

MONTHLY COMMUNITY FINANCIAL REPORT

As at 31 December 2018

Highlighting how the City of Bunbury is tracking against financial ratios

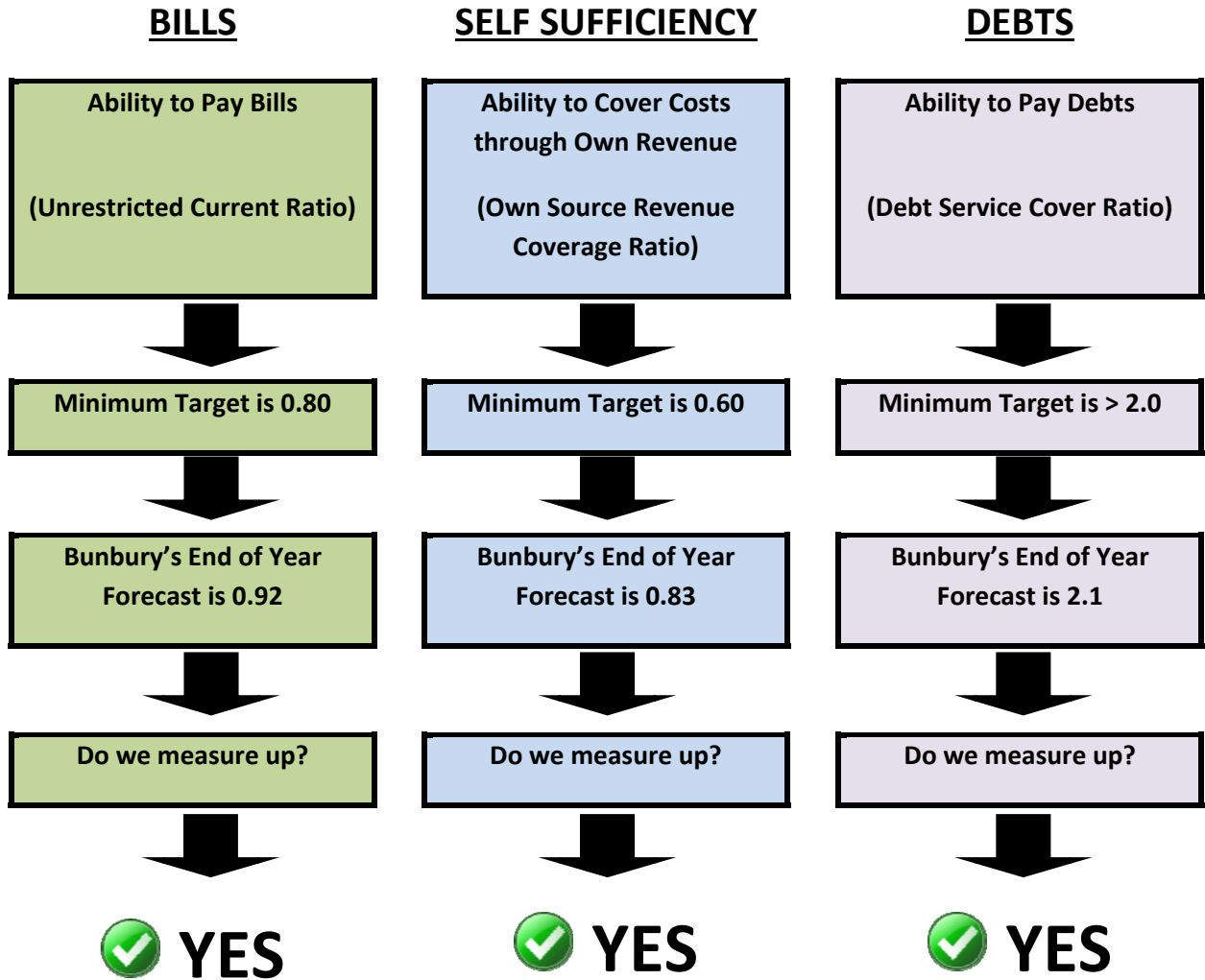


Financial Snapshot (Year to Date)	Actual (000's)
Operating Revenue	\$50,395
Operating Expenditure (Including Non-Cash Items)	\$28,842
Non-Cash Items	\$6,478
Capital Revenue	\$2,007
Capital Expenditure	\$7,470
Loan Repayments	\$1,092
Transfers (to)/from Restricted Cash	\$(62)
Surplus Brought Forward 1 July 2018	\$3,988
Current Surplus Position at 31 December 2018	\$25,380
Current Forecast Surplus Position at 30 June 2019	\$452

Did you know?

The City processes around 18,000 creditor invoices per financial year.

➤ Financial Health Indicators



➤ Cash in the Bank (at 31 December 2018)



➤ How are we tracking against our budgeted targets?

Operating Surplus Ratio

A measure of the City's ability to cover its operational costs including depreciation and have funds left over to cover capital expenditure (including principal loan repayments) without relying on debt or reserves. (Note: This ratio is based on the forecast to 30 June 2019)

Minimum Target is > 1

Bunbury's Performance is -0.1

Do we meet the target?

 **NO**

The reason that the Operating Surplus Ratio does not meet the minimum target is that operating expenditure exceeds operating revenue. This is being addressed with the following actions:

1. All operating expenditure is subject to review with the aim to reduce costs.
2. A significant amount of operating expenditure is in depreciation (\$14.0M or 21% of total operating expenditure). This is currently being reviewed to ensure that Bunbury has not overstated the amount of depreciation.
3. Operating revenue is also subject to review.

Asset Sustainability Ratio

Measures if the City is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.

Depreciation for 2018/19 is forecast at \$14.0M.

Capital expenditure (renewal and upgrade) for 2018/19 is \$13.9M.

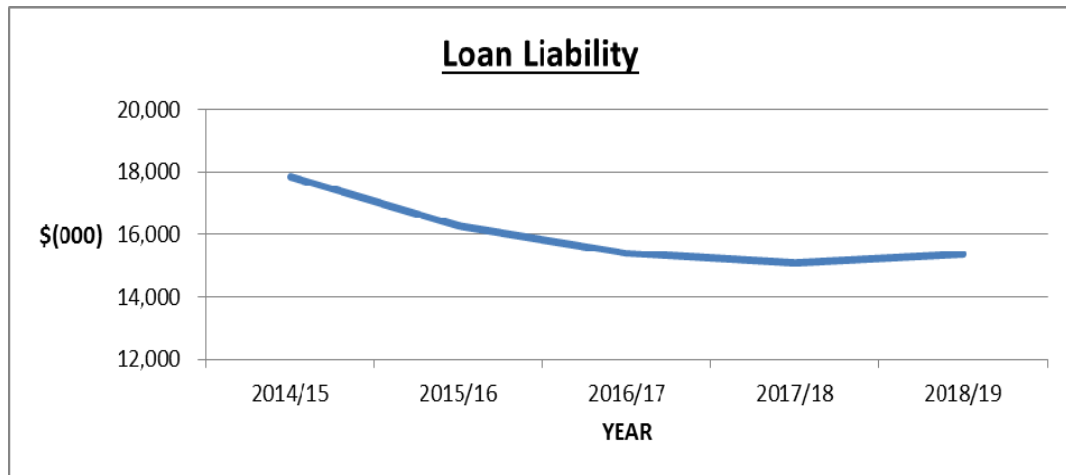
Minimum Target is > 0.90

Bunbury's Performance is 0.99

Do we meet the target?

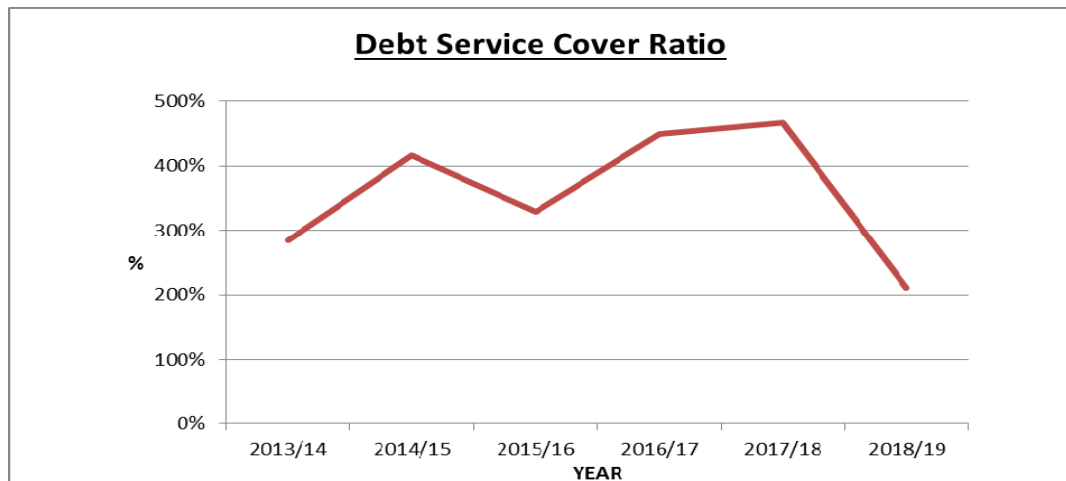
 **YES**

➤ Debt Levels



As at 30 June 2019 the City's loan liability is forecast at \$15.4M. This includes the following loans:

- New Depot Construction \$2.7M
- Bunbury Entertainment Centre Expansion \$2.4M
- Road Works and Path Constructions \$2.4M
- Civic Administration Building \$2.1M
- Stormwater Drainage \$1.0M



The Debt Service Cover Ratio measures the City's ability to service debt. The higher the ratio the stronger the position the City is in to repay annual principal and interest repayments. The City continues to meet the Department of Local Government basic standard of over 200% in 2018/19.

Any feedback in this document is greatly appreciated and can be emailed to records@bunbury.wa.gov.au