

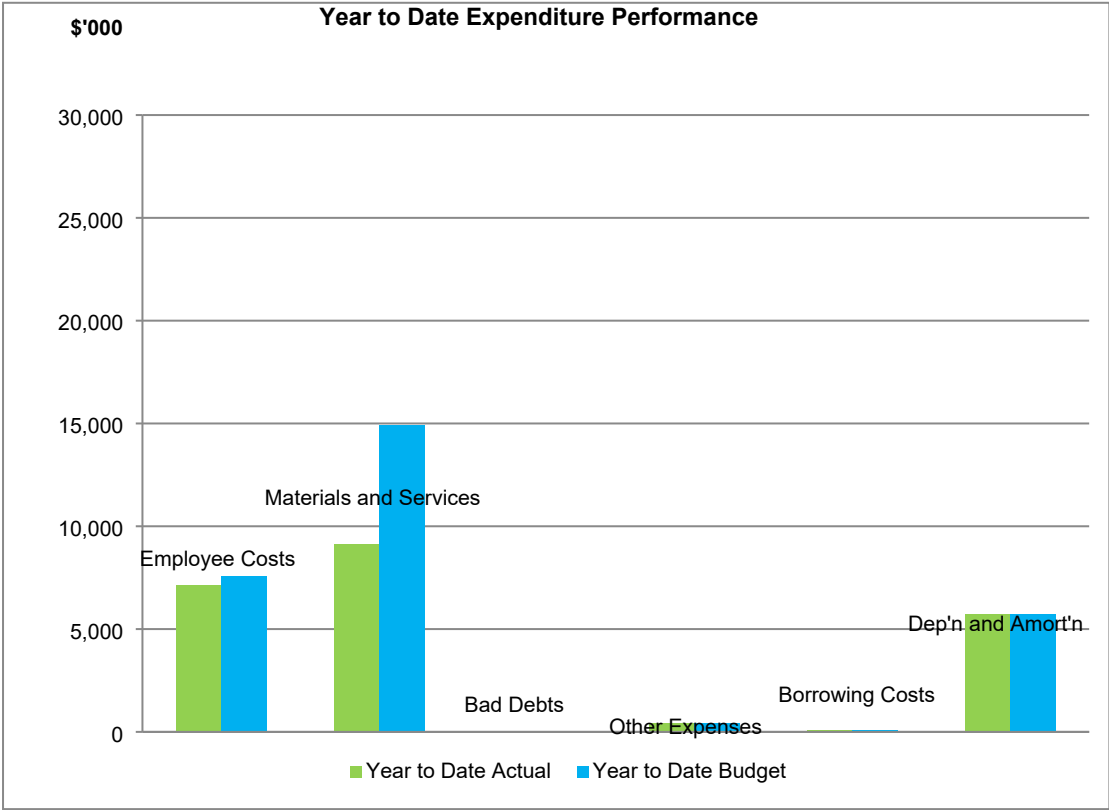
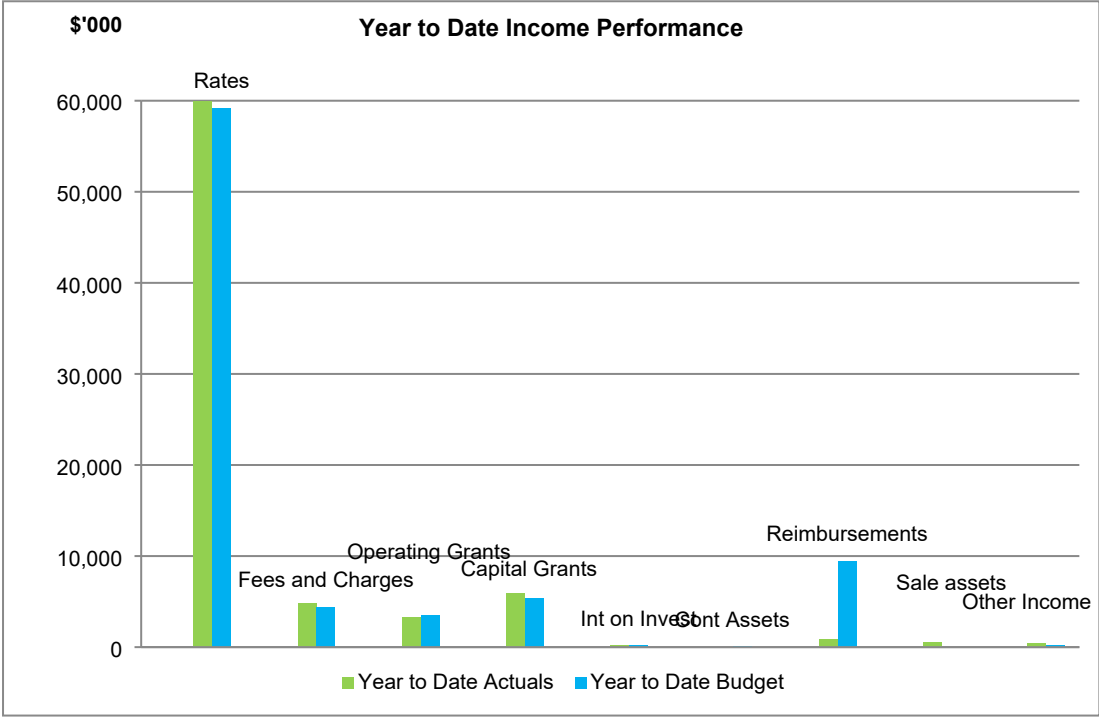
Attachment 1

Income Statement for the period ended 30 September 2020

Item	Year-to-date			Note	Full Year			Note
	Actual (\$'000)	Budget (\$'000)	Variance (\$'000)		Adopted Budget (\$'000)	Forecast Budget (\$'000)	Variance (\$'000)	
Revenues								
Rates	59,922	59,158	764	A1	59,381	59,381	0	
Statutory Charges	465	392	73	A2	1,974	1,974	0	
User Charges	4,327	4,020	307	A3	12,652	12,652	0	
Recurrent Operating Grants	2,185	2,435	(250)	A4	8,980	8,692	(288)	B1
Non Recurrent Operating Grants	1,085	1,087	(2)		5,840	3,893	(1,947)	B2
Recurrent Capital Grants	1,631	2,335	(704)	A5	4,226	4,253	27	
Non Recurrent Capital Grants	4,298	2,989	1,309	A6	19,277	17,403	(1,874)	B3
Interest on Investment	144	148	(4)		590	590	0	
Contributed Assets Non monetary	0	0	0		2,000	2,000	0	
Contributions Monetary	13	35	(22)		141	141	0	
Reimbursements and other contributions	890	9,472	(8,582)	A7	17,415	17,415	0	
Gain (Loss) on Sale of Assets	552	0	552	A8	0	0	0	
Other Income	438	208	230	A9	834	834	0	
Total operating revenues	75,950	82,279	(6,329)		133,310	129,228	(4,082)	
Expenses								
Employee Benefits	7,114	7,580	(466)	A10	33,453	35,808	2,355	B4
Materials and services	9,114	14,919	(5,805)	A11	52,399	55,888	3,489	B5
Bad and doubtful debts	0	4	(4)		68	68	0	
Other expenses	426	424	2		1,537	1,537	0	
Borrowing costs	49	55	(6)		328	328	0	
Depreciation and Amortisation	5,691	5,713	(22)		22,852	22,852	0	
Total operating expenses	22,394	28,695	(6,301)		110,637	116,481	5,844	
Operating Surplus/(Deficit)	53,556	53,584	(28)		22,673	12,747	(9,926)	B6
Other Comprehensive Income								
Net Asset Valuation In./(Dec)	0	0	0		0	0	0	
Net Comprehensive surplus	53,556	53,584	(28)		22,673	12,747	(9,926)	
Non Recurrent Capital Grants	(4,298)	(2,989)	(1,309)		(19,277)	(17,403)	1,874	
Contributed Assets	0	0	0		(2,000)	(2,000)	0	
Capital contributions - Monetary	(13)	(35)	22		(3,958)	(3,958)	0	
Adjusted Underlying Surplus/ (Deficit) excluding Asset valuation	49,245	50,560	(1,315)		(2,562)	(10,614)	(8,052)	B7

(Note: this report has not been audited)

Please see the next page for an explanation of variances



EXPLANATION OF VARIANCES
INCOME AND EXPENDITURE STATEMENT
PERIOD ENDING – 30 SEPTEMBER 2020

Note: Reference to timing differences through these notes mean that the actual income or expenditure has or will be received or expended at a different time to when it had been budgeted for; but will have no impact on the expected end of year result.

Year-to-Date (YTD) Variances

Notes (for category variances greater than 10 per cent or \$50,000)

A1	<p>Favourable Variance \$764K</p> <p>Rates are \$764K greater than YTD budget as a result of valuation objections yet to be processed.</p>
A2	<p>Favourable Variance \$73K</p> <p>Statutory Charges are \$73K greater than YTD budget mainly as a result of some planning and subdivision fees being received earlier than expected.</p>
A3	<p>Favourable Variance \$307K</p> <p>User Charges are \$307K greater than YTD budget. This is mainly as a result of additional waste disposal fees received as a result of the cleanup of bushfire waste.</p>
A4	<p>Unfavourable Variance \$250K</p> <p>Recurrent Operating Grants are \$250K less than YTD budget as a result of income yet to be received for the Municipal Resourcing Grant \$60K and the Library Operating Grant \$170K.</p>
A5	<p>Unfavourable Variance \$704K</p> <p>Recurrent Capital Grants are \$704K less than YTD budget as a result of Roads to Recovery grant funds yet to be received.</p>
A6	<p>Favourable Variance \$1.309M</p> <p>Non-Recurrent Capital Grants are \$1.309M greater than YTD budget as a result of receiving grant income for a number of projects earlier than expected..</p>

A7	<p>Unfavourable Variance \$8.582M</p> <p>Reimbursements income is \$8.582M less than the YTD budget. This is due to reimbursements for bushfire natural disaster claim expenditure yet to be received.</p>
A8	<p>Favourable Variance \$552K</p> <p>Gain (Loss) on sale of assets is \$552K greater than the YTD budget. This is result of the timing for the processing of the written down value of assets sold.</p>
A9	<p>Favourable Variance \$230K</p> <p>Other Income is \$230K greater than the YTD budget. This is result of some leases being raised earlier than expected.</p>
A10	<p>Favourable Variance \$466K</p> <p>Employee Benefits expenditure is \$466K less than the YTD budget. This is primarily a result of a number of vacant positions across the organisation which is partly offset in an increased cost for the use of agency staff.</p>
A11	<p>Favourable Variance \$5.805M</p> <p>Materials and Services expenditure is \$5.805M less than the YTD budget. \$2.3M relates to invoices yet to be received for bushfire recovery works being undertaken by Rural Roads Victoria. The majority of the remaining variance relates to the timing for contract and other materials payments. The timing for these payments will be reviewed in the coming months to more accurately align the expected timing of those payments.</p>

Full Year Variances

Notes (for variances greater than 10 per cent or \$50,000)

B1	<p>Unfavourable Variance \$288K</p> <p>Recurrent Operating Grants: The full year forecast budget is estimated to be less than the adopted budget by \$288K. This is primarily a result of the Victoria Grants Commission payment being less than the amount included in the adopted budget by \$255K.</p>
B2	<p>Unfavourable Variance \$1.947M</p> <p>Non-Recurrent Operating Grants: The full year forecast budget is estimated to be less than the adopted budget by \$1.947M. The most significant variances are as follows:</p> <ul style="list-style-type: none"> - (\$2.450M) for Bushfire Recovery grant from BVR received in the previous financial year. - (\$2.361M) – Council Assistance Fund – Bushfire grant from BRV received in the previous financial year. - \$2.830M – New grant for Working for Victoria program.
B3	<p>Unfavourable Variance \$1.874M</p> <p>Non-Recurrent Capital Grants: The full year forecast budget is estimated to be less than the adopted budget by \$1.874M as a result of some funding being accounted for in the previous financial year.</p>
B4	<p>Unfavourable Variance \$2.355M</p> <p>Employee Benefits: The full year forecast budget is estimated to be greater than the adopted budget by \$2.355K. This is primarily the result of the Working for Victoria program which is funding the costs for 60 additional employees for six months.</p>
B5	<p>Unfavourable Variance \$3.489M</p> <p>Materials and Services: The full year forecast budget is estimated to be greater than the adopted budget by \$3.489M. Additional expenditure will be incurred for the completion of grant funded projects from the previous financial year together with some operational expenditure for incomplete projects from the 2019/20 year. This has added \$3.012M to materials and expenditure. There will also be additional expenditure for the Working for Victoria program that is fully funding from the grant funding.</p>

B6	<p>Unfavourable Variance \$9.926M</p> <p>Operating Surplus/(Deficit): The decrease in operating surplus is a net result of the variances explained above; but partly the result of projects and programs that have been carried over from the previous financial year for completion in the 2020/21 year of \$3.012M. The funding for these programs was included in the previous financial year and reflected in the end of year surplus. The \$4.811M of grant funding relating to bushfire projects referred to above in note B2 was included in the 2019/20 operating surplus as was the \$1.874M of capital grants referred to in note B3 and has reduced the surplus now expected for the 2020/21 year.</p>
B16	<p>Unfavourable Variance \$8.052M</p> <p>Underlying Surplus: This is a result of the change in operating surplus, taking into account the change to non-recurrent capital grants.</p>

Summary of amendments to operating grant income as at 30 September 2020

Grant Name	<u>Adopted</u>	<u>Revised</u>	<u>New/Increase</u>
	<u>Budget</u>	<u>Income</u> <u>Budget</u>	<u>/ (Decrease)</u>
	\$	\$	\$
New/Amended Grants			
1104 - ResourceSmart AuSSI VicProgram	0	0	0
1106 - Senior Citizens Support	43,800	43,800	0
1108 - Roadside Weeds and Pest Management	70,472	70,472	0
1113 - Immunisations	20,000	20,000	0
1116 - Library Program - Local Priorities	17,500	17,500	0
1118 - Strength to Strength	36,500	36,500	0
1120 - FreeZA	24,500	24,500	0
1124 - Mosquito Control	15,000	15,000	0
1133 - East Gippsland Sporting Facilities Plan	3,000	3,000	0
1136 - Tobacco Education	12,126	12,126	0
1139 - Capacity Building Workshops & Engagement	7,500	7,500	0
1140 - Municipal Emergency Resourcing	120,000	120,000	0
1143 - Growing an Enterprising East Gippsland	58,500	58,500	0
1147 - Free From Violence	9,000	9,000	0
1165 - Best Start Program	119,663	119,663	0
1170 - Vulnerable Persons Project	44,868	44,868	0
1175 - Art Gallery - Creative Victoria MOU	40,000	40,000	0
1180 - Forge Theatre - Creative Victoria MOU	60,000	60,000	0
1185 - Victorian Seniors Festival	2,700	2,700	0
1220 - VGC - General Purpose Grant	5,489,850	5,225,031	(264,819)
1225 - VGC - Local Roads Grant	2,375,100	2,385,220	10,120
1235 - Children's Week Event	700	700	0
1270 - Lakes Entrance Rec Reserve Netball Court Developme	11,975	11,975	0
1305 - Libraries After Dark	32,000	32,000	0
1315 - Drought Community Extension -Round 2	688,000	688,000	0
1325 - Bushfire Recovery – Community Events	200,000	200,000	0
2033 - Fire 2019 - Resourcing Grant - State Govt	2,450,000	0	(2,450,000)
2035 - Fire 2019 - Councill Assistance Fund	2,360,676	0	(2,360,676)
2210 - Working For Victoria	0	2,830,964	2,830,964
Central Library Operations	340,000	340,000	0
School Crossing Supervision	98,784	98,784	0
Lake Tyers Trust	50,000	50,000	0
4810 - Flood Lighting	15,370	15,370	0
8006 - Beach Cleaning	1,986	1,986	0
9219 - Australia Day - Community Events	0	700	700
Total	14,819,570	12,585,859	(2,233,711)

Attachment 2

East Gippsland Shire Council

Balance Sheet - Period ended 30 September 2020

Prior Year	Item	Year-to-date	Full Year			Note
Actual (\$'000)		Actual (\$'000)	Adopted Budget (\$'000)	Forecast Budget (\$'000)	Variance (\$'000)	
	Current assets					
35,137	Cash and investments	73,027	37,857	41,194	3,337	A1
12,234	Receivables	56,037	12,054	11,662	(392)	A2
40,861	Other Current Assets	1,883	1,224	4,224	3,000	A3
88,232	Total Current Assets	130,947	51,135	57,080	5,945	
	Non-current assets					
1,122,173	Property, Infrastructure & Equipment	1,121,301	1,170,778	1,164,342	(6,436)	A4
869	Right of Use Assets	869	0	869	869	A5
410	Non- Current Receivables	410	0	0	0	
1,123,452	Total Non- Current Assets	1,122,580	1,170,778	1,165,211	(5,567)	
1,211,684	Total assets	1,253,527	1,221,913	1,222,291	378	
	Current liabilities					
9,995	Payables	573	9,673	8,926	(747)	A6
2,799	Trust Funds and Other Deposits	2,866	1,567	2,799	1,232	A7
2,952	Prepaid Income	767	209	2,452	2,243	A8
9,811	Current Provisions	9,637	8,797	9,428	631	A9
72	Lease Liabilities	72	0	72	72	A10
0	Current Interest Bearing Liabilities	0	1,700	1,700	0	
25,629	Total Current Liabilities	13,915	21,946	25,377	3,431	
	Non-current liabilities					
12,157	Non - Current Provisions	12,158	9,951	9,719	(232)	A11
527	Non - Current Pre-paid income	527	712	527	(185)	A12
809	Lease Liabilities	809	0	809	809	A13
3,350	Non - Current Interest Bearing Liabilities	3,350	3,900	3,900	0	
16,843	Total Non - Current Liabilities	16,844	14,563	14,955	392	
42,472	Total liabilities	30,759	36,509	40,332	3,823	
1,169,212	Net assets	1,222,768	1,185,404	1,181,959	(3,445)	
	Equity					
770,385	Reserves	770,385	770,138	770,385	247	A14
398,827	Total Retained Earnings	452,383	415,266	411,574	(3,692)	A15
1,169,212	Total Equity	1,222,768	1,185,404	1,181,959	(3,445)	
	Net Surplus for year	53,556	22,673	12,747	(9,926)	

(Note: this report has not been audited)

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Please see the next page for an explanation of variances

EXPLANATION OF VARIANCES

BALANCE SHEET – PERIOD ENDING 30 SEPTEMBER 2020

Full Year Variances

Notes (for variances greater than 10 per cent or \$50,000)

A1	<p>Favourable Variance \$3.337M</p> <p>Cash and Investments: The end-of-year forecast cash position of \$41.194M is \$3.337M greater than the adopted budget of \$37.857M. The favourable cash position is a result of adjustments from the 2019/20 year end actual result and a reduced forecast in the capital works program of \$1.145M.</p>
A2	<p>Unfavourable Variance \$392K</p> <p>Receivables: The year-end forecast is \$392K less than the adopted budget to reflect a reduction in general debtors now expected at year end.</p>
A3	<p>Favourable Variance \$3.0M</p> <p>Other Current Assets: The year-end forecast is \$3.0M greater than the adopted budget to reflect the greater than forecast balance of accrued income expected at the end of the financial year.</p>
A4	<p>Unfavourable Variance \$6.436M</p> <p>Property, Infrastructure and Equipment are forecast to be \$6.436M less than the adopted budget primarily as a result of the actual capitalisation at the end of the 2019/20 year and the forecast reduction in the 2020/21 capital expenditure of \$1.145M less than budget..</p>
A5	<p>Favourable Variance \$869K</p> <p>Right of Use Assets are expected to be \$869K greater than the adopted budget as a result of the accounting standard requirement to bring these to account in the balance sheet.</p>
A6	<p>Favourable Variance \$747K</p> <p>Payables are expected to be \$747K less than the adopted budget as a result of a reassessment of the expected end of year result.</p>
A7	<p>Unfavourable Variance \$1.232M</p> <p>Trust Funds and Other Deposits are expected to be \$1.232M greater than the adopted budget which is in line with the actual result at the end of the 2019/20 year.</p>

A8	<p>Unfavourable Variance \$2.243M</p> <p>Prepaid Income is expected to be \$2.243M greater than the adopted budget as a result of changes to accounting standards that will require recognition of some capital grant income at year end.</p>
A9	<p>Unfavourable Variance \$631K</p> <p>Current Provisions are expected to be \$631K greater than the adopted budget as a result of the additional provision that was required at the end of the 2019/20 year for landfill rehabilitation projects.</p>
A10	<p>Unfavourable Variance \$72K</p> <p>Current Lease Liabilities: The increase of \$72K is a result of the new requirements of accounting standards to account for lease liabilities.</p>
A11	<p>Favourable Variance \$232K</p> <p>Non-Current Provisions: The decrease of \$232K is a result of the landfill rehabilitation provision timing for landfill rehabilitation works to be undertaken.</p>
A12	<p>Favourable Variance \$185K</p> <p>Non-Current Prepaid Income: The decrease of \$185K is a result of the end of 2019/20 year balance for prepaid multi year marina licence fees.</p>
A13	<p>Unfavourable Variance \$809K</p> <p>Non-Current Lease Liabilities: The year-end forecast is greater than the adopted budget as a result of accounting standard requirements to account for leases in the balance sheet.</p>
A14	<p>Unfavourable Variance \$247K</p> <p>Reserves: The year-end forecast is greater than the adopted budget as a result of the actual result at the end of the previous financial year.</p>
A15	<p>Unfavourable Variance \$3.692M</p> <p>Retained Earnings: The year-end forecast is less than the adopted budget as a direct result of the actual result at the end of the 2019/20 year being greater than forecast at the time of adopting the 2020/21 budget by \$6.4M less the \$9.926M operating surplus variance for the 2020/21 year.</p>

Attachment 3 Statement of Cashflows period ended 30 September 2020

Item	Year-to-date	Full Year			Note
		Adopted Budget	Forecast Budget	Variance	
	Actual (\$'000)	(\$'000)	(\$'000)	(\$'000)	
Cashflows from Operating Activities					
Ratepayer receipts	13,403	59,078	58,881	(197)	
Statutory fees and fines	467	1,974	1,906	(68)	
User fees	11,598	11,308	17,794	6,486	
Operating Grants	2,720	10,320	12,585	2,265	
Capital Grants	4,356	23,503	21,688	(1,815)	
Contributions	13	141	141	0	
Interest Received	236	500	590	90	
Trust funds and deposits taken/repaid	67	0	0	0	
Other Receipts and reimbursements	1,528	18,619	18,332	(287)	
Net GST refund/payment	1,672	0	4,727	4,727	
Payments to Employees	(7,182)	(33,055)	(37,294)	(4,239)	
Payments to Suppliers	(19,703)	(51,702)	(65,326)	(13,624)	
Other Payments	(469)	(1,537)	(1,691)	(154)	
Net Cash Provided by Operating	8,706	39,149	32,333	(6,816)	A1
Cashflows from Investing Activities					
Payments for Property/ Plant	(4,837)	(64,766)	(62,294)	2,472	
Proceeds from Investments	33,500	33,500	33,500	0	
Proceeds from sale of assets	570	600	600	0	
Net Cash Used in Investing	29,233	(30,666)	(28,194)	2,472	A2
Cashflows from Financing Activities					
Finance costs	(49)	(328)	(332)	(4)	
Loan Principal Repayments	0	0	0	0	
New Loans	0	2,250	2,250	0	
Net Cash Used in Financing	(49)	1,922	1,918	(4)	
Net Increase / (Decrease) in Cash	37,890	10,405	6,057	(4,348)	
Cash At Beginning of Period/Year	35,137	27,452	35,137	7,685	A3
Cash at End of Period/Year	73,027	37,857	41,194	3,337	A4

(Note: this report has not been audited)

Please see the next page for an explanation of variances

EXPLANATION OF VARIANCES

STATEMENT OF CASHFLOWS – PERIOD ENDING 30 SEPTEMBER 2020

Full Year Variances

A1	<p>Unfavourable Variance \$6.816M</p> <p>Net cash Operating: The change to the budget for cash inflows and outflows from operating activities is partly due to the revision to budgets for operating income and expenditures discussed in Appendix 1 above. There are also cash inflows and outflows, particularly for user fees and supplier payments that are a result of accruals at year end where the cash for the user fees will be received in 2020/21 and the payments made to suppliers will be made in 2020/21.</p>
A2	<p>Favourable Variance \$2.472M</p> <p>Net cash investing: The change to the cash used in investing activities is due to the revised estimate of capital works to be completed in the 2020/21 year.</p>
A3	<p>Favourable Variance \$7.685M</p> <p>Cash and Investments at the beginning of the year: Cash at the beginning of the year is greater than the adopted budget primarily as a result of projects that were not completed at year end and will now be completed in the 2020/21 year and are now reflected in the outflows from operations.</p>
A4	<p>Favourable Variance \$3.337M</p> <p>Cash and Investments at the end of the year: Cash and investments at the end of the year are expected to be \$3.337M greater than the adopted budget. This is the result of the end of year cash position from 30 June 2020 less the additional cash outflow as a result of projects that have been carried forward from 2019/20 for completion in the 2020/21 year.</p>

ATTACHMENT 4**RECONCILIATION OF ADOPTED BUDGET TO FORECAST BUDGET
INCOME STATEMENT PERIOD ENDING 30 SEPTEMBER 2020**

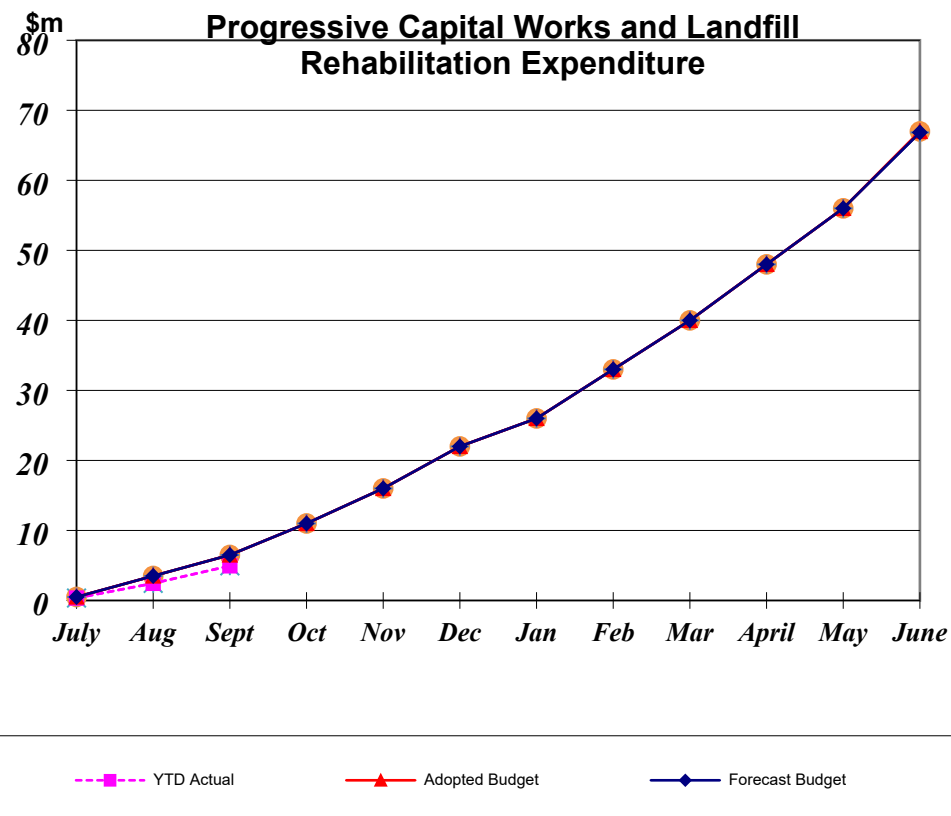
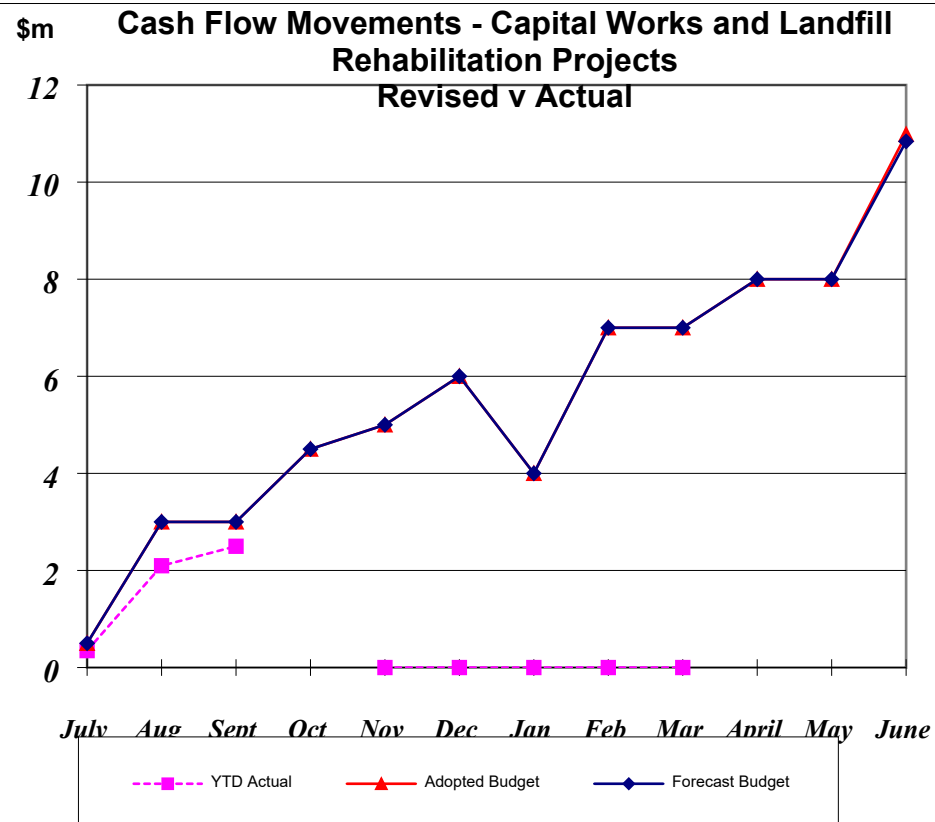
	(\$'000)
Net operating surplus per Adopted Budget	22,673
Budget Variations:	
Budget Revisions:	
Other Income Revision Increases	0
Expenditure Revision Increases related to asset adjustments	0
Expenditure Revision increases	(939)
Capital Works Program	
Increase in Capital and major projects Income per Capex review	(1,847)
New and adjusted Grants 20/21	
Victoria Grants Commission adjusted allocation decrease	(255)
Other Operating Grants Income	(1,980)
Expenditure relating to new/adjusted Grants (including carry forward unspent grants)	(4,905)
Net operating surplus per Forecast Budget	12,747

ATTACHMENT 5

Summary of Capital Works and Landfill Rehabilitation Projects as at 30 September 2020

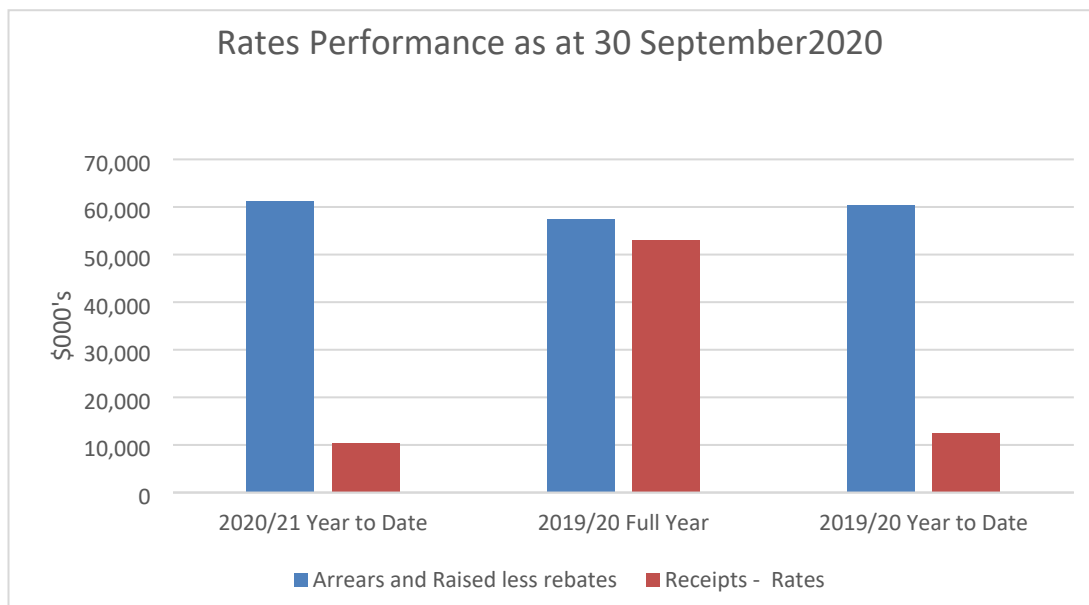
Description	Year-to-date		
	Actual (\$'000)	Forecast Budget (\$'000)	Variance (\$'000)
Capital Projects	4,838,114	6,350,000	(1,511,886)
Landfill Rehabilitation Projects	105,832	150,000	(44,168)
Total	4,943,946	6,500,000	(1,556,054)

Description	Full Year			
	Adopted Budget (\$'000)	Adopted Budget with actual c'fws from 2019/20 (\$'000)	Forecast Budget (\$'000)	Variance Forecast v adopted with C'fws (\$'000)
Capital Projects	64,764,629	64,764,629	63,619,792	(1,144,837)
Landfill Rehabilitation Projects	2,219,000	2,219,000	3,219,000	1,000,000
Total	66,983,629	66,983,629	66,838,792	(144,837)



**ATTACHMENT 6
RATES PERFORMANCE
FOR THE PERIOD ENDING 30 SEPTEMBER 2020**

	2020/21 year to date to 30/09/20 (\$'000)	2019/20 Full Year (\$'000)	2019/20 Year to date to 30/09/2019 (\$'000)
Arrears as at the start of the year	4,406	3,363	3,363
Rates raised 2020/21 including supplementary rates to 30/09/2020	59,922	58,714	58,734
Interest raised on arrears	0	131	57
Legal Fees added to rate arrears	2	112	75
Government Pension Rebates applied	(1,528)	(1,620)	(1,538)
Council Pension Rebate applied	(371)	(403)	(385)
Rebates and Waivers	(1,174)	(2,769)	
Receipts - Rates	(10,332)	(53,122)	(12,532)
Balance outstanding	50,925	4,406	47,774
	2020/21 Year to Date	2019/20 Full Year	2019/20 Year to Date
Arrears and Raised less rebates	61,257	57,528	60,306
Receipts - Rates	10,332	53,122	12,532
	17%	92%	21%



ATTACHMENT 7

Financial performance indicators

The following table highlights Council's budgeted and forecast performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance based on the current years forecast results.

Indicator	Measure	Notes	Budget 2020/21	Forecast 2020/21	Trend +/-
Operating position					
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	1	(2.33)%	(9.68)%	-
Liquidity					
Working Capital	Current assets / current liabilities	2	233.0%	224.9%	o
Unrestricted cash	Unrestricted cash / current liabilities	3	161.7%	151.3%	o
Obligations					
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	4	9.4%	9.4%	o
Loans and borrowings	Interest and principal repayments on interest bearing loans and borrowings / rate revenue	4	0.6%	0.6%	o
Indebtedness	Non-current liabilities / own source revenue	5	16.1%	16.1%	o
Asset renewal	Asset renewal expenditure / depreciation	6	216.4%	216.4%	o
Stability					
Rates concentration	Rate revenue / adjusted underlying revenue	7	54.9%	54.1%	o
Efficiency					
Expenditure level	Total expenditure / no. of property assessments	8	\$3,448	\$3,630	-

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Notes to indicators

1 Adjusted underlying result – An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. A result of more than 0% indicates surpluses are being generated consistently and represents a lower risk of Council not being able to fund works and services. The advance payment of \$8.2M of the 2020/21 Grants Commission allocation in the 2019/20 year together with other grants of \$7.7M received in 2019/20 that were unspent at year end and will be expended in the 2020/21 year has impacted on this indicator negatively as the indicator only measures an annual result and therefore does not show the the average underlying result over time which is a positive result for Council.

2 Working Capital - The proportion of current liabilities represented by current assets. Working capital is forecast to remain steady at an acceptable level. Council aims to have a working capital ratio on average of at least 150%.

3 Unrestricted cash - Cash and cash equivalents held by Council are restricted in part and are not fully available for Council's operations. This indicator measures Council's ability to fund current liabilities with unrestricted cash if they fell due at year end. Council would be targeting a result of 100% or greater for this indicator.

4 Debt compared to rates - The percentage for this indicator shows Council has a low reliance on borrowings at this point in time.

5 Indebtedness - This is a measure of Council's use of it's own source revenue compared to longer term liabilities. This level of indebtedness is low even though there are new borrowings proposed in the 2020/21 year.

6 Asset renewal - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. The forecast results for this indicator are based on the current estimate of capital works to be completed in the 2020/21 financial year.

7 Rates concentration - Reflects the extent of reliance on rate revenues to fund all of Council's on-going services. The forecast result is indicating that Council's reliance of rate revenue is slightly less than the budget expectation.

8 Expenditure Level - Reflects the expenditure on average per ratepayer for the financial year. The forecast result is indicating that this will be slightly more than the budget expectation as a result of additional forecast expenditure for programs that were carried forward from the 2019/20 year for completion in the current financial year.