



Monthly Financial Report

November 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 30 November 2022. The year to date annual revised budget referred to in this report incorporates the changes from the budget review adopted by Council on 16 November 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)	(1,723)	28,870	33,956	5,086	18%	✓
Recurrent Revenue	330,821	156,397	157,955	1,558	1%	✓
Recurrent Expenditure	332,544	127,527	123,999	(3,528)	-3%	✓
Capital Works Expenditure	150,181	35,242	21,210	(14,032)	-40%	✓
Closing Cash & Cash Equivalents	205,472	287,940	271,700	(16,240)	-6%	✗

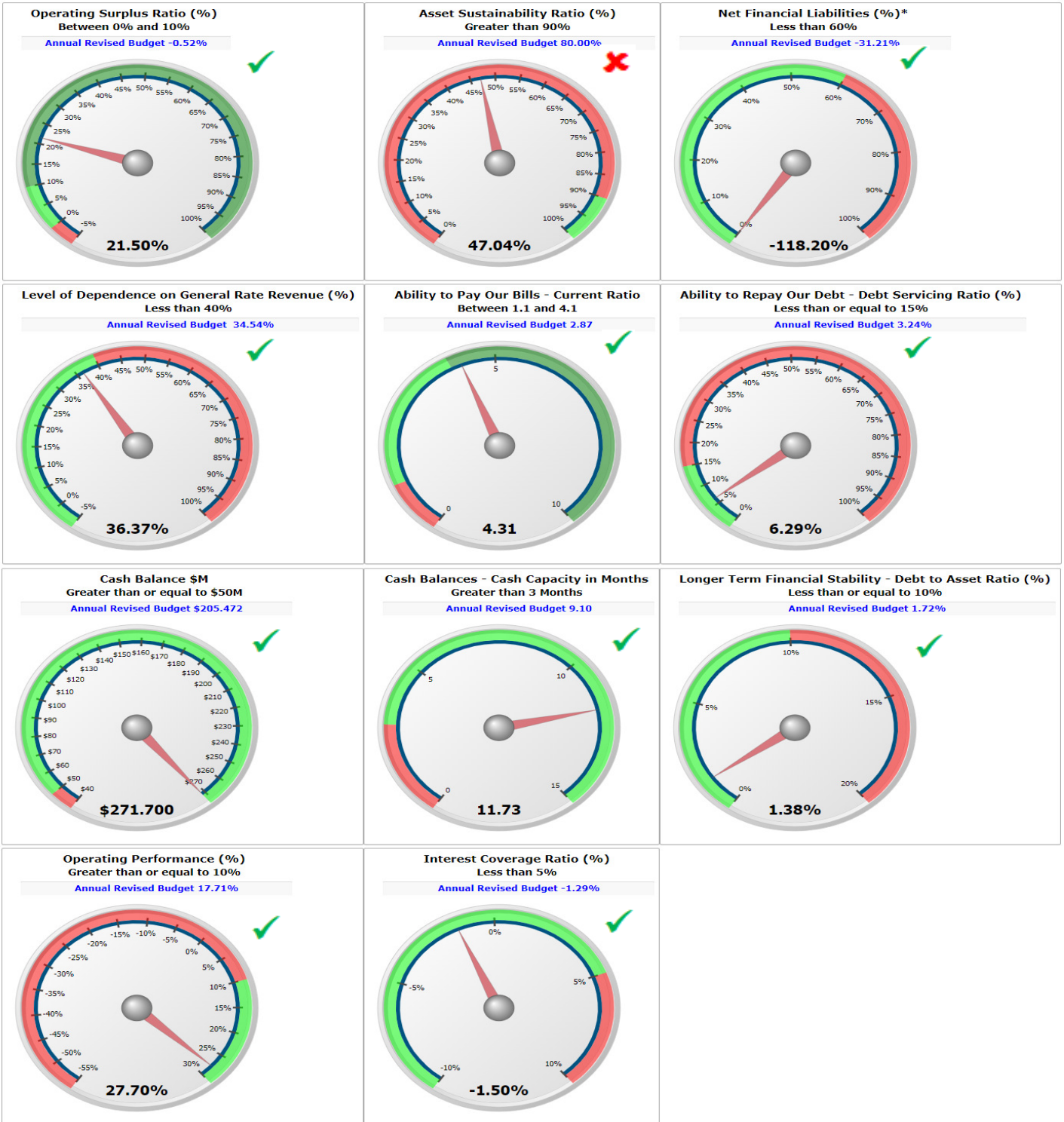
Council reported a year to date operating surplus of \$33.96M which is favourable to budget by \$5.09M. This is mainly due to lower than budgeted employee expenses, lower depreciation, lower materials and services costs, higher levies and utility charges, higher interest revenue, as well as higher rates charges.

Council's capital works expenditure is below budget by \$14.03M due to timing of works for a number of infrastructure projects.

Council's cash balance is behind budget mainly due to higher than anticipated payments to suppliers and lower than anticipated receipts from customers, offset by lower than budgeted payments for property, plant and equipment. Constrained cash reserves represent 44% 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 30 November 2022					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
Recurrent revenue					
Rates charges	117,211	117,411	58,583	58,972	389
Levies and utility charges	177,511	177,620	83,387	83,985	598
Less: Pensioner remissions and rebates	(3,661)	(3,661)	(1,803)	(1,765)	38
Fees	18,412	18,523	8,151	8,480	329
Rental income	1,140	1,140	519	530	11
Interest received	4,196	5,718	2,531	3,020	489
Sales revenue	3,989	4,089	1,933	2,085	152
Other income	465	518	343	531	188
Grants, subsidies and contributions	9,053	9,463	2,753	2,117	(636)
Total recurrent revenue	328,316	330,821	156,397	157,955	1,558
Recurrent expenses					
Employee benefits	101,228	101,164	41,923	40,153	(1,770)
Materials and services	160,436	160,615	56,159	55,538	(621)
Finance costs	1,980	1,980	868	818	(50)
Depreciation and amortisation	70,578	70,578	29,412	28,327	(1,085)
Other expenditure	525	525	130	193	63
Net internal costs	(2,314)	(2,318)	(965)	(1,030)	(65)
Total recurrent expenses	332,434	332,544	127,527	123,999	(3,528)
OPERATING SURPLUS / (DEFICIT)	(4,118)	(1,723)	28,870	33,956	5,086
Capital revenue					
Grants, subsidies and contributions	39,249	45,793	7,501	7,733	232
Non-cash contributions	2,250	2,250	-	-	-
Total capital revenue	41,499	48,043	7,501	7,733	232
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	74	374	300
Total capital expenses	289	289	74	374	300
TOTAL INCOME	369,815	378,864	163,898	165,688	1,790
TOTAL EXPENSES	332,722	332,832	127,601	124,373	(3,228)
NET RESULT	37,093	46,032	36,297	41,315	5,018
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	46,032	36,297	41,315	5,018

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 30 November 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	13,756	13,648	(108)
SES separate charge	500	500	249	250	1
Environment & Coastal Management Separate Charge	11,762	11,771	5,866	5,865	(1)
Separate charge landfill remediation	3,545	3,545	1,767	1,768	1
Wastewater charges	53,189	53,289	26,716	26,795	79
Water access charges	21,740	21,740	10,870	10,866	(4)
Water consumption charges	53,569	53,569	24,163	24,793	630
Total levies and utility charges	177,511	177,620	83,387	83,985	598

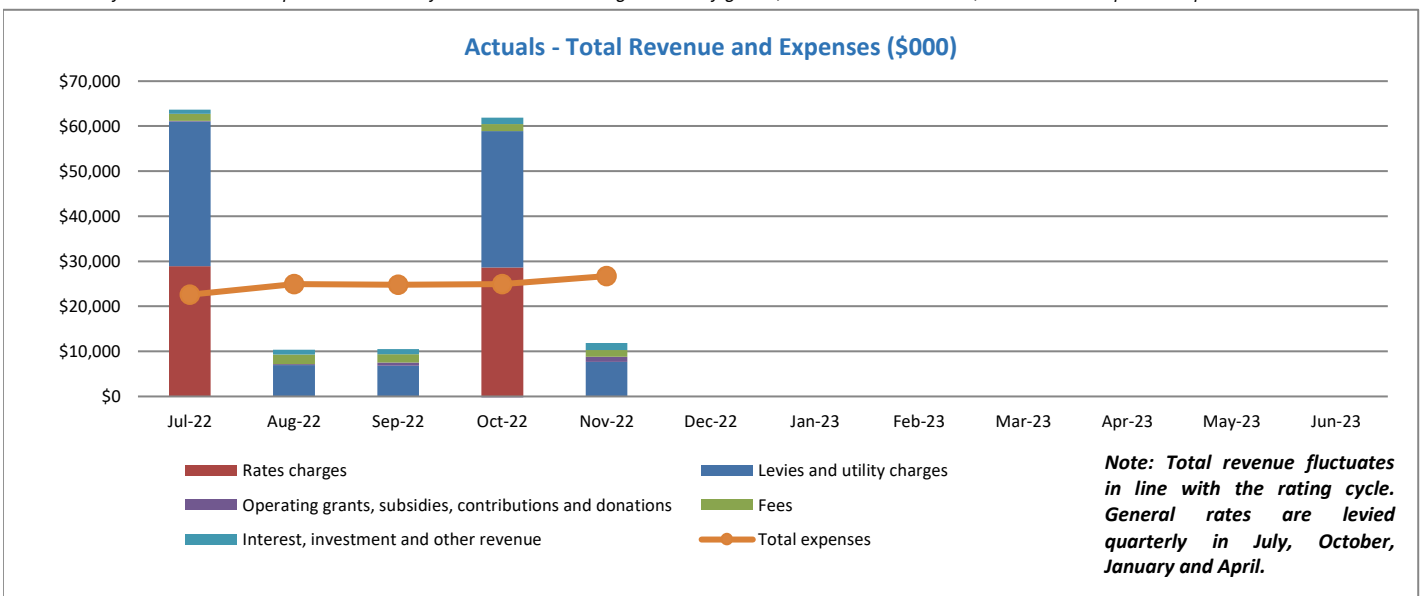
MATERIALS AND SERVICES ANALYSIS

For the period ending 30 November 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	39,275	42,007	10,292	11,629	1,337
Consultants	5,435	5,120	1,465	1,308	(157)
Other Council outsourcing costs*	33,279	29,410	10,421	10,535	114
Purchase of materials	56,766	57,132	23,028	21,965	(1,063)
Office administration costs	7,181	7,202	3,007	2,681	(326)
Electricity charges	5,921	5,921	2,416	2,258	(158)
Plant operations	3,682	3,740	1,456	1,755	299
Information technology resources	4,493	5,857	2,512	1,817	(695)
General insurance	1,785	1,638	683	671	(12)
Community assistance**	1,975	1,945	603	638	35
Other material and service expenses	644	643	276	281	5
Total materials and services	160,436	160,615	56,159	55,538	(621)

* 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.

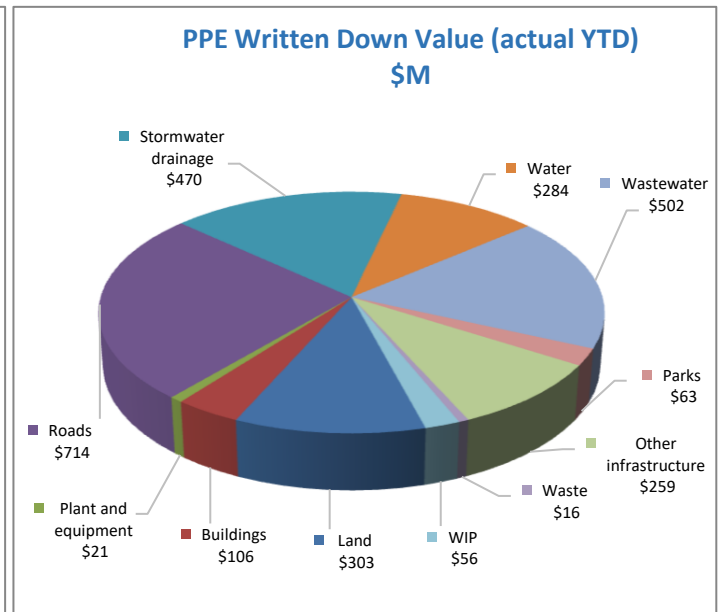
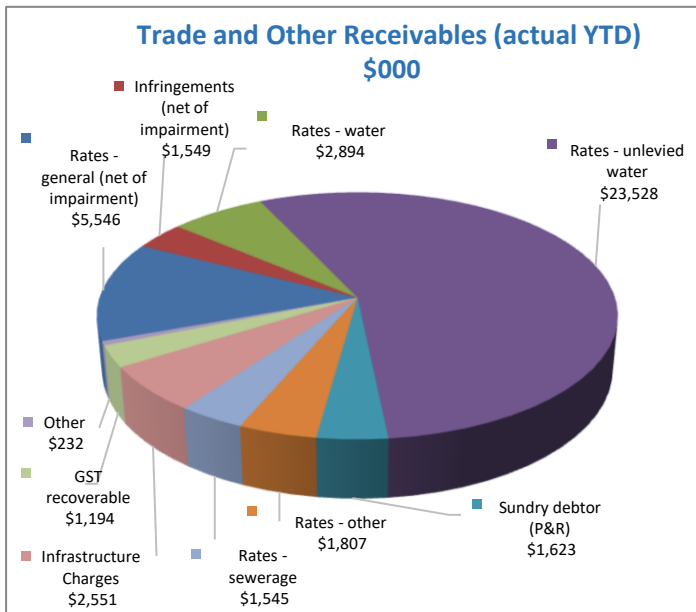


4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 30 November 2022

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	208,298	205,472	287,940	271,700
Short-term investment - CBA	-	10,068	10,068	10,122
Trade and other receivables	43,669	43,794	42,456	42,469
Inventories	818	928	899	1,074
Other current assets	4,172	5,486	5,486	6,633
Total current assets	256,956	265,748	346,849	331,998
NON-CURRENT ASSETS				
Investment property	1,225	1,293	1,293	1,293
Property, plant and equipment	2,735,181	2,882,752	2,806,718	2,793,726
Intangible assets	584	1,285	1,628	1,497
Right-of-use assets	3,963	4,017	4,603	4,637
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	2,902,077	2,826,972	2,813,883
TOTAL ASSETS	3,010,640	3,167,825	3,173,821	3,145,881
CURRENT LIABILITIES				
Trade and other payables	43,417	49,354	54,683	33,983
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	19,249	18,557
Other current liabilities	3,569	14,426	27,649	14,157
Total current liabilities	73,160	92,436	111,980	77,096
NON-CURRENT LIABILITIES				
Borrowings - non-current	40,684	40,262	28,695	28,746
Lease liability - non-current	3,742	3,689	4,351	4,374
Provisions - non-current	22,073	15,499	16,869	18,724
Other non-current liabilities	-	10,628	16,350	16,350
Total non-current liabilities	66,498	70,078	66,265	68,194
TOTAL LIABILITIES	139,658	162,514	178,245	145,290
NET COMMUNITY ASSETS	2,870,982	3,005,311	2,995,576	3,000,591
COMMUNITY EQUITY				
Asset revaluation surplus	1,106,353	1,225,400	1,225,400	1,225,400
Retained surplus	1,667,474	1,685,589	1,657,087	1,654,444
Constrained cash reserves	97,154	94,322	113,089	120,747
TOTAL COMMUNITY EQUITY	2,870,982	3,005,311	2,995,576	3,000,591

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS For the period ending 30 November 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	1,629	1,658
Land	2,134	2,451	2,667	2,672
Plant and Equipment	281	284	307	307
Closing balance	3,963	4,017	4,603	4,637

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT* For the period ending 30 November 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	152,431	35,243	21,209
Depreciation in year	(68,978)	(68,978)	(28,741)	(27,560)
Disposals	(1,493)	(1,493)	(576)	(715)
Closing balance	2,735,181	2,882,752	2,806,718	2,793,726

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

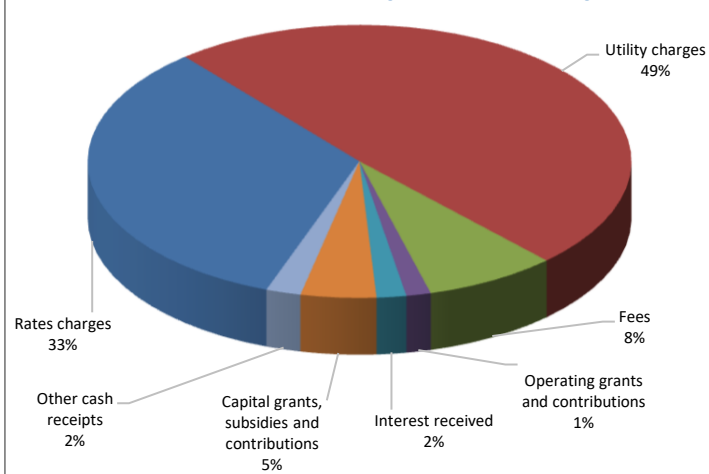
5. STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS For the period ending 30 November 2022

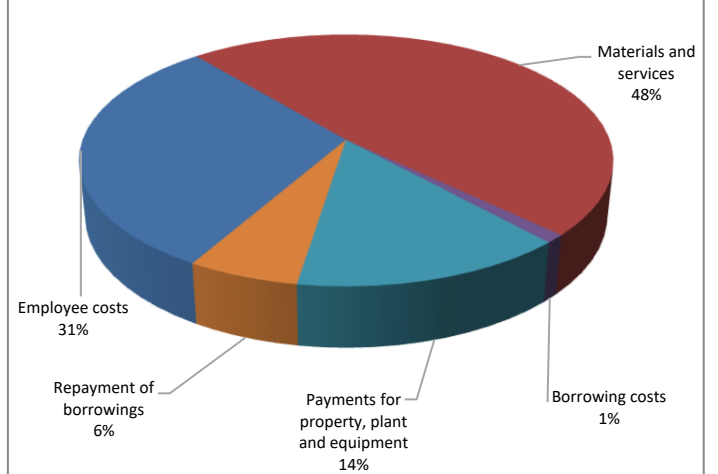
	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	312,698	313,271	166,190	154,222
Payments to suppliers and employees	(269,244)	(269,329)	(95,347)	(114,264)
	43,454	43,942	70,843	39,958
Interest received	4,196	5,718	2,531	2,952
Rental income	1,140	1,140	519	530
Non-capital grants and contributions	14,301	9,089	2,596	2,447
Borrowing costs	(1,466)	(1,466)	(1,465)	(1,483)
Right-of-use assets interest expense	(114)	(114)	(48)	(46)
Net cash inflow / (outflow) from operating activities	61,511	58,308	74,976	44,358
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(115,776)	(150,181)	(35,243)	(20,747)
Proceeds from sale of property, plant and equipment	1,205	1,205	502	342
Capital grants, subsidies and contributions	39,249	45,793	7,501	7,536
Net cash inflow / (outflow) from investing activities	(75,322)	(103,183)	(27,240)	(12,869)
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)	(481)	(504)
Net cash inflow / (outflow) from financing activities	1,679	1,679	(8,463)	(8,456)
Net increase / (decrease) in cash held	(12,132)	(43,195)	39,273	23,033
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	205,472	287,940	271,700
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Cash Inflow (actual YTD)



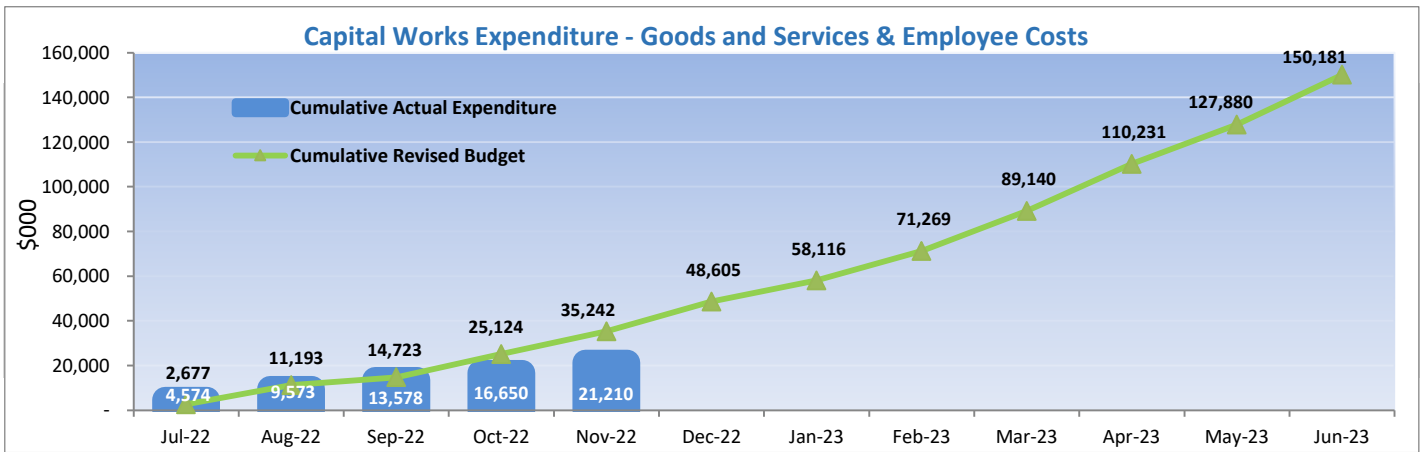
Cash Outflow (actual YTD)



Total Cash Funding (Actual YTD)	168,029
Total Cash Funding (Annual Revised Budget)	387,021
% of Budget Achieved YTD	43%

Total Cash Expenditure (Actual YTD)	144,996
Total Cash Expenditure (Annual Revised Budget)	430,216
% of Budget Achieved YTD	34%

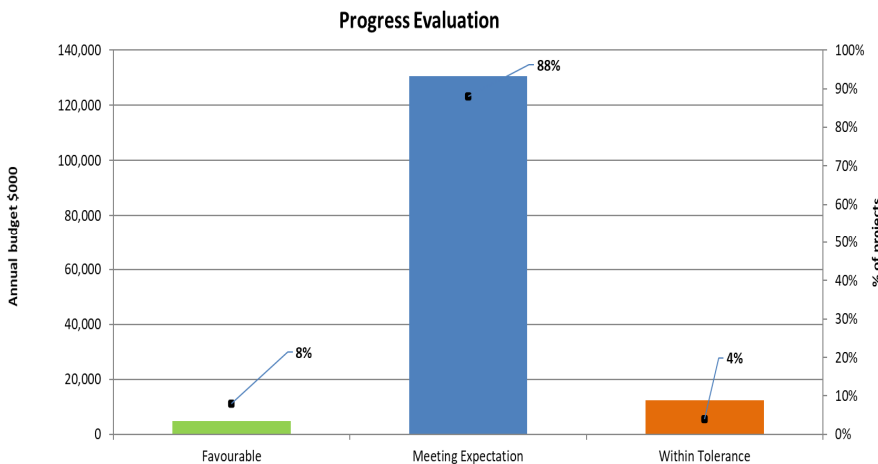
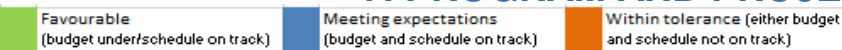
6. CAPITAL EXPENDITURE



	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	139,068	31,332	18,232	(13,100)
Capitalised employee costs	11,113	3,910	2,978	(932)
Total	150,181	35,242	21,210	(14,032)

* Excludes capital prepayments.

7. PROGRAM AND PROJECT UPDATE



- Programs and projects are what Council uses to introduce change to achieve corporate outcomes. They allow new infrastructure, products, systems, procedures and services to be delivered. Projects may be undertaken on a standalone basis or as part of a program. Programs and projects may span multiple financial years.
- Council is currently progressing more than 100 programs and projects.

Notable Projects

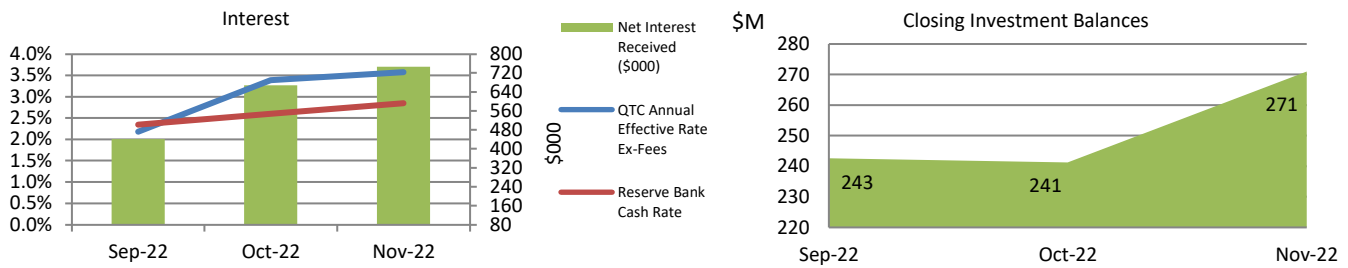
The status of two notable projects are as follows:

Project description	Progress
Moreton Bay Cycleway Upgrade and Expansion Program - this program includes construction of new path assets, including boardwalk and culvert crossings.	Meeting Expectations
Redlands Coast Fibre Network Program - the program is to deliver critical fibre connection for Redland City Council and the community, connecting multiple Council operations across the City, critical datacentres which host production and disaster recovery capability and essential services.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 November 2022

INVESTMENT RETURNS - QUEENSLAND TREASURY CORPORATION (QTC)



Total QTC Investment at End of Month was \$271.06M

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 2022 \$10.12M was re-invested in a term deposit of Commonwealth Bank of Australia (CBA) to maximise interest earnings.

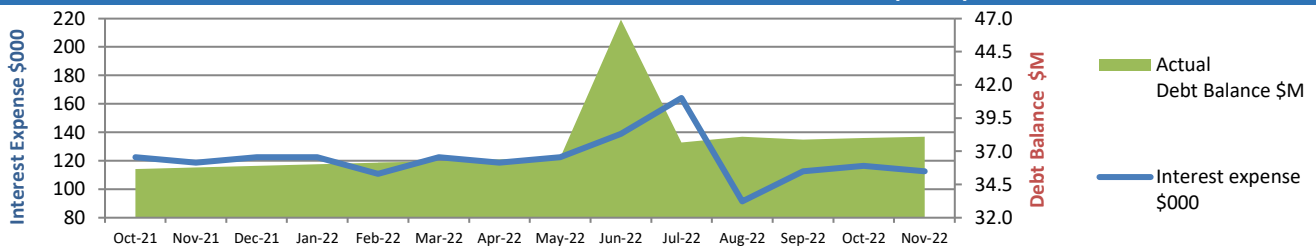
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from September to November due to increase in QTC annual effective rate (excluding fee) from 2.18% to 3.58%.

Note: the Reserve Bank increased the cash rate to 2.85% during November 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 3.58%. 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 \$38.10M

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

BORROWINGS

For the period ending 30 November 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)	(560)	(598)
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)	(38,050)	(38,101)

9. CONSTRAINED CASH RESERVES

Reserves as at 30 November 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	-	15	(1)	14
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	652	160	(2)	810
Waste Levy Reserve	To fund Waste Levy Program	379	2,319	(2,336)	362
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	3,677	1,415	(266)	4,826
Fleet Plant & Capital Equipment Reserve*	To support the long term fleet replacement program	4,599	-	(4,599)	-
		9,307	3,909	(7,204)	6,012
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	4,309	1,415	(729)	4,995
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,297	33	-	5,330
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,952	522	-	15,474
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	13,341	1,154	(22)	14,473
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	40,631	2,704	(1,147)	42,188
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	14,819	749	(16)	15,552
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,559	209	-	10,768
Tree Planting Reserve	Acquisition and planting of trees on footpaths	259	40	-	299
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	506	-	2,160
		106,080	7,332	(1,915)	111,497
Separate Charge Reserve:					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	2	5,865	(3,650)	2,217
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	119	250	(211)	158
		121	6,115	(3,861)	2,375
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	758	4	-	762
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	430	2	-	432
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	1	-	220
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	7	-	863
TOTALS		116,364	17,363	(12,980)	120,747
					Closing cash and cash equivalents
					271,700
					Reserves as percentage of cash balance
					44%

*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 30 November 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	134,826	136,128	64,953	65,802	849
Total expenses	78,703	78,760	31,462	30,131	(1,331)
Earnings before interest, tax and depreciation (EBITD)	56,123	57,368	33,491	35,671	2,180
External interest expense	355	228	95	96	1
Internal interest expense	14,750	14,750	6,146	6,146	-
Depreciation	25,587	25,587	10,661	10,626	(35)
Operating surplus / (deficit)	15,432	16,804	16,589	18,803	2,214

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 30 November 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	1,783	1,675	(108)
Net transfer (to) / from constrained capital reserves	(502)	909	(429)	(1,653)	(1,224)
Non-cash contributions	652	652	-	-	-
New loans	-	-	-	-	-
Funding from utility revenue	11,941	17,552	5,803	2,634	(3,169)
Total sources of capital funding	16,937	25,419	7,157	2,656	(4,501)
Contributed assets	652	652	-	-	-
Capitalised expenditure	15,512	23,989	6,525	2,011	(4,514)
Loan redemption	774	779	632	645	13
Total application of capital funds	16,937	25,419	7,157	2,656	(4,501)

11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 30 November 2022

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,765	35,943	14,980	15,119	139
Total expenses	26,515	26,539	10,158	10,645	487
Earnings before interest, tax and depreciation (EBITD)	9,249	9,404	4,822	4,474	(348)
External interest expense	6	6	3	3	-
Depreciation	556	556	232	201	(31)
Operating surplus / (deficit)	8,687	8,842	4,587	4,270	(317)

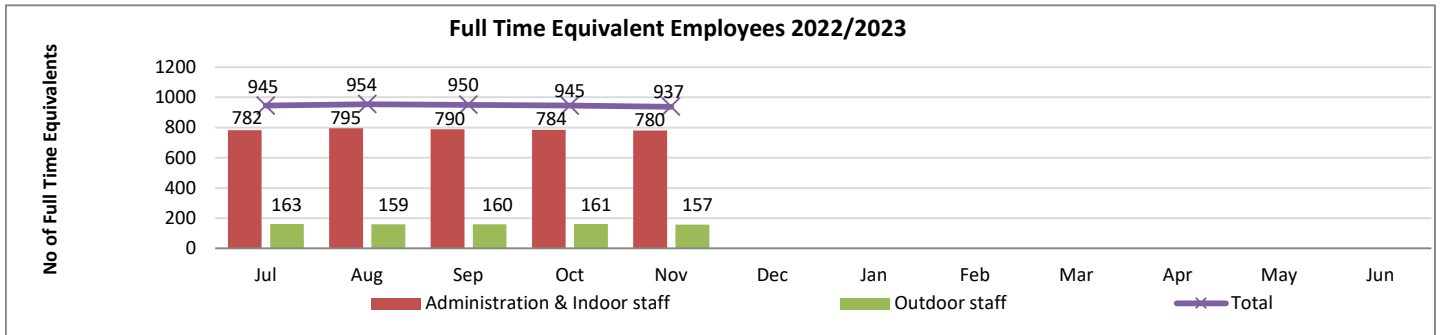
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 30 November 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	132	126	(6)
Total sources of capital funding	2,405	2,722	132	126	(6)
Capitalised expenditure	2,366	2,683	116	112	(4)
Loan redemption	39	39	16	14	(2)
Total application of capital funds	2,405	2,722	132	126	(6)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



November 2022: Headcount		Employee Type			
Department Level	Casual	Full Time	Part Time	Total	
Office of CEO and People and Culture	5	40	8	53	
Organisational Services	2	173	25	200	
Community and Customer Services	62	274	76	412	
Infrastructure and Operations	1	324	14	339	
Advocacy Major Projects and Economic Development	1	31	-	32	
Total	71	842	123	1,036	

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 2022 to November 2021

Days Overdue	Nov-22	% Overdue	Nov-21	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Nov-22	Nov-21
0 - 30	\$5,968,960	3.7%	\$6,383,150	4.1%	-\$414,190	-0.4%	Levied (Billed) Rates & Charges since 1 July 2022	\$153,469,290	\$146,464,976
31 - 60	\$0	0.0%	\$3,422	0.0%	-\$3,422	0.0%	Rate arrears b/fwd 1 July 2022	\$9,031,746	\$10,693,344
61 - 90	\$3,781	0.0%	\$1,039	0.0%	\$2,742	0.0%	Total	\$162,501,036	\$157,158,320
91 - 180	\$2,050,865	1.2%	\$1,899,835	1.2%	\$151,030	0.0%	Balance of overdue rates & charges	\$11,876,433	\$12,284,347
>180	\$3,852,827	2.4%	\$3,996,901	2.5%	-\$144,074	-0.1%	Percentage Overdue	7.3%	7.8%
Total	\$11,876,433	7.3%	\$12,284,347	7.8%	-\$407,914	-0.5%			

13. GLOSSARY

Key Terms

Written Down Value:

This is the value of an asset after accounting for depreciation or amortisation, and it is also called book value or net book value.

Work In Progress:

This represents an unfinished project that costs are still being added to. When a project is completed, the costs will be either capitalised (allocated to relevant asset class) or written off.

Definition of Ratios

Operating Surplus Ratio*: This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes	$\frac{\text{Net Operating Surplus}}{\text{Total Operating Revenue}}$
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.