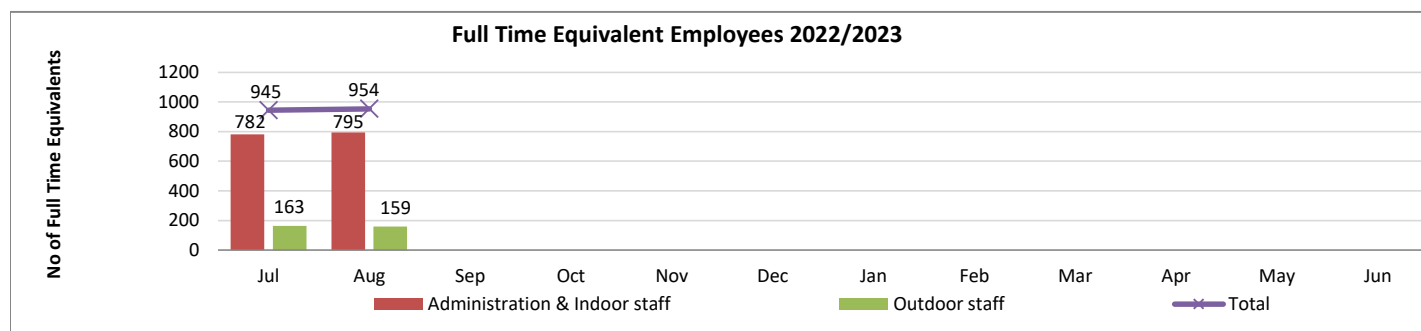
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 31 August 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Capital contributions, donations, grants and subsidies	1,577	1,577	-	-	-
Funding from utility revenue	828	1,145	53	64	11
Total sources of capital funding	2,405	2,722	53	64	11
Capitalised expenditure	2,366	2,683	46	60	14
Loan redemption	39	39	7	4	(3)
Total application of capital funds	2,405	2,722	53	64	11

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



August 2022: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	5	43	8	56
Organisational Services	2	185	23	210
Community and Customer Services	57	262	69	388
Infrastructure and Operations	8	345	18	371
Advocacy Major Projects and Economic Development	1	33	-	34
Total	73	868	118	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 August 2022 to August 2021									
Days Overdue	Aug-22	% Overdue	Aug-21	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Aug-22	Aug-21
0 - 30	\$6,373,439	7.4%	\$6,240,423	7.4%	\$133,016	0.0%	Levied (Billed) Rates & Charges since 1 July 2022	\$77,261,030	\$73,578,295
31 - 60	\$890	0.0%	\$2,554	0.0%	-\$1,664	0.0%	Rate arrears b/fwd 1 July 2022	\$9,031,746	\$10,693,344
61 - 90	\$819	0.0%	\$4	0.0%	\$815	0.0%	Total	\$86,292,776	\$84,271,639
91 - 180	\$1,875,123	2.2%	\$2,012,039	2.4%	-\$136,916	-0.2%	Balance of overdue rates & charges	\$12,161,542	\$12,974,892
>180	\$3,911,271	4.5%	\$4,719,872	5.6%	-\$808,601	-1.1%	Percentage Overdue	14.1%	15.4%
Total	\$12,161,542	14.1%	\$12,974,892	15.4%	-\$813,350	-1.3%			

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>	Net Operating Surplus
	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>	Capital Expenditure on Replacement of Infrastructure Assets (Renewals)
	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>	Total Liabilities - Current Assets
	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>	General Rates - Pensioner Remissions
	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>	Current Assets
	Current Liabilities
Debt Servicing Ratio: <i>This indicates Council's ability to meet current debt instalments with recurrent revenue</i>	Interest Expense*** + Loan Redemption^
	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 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>	[[Cash Operating Costs + Interest Expense] / Period in Year]
	[[Cash Operating Costs + Interest Expense] / 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>	Current and Non-current Debt**
	Total Assets
Operating Performance: <i>This ratio provides an indication of Council's cash flow capabilities</i>	Net Cash from Operations + Interest Revenue and Expense
	Cash Operating Revenue + Interest Revenue
Interest Coverage Ratio: <i>This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges</i>	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.

^ Loan redemption includes lease redemption.