

8.2.1 SEPTEMBER 2017 FINANCIAL PERFORMANCE REPORT

File No:	Financial Reports
Author:	Coordinator Financial Services Business Performance Group
Appendices:	App A - 2018-2027 Budget Financial Statements
Attachments:	Att 1 - September 2017 Financial Performance Report

PURPOSE

To meet Council's legislative obligations, a monthly report is to be presented to Council on its financial performance and investments. To address ongoing budget variances in advance of the next detailed review, this report also recommends adoption of revisions to the budget.

EXECUTIVE SUMMARY

This monthly financial performance report provides Council with a summary of performance against budget as at 30 September 2017 in terms of the operating result and delivery of the capital program.

The operating result at 30 September 2017 shows a positive variance of \$6.6 million compared to the forecast position from Budget Review 1. The variation is made up of higher than profiled operating revenue and lower than profiled operating expenses as shown in the table below. Further detail is provided in the proposal section of this report.

Operating Performance**Table 1: Operating Result as at 30 September 2017**

April 2017	Current Budget \$000	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Operating Revenue	434,821	163,545	167,122	3,577	2.2
Operating Expenses	420,565	99,733	96,703	(3,030)	3.0
Operating Result	14,256	63,811	70,419	6,608	10.4

Achievement of the full year budgeted operating result will allow Council to meet its debt repayments and capital expenditure commitments.

As at 30 September 2017, \$41.2 million (15.6%) of Council's \$264.1 million 2017/18 Capital Works Program was financially expended.

The core Council Capital Program has progressed 20.6% of budget, an actual spend of \$28.9 million.

Council's investment portfolio remains within the guidelines established under the Investment Policy.

The next major budget review will be conducted in detail from December 2017 for Council consideration in February 2018. To address the major budget variances only reported as at 30 September 2017, a number of budget adjustments are proposed to amend the 2017/18 Budget. These adjustments will:

- Increase the operating result by \$2.5 million to \$16.7 million;
- Increase the capital expenditure budget by \$5.1 million to \$269.2 million, with associated capital revenue of \$260,000;

- Decrease Council's forecast closing cash position by \$2.4 million to \$215.6 million.

OFFICER RECOMMENDATION

That Council

- receive and note the report titled "September 2017 Financial Performance Report" and**
- adopt the amended 2017/18 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A).**

FINANCE AND RESOURCING

There are no finance and resourcing implications from this report.

CORPORATE PLAN

Corporate Plan Goal: *An outstanding organisation*
Outcome: 5.3 - A financially sustainable organisation
Operational Activity: 5.3.7 - Sustainable financial position maintained.

CONSULTATION

Portfolio Councillor Consultation

Consultation has been undertaken with the Portfolio Councillor.

Internal Consultation

All departments and branches participated in the formation of the recommendations associated with this report.

External Consultation

No external consultation is required for this report.

Community Engagement

No community engagement is required for this report.

PROPOSAL

This monthly financial performance report provides Council with a summary of performance against budget as at 30 September 2017 in terms of the operating result and delivery of the capital program.

The operating result at 30 September 2017 shows a positive variance of \$6.6 million compared to the forecast position.

Operating Revenue

Year to date revenues as at 30 September 2017 of \$167.1 million shows a positive variance of \$3.6 million.

Table 2: Substantial Revenue variances as at 30 September 2017

Operating Revenue Large Variances	YTD Current Budget \$000	YTD Actual \$000	YTD Variance \$000	Variance %
Net Rates and Utility Charges	132,108	133,599	1,492	1.1
Fees and Charges	15,355	17,165	1,810	11.8
Other Revenue	2,209	2,803	594	26.9
Interest Received from Investments	2,274	1,787	(487)	(21.4)

Net Rates and Utility Charges

The favourable variance of \$1.5 million relates somewhat to slightly higher growth in general rates than anticipated, however the variance is mostly attributable to higher cleansing charges. Growth in cleansing charges has experienced a lag from the general rates growth experienced in 2016/17. There is also a higher take up of services at the Sunshine Coast University Hospital.

Fees and Charges

Fees and charges revenue of \$17.2 million, is \$1.8 million ahead of year to date budget as at 30 September 2017. The significant items contributing to this variance are:

- \$802,000 in Waste Management predominantly due to a higher instance of construction and demolition waste than is usual
- \$282,000 variance relating to higher application volumes in Development Services.
- \$463,000 higher fee revenue for Holiday Parks, following high occupancy during the September school holidays. Occupancy for the year to date is 6% higher than 2016/17.

Other Revenue

Other revenue is ahead of the profiled budget to date by \$594,000 this is made up of:

- \$180,000 in Waste Management for higher sales of recyclables and additional revenues for gas flaring.
- \$141,000 for Economic Development workshop fees and stall holders fees generated from the Caloundra Music Festival. Future reports will provide an indication of the net result for the festival.
- \$132,000 generated through sundry recoupments in Community Response.
- \$78,000 favourable variance in sponsorship revenue for Horizon Festival

Interest Received from Investments

As at 30 September 2017 interest received is below budget by \$487,000. The year end result will be impacted by declining interest yields and lower than anticipated cash levels. There will be a watching brief in relation to future interest rates and cash levels.

Budget Adjustments to Operating Revenue

Following the finalisation of the first quarter results, it is proposed to address the stable, ongoing variances through budget adjustments in advance of the mid-year budget review. The following table sets out the proposed budget adjustments, which reflect an increase to the 2017/18 operating revenue budget of \$2.9 million.

Table 3: Revenue Budget Adjustments

Proposed Budget Adjustment	Current Budget \$'000	Proposed Adjustment \$'000	Revised Budget \$'000
<u>Net Rates and Utility Charges</u> increase as a result of higher volumes for cleansing charges and marginally higher General Rates	275,190	2,109	277,299
<u>Fees and Charges</u> increases resulting from higher occupancy at Holiday Parks and abnormal tip usage for construction and demolition waste	57,183	1,039	58,222
<u>Interest received from investments</u> - reduced due to lower than anticipated rates and cash levels	9,374	(500)	8,874
<u>Operating Grants and Subsidies</u> - First Five Forever Grant transfer to capital, for expenditure on customised park seats	7,103	(260)	6,844
TOTAL OPERATING REVENUE ADJUSTMENTS		2,388	

Operating Expenses

Year to date expenditure as at 30 September 2017 of \$96.7 million shows a variance under budget of \$3.0 million.

Employee Costs

As at 30 September 2017 employee costs are tracking to budget, with the year to date variance less than 0.5%.

Materials and Services

Materials and services account for the majority of the expenditure variance as at 30 September 2017, having underspent budget by \$3.2 million. The variance to budget predominantly relates to core programs and is consistent across all departments. This is in line with the usual trend for the early part of the financial year.

The largest variance, \$767,000 is attributable to Waste Management and is made up of several minor variances across multiple activities. Operational savings may be recognised for reduced leachate removal costs due to capital improvements. This will be monitored over the coming months.

The materials and services budget will be adjusted, as a result of the additional commissions and utilities payable in relation to higher Holiday Park revenue and the transfer of budget to capital for the First Five Forever grant, as shown in the table below. No other adjustments are proposed to the operating expense budgets at this time, given variances are consistent with prior year trends which indicate higher expenditure will occur later in the financial year. A detailed review will be undertaken as part of Budget Review 2.

Table 4: Expenditure Budget Adjustments

Proposed Budget Adjustment	Current Budget \$'000	Proposed Adjustment \$'000	Revised Budget \$'000
<u>Materials and Services</u> increased due to higher occupancy at Holiday Parks (\$178k) and reduced for First Five Forever Grant to Capital (-\$260k).	179,566	(82)	179,484
TOTAL OPERATING EXPENSE ADJUSTMENTS		(82)	

Capital Expenditure

As at 30 September 2017, \$41.2 million (15.6%) of Council's \$264.1 million 2017/18 Capital Works Program was financially expended.

Table 5: Capital Expenditure by Program at 30 September 2017

Capital Works Program	Current Budget \$000	YTD Actual \$000	% Current Budget Expended	Forecast Year End Actual \$000
Aerodromes	497	4	0.8	476
Buildings and Facilities	13,028	2,329	17.9	13,063
Coast and Canals	2,363	63	2.7	2,296
Divisional Allocations	5,238	226	4.3	1,263
Environmental Assets	670	13	2.0	730
Fleet	3,000	51	1.7	2,950
Holiday Parks	1,433	85	5.9	1,376
Information Technology	3,983	383	9.6	3,150
Parks and Gardens	15,219	3,956	26.0	15,071
Quarries	1,308	11	0.8	98
Stormwater	7,549	1,196	15.8	7,193
Strategic Land and Commercial Properties	8,633	5,185	60.1	11,741
Sunshine Coast Airport	1,123	653	58.1	1,346
Transportation	58,723	13,229	22.5	57,683
Waste	17,152	1,480	8.6	15,878
Total SCC Core Capital Program	139,918	28,865	20.6	134,313
Corporate Major Projects	9,546	1,746	18.3	5,262
Maroochydore City Centre	47,162	8,447	17.9	48,894
Sunshine Coast Airport Runway	67,501	2,121	3.1	67,749
Total Other Capital Program	124,209	12,314	9.9	121,905
TOTAL	264,127	41,179	15.6	256,218

SCC Core Capital Program

The core Council Capital Program has progressed 20.6% of budget, an actual spend of \$28.9 million. The Actual YTD includes all works that have been goods receipted and accrued as at 30 September 2017. The table above shows the actual expenditure against full year budget by program, as well a forecast actual at year end.

Currently the core program is forecasting 96% of program delivery at year end. Three programs are currently forecasting a year end result below the 90% benchmark.

- Divisional Allocations – the lower forecast reflects the value of the program yet to be allocated to specific projects.
- Information Technology – The Human Resource Information System project has been rescheduled to align with delivery of other major corporate systems.
- Quarries – Major components of the program, the replacement of the loader and skid steer, are not required this financial year as it is not being utilised at the expected rate. It is proposed to reduce the capital budget to recognise these deferrals to 2019/20.

The Strategic Land and Commercial Properties program has currently forecast a year end result above 110%. The adopted Balance Sheet and Cash Flow allows for a program of works for LGIP and Environment Land of \$10 million. Due to the uncertain timing for land

acquisitions the capital budget schedule is updated once contracts are secured. The Strategic Property team is currently investigating a program up to \$11.7 million, however not all of these will settle in 2017/18.

Capital Budget Adjustments

Projects have been identified through recent reports to Council, which require action prior to the next budget review. Budget adjustments are proposed for two new projects and transfers from operating will also be recognised. Projects within the Quarry Program will be deferred as well, as explained above.

Table 6: Capital Budget Adjustments

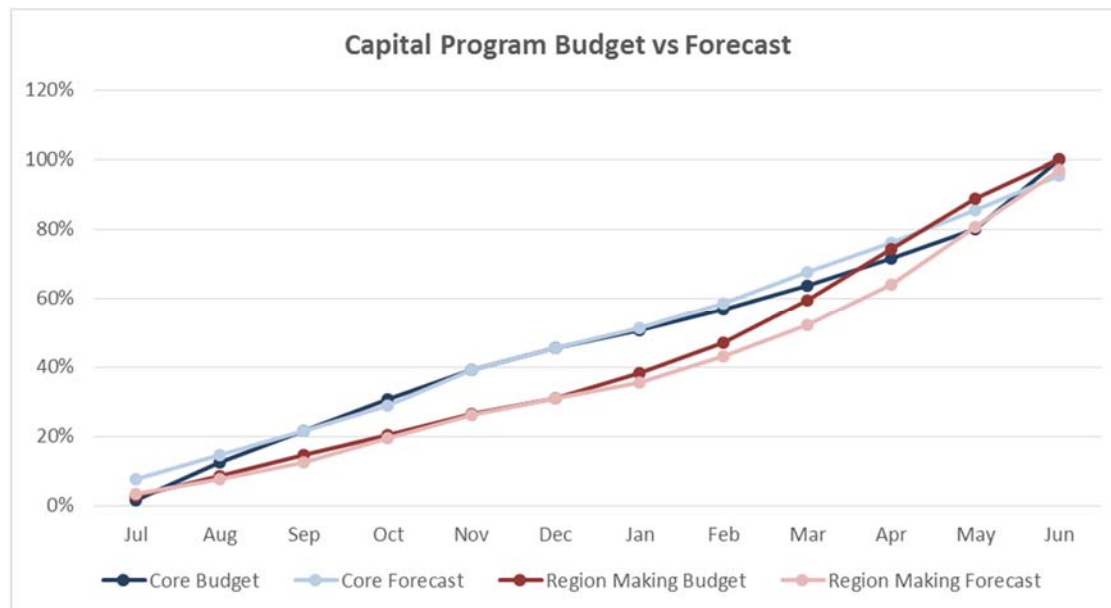
Proposed Budget Adjustment	Current Budget \$'000	Proposed Adjustment \$'000	Revised Budget \$'000
Incana Court Carpark Mooloolaba - bring forward funds 2018/19. The timing for other works in Mooloolaba will require this temporary car park be available by February 2018.	-	600	600
Quarry Program - defer Loaders and Skid Steer Replacement to 2019/20	1,308	(700)	608
First Five Forever Grant transfer from operating to capital for customised park seats	-	260	260
Land Acquisition - Council resolution at the October Ordinary Meeting endorsed the acquisition of land in November 2017. This will require an increase to the capital expense budget.	-	4,956	4,956
TOTAL CAPITAL ADJUSTMENTS	264,127	5,116	269,243

Corporate Major Projects & Region Making Program

Other major projects have expended 12.8% of full year budget as at 30 September 2017, and are forecasting a year end result of 98% or \$122 million.

- Corporate Major Projects – Current forecasts only reflect delivery of half the program due to uncertainty around the delivery of street lighting conversion to LED. A pilot project will be undertaken to inform an updated business case.
- Maroochydore City Centre – 18% Actual spend to date predominantly relates to progress on Aerodrome road and overall project management and finance costs. The program is currently forecasting a 4% year end variance to budget which will be reassessed at Budget Review 2.
- Sunshine Coast Airport Expansion – A year to date actual of 3.1% has been achieved with significant expenditure expected to occur once sand dredging begins next calendar year. The dredging cannot commence until after the environmental protection period to March 2018, which relates to turtle nesting at Maroola Beach.

The following graph shows the profile of the year end forecasts against budget for the core and region making programs.



Investment Performance

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 30 September 2017 Council had \$322 million cash (excluding Trust Fund) with an average interest rate of 2.59%, being 0.88% above benchmark. This is compared to the same period last year with \$376 million cash (excluding Trust Fund) with an average interest rate of 2.98%, being 1.25% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill Index (BAUBIL) and the Bank Bill Swap Rate (BBSW) for term deposits.

Legal

This report ensures that Council complies with its legislative obligations with respect to financial reporting in accordance with Section 204 of the *Local Government Regulation 2012*.

Investment of funds is in accordance with the provisions of the *Statutory Bodies Financial Arrangements Act 1982* and the associated Regulations and the *Local Government Act 2009*.

Policy

Council's 2017/18 Investment Policy; 2017/18 Debt Policy.

Risk

Failure to achieve the budgeted operating result will negatively impact Council's capacity to complete its capital expenditure program.

Previous Council Resolution

Special Meeting Budget 15 June 2017 (SM17/34)

That Council:

- receive and note the report titled "Adoption of the 2017/18 Budget and Forward Estimates for the 2018/19 to 2026/27 Financial Years"*
- adopt the 2017/18 Budget Schedules (Appendix A) including Forward Estimates and*
- adopt the 2017/18 Capital Works Program, endorse the indicative four-year program for the period 2018/19 to 2021/22, and note the five-year program for the period 2022/23 to 2026/27 (Appendix B).*

Budget Review 1, 14 September 2017 (OM17/175)

That Council:

- (a) receive and note the report titled "Budget Review 1 2017/18" and*
- (b) adopt the amended 2017/18 Budget Financial Statements to include the identified operating and capital budget adjustments (Appendix A)*

Ordinary Meeting 12 October 2017 (OM17/204)

That Council:

- (a) delegate authority to the Chief Executive Officer to enter into negotiations and processes to execute and finalise the acquisitions as discussed in the confidential session*
- (b) resolve, pursuant to section 236(2) of the Local Government Regulation 2012, that an exception to dispose of an interest in land (easement/s) on the sites as discussed in the confidential session, other than by tender or auction applies as the disposal is pursuant to s236(1)(b)(i) to a government agency and*
- (c) request the Chief Executive Officer to provide a further report to council on the outcomes of the negotiations with Department of Natural Resources Mines.*

Related Documentation

2017/18 Adopted Budget

Critical Dates

There are no critical dates for this report.

Implementation

There are no implementation details to include in this report.

STATEMENT OF INCOME AND EXPENSES

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate								
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000
				Operating Revenue								
Gross Rates & Utility Charges	287,118	287,118	289,965	299,468	312,350	327,401	343,177	359,711	377,040	395,202	414,238	434,850
Interest from Rates & Utilities	1,408	1,408	670	1,415	1,422	1,429	1,436	1,443	1,450	1,458	1,465	1,472
Less Discounts, Pensioner Remissions	(13,336)	(13,336)	(13,336)	(13,843)	(14,424)	(15,032)	(15,667)	(16,332)	(17,028)	(17,755)	(18,514)	(19,305)
Net Rates & Utility Charges	275,190	275,190	277,299	287,040	299,348	313,799	328,946	344,822	361,463	378,905	397,189	417,017
Fees & Charges	57,183	57,183	58,222	53,310	54,829	56,721	58,678	60,702	62,796	64,963	67,204	69,522
Interest Received from Investments	9,374	9,374	8,874	9,101	9,503	9,964	10,344	10,842	11,745	12,655	13,565	14,515
Grants and Subsidies - Recurrent	12,007	7,104	6,844	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007	12,007
Operating contributions	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301
Interest Received from Unitywater	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933	23,933
Dividends Received	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162	26,162
Other Revenue	28,381	28,763	28,763	20,836	42,579	32,712	49,931	57,189	21,700	29,101	31,710	17,305
Internal Revenues	5,812	5,812	5,812	5,978	6,148	6,360	6,579	6,806	7,041	7,284	7,535	7,795
Community Service Obligations	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	439,342	434,821	437,209	439,667	475,809	482,958	517,881	543,763	528,148	556,310	580,607	589,558
Operating Expenses												
Employee costs	135,509	135,894	135,894	136,310	138,138	142,904	147,834	152,934	158,210	163,668	169,315	175,156
Materials & Services	175,003	179,810	179,728	173,823	188,077	191,750	206,446	216,428	212,305	225,483	235,578	240,428
Internal Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Finance Costs	9,410	9,410	9,410	9,383	9,187	14,632	14,244	7,940	7,271	6,891	6,204	5,443
Company Contributions	1,464	1,464	1,464	1,492	1,520	1,558	1,597	1,637	1,678	1,720	1,763	1,807
Depreciation	71,643	71,643	71,643	74,356	77,154	79,087	80,033	82,224	84,388	85,661	86,738	87,829
Other Expenses	21,451	22,344	22,344	21,705	22,118	22,671	23,238	23,818	24,414	25,024	25,650	26,291
Competitive Neutrality Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	414,480	420,115	420,483	417,069	436,194	452,603	473,391	484,982	488,266	508,448	525,248	536,956
Operating Result	24,862	14,256	16,726	22,598	39,615	30,355	44,489	58,781	39,882	47,862	55,359	52,602
Capital Revenue												
Capital Grants and Subsidies	4,912	8,598	8,858	7,505	7,648	7,839	8,035	8,236	8,442	8,653	8,869	9,091
Capital Contributions	32,274	32,399	32,399	32,274	32,274	29,074	30,153	30,153	30,153	30,153	30,153	24,000
Contributed Assets	60,000	60,000	60,000	60,000	55,000	50,000	45,000	46,125	47,278	48,460	49,672	50,913
Other Capital Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net Result	122,048	115,253	117,983	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606

STATEMENT OF FINANCIAL POSITION

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate								
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000
CURRENT ASSETS												
Cash & Investments	209,242	218,007	215,592	202,769	219,083	217,408	319,809	334,869	336,424	333,243	326,938	282,748
Trade and other receivables	15,599	14,452	14,591	15,488	17,301	17,398	19,085	20,230	18,951	20,175	21,160	21,233
Inventories	19,490	19,490	19,490	22,032	16,846	17,122	11,286	5,783	7,337	5,726	9,786	19,611
Other Financial Assets	26,424	26,424	26,424	26,926	27,438	28,124	28,827	29,548	30,286	31,044	31,820	32,615
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	1
	270,756	278,373	276,097	267,215	280,668	280,052	379,006	390,430	392,998	390,187	389,704	356,208
NON CURRENT ASSETS												
Trade and other receivables	449,394	449,394	449,394	449,394	449,394	449,394	434,394	434,394	434,394	434,394	434,394	434,395
Property, plant & equipment	4,103,360	4,100,375	4,105,491	4,405,757	4,757,616	4,978,655	4,903,722	5,134,322	5,364,033	5,607,325	5,864,510	6,145,642
Investment in associates	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713	538,713
Capital works in progress	86,931	86,931	86,931	87,467	85,201	84,928	82,128	79,469	80,619	78,552	76,653	76,276
Intangible assets	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491	16,491
	5,194,889	5,191,904	5,197,020	5,497,822	5,847,414	6,068,181	5,975,448	6,203,390	6,434,250	6,675,474	6,930,760	7,211,517
TOTAL ASSETS	5,465,644	5,470,277	5,473,118	5,765,037	6,128,082	6,348,232	6,354,454	6,593,820	6,827,249	7,065,662	7,320,465	7,567,725
CURRENT LIABILITIES												
Trade and other payables	58,261	59,239	59,305	58,832	60,420	62,749	65,176	67,704	70,338	73,082	75,941	78,922
Borrowings	17,833	17,833	17,833	20,008	21,997	24,210	26,172	28,074	30,773	33,181	35,991	38,804
Provisions	15,172	15,172	15,172	15,604	16,049	16,603	17,176	17,768	18,381	19,015	19,671	20,350
Other	20,469	20,469	20,469	20,858	21,255	21,786	22,331	22,889	23,461	24,048	24,649	25,265
	111,736	112,713	112,779	115,302	119,720	125,348	130,854	136,435	142,953	149,326	156,252	163,341
NON CURRENT LIABILITIES												
Borrowings	278,177	278,177	278,177	353,949	483,608	482,845	256,344	241,783	234,006	217,815	204,433	186,178
Provisions	33,213	33,213	33,213	34,159	35,133	36,345	37,599	38,896	40,238	41,626	43,062	44,548
	311,390	311,390	311,390	388,109	518,741	519,190	293,943	280,679	274,244	259,442	247,496	230,727
TOTAL LIABILITIES	423,125	424,103	424,168	503,411	638,461	644,538	424,797	417,114	417,197	408,768	403,748	394,067
NET COMMUNITY ASSETS	5,042,519	5,046,175	5,048,949	5,261,626	5,489,621	5,703,694	5,929,657	6,176,706	6,410,052	6,656,894	6,916,717	7,173,658
COMMUNITY EQUITY												
Asset revaluation surplus	1,050,816	1,050,816	1,050,816	1,146,026	1,244,460	1,346,334	1,449,780	1,558,781	1,671,696	1,788,807	1,910,034	2,035,877
Retained Earnings	589,378	593,033	595,808	713,274	842,835	955,033	1,077,550	1,215,599	1,336,030	1,465,762	1,604,356	1,735,455
Capital	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327
TOTAL COMMUNITY EQUITY	5,042,520	5,046,175	5,048,950	5,261,626	5,489,621	5,703,694	5,929,657	6,176,707	6,410,052	6,656,895	6,916,716	7,173,658

STATEMENT OF CHANGES IN EQUITY

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate									
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000	
Capital Accounts													
Balance at beginning of period	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at end of period	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327	3,402,327
Asset Revaluation Reserve													
Balance at beginning of period	990,718	990,718	990,718	1,050,816	1,146,026	1,244,460	1,346,334	1,449,780	1,558,781	1,671,696	1,788,807	1,910,034	1,910,034
Asset revaluation adjustments	60,097	60,097	60,097	95,210	98,434	101,875	103,446	109,000	112,915	117,111	121,227	125,843	125,843
Balance at end of period	1,050,816	1,050,816	1,050,816	1,146,026	1,244,460	1,346,334	1,449,780	1,558,781	1,671,696	1,788,807	1,910,034	1,910,034	2,035,877
Retained Earnings													
Balance at beginning of period	472,172	482,172	482,172	595,808	713,274	842,835	955,033	1,077,550	1,215,599	1,336,030	1,465,762	1,604,356	1,604,356
Net result for the period	122,048	115,703	117,983	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606	136,606
Transfers from capital, reserves and shareholdings	(4,842)	(4,842)	(4,347)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,507)	(5,507)
Balance at end of period	589,378	593,033	595,808	713,274	842,835	955,033	1,077,550	1,215,599	1,336,030	1,465,762	1,604,356	1,604,356	1,735,455
TOTAL													
Balance at beginning of period	4,865,217	4,875,217	4,875,217	5,048,950	5,261,626	5,489,621	5,703,694	5,929,657	6,176,707	6,410,052	6,656,895	6,916,716	6,916,716
Net result for the period	122,048	115,703	117,983	122,377	134,537	117,268	127,677	143,295	125,755	135,127	144,052	136,606	136,606
Transfers to capital, reserves and shareholdings	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from capital, reserves and shareholdings	(4,842)	(4,842)	(4,347)	(4,912)	(4,975)	(5,070)	(5,161)	(5,246)	(5,324)	(5,396)	(5,458)	(5,508)	(5,508)
Asset revaluation adjustments	60,097	60,097	60,097	95,210	98,434	101,875	103,446	109,000	112,915	117,111	121,227	125,843	125,843
Balance at end of period	5,042,520	5,046,175	5,048,950	5,261,626	5,489,621	5,703,694	5,929,657	6,176,707	6,410,052	6,656,895	6,916,716	6,916,716	7,173,657

STATEMENT OF CASH FLOWS

For the period ending 30 June 2018

SUNSHINE COAST COUNCIL TOTAL

	Original Budget 2017/18 \$000	Current Budget 2017/18 \$000	Revised Budget 2017/18 \$000	Forward Estimate								
				2018/19 \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000	2022/23 \$000	2023/24 \$000	2024/25 \$000	2025/26 \$000	2026/27 \$000
Cash flows from operating activities												
Receipts from customers	372,041	368,667	372,649	371,191	407,510	413,685	447,951	473,050	456,234	483,180	506,249	513,895
Payments to suppliers and employees	(328,670)	(333,327)	(333,630)	(334,240)	(340,158)	(353,822)	(367,102)	(382,807)	(392,780)	(408,318)	(430,163)	(447,636)
Interest and dividends received	60,877	60,877	59,639	60,611	61,020	61,488	61,875	62,380	63,290	64,208	65,125	66,082
Finance costs	(10,753)	(10,753)	(10,753)	(10,615)	(10,267)	(15,633)	(15,061)	(8,547)	(7,876)	(7,424)	(6,734)	(6,026)
Net cash inflow (outflow) from operating activities	93,495	85,463	87,905	86,947	118,105	105,717	127,663	144,075	118,869	131,646	134,478	126,316
Cash flows from investing activities												
Payments for property, plant and equipment	(235,182)	(261,016)	(266,132)	(218,562)	(274,534)	(147,045)	(145,330)	(156,306)	(152,547)	(161,738)	(171,309)	(190,440)
Proceeds from disposal non current assets	67,969	67,969	67,969	1,066	1,173	1,290	306,419	1,561	1,717	1,889	2,077	2,285
Capital grants, subsidies, contributions, donations	37,186	40,997	41,257	39,779	39,922	36,913	38,188	38,389	38,595	38,806	39,022	33,091
Finance Costs	-	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from investing activities	(130,027)	(152,050)	(156,906)	(177,717)	(233,439)	(108,842)	199,277	(116,356)	(112,236)	(121,044)	(130,210)	(155,064)
Cash flows from financing activities												
Proceeds from borrowings	18,130	18,130	18,130	95,780	151,655	23,447	15,699	13,513	22,996	16,990	22,608	20,549
Repayment of borrowing	(15,912)	(15,912)	(15,912)	(17,833)	(20,008)	(21,997)	(240,239)	(26,172)	(28,074)	(30,773)	(33,181)	(35,991)
Net cash inflow (outflow) from financing activities	2,218	2,218	2,218	77,948	131,648	1,450	(224,539)	(12,659)	(5,078)	(13,783)	(10,573)	(15,442)
Net increase (decrease) in cash held	(34,314)	(64,368)	(66,783)	(12,823)	16,314	(1,675)	102,401	15,060	1,555	(3,181)	(6,305)	(44,190)
Cash at beginning of reporting period	243,557	282,375	282,375	215,592	202,769	219,083	217,408	319,809	334,869	336,424	333,243	326,938
Cash at end of reporting period	209,242	218,007	215,592	202,769	219,083	217,408	319,809	334,869	336,424	333,243	326,938	282,748

Financial Performance Report

September 2017

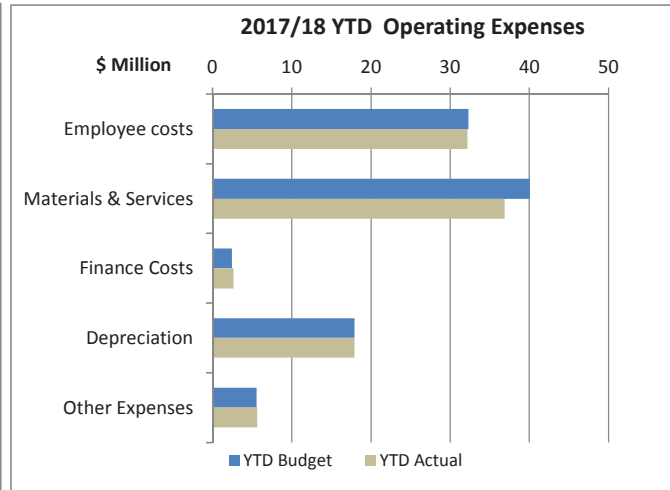
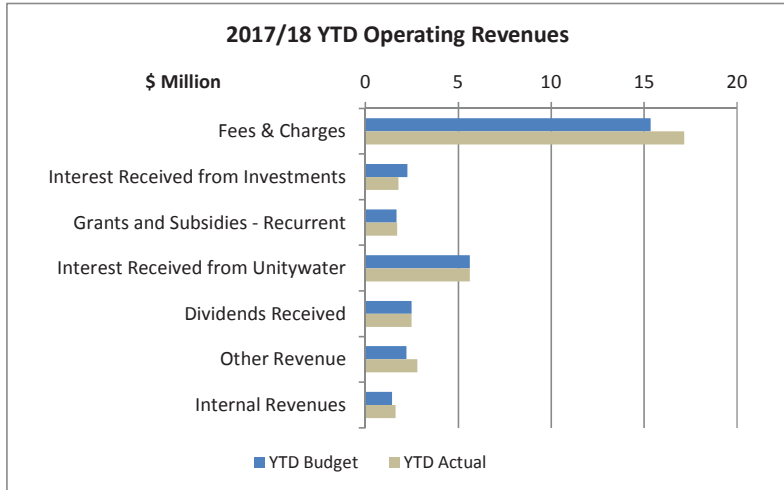


HEADLINE - OPERATING

Headline - Operating & Capital	3
Headline - Cash & Balance Sheet	4
Statement Of Income & Expenses	5
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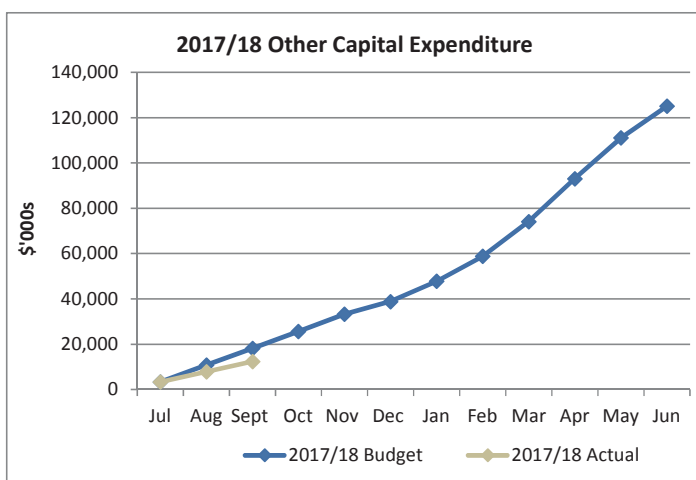
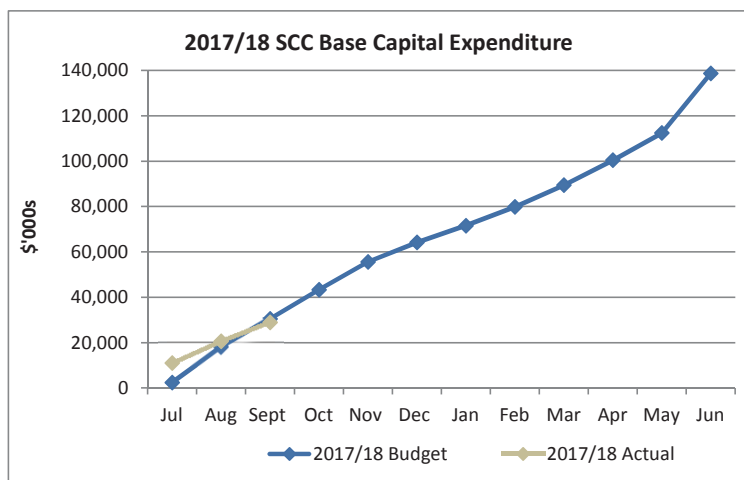
HEADLINE - OPERATING

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	439,342	434,821	163,545	167,122	3,577	2.2%
Operating Expenses	414,480	420,565	99,733	96,703	(3,030)	(3.0%)
Operating Result	24,862	14,256	63,811	70,419	6,608	10.4%
NET Result	122,048	115,253	86,080	101,389	15,309	17.8%



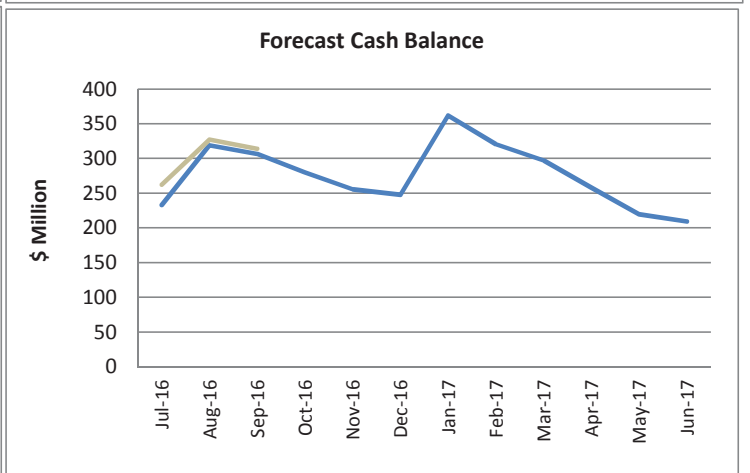
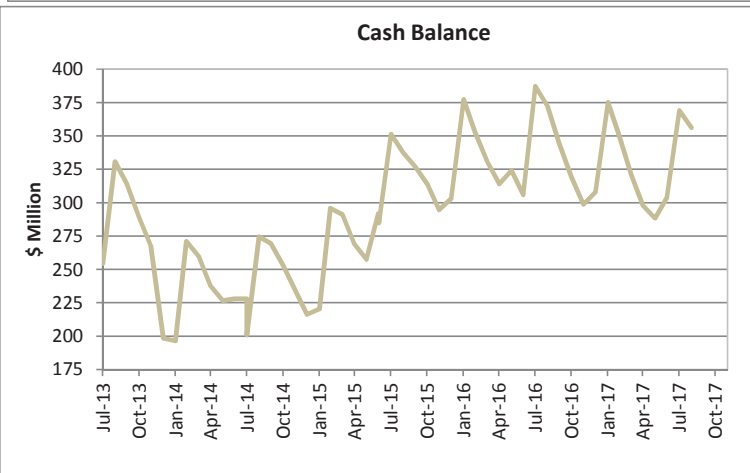
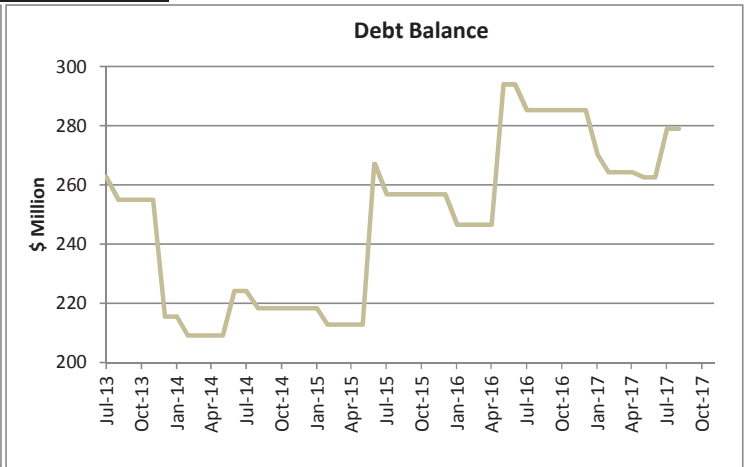
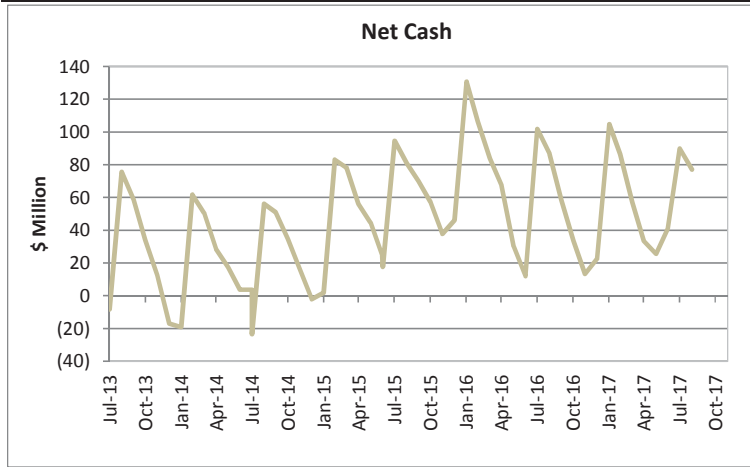
HEADLINE - CAPITAL

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Capital Revenue	97,186	100,997	22,268	30,970	(8,702)	
Other Capital Revenues	71,643	71,643	17,911	18,250	(339)	
Total Capital Revenues	168,829	172,640	40,179	49,220	(9,041)	
Capital Works Expenditure	236,833	264,127	44,984	41,179	3,806	(8.46%)
Other Capital Expenditure	60,000	60,000	15,000	48,283	(33,283)	
Total Capital Expenditure	296,833	324,127	59,984	89,461	(29,477)	
Funds from General Reserve	128,005	151,487	19,805	40,241	(20,436)	



HEADLINE - CASH AND BALANCE SHEET

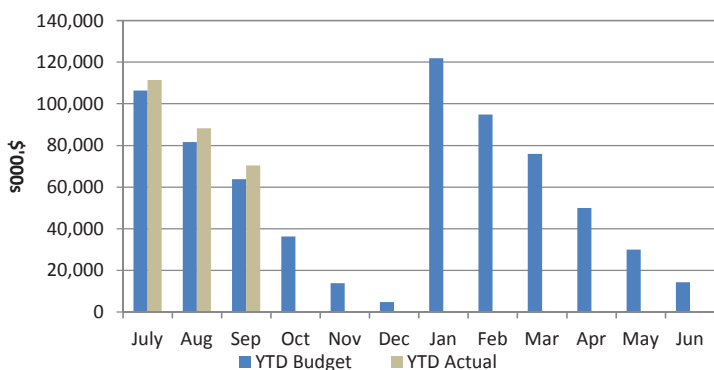
	Annual		YTD		
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	Forecast Budget \$000s	Variance \$000s
CASH FLOWS					
Opening Cash	243,557	282,377	282,377	282,377	0
Net Cash Inflow/(Outflows) from:					
Operating Activities	93,495	85,463	73,547	78,748	(5,201)
Investing Activities	(131,678)	(152,050)	(33,821)	(32,716)	(1,105)
Financing Activities	2,218	2,218	(7,956)	(7,956)	0
Net Increase/(decrease) in Cash Held	(35,966)	(64,368)	31,770	38,076	(6,306)
Closing Cash Balance	207,591	218,008	314,147	320,453	(6,306)
BALANCE SHEET					
Current Assets	270,756	278,373	387,897		
Non Current Assets	5,194,889	5,191,904	5,026,531		
Total Assets	5,465,644	5,470,277	5,414,428		
Current Liabilities	111,736	112,713	52,626		
Non Current Liabilities	311,390	311,390	320,953		
Total Liabilities	423,125	424,103	373,579		
Net Community Assets/ Total Community Equity	5,042,519	5,046,175	5,040,849		



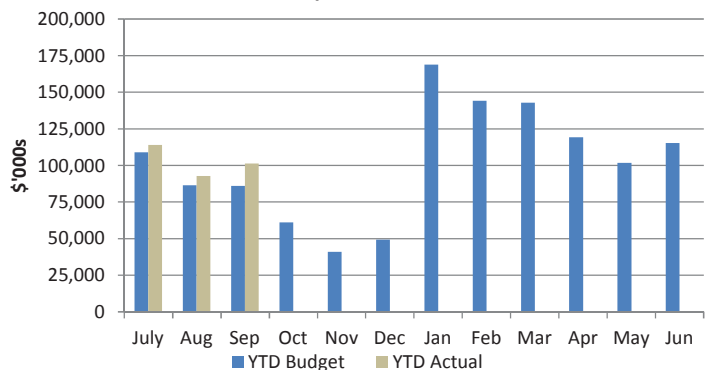
STATEMENT OF INCOME & EXPENSES

	Annual		YTD				Annual
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %	Forecast Budget \$000s
Operating Revenue							
Net Rates and Utility Charges	275,190	275,190	132,108	133,599	1,492	1.1%	275,190
Fees and Charges	57,183	57,183	15,355	17,165	1,810	11.8%	57,183
Interest Received from Investments	9,374	9,374	2,274	1,787	(487)	(21.4%)	9,374
Operating Grants and Subsidies	12,007	7,103	1,684	1,718	33	2.0%	7,103
Operating Contributions	1,301	1,301	347	302	(45)	(13.0%)	1,301
Interest Received from Unity Water	23,933	23,933	5,626	5,626	0	0.0%	23,933
Dividends Received	26,162	26,162	2,498	2,498	0	0.0%	26,162
Other Revenue	28,381	28,763	2,209	2,803	594	26.9%	28,763
Internal Sales/Recoveries	5,812	5,812	1,443	1,624	181	12.5%	5,812
Community Service Obligations	0	0	0	0	(0)	(100.0%)	0
Total Operating Revenue	439,342	434,821	163,545	167,122	3,577	2.2%	434,821
Operating Expenses							
Employee Costs	135,509	135,894	32,307	32,183	(124)	(0.4%)	135,894
Materials and Services	175,003	179,566	40,070	36,862	(3,208)	(8.0%)	179,566
Internal Materials and Services	0	0	0	0	0	0.0%	0
Finance Costs	9,410	9,410	2,444	2,655	211	8.6%	9,410
Company Contributions	1,464	1,464	1,464	1,464	0	0.0%	1,464
Depreciation Expense	71,643	71,643	17,911	17,911	0	0.0%	71,643
Other Expenses	21,451	22,588	5,538	5,629	91	1.6%	22,588
Competitive Neutrality Adjustments	(0)	(0)	(0)	0	0	(100.0%)	(0)
Total Operating Expenses	414,480	420,565	99,733	96,703	(3,030)	(3.0%)	420,565
Operating Result	24,862	14,256	63,811	70,419	6,608	10.4%	14,256
Capital Revenue							
Capital Grants and Subsidies	4,912	8,598	0	209	209	0.0%	8,598
Capital Contributions - Cash	32,274	32,399	7,268	7,286	18	0.2%	32,399
Capital Contributions - Fixed Assets	60,000	60,000	15,000	23,475	8,475	56.5%	60,000
Total Capital Revenue	97,186	100,997	22,268	30,970	8,702	39.1%	100,997
Net Result	122,048	115,253	86,080	101,389	15,309	17.8%	115,253

2017/18 Operating Result



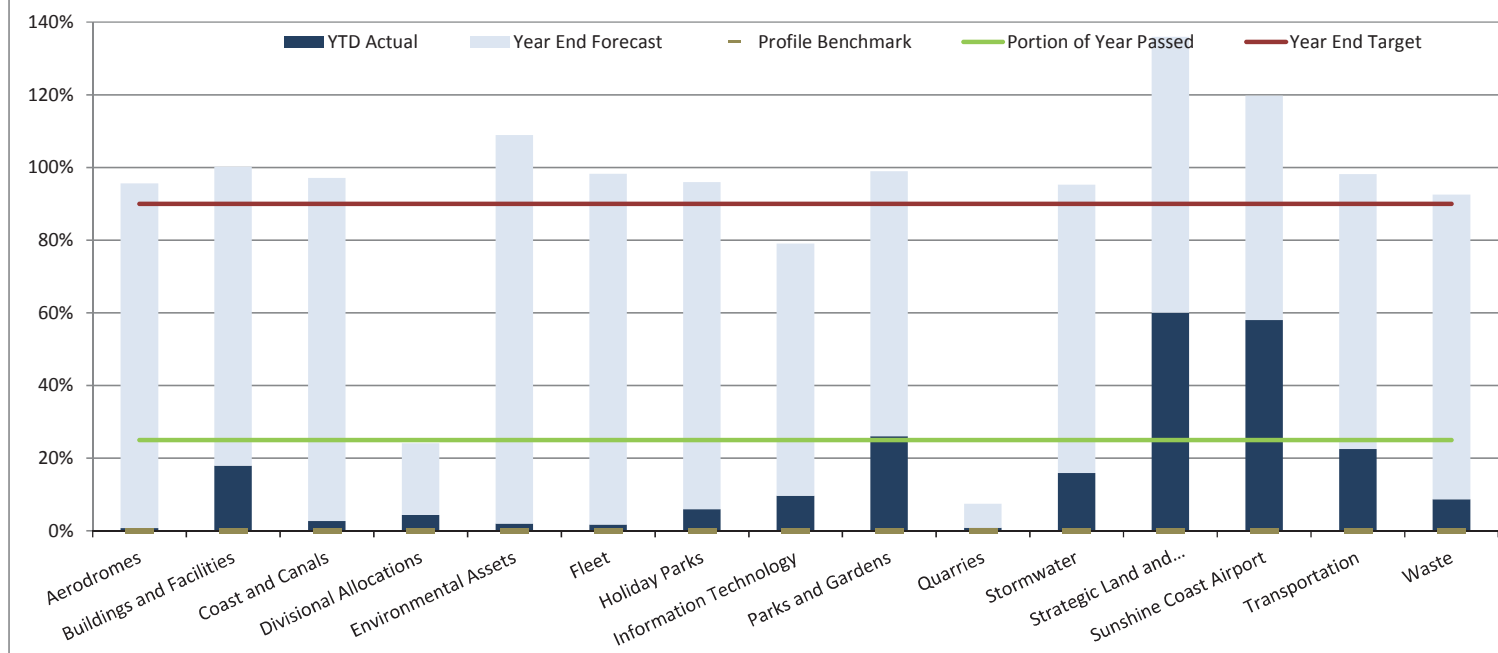
2017/18 Net Result



CAPITAL EXPENDITURE

Capital Works Program	Annual		YTD		Year End	
	Original Budget	Current Budget	Actuals	% of FY	Forecast Year	Forecast Year
	\$000s	\$000s	\$000s	Budget Spent	End Actual	End Variance to Budget
Aerodromes	470	497	4	0.8%	476	(21)
Buildings and Facilities	9,933	13,028	2,329	17.9%	13,063	35
Coast and Canals	2,200	2,363	63	2.7%	2,296	(67)
Divisional Allocations	4,475	5,238	226	4.3%	1,263	(3,975)
Environmental Assets	770	670	13	2.0%	730	60
Fleet	3,000	3,000	51	1.7%	2,950	(50)
Holiday Parks	1,337	1,433	85	5.9%	1,376	(57)
Information Technology	3,695	3,983	383	9.6%	3,150	(833)
Parks and Gardens	12,970	15,219	3,956	26.0%	15,071	(148)
Quarries	1,210	1,308	11	0.8%	98	(1,210)
Stormwater	6,816	7,549	1,196	15.8%	7,193	(356)
Strategic Land and Commercial Properties	0	8,633	5,185	60.1%	11,741	3,108
Sunshine Coast Airport	0	1,123	653	58.1%	1,346	222
Transportation	52,726	58,723	13,229	22.5%	57,683	(1,040)
Waste	16,570	17,152	1,480	8.6%	15,878	(1,274)
Total SCC Base Capital Program	116,172	139,918	28,865	20.6%	134,313	(5,605)
Corporate Major Projects	14,402	9,546	1,746	18.3%	5,262	(4,284)
Maroochydore City Centre	44,198	47,162	8,447	17.9%	48,894	1,732
Sunshine Coast Airport Runway	62,062	67,501	2,121	3.1%	67,749	248
Total Region Making Capital Program	120,661	124,209	12,314	9.9%	121,905	(7,909)
TOTAL	236,833	264,127	41,179	15.6%	256,218	(7,909)

SCC Base % YTD spent compared to profiled budget by Program



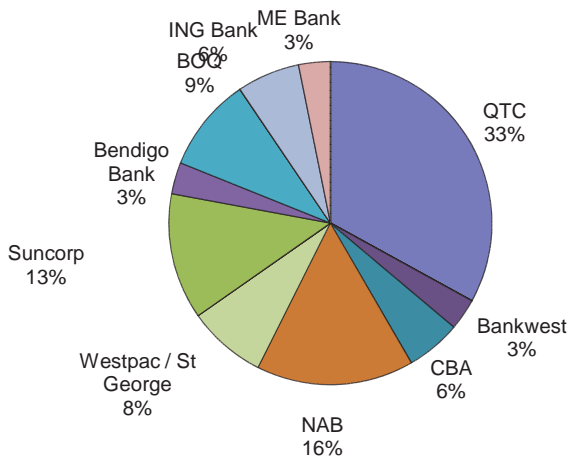
Liquidity as at:	30/09/2017 \$'000's	
At-call accounts		
QTC + CBA (excl. trust)	\$93,525	28.45%
Maturities within 7 days	\$10,000	3.04%
Total at-call	\$103,525	31.50%
Investment Policy Target		10.00%

Term deposits maturing:	\$'000's	Count
within 30 days	\$30,000	4
30-59 days	\$40,000	4
60-89 days	\$60,000	6
90-179 days	\$90,000	9
180-364 days	\$10,000	1
1 year - 3 years	\$0	0
Total	\$230,000	24

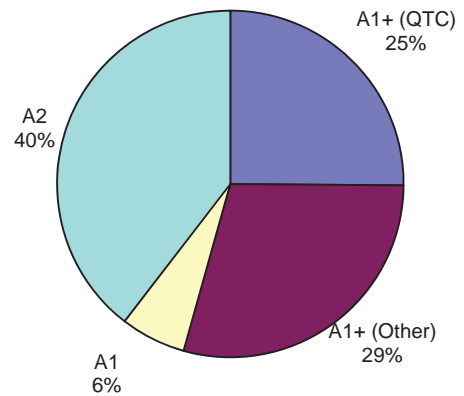
INVESTMENT SUMMARY (including Trust) as at:				Investment Policy					
	30/09/2017		30/06/2017	30/09/2016	Individual Limit	Group Limits			
A1+ (QTC)	\$82,619	25.1%	\$103,235	35.8%	\$210,206	55.1%	100%	100%	
A1+ (Other)	\$96,058	29.2%	\$90,255	31.3%	\$141,166	37.0%	40%	100%	
A1	\$20,000	6.1%	\$35,000	12.1%	\$20,000	5.2%	30%	50%	
A2	\$130,000	39.6%	\$60,000	20.8%	\$10,000	2.6%	30%	45%	
A3	\$0	0.0%	\$0	0.0%	\$0	0.0%	5%	10%	
Total Funds	\$328,677		\$288,490		\$381,373				
FUND SUMMARY									
General Funds	\$322,225		\$282,316		\$375,717				
Trust Funds	\$6,452		\$6,174		\$5,656				
Total Funds	\$328,677		\$288,490		\$381,373				

Investment Portfolio

Investment per financial institution (%)

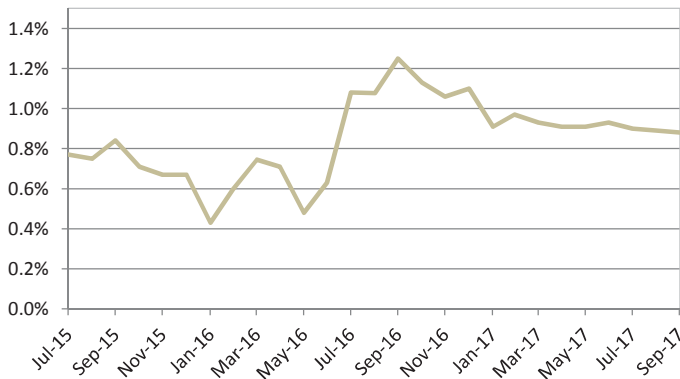


Investment by Standard & Poor's (Short Term Credit Rating)



Investment Performance

Margin Above Benchmark



Investment Performance

