



Monthly Financial Report

May 2023



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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 May 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	23,305	33,953	10,648	46%	✓
Recurrent Revenue	334,268	321,194	320,242	(952)	0%	✗
Recurrent Expenditure	334,163	297,889	286,289	(11,600)	-4%	✓
Capital Works Expenditure	126,390	105,302	65,682	(39,620)	-38%	✓
Closing Cash & Cash Equivalents	221,056	257,028	265,111	8,083	3%	✓

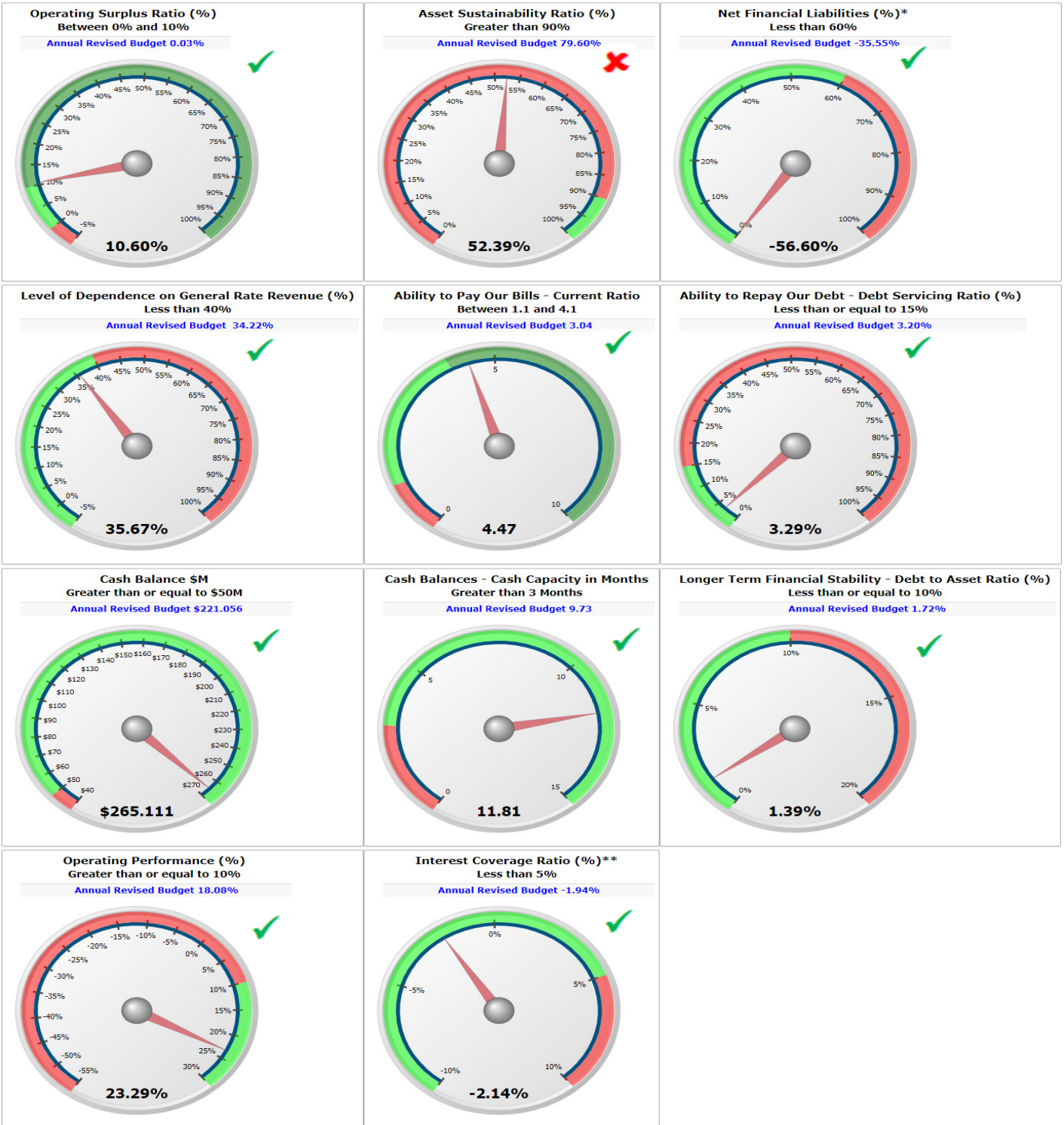
Council reported a year to date operating surplus of \$33.95M which is favourable to budget by \$10.65M. This is mainly due to lower than budgeted materials and services expenses, employee costs and depreciation, combined with higher than budgeted interest revenue and fees, offset by lower than expected grants, subsidies and contributions.

Council's capital works expenditure is below budget by \$39.62M due to timing of works for a number of infrastructure projects.

Council's cash balance is ahead of budget mainly due to lower than budgeted payments for property, plant and equipment offset by higher payments to suppliers and employees, lower receipts from customers, lower grants, subsidies and contributions. 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

** 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 31 May 2023					
	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	\$000	\$000	\$000
	\$000	\$000			
Recurrent revenue					
Rates charges	117,211	118,058	117,959	117,820	(139)
Levies and utility charges	177,511	177,620	170,839	170,700	(139)
Less: Pensioner remissions and rebates	(3,661)	(6,773)	(6,735)	(6,716)	19
Fees	18,412	17,779	15,923	16,949	1,026
Rental income	1,140	1,140	1,075	1,189	114
Interest received	4,196	7,909	7,208	8,245	1,037
Sales revenue	3,989	5,029	4,588	4,690	102
Other income	465	3,719	3,645	3,841	196
Grants, subsidies and contributions	9,053	9,786	6,692	3,524	(3,168)
Total recurrent revenue	328,316	334,268	321,194	320,242	(952)
Recurrent expenses					
Employee benefits	101,228	102,296	93,064	90,261	(2,803)
Materials and services	160,436	161,135	140,075	133,283	(6,792)
Finance costs	1,980	1,980	1,740	1,732	(8)
Depreciation and amortisation	70,578	70,578	64,698	62,806	(1,892)
Other expenditure	525	525	470	477	7
Net internal costs	(2,314)	(2,352)	(2,158)	(2,270)	(112)
Total recurrent expenses	332,434	334,163	297,889	286,289	(11,600)
OPERATING SURPLUS / (DEFICIT)	(4,118)	105	23,305	33,953	10,648
Capital revenue					
Grants, subsidies and contributions	39,249	35,760	28,670	11,874	(16,796)
Non-cash contributions	2,250	2,250	1,209	-	(1,209)
Total capital revenue	41,499	38,010	29,879	11,874	(18,005)
Capital expenses					
(Gain) / loss on disposal of non-current assets	289	289	218	2,688	2,470
Total capital expenses	289	289	218	2,688	2,470
TOTAL INCOME	369,815	372,278	351,073	332,116	(18,957)
TOTAL EXPENSES	332,722	334,452	298,107	288,977	(9,130)
NET RESULT	37,093	37,826	52,966	43,139	(9,827)
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	52,966	43,139	(9,827)

3. STATEMENT OF COMPREHENSIVE INCOME - CONTINUED

LEVIES AND UTILITY CHARGES ANALYSIS

For the period ending 31 May 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	30,449	30,164	(285)
SES separate charge	500	500	500	500	-
Environment & Coastal Management Separate Charge	11,762	11,771	11,765	11,746	(19)
Separate charge landfill remediation	3,545	3,545	3,545	3,538	(7)
Wastewater charges	53,189	53,289	53,202	53,826	624
Water access charges	21,740	21,740	21,740	21,761	21
Water consumption charges	53,569	53,569	49,638	49,165	(473)
Total levies and utility charges	177,511	177,620	170,839	170,700	(139)

MATERIALS AND SERVICES ANALYSIS

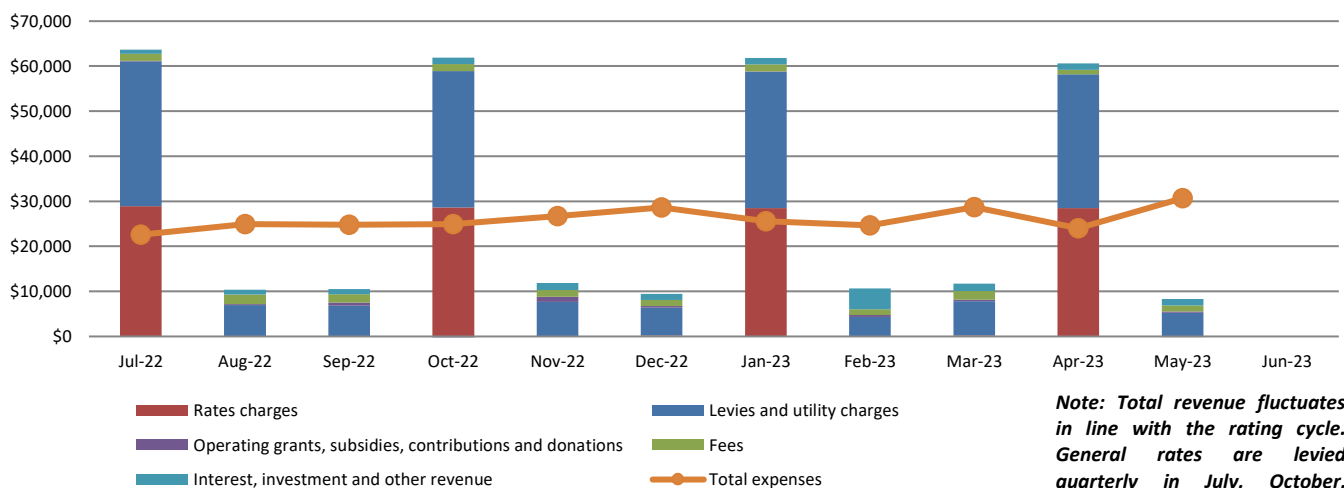
For the period ending 31 May 2023

	Annual Original Budget \$000	Annual Revised Budget \$000	YTD Budget \$000	YTD Actual \$000	YTD Variance \$000
Materials and services					
Contractors	39,275	42,583	33,685	31,572	(2,113)
Consultants	5,435	5,949	4,614	3,917	(697)
Other Council outsourcing costs*	33,279	27,741	24,993	23,741	(1,252)
Purchase of materials	56,766	57,705	52,032	51,692	(340)
Office administration costs	7,181	7,427	6,813	5,958	(855)
Electricity charges	5,921	5,863	5,358	4,737	(621)
Plant operations	3,682	3,792	3,400	3,683	283
Information technology resources	4,493	5,848	5,418	4,601	(817)
General insurance	1,785	1,639	1,502	1,477	(25)
Community assistance**	1,975	1,945	1,671	1,348	(323)
Other material and service expenses	644	643	589	557	(32)
Total materials and services	160,436	161,135	140,075	133,283	(6,792)

* 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)

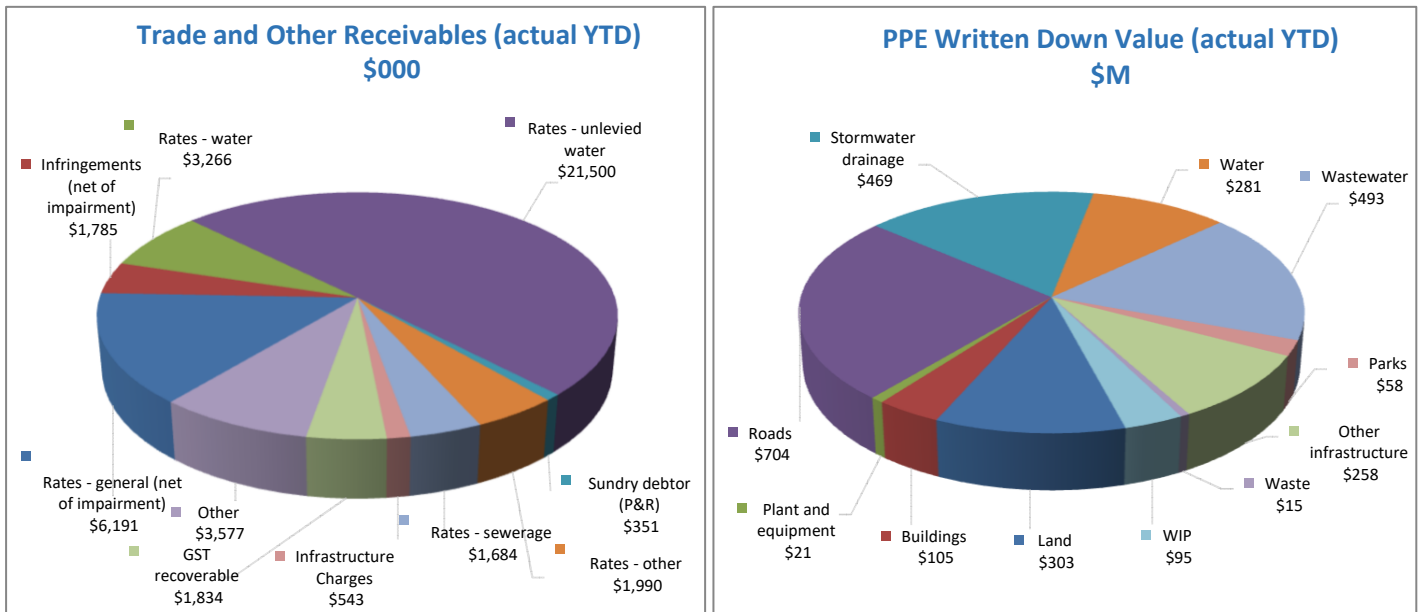


4. STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION As at 31 May 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	257,028	265,111
Short-term investment - CBA	-	10,068	10,068	10,122
Trade and other receivables	43,669	43,794	49,338	42,721
Inventories	818	928	924	882
Other current assets	4,172	5,486	5,486	4,160
Total current assets	256,956	281,332	322,844	322,996
NON-CURRENT ASSETS				
Investment property	1,225	1,293	1,293	1,293
Property, plant and equipment	2,735,181	2,858,961	2,842,752	2,801,759
Intangible assets	584	1,285	1,334	1,209
Right-of-use assets	3,963	4,017	4,100	4,168
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	2,862,209	2,821,159
TOTAL ASSETS	3,010,640	3,159,618	3,185,053	3,144,155
CURRENT LIABILITIES				
Trade and other payables	43,417	49,354	53,907	33,712
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	18,391	16,471
Other current liabilities	3,569	14,426	24,947	11,732
Total current liabilities	73,160	92,437	107,644	72,314
NON-CURRENT LIABILITIES				
Borrowings - non-current	40,684	40,262	29,334	29,428
Lease liability - non-current	3,742	3,689	3,783	3,819
Provisions - non-current	22,073	15,499	15,695	19,826
Other non-current liabilities	-	10,628	16,350	16,350
Total non-current liabilities	66,498	70,078	65,162	69,423
TOTAL LIABILITIES	139,658	162,514	172,806	141,737
NET COMMUNITY ASSETS	2,870,982	2,997,104	3,012,247	3,002,418
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	1,672,163	1,653,953
Constrained cash reserves	97,154	112,638	114,684	123,065
TOTAL COMMUNITY EQUITY	2,870,982	2,997,104	3,012,247	3,002,418

4. STATEMENT OF FINANCIAL POSITION - CONTINUED



RIGHT-OF-USE ASSETS

As at 31 May 2023

Right-of-use asset	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual Balance \$000
Buildings	1,548	1,282	1,332	1,398
Land	2,134	2,451	2,481	2,483
Plant and Equipment	281	284	287	287
Closing balance	3,963	4,017	4,100	4,168

PROPERTY, PLANT AND EQUIPMENT (PPE) MOVEMENT*

For the period ending 31 May 2023

PPE movement	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual Balance \$000
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	106,512	65,539
Depreciation in year	(68,978)	(68,978)	(63,230)	(61,137)
Disposals	(1,493)	(1,493)	(1,322)	(3,433)
Other adjustments**	-	-	-	(2)
Closing balance	2,735,181	2,858,961	2,842,752	2,801,759

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

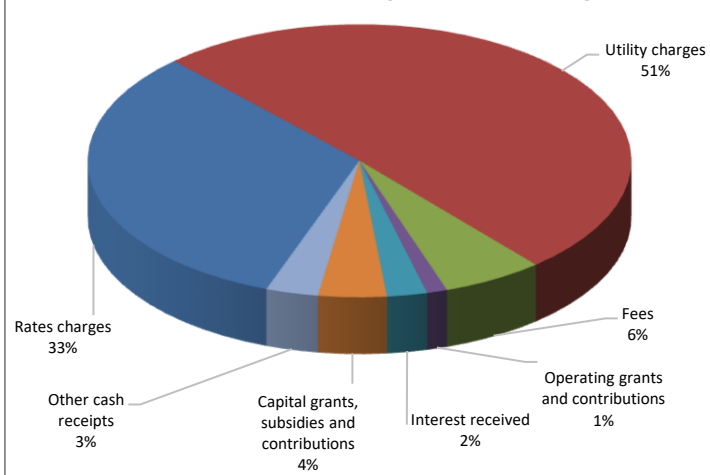
** Other adjustments include transfers between asset classes, revaluation adjustments, prior period adjustments and depreciation thereon.

5. STATEMENT OF CASH FLOWS

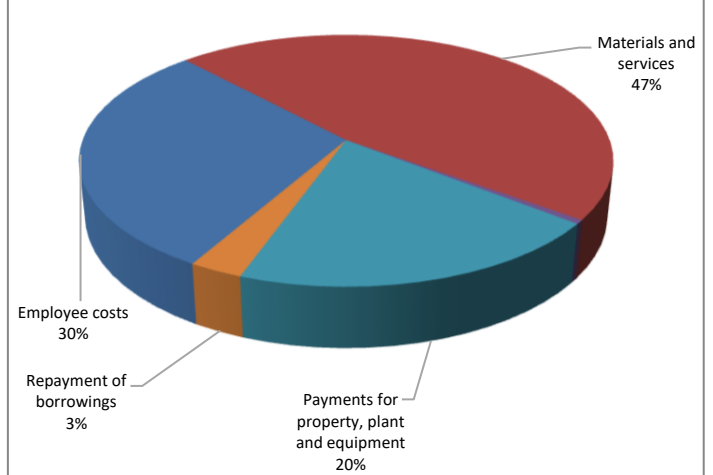
STATEMENT OF CASH FLOWS For the period ending 31 May 2023

	Annual	Annual	YTD	YTD
	Original Budget \$000	Revised Budget \$000	Budget \$000	Actual \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	312,698	314,204	315,101	308,626
Payments to suppliers and employees	(269,244)	(270,979)	(235,438)	(245,357)
	43,454	43,225	79,663	63,269
Interest received	4,196	7,909	7,209	8,036
Rental income	1,140	1,140	1,075	1,189
Non-capital grants and contributions	14,301	9,442	6,546	4,068
Borrowing costs	(1,466)	(1,466)	(1,466)	(1,483)
Right-of-use assets interest expense	(114)	(114)	(105)	(101)
Net cash inflow / (outflow) from operating activities	61,511	60,136	92,922	74,978
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(115,776)	(126,390)	(105,303)	(63,776)
Payments for intangible assets	-	-	-	(143)
Proceeds from sale of property, plant and equipment	1,205	1,205	1,104	744
Capital grants, subsidies and contributions	39,249	35,760	28,670	13,652
Net cash inflow / (outflow) from investing activities	(75,322)	(89,425)	(75,529)	(49,523)
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)	(1,050)	(1,059)
Net cash inflow / (outflow) from financing activities	1,679	1,679	(9,032)	(9,011)
Net increase / (decrease) in cash held	(12,132)	(27,611)	8,361	16,444
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	257,028	265,111

Cash Inflow (actual YTD)



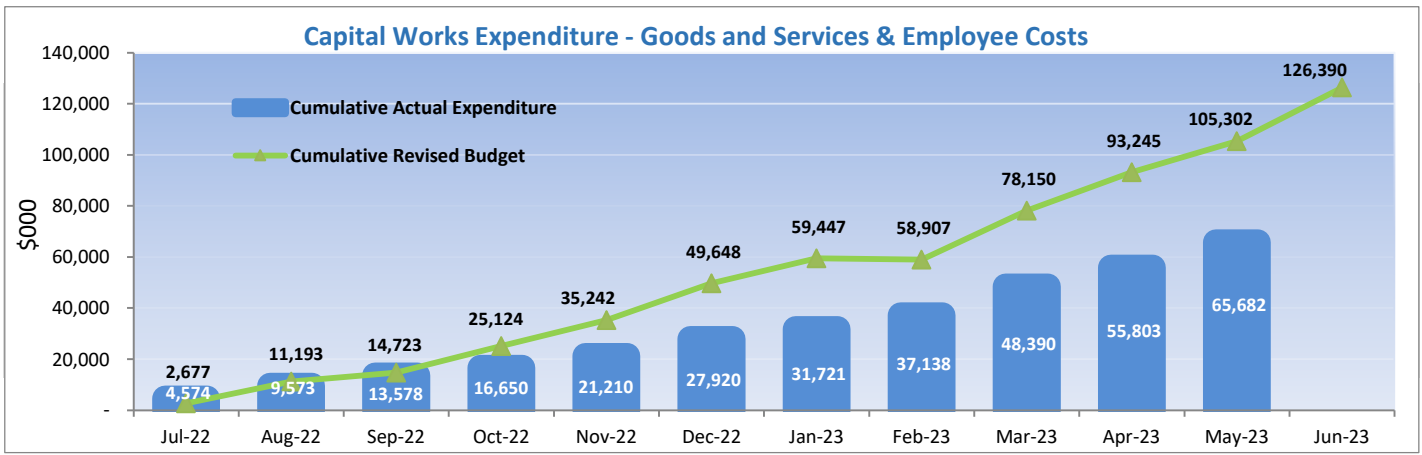
Cash Outflow (actual YTD)



Total Cash Funding (Actual YTD)	336,315
Total Cash Funding (Annual Revised Budget)	380,463
% of Budget Achieved YTD	88%

Total Cash Expenditure (Actual YTD)	319,871
Total Cash Expenditure (Annual Revised Budget)	408,074
% of Budget Achieved YTD	78%

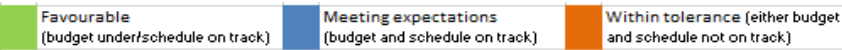
6. CAPITAL EXPENDITURE



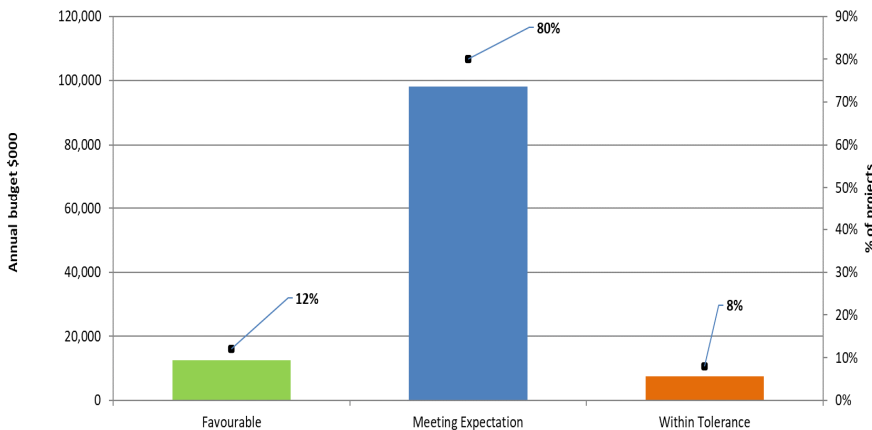
	Annual Revised Budget \$'000	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000
Capitalised goods and services*	117,729	97,591	59,015	(38,576)
Capitalised employee costs	8,661	7,711	6,667	(1,044)
Total	126,390	105,302	65,682	(39,620)

* 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

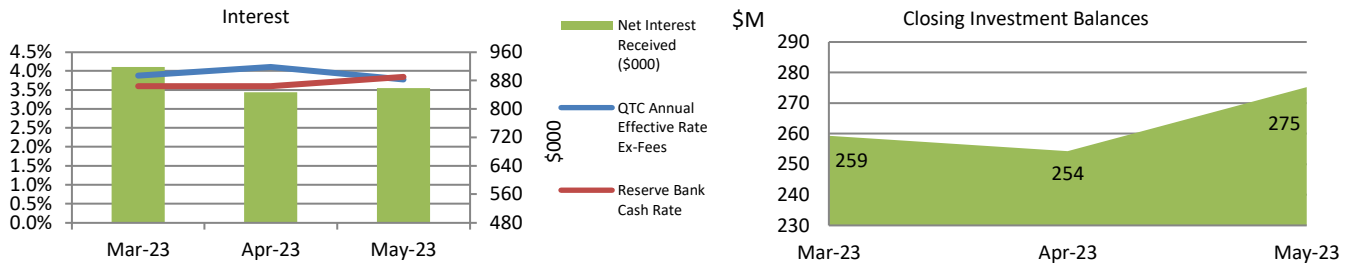
The status of two notable projects are as follows:

Project description	Progress
Amity Point Land Side Facility - this program involves geotechnical investigations and all associated permits and approvals. Stage 1 works include Ballow Street / Claytons Road upgrade and stage 2 works include boat ramp, car park and surrounding area.	Meeting Expectations
Moreton Bay Cycleway Upgrade and Expansion Program - this program includes construction of new path assets, including boardwalk and culvert crossings.	Meeting Expectations

8. INVESTMENT & BORROWINGS REPORT

For the period ending 31 May 2023

INVESTMENT RETURNS



Total Investment at End of Month was \$275.23M

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.

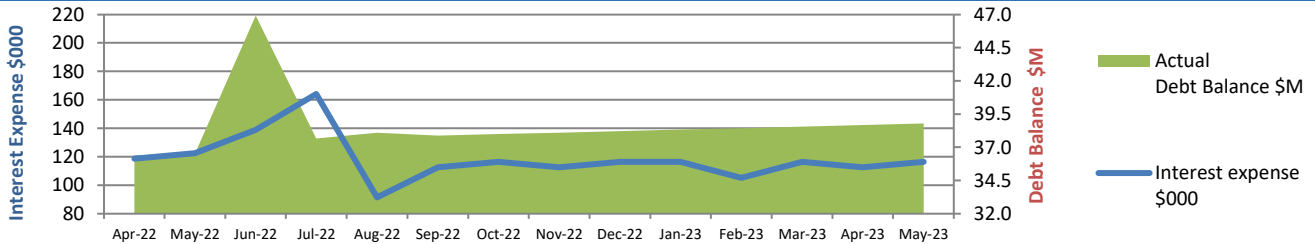
The movement in interest earned is indicative of both the interest rate and the surplus cash balances held, the latter of which is affected by business cash flow requirements on a monthly basis as well as the rating cycle. The interest income increased from April to May mostly due to higher average investment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

Note: the Reserve Bank increased the cash rate to 3.85% during May 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 3.78%. 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 \$38.78M

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

BORROWINGS

For the period ending 31 May 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)	(1,199)	(1,280)
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)	(38,689)	(38,783)

9. CONSTRAINED CASH RESERVES

Reserves as at 31 May 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	-	23	(8)	15
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	5,161	(5,145)	395
Raby Bay Revetment Wall Reserve	To fund Raby Bay revetment wall works program	3,677	2,122	(837)	4,962
Fleet Plant & Capital Equipment Reserve*	To support the long term fleet replacement program	4,599	-	(4,599)	-
		9,307	7,755	(10,591)	6,471
Constrained Works Reserve:					
Public Parks Trunk Infrastructure Reserve	Capital projects for public parks trunk infrastructure	4,309	2,478	(1,101)	5,686
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	74	-	5,371
Water Supply Trunk Infrastructure Reserve	Upgrade, expansion or new projects for water supply trunk infrastructure	14,952	563	-	15,515
Sewerage Trunk Infrastructure Reserve	Upgrade, expansion or new projects for sewerage trunk infrastructure	13,341	1,737	(282)	14,796
Local Roads Trunk Infrastructure Reserve	Capital projects for local roads trunk infrastructure	40,631	4,102	(3,610)	41,123
Cycleways Trunk Infrastructure Reserve	Capital projects for cycleways trunk infrastructure	14,819	1,324	(300)	15,843
Stormwater Trunk Infrastructure Reserve	Capital projects for stormwater trunk infrastructure	10,559	368	-	10,927
Tree Planting Reserve	Acquisition and planting of trees on footpaths	259	76	(8)	327
Koala Tree off-set Planting Reserve	Acquisition and planting of trees for koala habitat	259	4	(1)	262
Special Property Reserve	Acquisition of property in line with the strategic property framework	1,654	1,171	-	2,825
		106,080	12,080	(5,302)	112,858
Separate Charge Reserve:					
Environment & Coastal Management Separate Charge Reserve	Ongoing conservation and maintenance operations	2	11,746	(9,062)	2,686
SES Separate Charge Reserve	On-going costs of maintaining the Redland SES	119	500	(451)	168
		121	12,246	(9,513)	2,854
Special Charge Reserve - Canals:					
Aquatic Paradise Canal Reserve	Maintenance and repairs of Aquatic Paradise canals	758	14	-	772
Sovereign Waters Lake Reserve	Maintenance and repairs of Sovereign Lake	430	8	-	438
1718 Raby Bay Canal Reserve	Service, facility or activity of works in respect of the canals of the Raby Bay canal estate	219	4	-	223
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	26	-	882
TOTALS		116,364	32,107	(25,406)	123,065
					Closing cash and cash equivalents
					265,111
					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 May 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Total revenue	134,826	137,720	132,911	132,835	(76)
Total expenses	78,703	78,783	71,431	70,282	(1,149)
Earnings before interest, tax and depreciation (EBITD)	56,123	58,937	61,480	62,553	1,073
External interest expense	355	228	209	210	1
Internal interest expense	14,750	14,750	13,520	13,520	-
Depreciation	25,587	25,587	23,454	23,389	(65)
Operating surplus / (deficit)	15,432	18,373	24,297	25,434	1,137

CITY WATER CAPITAL FUNDING STATEMENT

For the period ending 31 May 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Capital contributions, donations, grants and subsidies	4,847	5,618	4,568	2,300	(2,268)
Net transfer (to) / from constrained capital reserves	(502)	(1,441)	(953)	(2,018)	(1,065)
Non-cash contributions	652	652	-	-	-
New loans	-	-	-	-	-
Funding from utility revenue	11,941	17,214	10,862	5,091	(5,771)
Total sources of capital funding	16,937	22,042	14,477	5,373	(9,104)
Contributed assets	652	652	-	-	-
Capitalised expenditure	15,512	20,612	13,719	4,589	(9,130)
Loan redemption	774	779	758	785	26
Total application of capital funds	16,937	22,042	14,477	5,373	(9,104)

11. CITY WASTE STATEMENTS

CITY WASTE OPERATING STATEMENT

For the period ending 31 May 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Total revenue	35,765	36,388	32,895	33,403	508
Total expenses	26,515	26,663	24,299	24,981	682
Earnings before interest, tax and depreciation (EBITD)	9,249	9,725	8,596	8,422	(174)
External interest expense	6	6	6	6	-
Depreciation	556	556	510	383	(127)
Operating surplus / (deficit)	8,687	9,163	8,080	8,033	(47)

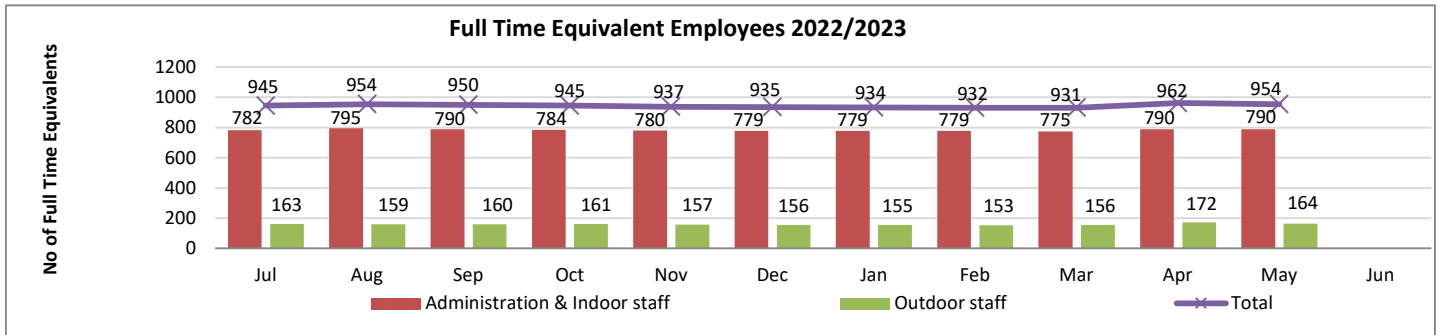
CITY WASTE CAPITAL FUNDING STATEMENT

For the period ending 31 May 2023

	Annual	Annual	YTD	YTD	YTD
	Original	Revised	Budget	Actual	Variance
	Budget	Budget	Budget	Actual	Variance
	\$000	\$000	\$000	\$000	\$000
Capital contributions, donations, grants and subsidies	1,577	671	671	-	(671)
Funding from utility revenue	828	697	670	278	(392)
Total sources of capital funding	2,405	1,368	1,341	278	(1,063)
Capitalised expenditure	2,366	1,328	1,305	244	(1,061)
Loan redemption	39	39	36	34	(2)
Total application of capital funds	2,405	1,368	1,341	278	(1,063)

12. APPENDIX: ADDITIONAL AND NON-FINANCIAL INFORMATION

Workforce Reporting



May 2023: Headcount	Employee Type			
Department Level	Casual	Full Time	Part Time	Total
Office of CEO and People and Culture	2	39	7	48
Organisational Services	3	182	20	205
Community and Customer Services	61	277	76	414
Infrastructure and Operations	3	331	16	350
Advocacy Major Projects and Economic Development	1	33	2	36
Total	70	862	121	1,053

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 May 2023 to May 2022

Days Overdue	% Overdue		% Overdue		% Variance		Rates & Charges Statistics	% Variance	
	May-23	May-22	May-23	May-22	\$ Variance	% Variance		May-23	May-22
0 - 30	\$6,949,709	\$6,728,420	2.2%	2.2%	\$221,289	0.0%	Levied (Billed) Rates & Charges since 1 July 2022	\$310,697,547	\$294,926,630
31 - 60	\$355	\$1,036	0.0%	0.0%	-\$681	0.0%	Rate arrears b/fwd 1 July 2022	\$9,031,746	\$10,693,344
61 - 90	\$1,091	\$932	0.0%	0.0%	\$159	0.0%	Total	\$319,729,293	\$305,619,974
91 - 180	\$2,110,963	\$2,071,860	0.7%	0.7%	\$39,103	0.0%	Balance of overdue rates & charges	\$13,294,474	\$12,748,997
>180	\$4,232,356	\$3,946,749	1.3%	1.3%	\$285,607	0.0%	Percentage Overdue	4.2%	4.2%
Total	\$13,294,474	\$12,748,997	4.2%	4.2%	\$545,477	0.0%			

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	$\frac{\text{Cash Held at Period End}}{\text{[(Cash Operating Costs + Interest Expense) / Period in Year]}}$
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	$\frac{\text{Current and Non-current Debt}^{**}}{\text{Total Assets}}$
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.