

Sunshine Coast
Council

FINANCIAL PERFORMANCE REPORT
January 2014



FINANCIAL PERFORMANCE REPORT

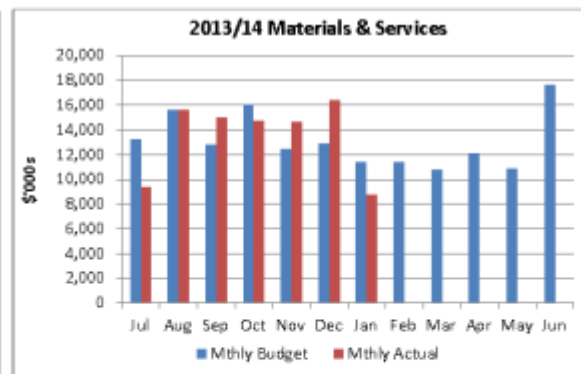
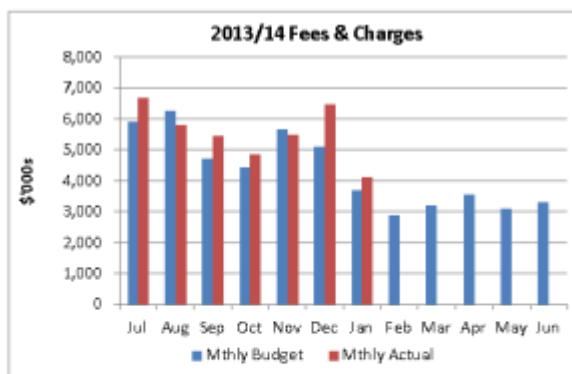
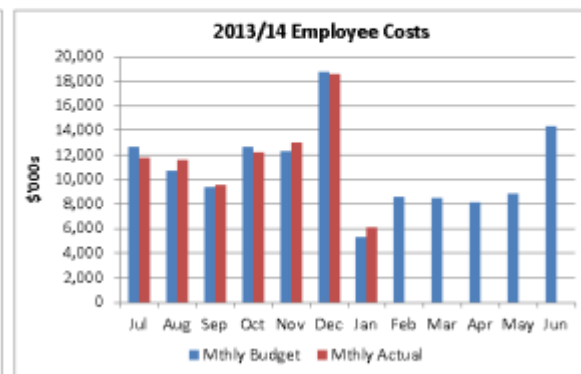
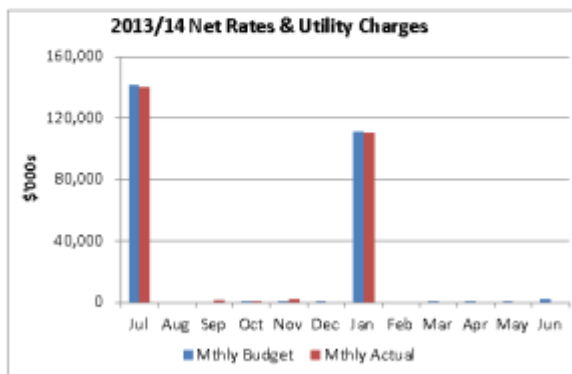
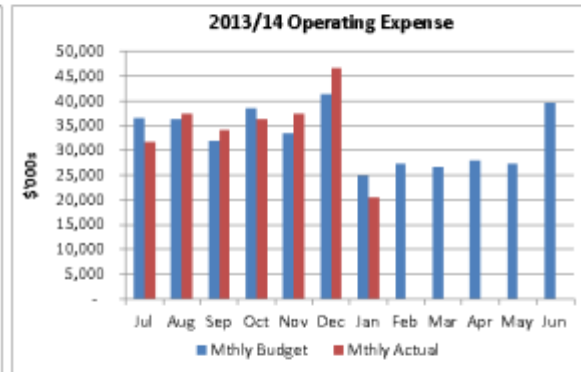
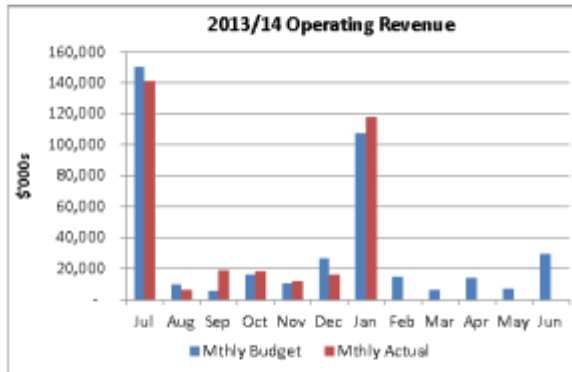
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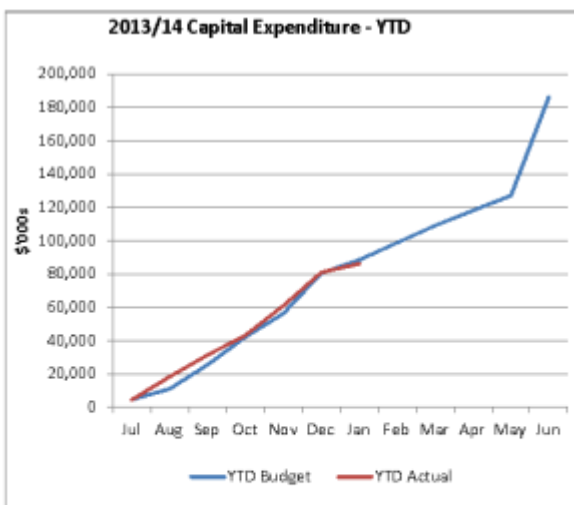
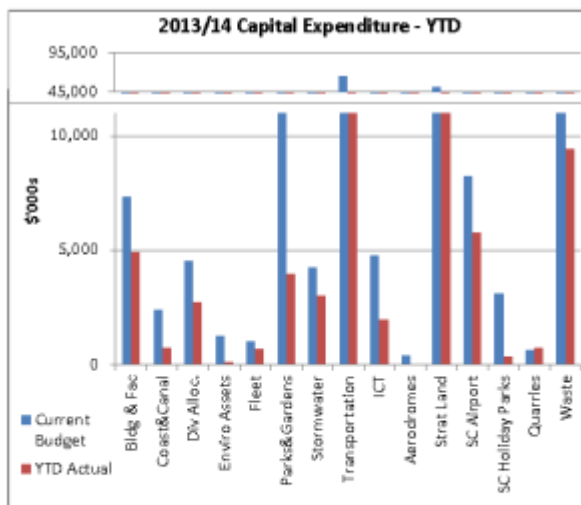
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FINANCIAL PERFORMANCE REPORT January 2014
HEADLINE - OPERATING

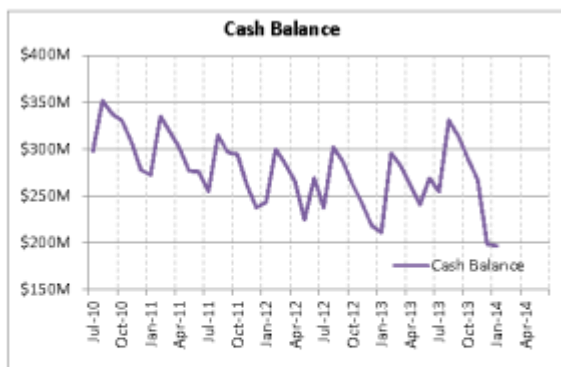
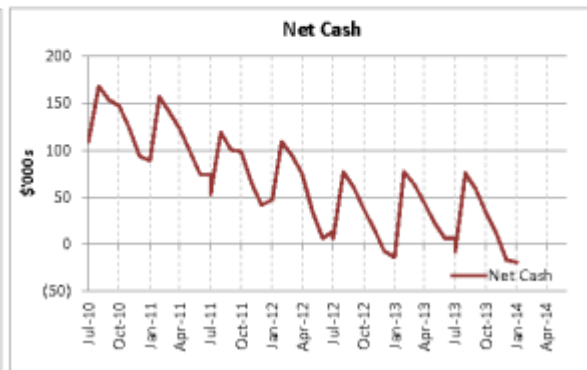
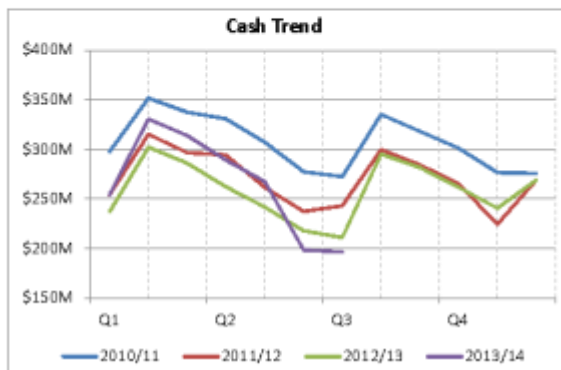
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	400,295	399,438	327,595	332,435	4,840	1.5%
Operating Expenses	387,582	392,020	243,130	244,265	1,135	0.5%
Operating Result	12,713	7,418	84,465	88,170	3,705	4.4%
NET Result	54,287	50,538	107,784	110,473	2,689	2.5%



FINANCIAL PERFORMANCE REPORT							January 2014
HEADLINE - CAPITAL							
	Annual		YTD				
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %	
Capital Revenues (included in NET Result)	37,101	38,648	21,121	20,105	(1,016)		
Other Capital Revenues	86,410	86,409	45,916	45,860	(56)		
Total Capital Revenues	123,511	125,057	67,036	65,964	(1,072)		
Capital Works Expenditure	109,270	185,003	88,560	86,215	(2,345)	(2.6%)	
Other capital Expenditure	41,150	33,550	18,722	16,115	(2,607)		
Total Capital Expenditure	150,420	218,553	107,282	102,330	(4,951)		
Funds from General Revenue	26,909	93,496	40,245	36,366	(3,879)		



FINANCIAL PERFORMANCE REPORT				January 2014
HEADLINE - CASH & BALANCE SHEET				
	Annual		YTD	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	
CASH FLOWS				
Opening Cash	196,241	264,747	261,336	
Net Cash Inflow/(Outflows) from:				
Operating Activities	48,186	43,454	(16,853)	
Investing Activities	(93,697)	(157,471)	(7,180)	
Financing Activities	476	476	(38,973)	
Net Increase/(decrease) in Cash Held	(45,035)	(113,541)	(63,006)	
Cash at year end	151,206	151,206	198,330	
BALANCE SHEET				
Total Current Assets	216,289	216,289	334,834	
Total Non Current Assets	4,511,393	4,511,393	4,362,678	
Total Assets	4,727,682	4,727,682	4,697,512	
Total Current Liabilities	70,183	70,183	(853,721)	
Total Non Current Liabilities	240,480	240,480	236,706	
Total Liabilities	310,663	310,663	(617,015)	
Net Community Assets/ Total Community Equity	4,417,019	4,417,019	5,314,527	



FINANCIAL PERFORMANCE REPORT

January 2014

HEADLINE - COMMENTARY

Income & Expense Statement

Council's financial results at 31 January 2014 shows the organisation with a \$3.7 million higher than forecasted operating position against the year to date budget. This operating result variation is made up of operating revenue being \$4.8 million higher than the year to date budget, along with operating expenses being \$1.1 million higher than the year to date budget.

Operating Revenues

The January rate run has resulted in an unfavourable variance of \$716,000. It is anticipated that this variance relates to lower than forecasted growth.

Of the \$3.1 million favourable variance in fees and charges, \$2.2 million relates to development applications, with the volume being approximately 14% higher in 2013/2014 than compared to same time in 2012/2013.

Of the \$1.6 million favourable variance in other revenue, \$800,000 relates to a refund from the Office of State Revenue for over charged payroll tax.

Operating Expenses

The unfavourable variance in operating expenses of \$1.1 million relates to employee costs \$1.2 million in Sunshine Coast Council employee costs were spent on de-amalgamation activities up to 23 December 2013. This amount has been refunded to SCC and will be reflected as revenue to offset this overspend in the February financial report.

Capital Expenditure

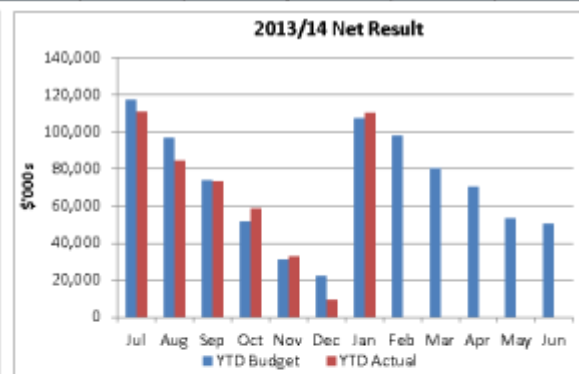
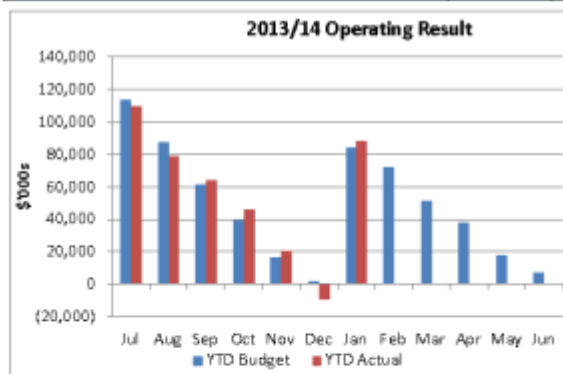
As at 31 January 2014, \$86.2 million (46.6%) of council's \$185 million 2013/2014 Capital Works Program was financially expended.

HEADLINE - RISKS

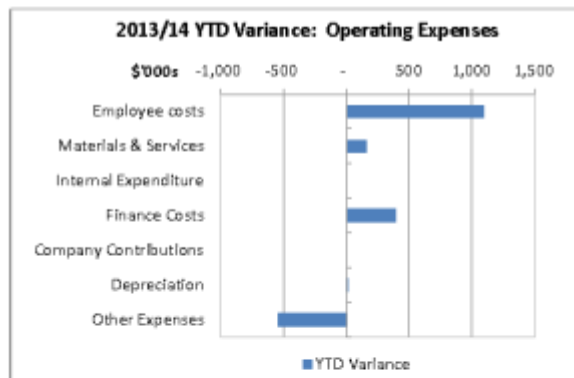
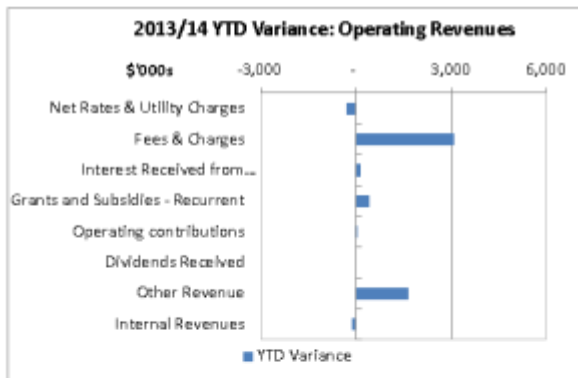
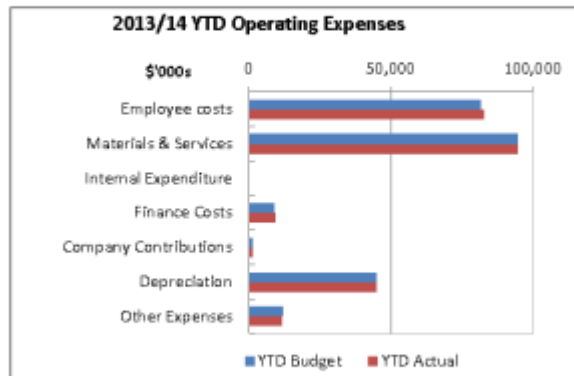
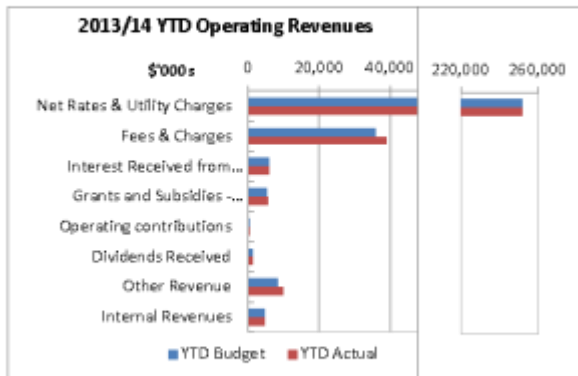
Income & Expense Statement

1. General Rates growth - lower than anticipated growth of rateable properties of 1.0% against forecast of 1.5%. This approximately equates to lower revenue than budgeted
2. Financial Assistance Grant - during 2012/2013 more than one half of the grant (\$6.3 million) was paid early into June 2012. This prepayment has created a budget impact of \$2.1 million in the current 2013/2014 budget.
3. Organisation Review - \$4.7 million net savings loaded into the budget.
4. De-amalgamation - risk that not all costs associated with the de-amalgamation are being charged to Noosa Shire Council.
5. Employee Vacancy Factor - \$4.4 million loaded in the budget. May be difficult to achieve this saving along with Organisation Review.
6. the risk that the State Government will transfer SPER debt back to local councils, who will then have to manage their own debt collection

FINANCIAL PERFORMANCE REPORT							January 2014
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							
Gross Rates & Utility Charges	262,411	262,480	257,988	259,900	1,911	0.7%	262,480
Interest from Rates & Utilities	2,053	2,053	1,411	1,382	(29)	-2.0%	2,053
Less Discounts, Pensioner Remissions	(11,374)	(11,374)	(7,291)	(9,890)	(2,598)	35.6%	(11,374)
Net Rates & Utility Charges	253,090	253,159	252,108	251,392	(716)	-0.3%	253,159
Fees & Charges	53,274	51,841	35,798	38,877	3,080	8.6%	51,841
Interest Received from Investments	8,512	8,512	5,942	6,082	140	2.3%	8,512
Grants and Subsidies - Recurrent	10,780	11,091	5,372	5,793	422	7.9%	11,091
Operating contributions	570	570	357	391	34	9.5%	570
Interest received from Unitywater	26,205	26,205	13,331	13,305	(26)	-0.2%	26,205
Dividends Received	27,001	27,001	1,540	1,540	0	0.0%	27,001
Other Revenue	13,249	13,485	8,342	9,990	1,648	19.8%	13,485
Internal Revenues	7,614	7,575	4,805	5,063	258	5.4%	7,575
Community Service Obligations	0	0	0	0	0	0.0%	0
Total Operating Revenue	400,295	399,438	327,595	332,435	4,840	1.5%	399,438
Operating Expenses							
Employee costs	130,879	130,318	81,837	82,932	1,095	1.3%	130,318
Materials & Services	152,860	157,306	94,491	94,657	166	0.2%	157,306
Internal Expenditure	0	0	0	0	0	0.0%	0
Finance Costs	14,197	14,197	8,820	9,219	399	4.5%	14,197
Company Contributions	1,152	1,152	1,152	1,152	0	0.0%	1,152
Depreciation	70,510	70,510	44,916	44,935	20	0.0%	70,510
Other Expenses	17,984	18,537	11,915	11,369	(545)	-4.6%	18,537
Competitive Neutrality Adjustments	0	0	(0)	0	0	-100.0%	0
Total Operating Expenses	387,582	392,020	243,130	244,265	1,135	0.5%	392,020
Operating Result	12,713	7,418	84,465	88,170	3,705	4.4%	7,418
Capital Revenue							
Capital Grants and Subsidies	2,900	12,042	5,237	5,974	736	14.1%	12,042
Capital Contributions	7,201	7,206	4,644	5,177	534	11.5%	7,206
Contributed Assets	27,000	19,400	11,240	8,954	(2,286)	-20.3%	19,400
Other Capital Revenue	4,472	4,472	2,198	2,198	0	0.0%	4,472
Total Capital Revenue	41,573	43,120	23,319	22,303	(1,016)	-4.4%	43,120
Net Result	54,287	50,538	107,784	110,473	2,689	2.5%	50,538

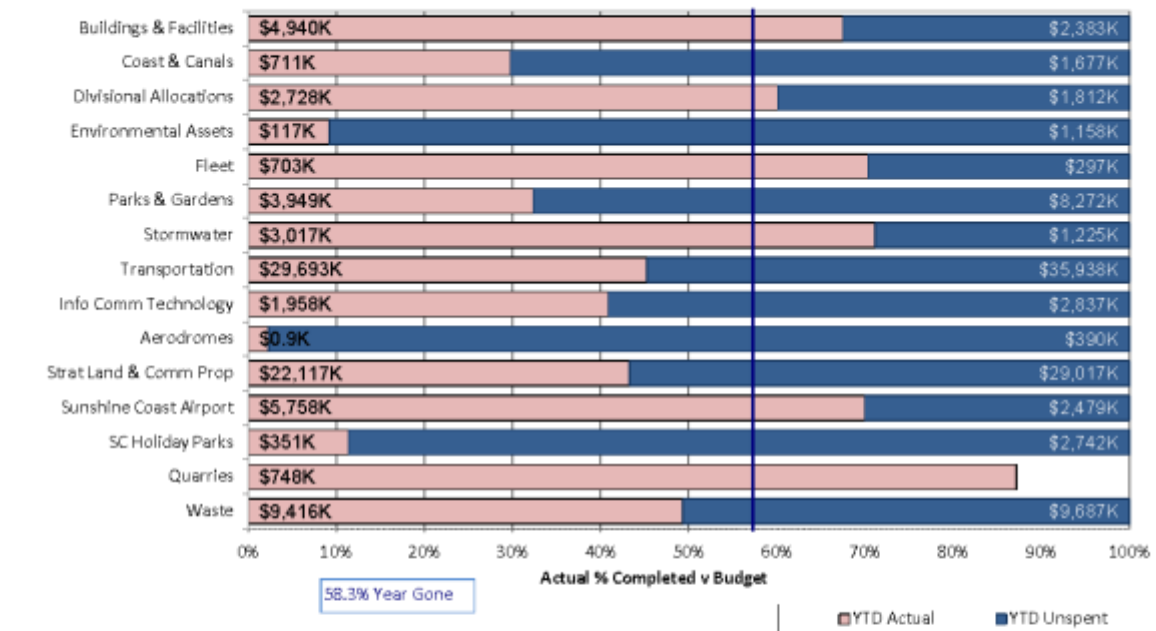


FINANCIAL PERFORMANCE REPORT January 2014
STATEMENT OF INCOME & EXPENSES



FINANCIAL PERFORMANCE REPORT							January 2014
CAPITAL EXPENDITURE							
Capital Works Program	Annual		YTD			Annual	
	Original Budget \$000s	Current Budget \$000s	Budget \$'000s	Actual \$000s	% of Annual Budget Spent	Forecast Budget \$000s	
Buildings and Facilities	6,548	7,324	5,957	4,940	67.5%	7,324	
Coast and Canals	1,949	2,388	1,286	711	29.8%	2,388	
Divisional Allocations	3,100	4,540	2,567	2,728	60.1%	4,540	
Environmental Assets	1,238	1,276	211	117	9.2%	1,276	
Fleet	1,000	1,000	934	703	70.3%	1,000	
Parks and Gardens	10,317	12,228	6,194	3,949	32.3%	12,221	
Stormwater	4,161	4,241	2,226	3,017	71.1%	4,241	
Transportation	52,952	65,632	33,543	29,693	45.2%	65,632	
Information Communication Technology	3,927	4,871	3,006	1,958	40.2%	4,795	
Strategic Land & Comm Properties	9,422	50,034	19,986	22,117	44.2%	51,134	
Aerodromes	-	399	7	9	2.3%	399	
Sunshine Coast Airport	3,400	8,237	5,874	5,758	69.9%	8,237	
SC Holiday Parks	1,455	3,093	913	351	11.3%	3,093	
Quarries	150	637	183	748	117.3%	637	
Waste	9,651	19,103	5,673	9,416	49.3%	19,103	
TOTAL	109,270	185,003	88,560	86,215	46.6%	186,020	

Capital Works Expenditure



FINANCIAL PERFORMANCE REPORT January 2014
INVESTMENT PERFORMANCE

Liquidity as at:		31/01/2014	
		(\$'000's)	
At-call accounts			
QTC + CBA (exc trust)	\$63,574	31.97%	
Investments Maturing within 7 days	\$10,000	5.03%	
Total at-call	\$73,574	37.00%	
Investment Policy Target		10.00%	

INVESTMENT SUMMARY AS AT	31/01/2014		31/12/2013		31/01/2013		Investment Policy	
							Individual Limit	Group Limits
A1+ (QTC)	\$51,855	26.1%	\$37,539	18.7%	\$23,530	11.2%	100%	100%
A1+ (Other)	\$77,004	38.7%	\$88,599	44.0%	\$91,872	43.7%	35%	100%
A1	\$35,000	17.6%	\$30,000	14.9%	\$40,000	19.0%	30%	30%
A2	\$35,000	17.6%	\$45,000	22.4%	\$55,000	26.1%	10%	30%
TOTAL	\$198,860		\$201,138		\$210,402			

Investment Portfolio

