



Monthly Financial Report

April 2023



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 April 2023. The year to date annual revised budget referred to in this report incorporates the changes from the budget review adopted by Council on 15 February 2023.

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)	105	41,230	56,429	15,199	37%	✓
Recurrent Revenue	334,268	310,979	312,031	1,052	0%	✓
Recurrent Expenditure	334,163	269,749	255,602	(14,147)	-5%	✓
Capital Works Expenditure	126,390	93,245	55,803	(37,442)	-40%	✓
Closing Cash & Cash Equivalents	221,056	255,525	244,115	(11,410)	-4%	✗

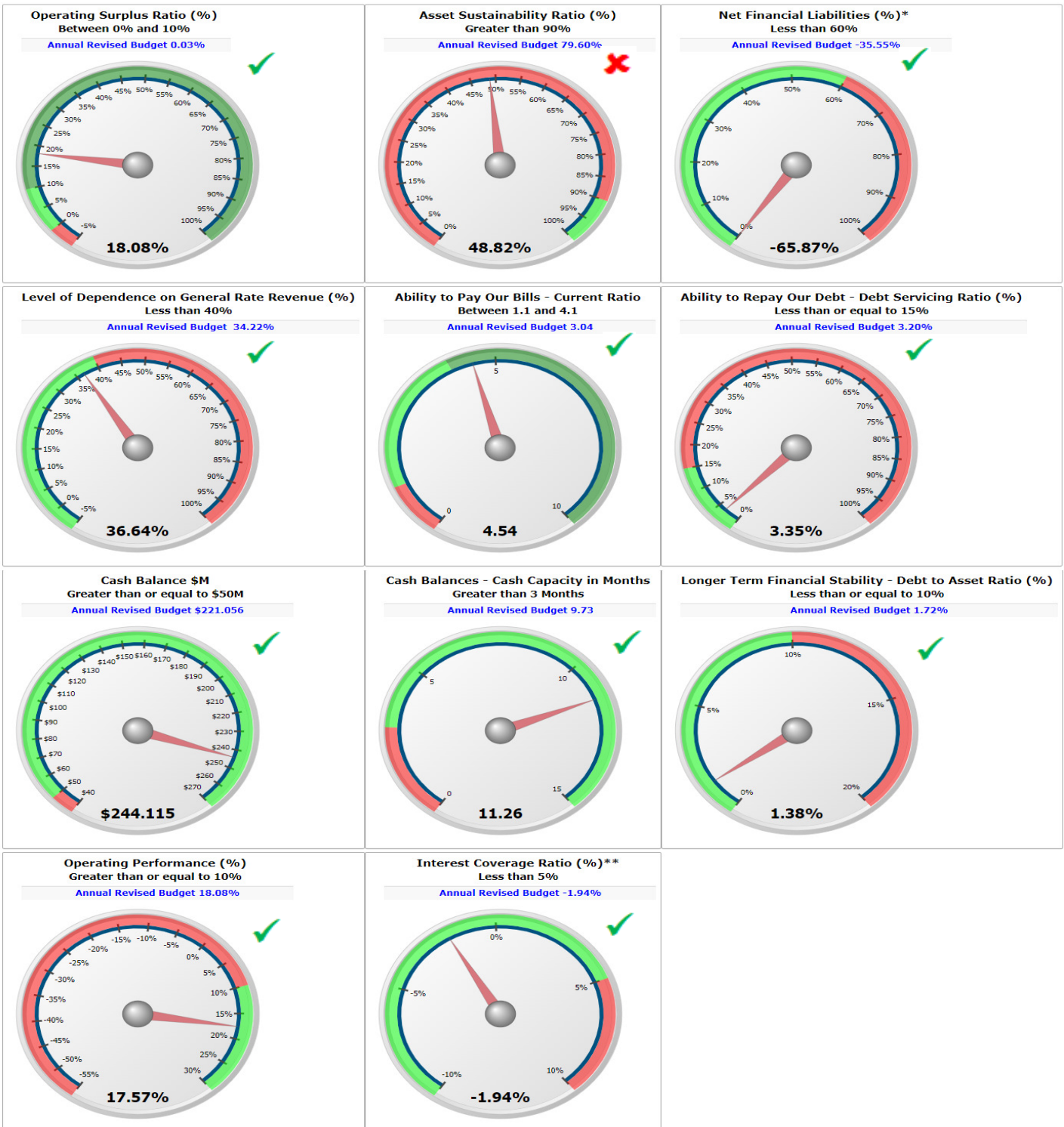
Council reported a year to date operating surplus of \$56.43M which is favourable to budget by \$15.20M. This is mainly due to lower than budgeted materials and services expenses, employee costs and depreciation, combined with higher than budgeted levies and utility charges, interest revenue and fees, offset by lower than expected grants, subsidies and contributions.

Council's capital works expenditure is below budget by \$37.44M 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, lower grants, subsidies and contributions, offset by lower than budgeted payments for property, plant and equipment. Constrained cash reserves represent 50% of the cash balance.

2. KEY PERFORMANCE INDICATORS

■ Target met
 ■ Target exceeded
 ■ Target not met



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

** The interest coverage ratio is negative as interest revenue is greater than interest expense

3. STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME					
For the period ending 30 April 2023					
	Annual	Annual	YTD	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000	Variance \$000
Recurrent revenue					
Rates charges	117,211	118,058	118,010	117,896	(114)
Levies and utility charges	177,511	177,620	163,855	165,451	1,596
Less: Pensioner remissions and rebates	(3,661)	(6,773)	(6,706)	(6,682)	24
Fees	18,412	17,779	14,848	15,607	759
Rental income	1,140	1,140	999	1,089	90
Interest received	4,196	7,909	6,415	7,295	880
Sales revenue	3,989	5,029	4,161	4,264	103
Other income	465	3,719	3,607	3,882	275
Grants, subsidies and contributions	9,053	9,786	5,790	3,229	(2,561)
Total recurrent revenue	328,316	334,268	310,979	312,031	1,052
Recurrent expenses					
Employee benefits	101,228	102,296	84,022	81,029	(2,993)
Materials and services	160,436	161,135	126,902	118,055	(8,847)
Finance costs	1,980	1,980	1,564	1,554	(10)
Depreciation and amortisation	70,578	70,578	58,818	56,595	(2,223)
Other expenditure	525	525	408	406	(2)
Net internal costs	(2,314)	(2,352)	(1,965)	(2,037)	(72)
Total recurrent expenses	332,434	334,163	269,749	255,602	(14,147)
OPERATING SURPLUS / (DEFICIT)	(4,118)	105	41,230	56,429	15,199
Capital revenue					
Grants, subsidies and contributions	39,249	35,760	24,356	10,012	(14,344)
Non-cash contributions	2,250	2,250	719	-	(719)
Total capital revenue	41,499	38,010	25,075	10,012	(15,063)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	194	1,989	1,795
Total capital expenses	289	289	194	1,989	1,795
TOTAL INCOME	369,815	372,278	336,054	322,043	(14,011)
TOTAL EXPENSES	332,722	334,452	269,943	257,591	(12,352)
NET RESULT	37,093	37,826	66,111	64,452	(1,659)
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	37,826	66,111	64,452	(1,659)

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 30 April 2023

	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	27,692	27,403	(289)
SES separate charge	500	500	500	500	-
Environment & Coastal Management Separate Charge	11,762	11,771	11,766	11,747	(19)
Separate charge landfill remediation	3,545	3,545	3,545	3,538	(7)
Wastewater charges	53,189	53,289	53,111	53,733	622
Water access charges	21,740	21,740	21,740	21,763	23
Water consumption charges	53,569	53,569	45,501	46,767	1,266
Total levies and utility charges	177,511	177,620	163,855	165,451	1,596

MATERIALS AND SERVICES ANALYSIS

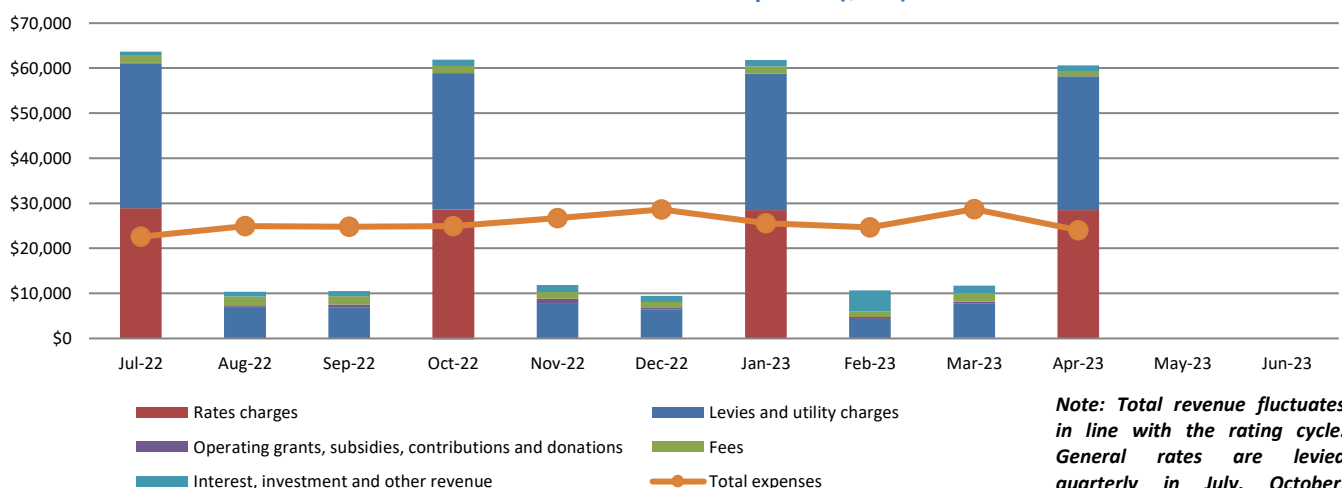
For the period ending 30 April 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	39,275	42,662	30,086	27,085	(3,001)
Consultants	5,435	5,949	4,296	3,291	(1,005)
Other Council outsourcing costs*	33,279	27,753	22,476	20,944	(1,532)
Purchase of materials	56,766	57,705	47,613	46,756	(857)
Office administration costs	7,181	7,337	6,118	5,152	(966)
Electricity charges	5,921	5,863	4,882	4,338	(544)
Plant operations	3,682	3,791	3,128	3,425	297
Information technology resources	4,493	5,848	4,982	4,173	(809)
General insurance	1,785	1,639	1,365	1,343	(22)
Community assistance**	1,975	1,945	1,392	1,031	(361)
Other material and service expenses	644	643	564	517	(47)
Total materials and services	160,436	161,135	126,902	118,055	(8,847)

* 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)

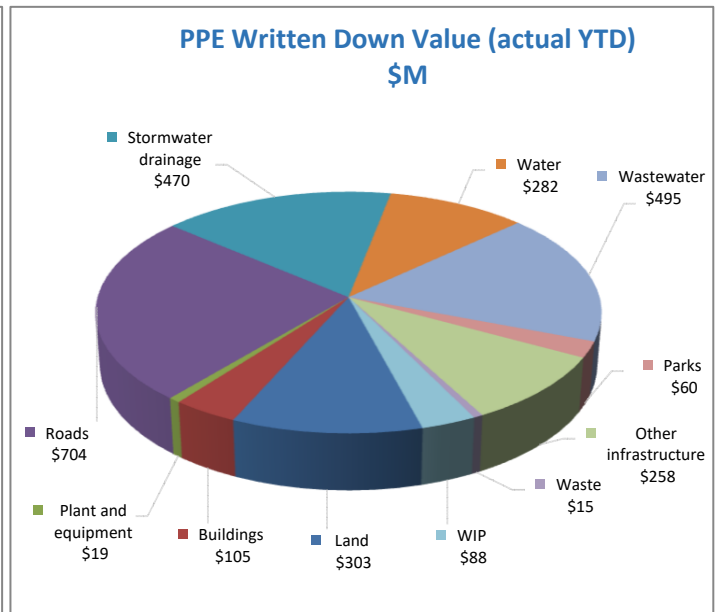
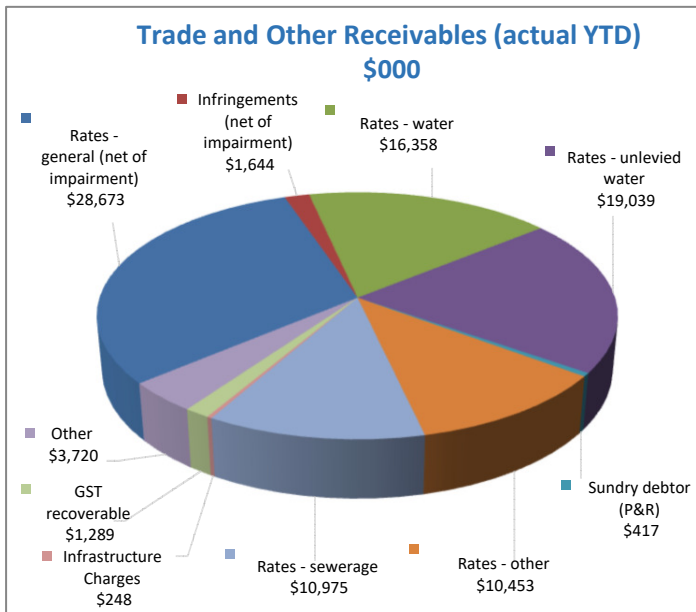


4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 30 April 2023

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CURRENT ASSETS				
Cash and cash equivalents	208,298	221,056	255,525	244,115
Short-term investment - CBA	-	10,068	10,068	10,122
Trade and other receivables	43,669	43,794	85,812	92,816
Inventories	818	928	920	910
Other current assets	4,172	5,486	5,486	4,397
Total current assets	256,956	281,332	357,811	352,360
NON-CURRENT ASSETS				
Investment property	1,225	1,293	1,293	1,293
Property, plant and equipment	2,735,181	2,858,961	2,836,076	2,798,775
Intangible assets	584	1,285	1,383	1,143
Right-of-use assets	3,963	4,017	4,183	4,246
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	2,878,286	2,855,665	2,818,187
TOTAL ASSETS	3,010,640	3,159,618	3,213,476	3,170,547
CURRENT LIABILITIES				
Trade and other payables	43,417	49,354	52,767	37,666
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	18,506	16,992
Other current liabilities	3,569	14,426	41,071	12,560
Total current liabilities	73,160	92,437	122,743	77,617
NON-CURRENT LIABILITIES				
Borrowings - non-current	40,684	40,262	29,226	29,312
Lease liability - non-current	3,742	3,689	3,876	3,913
Provisions - non-current	22,073	15,499	15,891	19,622
Other non-current liabilities	-	10,628	16,350	16,350
Total non-current liabilities	66,498	70,078	65,343	69,197
TOTAL LIABILITIES	139,658	162,514	188,086	146,814
NET COMMUNITY ASSETS	2,870,982	2,997,104	3,025,390	3,023,733
COMMUNITY EQUITY				
Asset revaluation surplus	1,106,353	1,225,400	1,225,400	1,225,400
Retained surplus	1,667,474	1,659,067	1,682,502	1,675,412
Constrained cash reserves	97,154	112,638	117,488	122,921
TOTAL COMMUNITY EQUITY	2,870,982	2,997,104	3,025,390	3,023,733

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS

As at 30 April 2023

	Annual Original Budget \$'000	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual Balance \$'000
Right-of-use asset				
Buildings	1,548	1,282	1,382	1,441
Land	2,134	2,451	2,511	2,515
Plant and Equipment	281	284	290	290
Closing balance	3,963	4,017	4,183	4,246

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*

For the period ending 30 April 2023

	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	128,640	93,963	55,803
Depreciation in year	(68,978)	(68,978)	(57,481)	(55,082)
Disposals	(1,493)	(1,493)	(1,198)	(2,734)
Other adjustments**	-	-	-	(4)
Closing balance	2,735,181	2,858,961	2,836,076	2,798,775

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

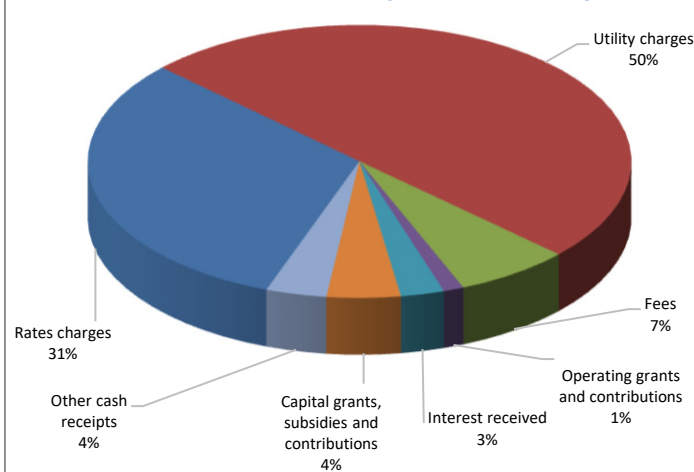
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

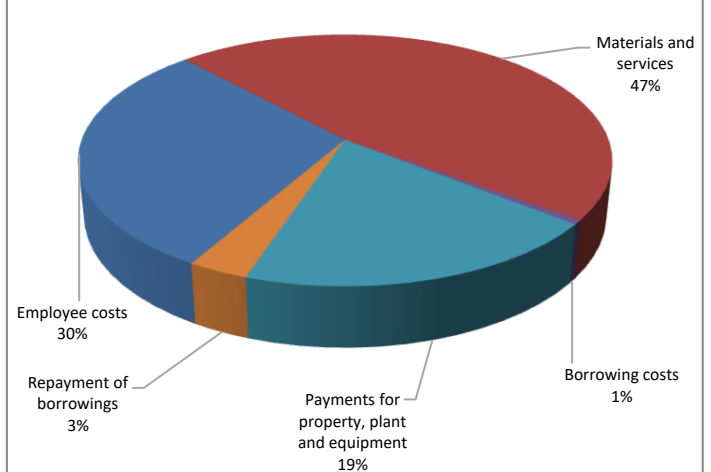
STATEMENT OF CASH FLOWS For the period ending 30 April 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	312,698	314,204	285,851	251,494
Payments to suppliers and employees	(269,244)	(270,979)	(213,653)	(215,269)
	43,454	43,225	72,198	36,225
Interest received	4,196	7,909	6,415	7,126
Rental income	1,140	1,140	999	1,089
Non-capital grants and contributions	14,301	9,442	5,631	3,346
Borrowing costs	(1,466)	(1,466)	(1,466)	(1,483)
Right-of-use assets interest expense	(114)	(114)	(95)	(92)
Net cash inflow / (outflow) from operating activities	61,511	60,136	83,682	46,211
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(115,776)	(126,390)	(93,245)	(54,676)
Proceeds from sale of property, plant and equipment	1,205	1,205	1,004	744
Capital grants, subsidies and contributions	39,249	35,760	24,356	12,086
Net cash inflow / (outflow) from investing activities	(75,322)	(89,425)	(67,885)	(41,846)
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)	(957)	(965)
Net cash inflow / (outflow) from financing activities	1,679	1,679	(8,939)	(8,917)
Net increase / (decrease) in cash held	(12,132)	(27,611)	6,858	(4,552)
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	221,056	255,525	244,115

Cash Inflow (actual YTD)



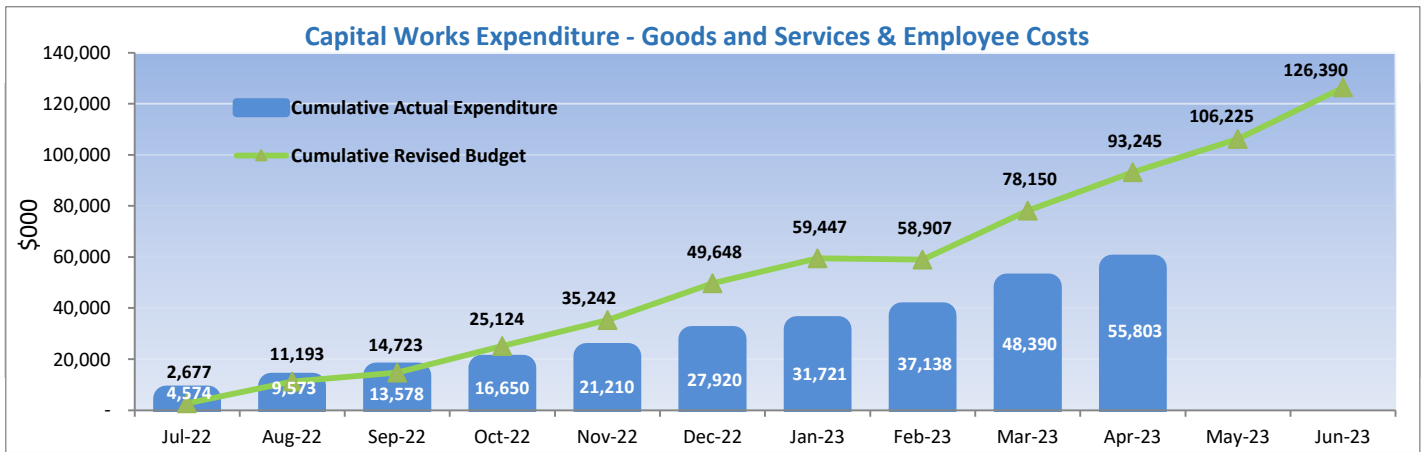
Cash Outflow (actual YTD)



Total Cash Funding (Actual YTD)	275,885
Total Cash Funding (Annual Revised Budget)	380,463
% of Budget Achieved YTD	73%

Total Cash Expenditure (Actual YTD)	280,437
Total Cash Expenditure (Annual Revised Budget)	408,074
% of Budget Achieved YTD	69%

6. CAPITAL EXPENDITURE



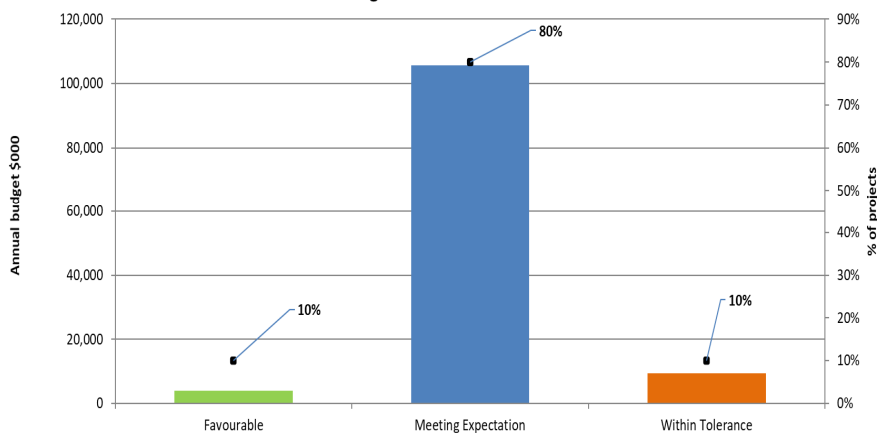
	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	117,729	86,387	49,907	(36,480)
Capitalised employee costs	8,661	6,858	5,896	(962)
Total	126,390	93,245	55,803	(37,442)

* 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)
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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

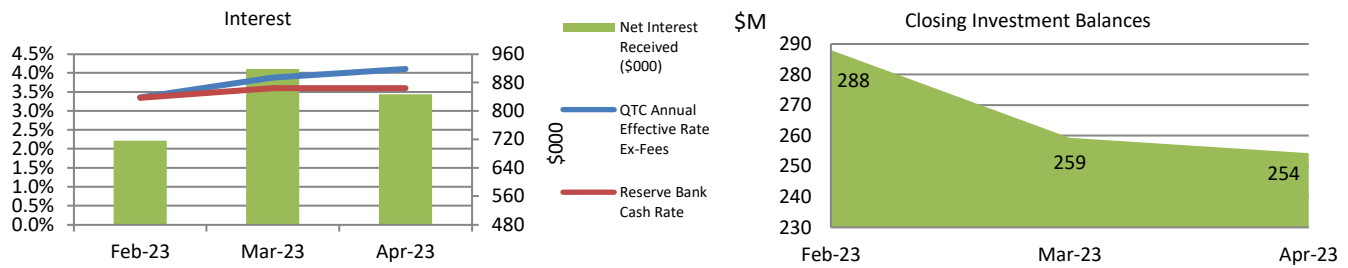
The status of two notable projects are as follows:

Project description	Progress
Redland Performing Arts Centre (RPAC) Technical Equipment Renewal Program - this program is for initial works within RPAC Concert Hall Venue.	Meeting Expectations
Southern Moreton Bay Islands (SMBI) Commuter Interchange and Bus Shelter - this program is for the construction of commuter interchanges at the SMBI ferry terminals and bus/transport shelters across Macleay Island.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 30 April 2023

INVESTMENT RETURNS



Total Investment at End of Month was \$254.24M

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.

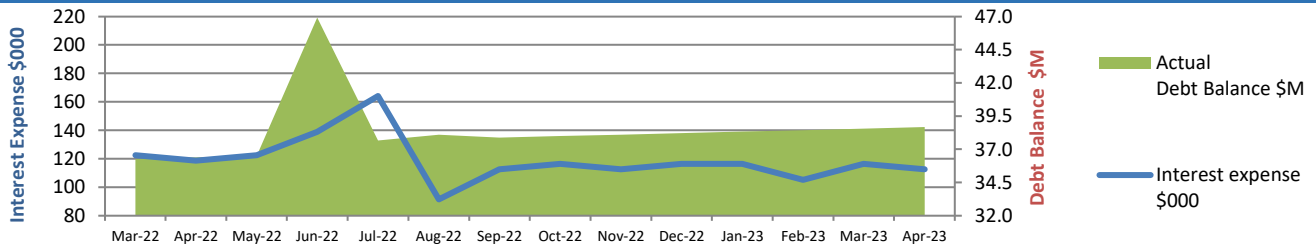
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income decreased from March to April due to lower average investment balance.

Note: the Reserve Bank increased the cash rate to 3.60% during March 2023.

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 4.11%. 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 \$38.67M

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

BORROWINGS

For the period ending 30 April 2023

	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)	(1,091)	(1,164)
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)	(38,581)	(38,667)

9. CONSTRAINED CASH RESERVES

Reserves as at 30 April 2023	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	-	24	(8)	16
Weinam Creek Reserve	Maintenance and improvements associated with Weinam Creek projects	652	449	(2)	1,099
Waste Levy Reserve	To fund Waste Levy Program	379	4,692	(4,710)	361
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	3,677	2,122	(434)	5,365
Fleet Plant & Capital Equipment Reserve*	To support the long term fleet replacement program	4,599	-	(4,599)	-
		9,307	7,287	(9,753)	6,841
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	4,309	1,956	(1,014)	5,251
Marine Trunk Infrastructure Reserve	Provision of marine facilities south of Redland Bay	-	183	-	183
Land for Community Facilities Trunk Infrastructure Reserve	Land for community facilities trunk infrastructure	5,297	56	-	5,353
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,952	545	-	15,497
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	13,341	1,457	(273)	14,525
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	40,631	3,432	(3,424)	40,639
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	14,819	1,045	(253)	15,611
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,559	294	-	10,853
Tree Planting Reserve	Acquisition and planting of trees on footpaths	259	70	(6)	323
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	1,024	-	2,678
		106,080	10,062	(4,971)	111,171
Separate Charge Reserve:					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	2	11,747	(7,934)	3,815
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	119	500	(403)	216
		121	12,247	(8,337)	4,031
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	758	12	-	770
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	430	7	-	437
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	3	-	222
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	22	-	878
TOTALS		116,364	29,618	(23,061)	122,921
		Closing cash and cash equivalents			244,115
		Reserves as percentage of cash balance			50%

*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 April 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	134,826	137,720	127,826	129,485	1,659
Total expenses	78,703	78,783	65,204	63,085	(2,119)
Earnings before interest, tax and depreciation (EBITD)	56,123	58,937	62,622	66,400	3,778
External interest expense	355	228	190	191	1
Internal interest expense	14,750	14,750	12,291	12,291	-
Depreciation	25,587	25,587	21,322	21,123	(199)
Operating surplus / (deficit)	15,432	18,373	28,819	32,795	3,976

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 30 April 2023

	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	5,618	4,291	2,002	(2,289)
Net transfer (to) / from constrained capital reserves	(502)	(1,441)	(682)	(1,729)	(1,047)
Non-cash contributions	652	652	-	-	-
New loans	-	-	-	-	-
Funding from utility revenue	11,941	17,214	11,191	4,269	(6,922)
Total sources of capital funding	16,937	22,042	14,800	4,542	(10,258)
Contributed assets	652	652	-	-	-
Capitalised expenditure	15,512	20,612	14,063	3,780	(10,283)
Loan redemption	774	779	737	762	25
Total application of capital funds	16,937	22,042	14,800	4,542	(10,258)

11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 30 April 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Total revenue	35,765	36,388	29,908	30,346	438
Total expenses	26,515	26,663	21,786	22,227	441
Earnings before interest, tax and depreciation (EBITD)	9,249	9,725	8,122	8,119	(3)
External interest expense	6	6	5	5	-
Depreciation	556	556	463	344	(119)
Operating surplus / (deficit)	8,687	9,163	7,654	7,770	116

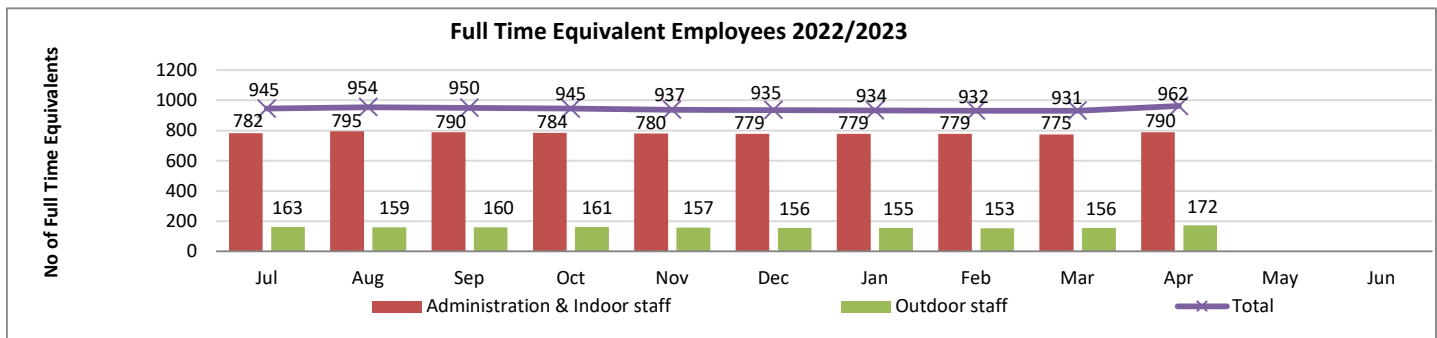
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 30 April 2023

	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	671	-	-	-
Funding from utility revenue	828	697	299	233	(66)
Total sources of capital funding	2,405	1,368	299	233	(66)
Capitalised expenditure	2,366	1,328	266	202	(64)
Loan redemption	39	39	33	31	(2)
Total application of capital funds	2,405	1,368	299	233	(66)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



April 2023: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	5	39	8	52
Organisational Services	3	184	17	204
Community and Customer Services	66	280	73	419
Infrastructure and Operations	2	339	16	357
Advocacy Major Projects and Economic Development	1	31	2	34
Total	77	873	116	1,066

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 April 2023 to April 2022

Days Overdue	Apr-23	% Overdue	Apr-22	% Overdue	\$ Variance	% Variance	Rates & Charges Statistics	Apr-23	Apr-22
0 - 30	\$1,110	0.0%	\$2,616	0.0%	-\$1,506	0.0%	Levied (Billed) Rates & Charges since 1 July 2022	\$310,706,721	\$294,963,963
31 - 60	\$1,486	0.0%	\$1,032	0.0%	\$454	0.0%	Rate arrears b/fwd 1 July 2022	\$9,031,746	\$10,693,344
61 - 90	\$2,927,517	0.9%	\$2,856,074	0.9%	\$71,443	0.0%	Total	\$319,738,467	\$305,657,307
91 - 180	\$1,560,353	0.5%	\$1,401,694	0.5%	\$158,659	0.0%	Balance of overdue rates & charges	\$7,896,484	\$7,352,761
>180	\$3,406,018	1.1%	\$3,091,345	1.0%	\$314,673	0.1%	Percentage Overdue	2.5%	2.4%
Total	\$7,896,484	2.5%	\$7,352,761	2.4%	\$543,723	0.1%			

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

Net Operating Surplus

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

Capital Expenditure on Replacement of Infrastructure Assets (Renewals)

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

Total Liabilities - Current Assets

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)

General Rates - Pensioner Remissions

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

Current Assets

Current Liabilities

Debt Servicing Ratio:

This indicates Council's ability to meet current debt instalments with recurrent revenue

Interest Expense*** + Loan Redemption^

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.

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

Cash Held at Period End

[[Cash Operating Costs + Interest Expense] / 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

Current and Non-current Debt**

Total Assets

Operating Performance:

This ratio provides an indication of Council's cash flow capabilities

Net Cash from Operations + Interest Revenue and Expense

Cash Operating Revenue + Interest Revenue

Interest Coverage Ratio:

This ratio demonstrates the extent to which operating revenues are being used to meet the financing charges

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.