

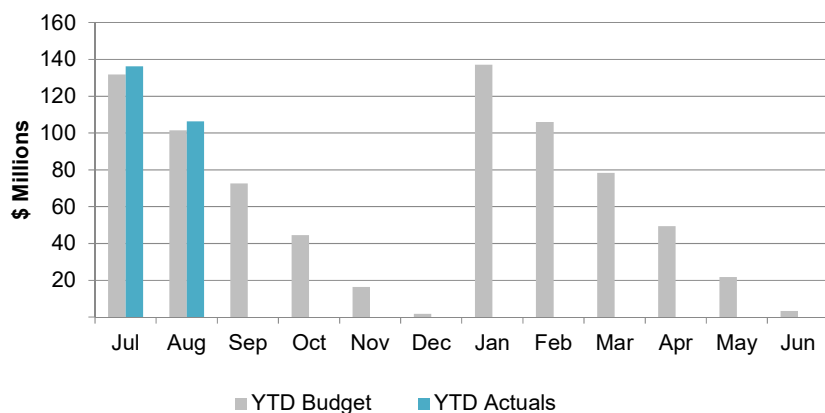
# Financial Performance Report

August 2020



# Statement of Income and Expenses August 2020

2020/21 Operating Result



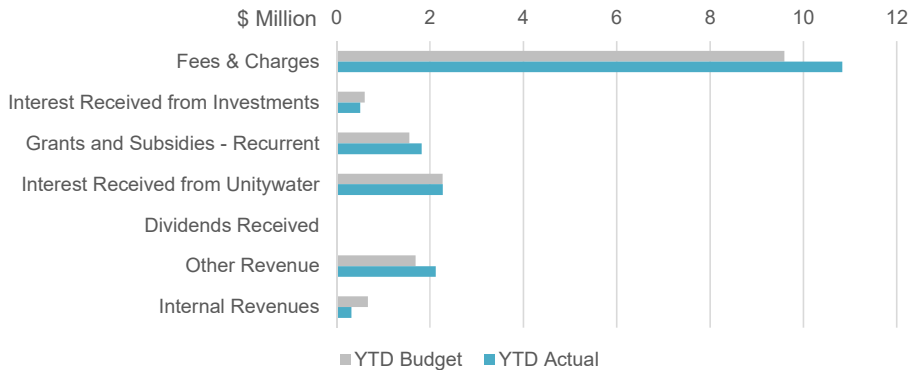
- Council has a positive operating result of \$106 million, which is \$4.9 million above the current budget year to date.
- Operating expenditure as at 31 August 2020 was \$66.8 million which is \$3.7 million or 5.2% less than the Current Budget amount of \$70.5 million.

## Statement of Income & Expenses for the Period Ending 31 August 2020

	Annual		YTD				Annual
	Original Budget \$000	Current Budget \$000	Current Budget \$000	Actuals \$000	Variance \$000	Variance %	Forecast Budget \$000
<b>Operating Revenue</b>							
Net Rates and Utility Charges	316,806	316,806	155,438	155,211	(228)	(0.1%)	316,806
Fees and Charges	57,125	57,125	9,590	10,830	1,240	12.9%	57,125
Interest Received from Investments	3,611	3,611	602	504	(98)	(16.2%)	3,611
Operating Grants and Subsidies	12,224	12,224	1,560	1,821	261	16.7%	12,224
Operating Contributions	287	287	152	153	1	0.5%	287
Unitywater Participation	49,838	49,838	2,273	2,274	1	0.0%	49,838
Other Revenue	21,040	21,040	1,691	2,126	435	25.7%	21,040
Internal Sales/Recoveries	4,138	4,138	668	320	(348)	(52.1%)	4,058
<b>Total Operating Revenue</b>	<b>465,069</b>	<b>465,069</b>	<b>171,974</b>	<b>173,239</b>	<b>1,265</b>	<b>0.7%</b>	<b>464,989</b>
<b>Operating Expenses</b>							
Employee Costs	147,973	147,973	21,702	21,568	(134)	(0.6%)	147,941
Materials and Services	184,678	184,678	27,233	23,488	(3,745)	(13.8%)	184,586
Finance Costs	12,080	12,080	2,010	2,025	16	0.8%	12,080
Company Contributions	1,554	1,554	1,554	1,562	8	0.5%	1,554
Depreciation Expense	88,276	88,276	14,871	14,871	-	-	89,261
Other Expenses	22,255	22,255	2,928	2,873	(55)	(1.9%)	22,330
Recurrent Capital Expenses	3,917	3,917	261	477	216	82.9%	3,917
<b>Total Operating Expenses</b>	<b>460,733</b>	<b>460,733</b>	<b>70,558</b>	<b>66,865</b>	<b>(3,693)</b>	<b>(5.2%)</b>	<b>461,669</b>
<b>Operating Result</b>	<b>4,336</b>	<b>4,336</b>	<b>101,416</b>	<b>106,374</b>	<b>4,958</b>	<b>4.9%</b>	<b>3,320</b>
<b>Capital Revenue</b>							
Capital Grants and Subsidies	10,060	10,060	-	8,318	8,318	-	10,061
Capital Contributions - Cash	31,599	31,599	-	6,844	6,844	-	31,599
Capital Contributions - Fixed Assets	60,000	60,000	-	-	-	-	60,000
<b>Total Capital Revenue</b>	<b>101,659</b>	<b>101,659</b>	<b>-</b>	<b>15,162</b>	<b>15,162</b>	<b>-</b>	<b>101,660</b>
<b>Non-recurrent Expenses</b>							
Profit/Loss on disposal, revaluation & impairment	-	-	-	-	-	-	-
Movements in landfill and quarry provisions	5,583	5,583	931	931	-	-	5,583
Assets Transferred to Third Parties	-	-	-	-	-	-	-
<b>Total Non-recurrent Expenses</b>	<b>5,583</b>	<b>5,583</b>	<b>931</b>	<b>931</b>	<b>-</b>	<b>-</b>	<b>5,583</b>
<b>Net Result</b>	<b>100,412</b>	<b>100,412</b>	<b>100,486</b>	<b>120,606</b>	<b>20,120</b>	<b>20.0%</b>	<b>99,396</b>

# Operating Result - 31 August 2020

## Operating Revenues



## Substantial Revenue Variances for the Period Ending 31 Aug 2020

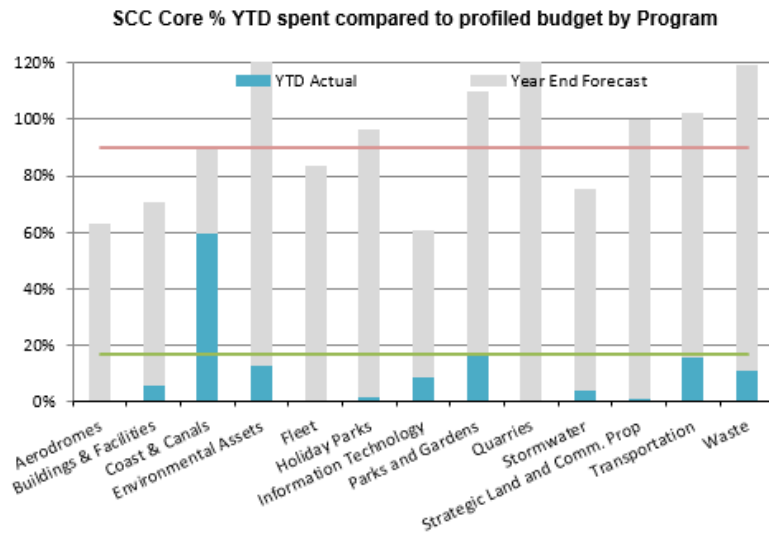
\$'000	Annual		YTD			
	Original Budget	Current Budget	Current Budget	Actuals	Variance	Variance %
<b>Operating Revenue</b>						
Fees and Charges	57,125	57,125	9,590	10,830	1,240	12.9%
Interest Received from Investment	3,611	3,611	602	504	(98)	-16.2%
Operating Grants and Subsidies	12,224	12,224	1,560	1,821	261	16.7%
Other Revenue	21,040	21,040	1,691	2,126	435	25.7%

## Operating Summary - August 2020

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	465,069	465,069	171,974	173,239	1,265	0.7%
Operating Expenses	456,816	456,816	70,297	66,387	(3,910)	(5.6%)
Recurrent Capital Expenses	3,917	3,917	261	477	216	82.9%
<b>Operating Result</b>	<b>4,336</b>	<b>4,336</b>	<b>101,416</b>	<b>106,374</b>	<b>4,958</b>	<b>4.9%</b>
Capital Revenue	101,659	101,659	-	15,162	15,162	-
Non-recurrent Expenses	5,583	5,583	931	931	-	-
<b>Net Result</b>	<b>100,412</b>	<b>100,412</b>	<b>100,486</b>	<b>120,606</b>	<b>20,120</b>	<b>20.0%</b>

- As at August 2020, \$173.2 million in operating revenue had been achieved which is \$1.3 million higher than current budget for the same period.
- This is largely due to:
  - Fees and Charges** – The Sunshine Coast Stadium hosting several of the Melbourne Storm NRL home games has provided additional revenue over the anticipated budget. The early opening of Council's holiday parks is also producing revenue higher than the adopted budget.
  - Operating Grants and Subsidies** – The receipt of \$196,000 for the Road Safety Research Project was the primary contributor to the positive variance in Grants and Subsidies.
  - Other Revenue** – Council has received additional funds for Biodiversity Offset works valued at \$412,000.

# Capital Expenditure – August 2020



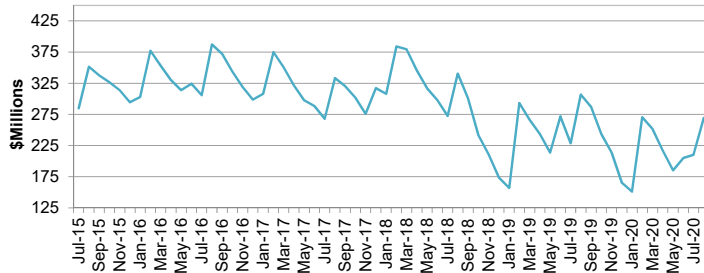
- As at August 2020 \$41.6m of Council's \$242.4m Capital Works Program was financially expended.
- The Core Capital Program has progressed 11% of budget, an actual spend of \$19.4m.
- Corporate Major Projects progressed 38.3% and The Sunshine Coast Airport Runway Project progressed 34.9% of their respective annual budgets.

## Capital Expenditure - August 2020

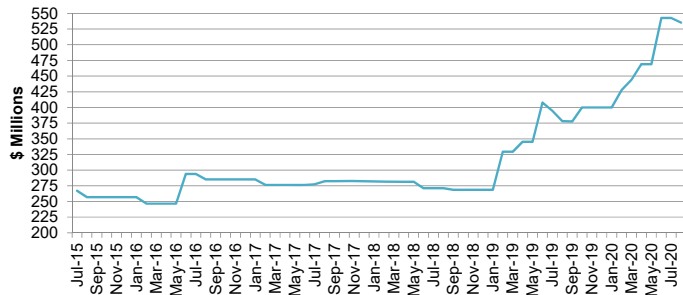
	Annual		YTD		Year End	
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s	% of FY Budget Spent	Forecast Year End Actual	Forecast Year End Variance to Budget
<b>Capital Works Program</b>						
Aerodromes	350	350	-	-	220	(130)
Buildings and Facilities	45,717	45,717	2,425	5.3%	32,217	(13,500)
Coast and Canals	2,830	2,830	1,678	59.3%	2,560	(270)
Minor Works	4,620	4,620	62	1.3%	286	(4,334)
Environmental Assets	1,375	1,375	170	12.4%	2,516	1,141
Fleet	2,000	2,000	6	0.3%	1,667	(333)
Holiday Parks	1,255	1,255	18	1.4%	1,209	(46)
Information Technology	6,275	6,275	526	8.4%	3,818	(2,457)
Parks and Gardens	15,141	15,141	2,412	15.9%	16,630	1,489
Quarries	480	480	(16)	(3.3%)	604	124
Stormwater	6,772	6,772	256	3.8%	5,112	(1,660)
Strategic Land and Commercial Properties	9,949	9,949	50	0.5%	9,949	-
Transportation	65,588	65,588	10,239	15.6%	67,217	1,629
Waste	14,723	14,723	1,590	10.8%	17,538	2,815
<b>Total SCC Core Capital Program</b>	<b>177,075</b>	<b>177,075</b>	<b>19,417</b>	<b>11.0%</b>	<b>161,542</b>	<b>(15,533)</b>
Corporate Major Projects	16,733	16,733	6,403	38.3%	15,649	(1,084)
Maroochydoore City Centre	11,879	11,879	2,939	24.7%	11,879	-
Submarine Cable IBN	-	-	35	-	18	18
Sunshine Coast Airport Runway	36,718	36,718	12,815	34.9%	38,601	1,883
<b>Total Other Capital Program</b>	<b>65,330</b>	<b>65,330</b>	<b>22,191</b>	<b>34.0%</b>	<b>66,147</b>	<b>817</b>
<b>TOTAL</b>	<b>242,405</b>	<b>242,405</b>	<b>41,608</b>	<b>17.2%</b>	<b>227,689</b>	<b>(14,716)</b>
The above program of works includes recurrent and non-recurrent expenditure, as reporting in the operating statement						
Recurrent Expenses			477	-		
Non-Recurrent Expenses			931	-		

# Cash Flows and Balance Sheet

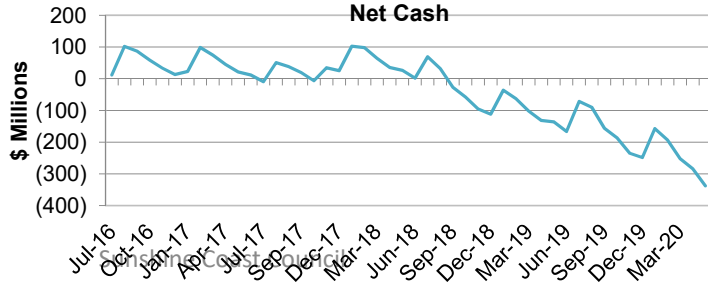
Cash Balance



Debt Balance



Net Cash



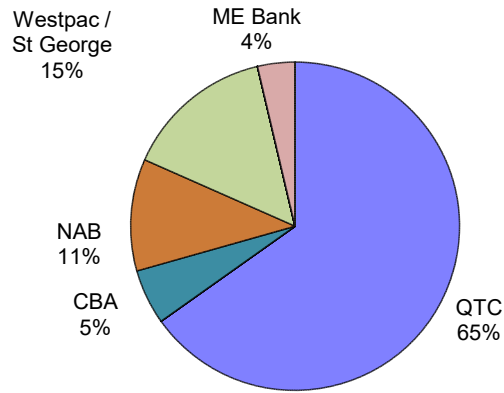
Cash and Balance Sheet - August 2020

	Original Budget \$000s
<b>CASH FLOWS</b>	
<b>Opening Cash</b>	229,139
Net Cash Inflow/(Outflows) from:	
Operating Activities	48,942
Investing Activities	(149,603)
Financing Activities	90,433
<b>Net Increase/(decrease) in Cash Held</b>	<b>(10,229)</b>
<b>Cash at year end</b>	<b>218,910</b>
<b>BALANCE SHEET</b>	
Current Assets	272,962
Non Current Assets	6,173,956
<b>Total Assets</b>	<b>6,446,918</b>
Current Liabilities	408,307
Non Current Liabilities	410,419
<b>Total Liabilities</b>	<b>818,726</b>
<b>Net Community Assets/Total Community Equity</b>	<b>5,628,192</b>

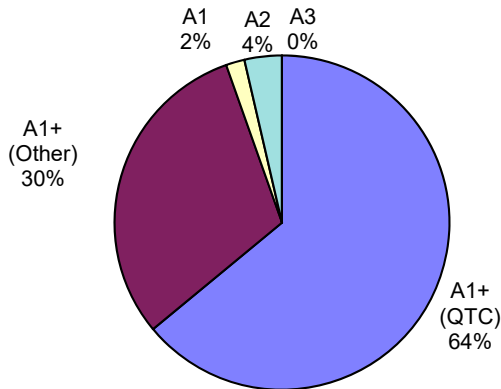
- Council's cash at 31 August 2020 is \$269.2 million
- Council's debt at 31 August 2020 is \$535.4 million
- Council's 2020/21 budget forecasts debt to increase to \$655 million by 30 June 2021, predominantly due to the Sunshine Coast Airport Expansion Project. Payment to be received following the completion of the runway in June 2022 will reduce Council's debt by \$267 million.

# Investment Performance

Investment per financial institution (%)



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



## Investment Performance - August 2020

Liquidity as at:	31/08/2020	
	\$'000	
<b>At-call accounts</b>		
QTC + CBA (excl. trust)	184,208	66.46%
Maturities within 7 days	-	0.00%
<b>Total at-call</b>	<b>70,251</b>	<b>32.26%</b>
Investment Policy Target		10.00%

Term deposits maturing:	\$'000	Count
within 30 days	10,000	1
30-59 days	30,000	3
60-89 days	45,000	5
90-179 days	-	-
180-364 days	-	-
1 year - 3 years	-	-
<b>Total</b>	<b>85,000</b>	<b>9</b>

\$'000	INVESTMENT SUMMARY (including Trust) as at:						Investment Policy	
	31/08/2020		31/05/2020		31/08/2019		Individual Limit	Group Limits
A1+ (QTC)	177,376	64%	66,392	35.8%	114,777	37.3%	100.0%	100.0%
A1+ (Other)	84,786	31%	59,088	31.9%	132,742	43.2%	40.0%	100.0%
A1	5,000	2%	10,000	5.4%	20,000	6.5%	30.0%	50.0%
A2	10,000	4%	50,000	27.0%	40,000	13.0%	30.0%	45.0%
A3	-	0%	-	0.0%	-	0.0%	5.0%	10.0%
<b>Total Funds</b>	<b>277,163</b>		<b>185,480</b>		<b>307,519</b>			
<b>FUND SUMMARY</b>								
General Funds	269,208		178,213		299,159			
Trust Funds	7,954		7,267		8,360			
<b>Total Funds</b>	<b>277,163</b>		<b>185,480</b>		<b>307,519</b>			

- All investment parameters remain within the guidelines established by the Investment Policy.
- For the month ending 31 August 2020 Council had \$269.2 million cash (excluding Trust Fund) with an average interest rate of 0.81%, being 0.70% above benchmark. This is compared to the same period last year with \$299.1 million cash (excluding Trust Fund) with an average interest rate of 2.18%, being 0.98% above benchmark.
- The benchmark used to measure performance of cash funds is Bloomberg AusBond Bank Bill index (BAUBIL).