



COOTAMUNDRA- GUNDAGAI REGIONAL COUNCIL

Council Audit Briefing
13 May 2016 to 30 June 2017

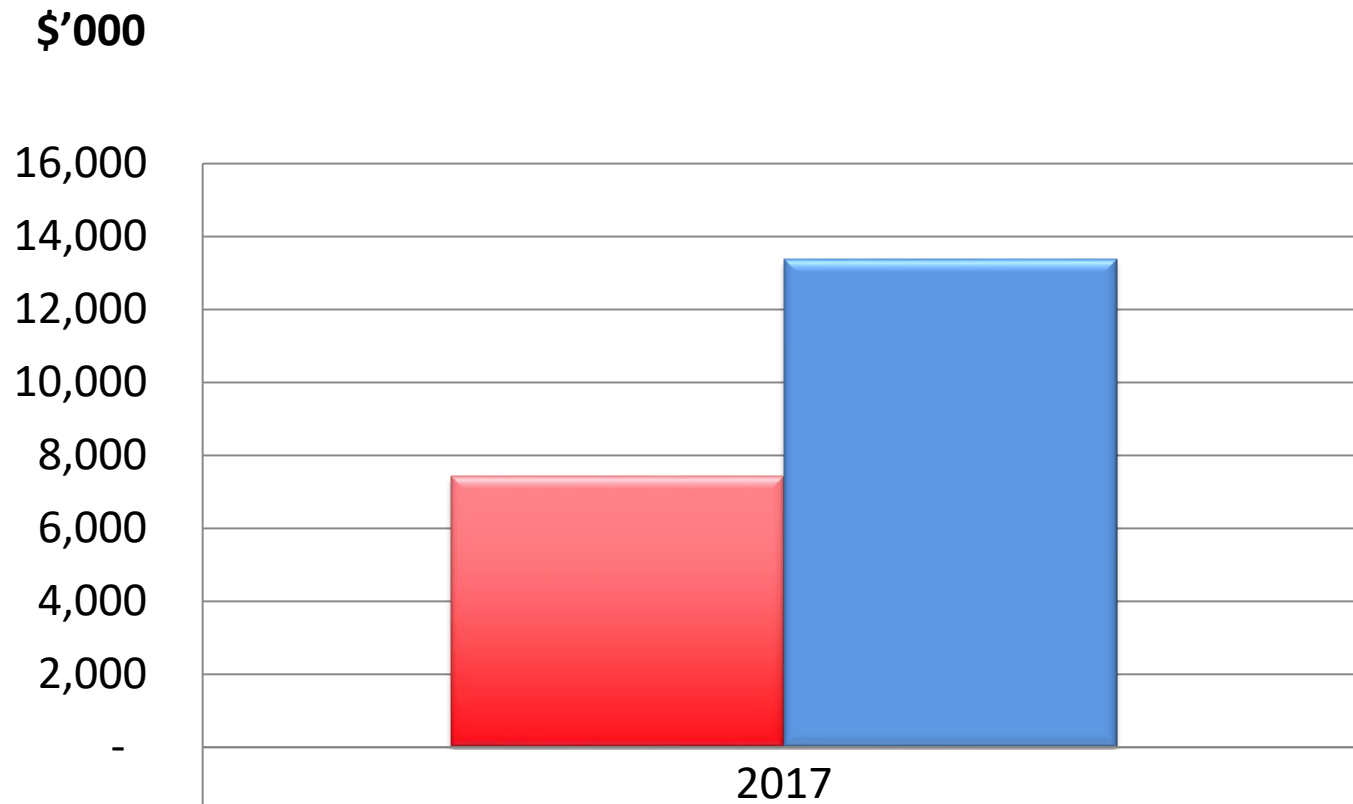
What will this presentation cover?

Significant matters for 2017	Level of Cash & Investments
Operating Result	Performance Ratios
Sources of Income	General Observations
Application of Expenditure	Audit Opinion

Significant matters for 2017

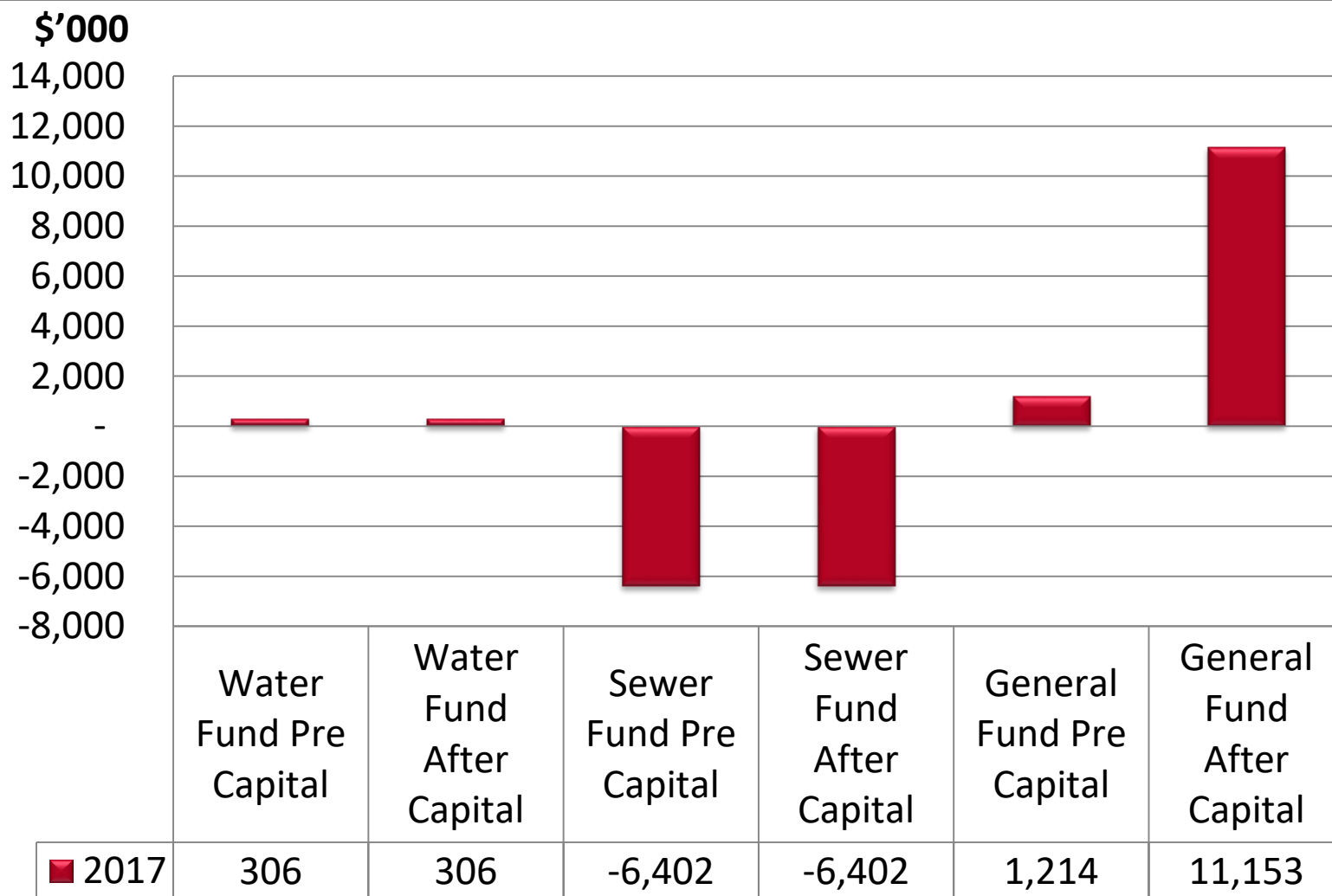
- **Net operating surplus \$5,057,000**
- The operating result from ordinary activities *before capital amounts* **(\$4,882,000) deficit**
- **User Charges & Fees revenue** included \$2.6M of RMS roadwork
- **Operating & Capital grants** totalled \$26.7M
- **Water & Sewer infrastructure** were revalued with a (P&L) decrement of \$6.9M

Consolidated Operating Result

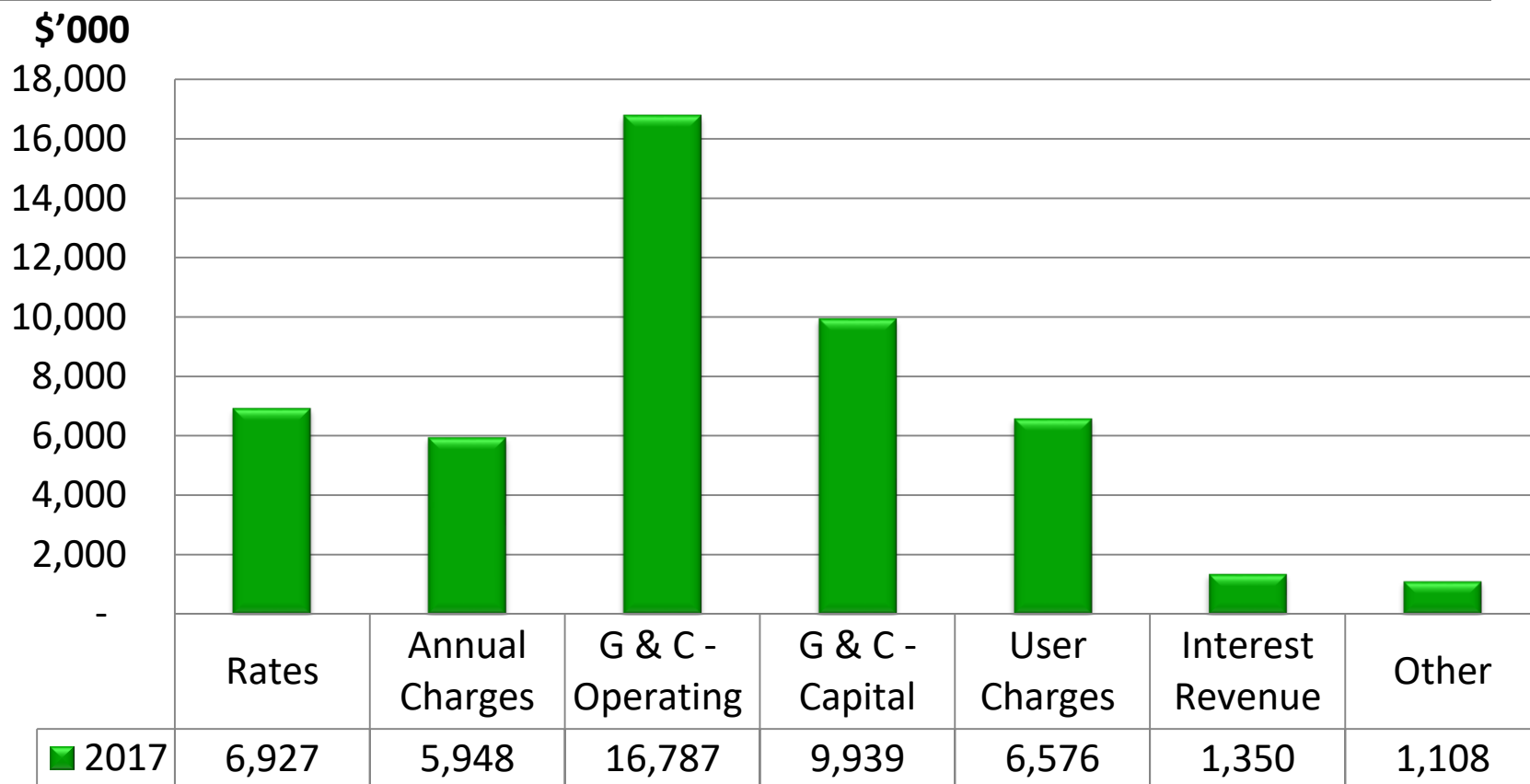


■ Before Capital	7,432
■ After Capital	13,361

Operating Result – Water, Sewer & General Fund

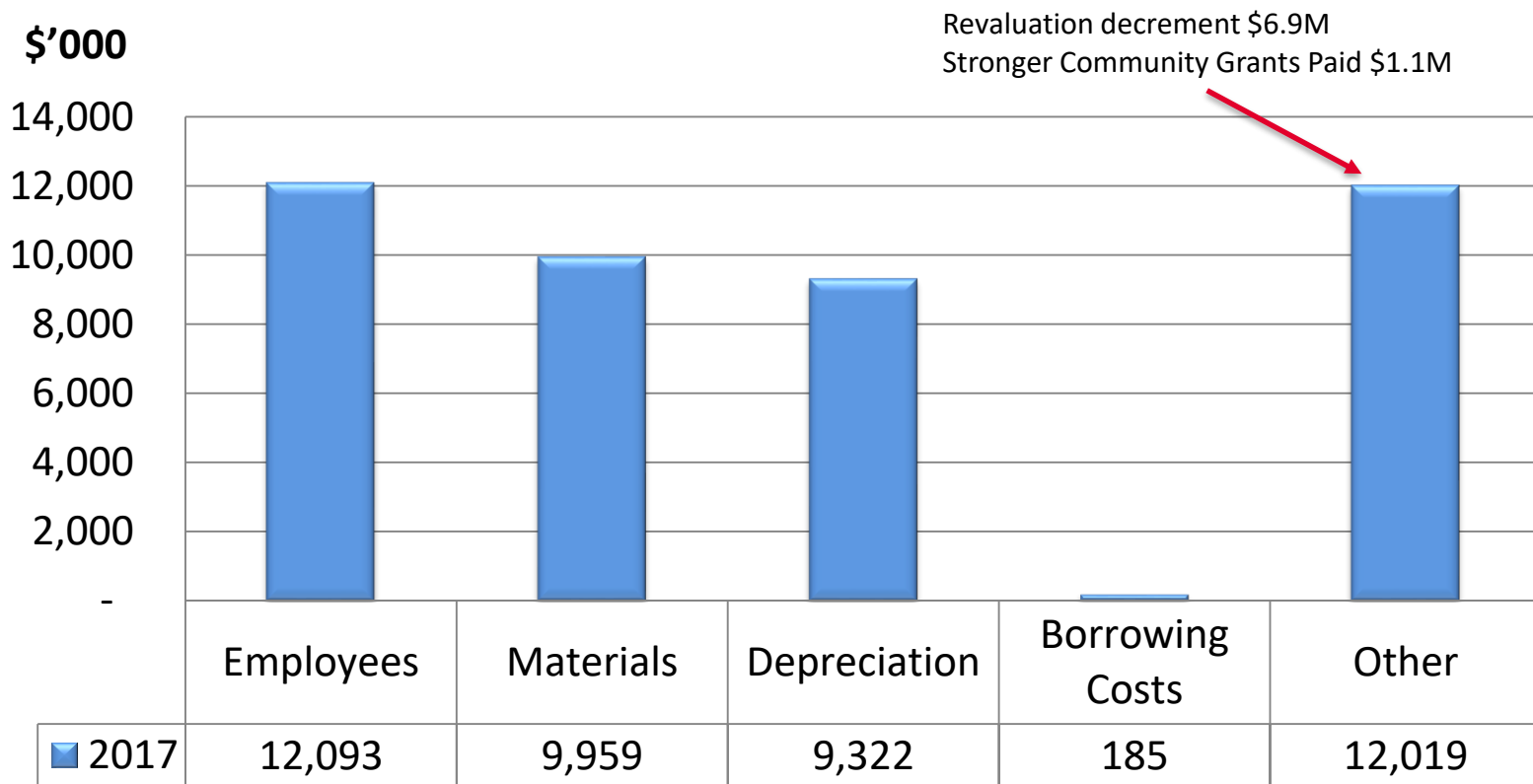


Operating Revenue – by source



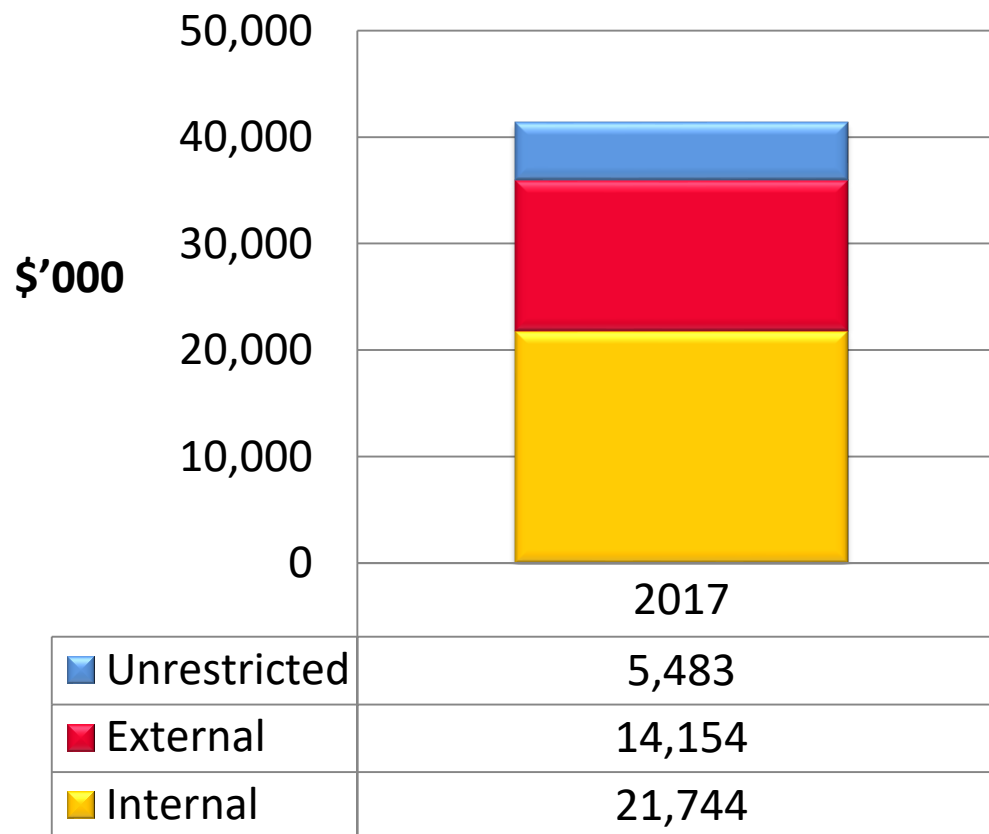
Total operating revenue \$48,635,000

Operating Expenses – by type



Operating expenses \$43,578,000

Cash and Investments



Cash and investments total \$41,381,000

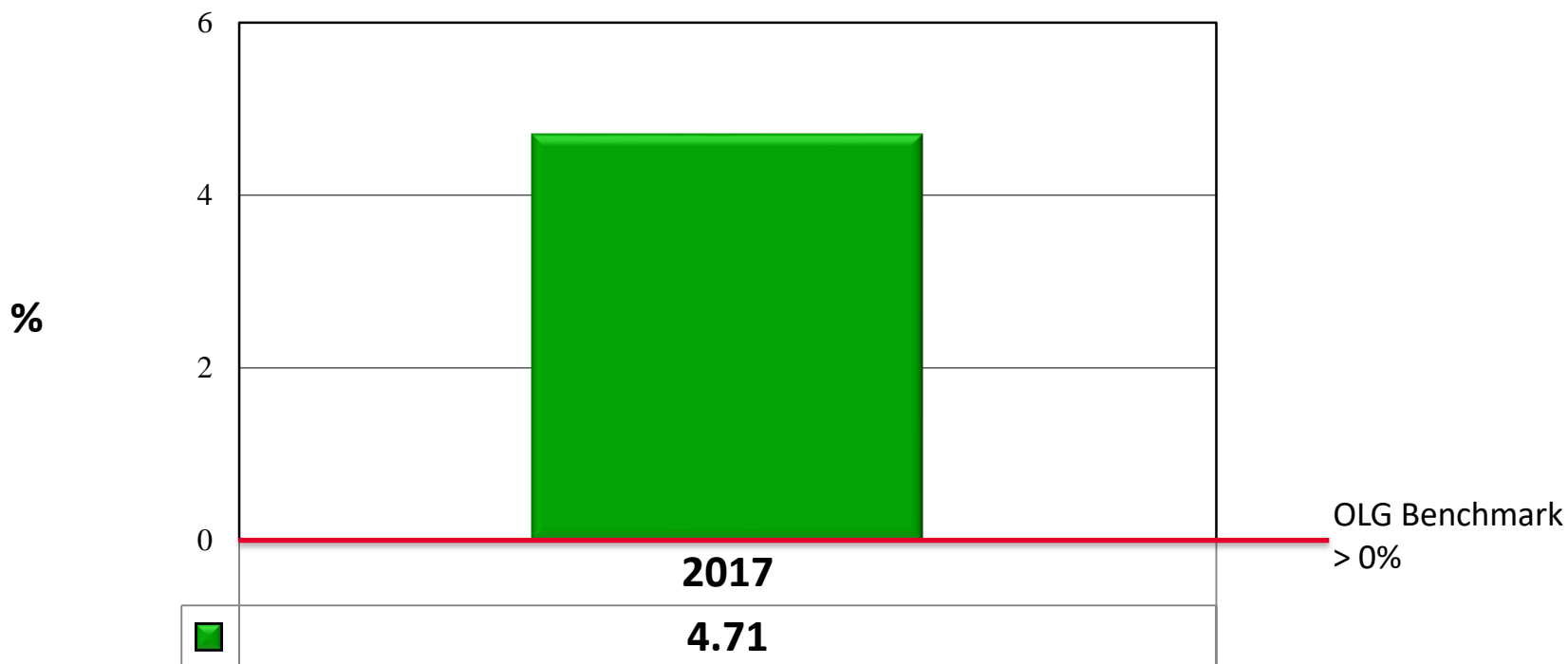
Operating Performance Ratio

Purpose of this ratio:

To assess whether operating expenditure is contained within operating revenue.

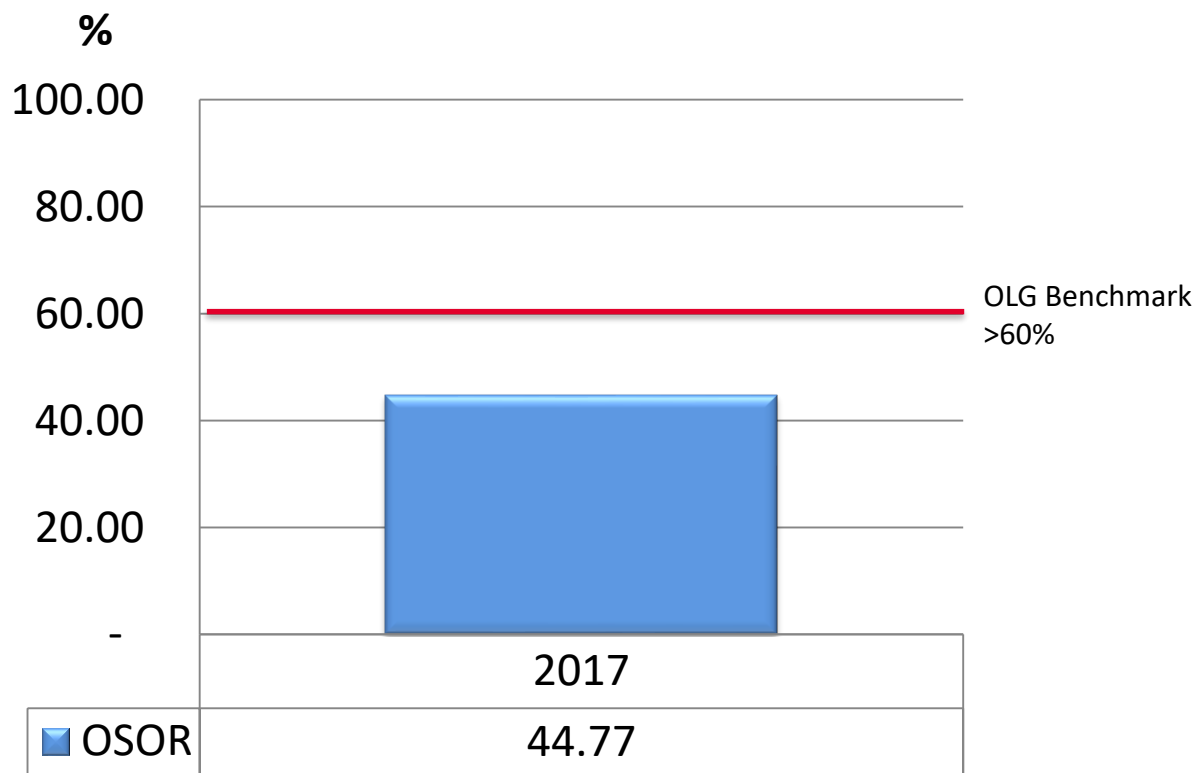
OLG Benchmark:

0%



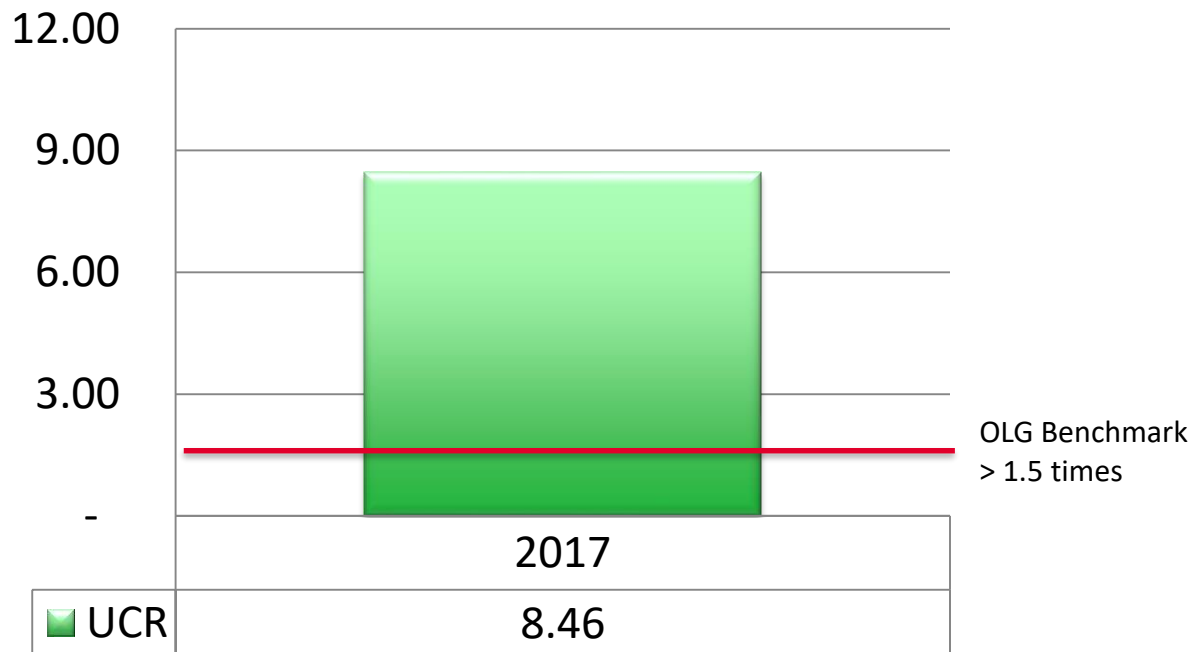
The ratio of 4.71 % exceeds the OLG benchmark of 0% - helped by the amalgamation operating grants and early payment of 2018 FAG instalments

Own Source Operating Revenue Ratio



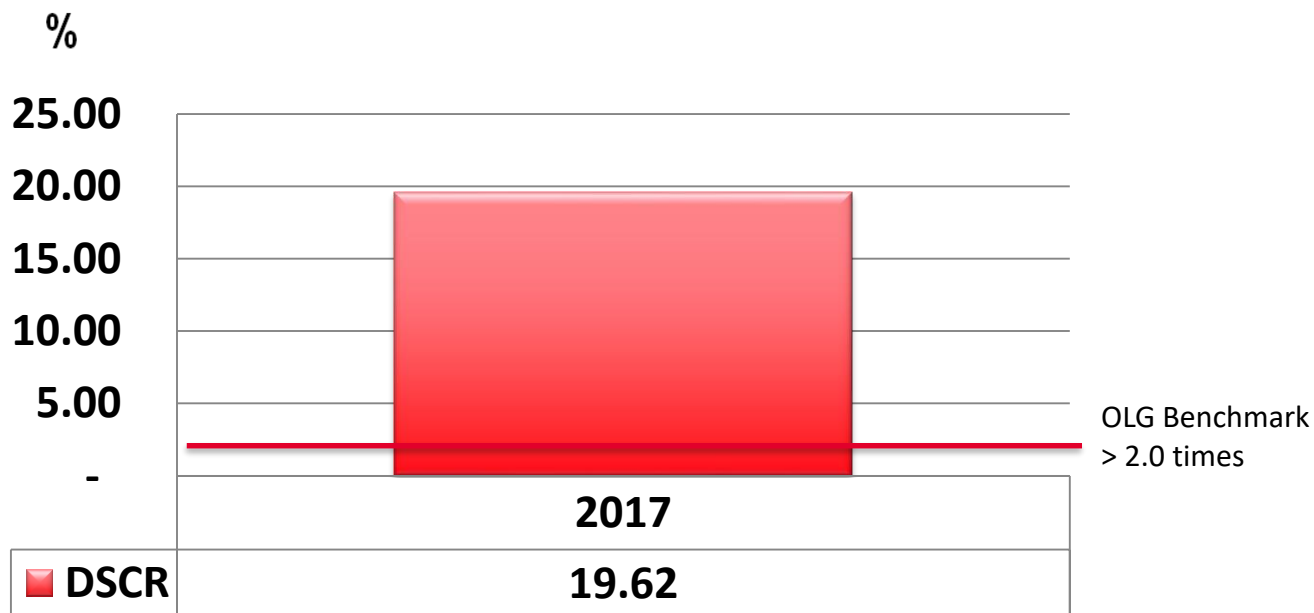
- This ratio measures Council’s financial flexibility by determining the degree of reliance on external funding sources such as operating grants and contributions.
- Increases in the level of grants & contributions will serve to decrease this ratio.

Unrestricted Current Ratio



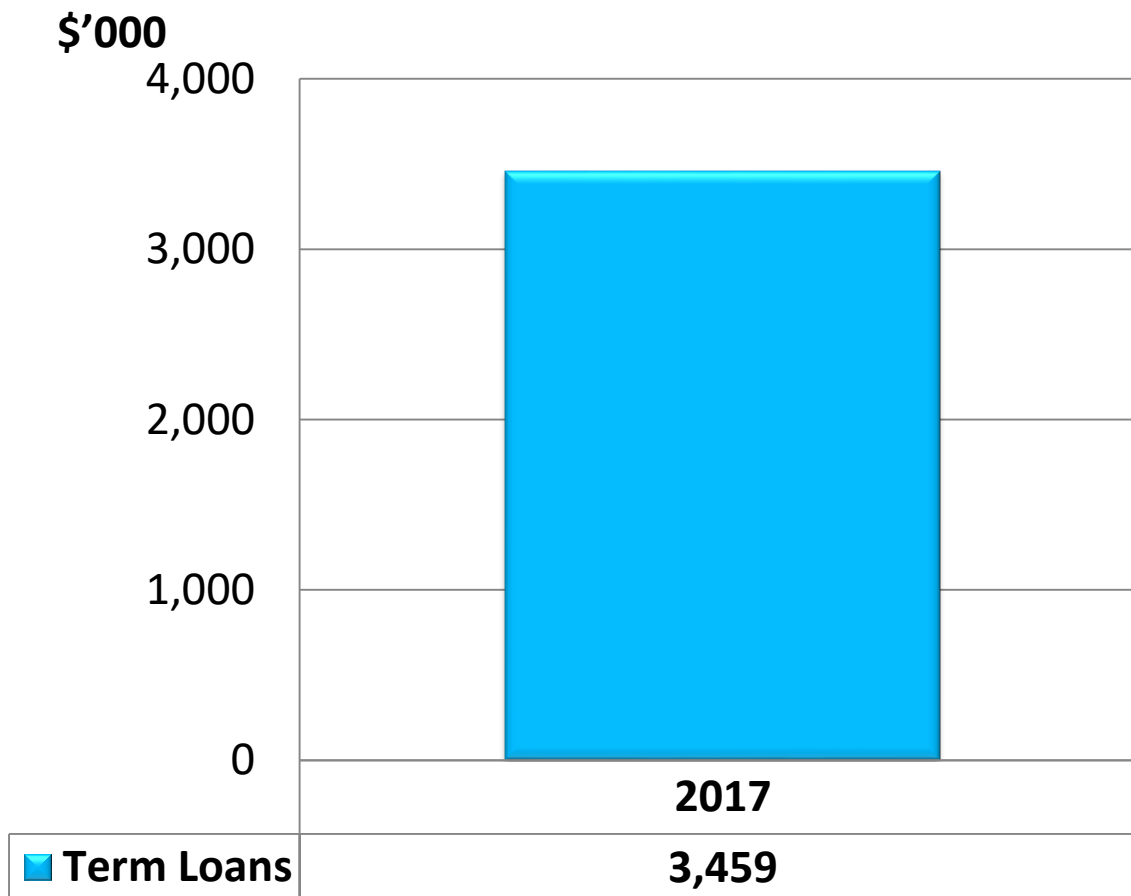
- Council's Unrestricted Current Ratio is 8.46 exceeding the industry benchmark of 1.50x by a large margin and indicating sufficient liquidity that council is comfortably able to satisfy its debts as and when they fall due.

Debt Service Cover Ratio



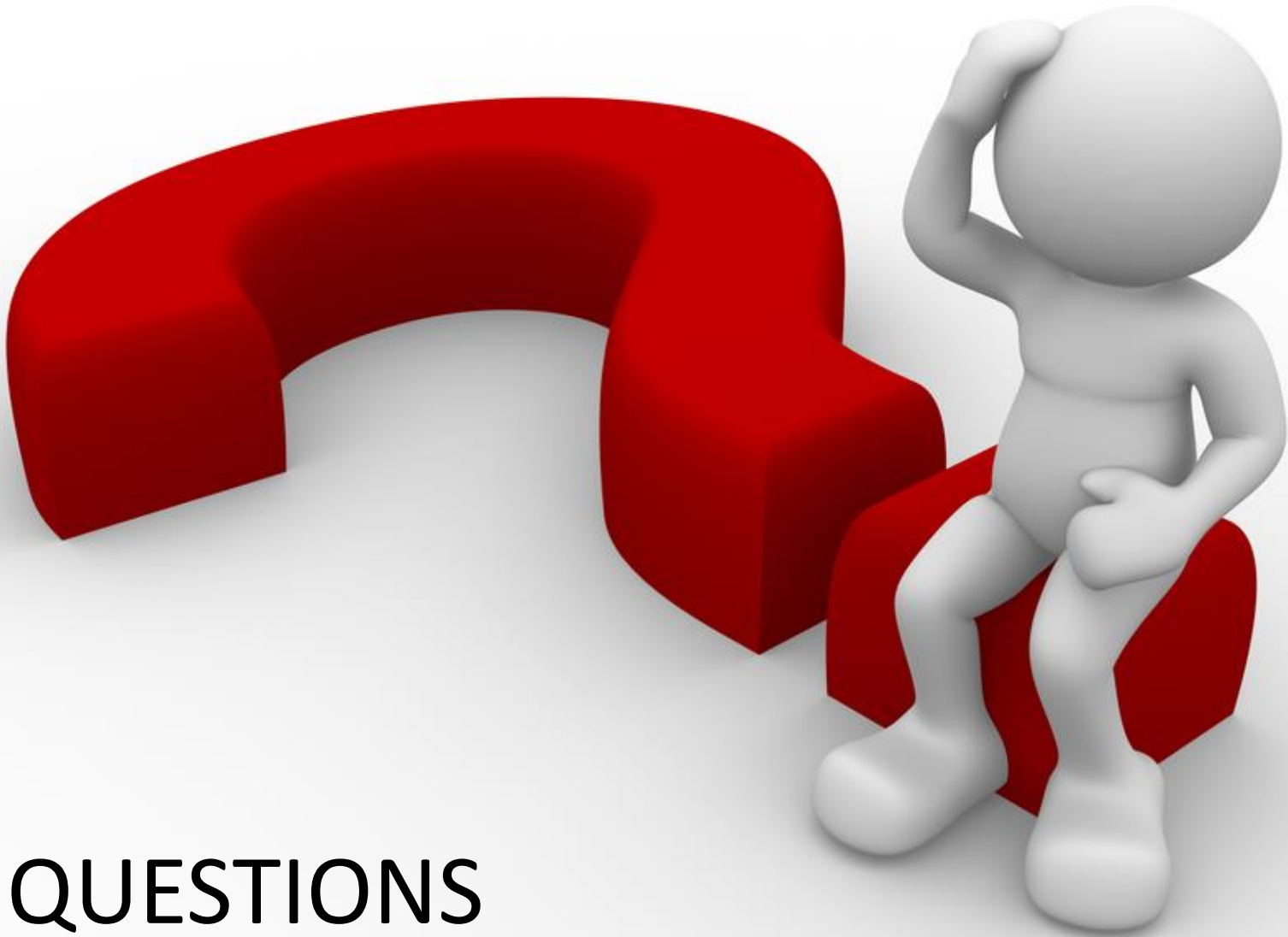
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The higher the number, the greater the ability to service debt.

External Debt



Audit findings

- Unqualified audit reports issued on General & Special Purpose Financial Statements.
- All reporting and disclosure obligations satisfied
- Management letters issued and acted upon appropriately
- We extend our thanks to Council's staff for their preparation and assistance.



QUESTIONS