

# FINANCIAL PERFORMANCE REPORT

## August 2013

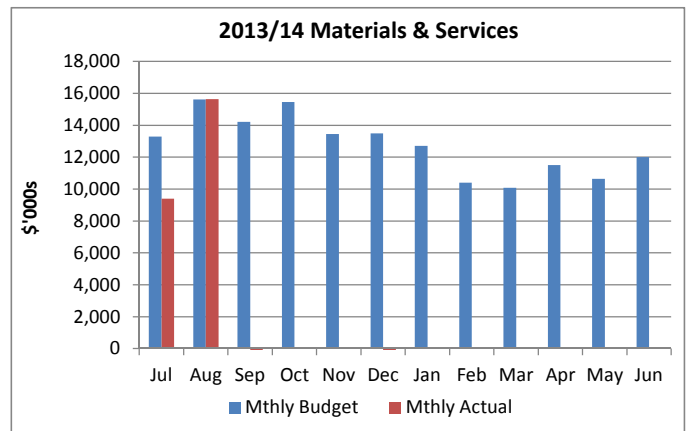
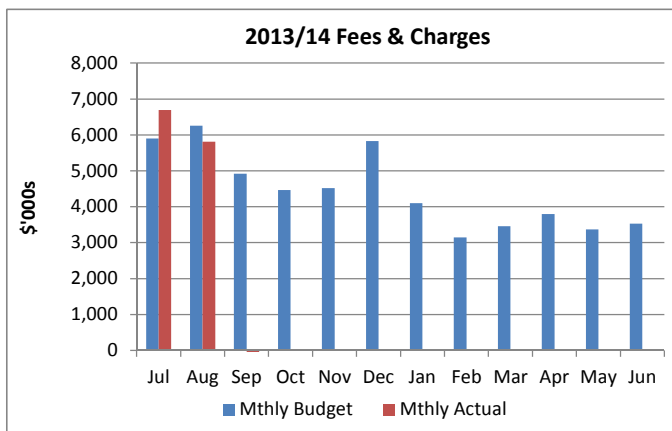
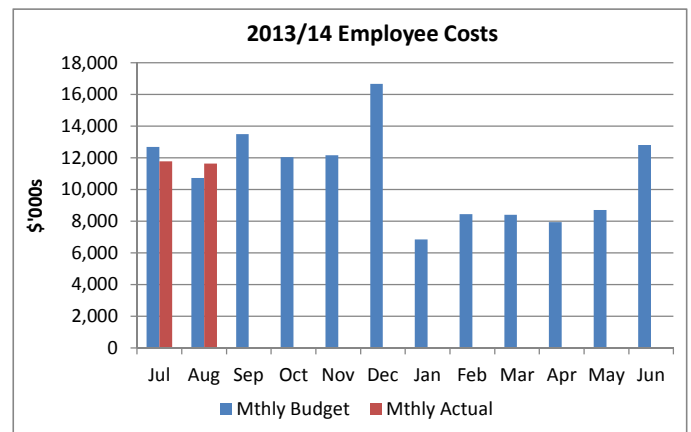
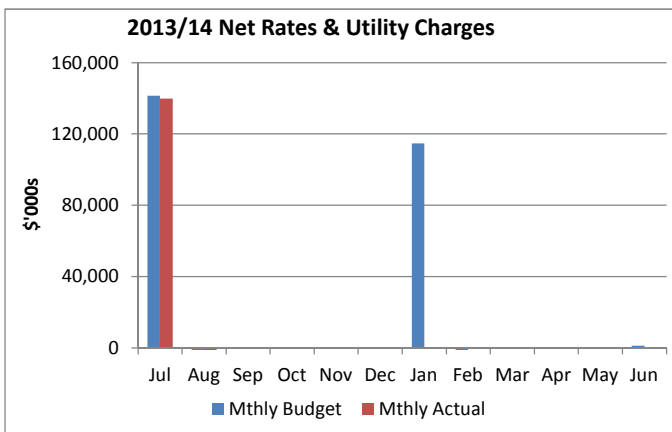
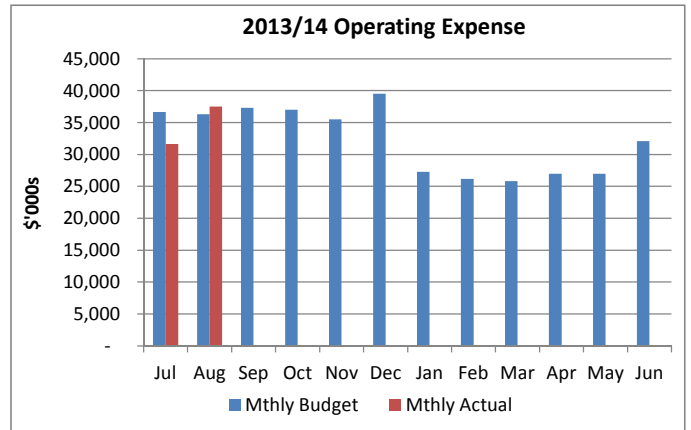
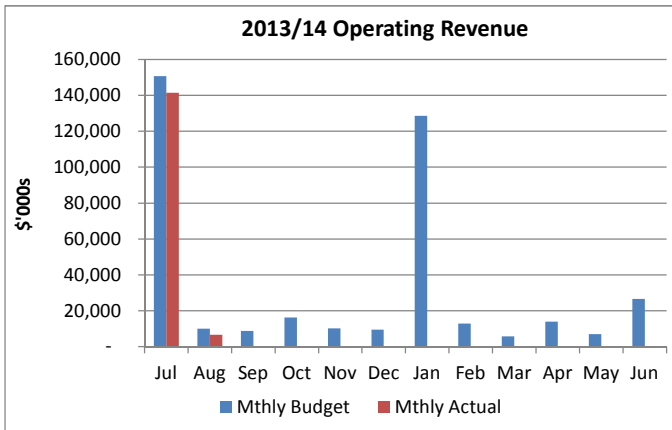


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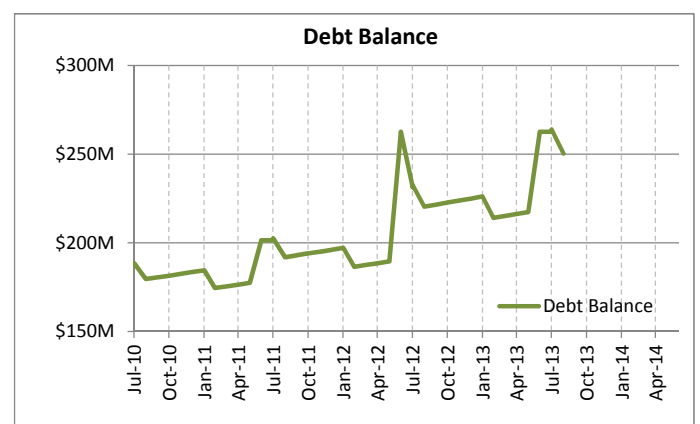
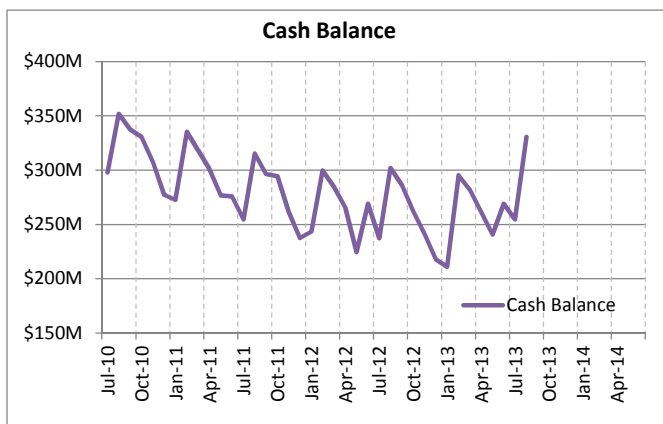
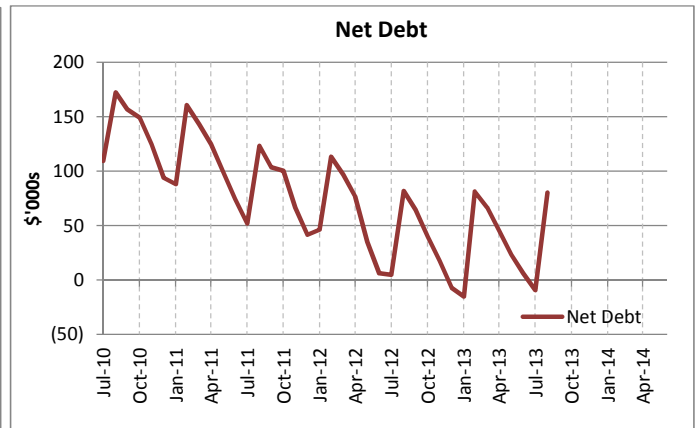
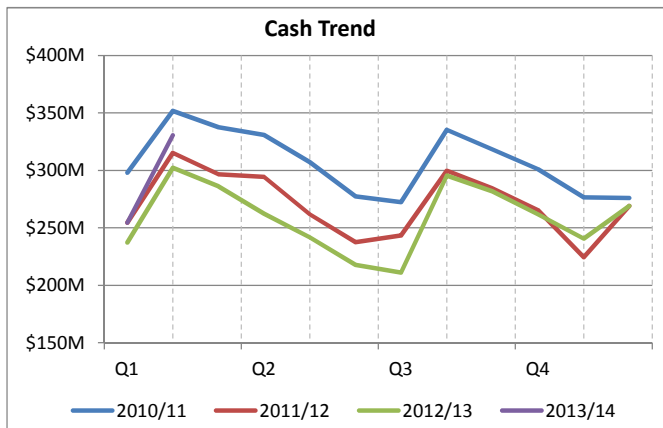
HEADLINE - OPERATING

	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	400,295	400,295	160,837	148,074	(12,762)	(7.9%)
Operating Expenses	387,582	387,582	72,934	69,109	(3,825)	(5.2%)
<b>Operating Result</b>	<b>12,713</b>	<b>12,713</b>	<b>87,903</b>	<b>78,965</b>	<b>(8,938)</b>	<b>(10.2%)</b>
<b>NET Result</b>	<b>54,287</b>	<b>54,287</b>	<b>97,147</b>	<b>84,706</b>	<b>(12,441)</b>	<b>(12.8%)</b>



HEADLINE - CASH & BALANCE SHEET

	Annual		YTD
	Original Budget \$000s	Current Budget \$000s	Actuals \$000s
<b>CASH FLOWS</b>			
Opening Cash	196,241	196,241	261,336
Net Cash Inflow/(Outflows) from:			
Operating Activities	48,186	48,186	86,195
Investing Activities	(93,697)	(93,697)	(11,954)
Financing Activities	476	476	(4,339)
<b>Net Increase/(decrease) in Cash Held</b>	<b>(45,035)</b>	<b>(45,035)</b>	<b>69,901</b>
<b>Cash at year end</b>	<b>151,206</b>	<b>151,206</b>	<b>331,237</b>
<b>BALANCE SHEET</b>			
Total Current Assets	216,289	216,289	389,213
Total Non Current Assets	4,511,393	4,511,393	5,293,863
<b>Total Assets</b>	<b>4,727,682</b>	<b>4,727,682</b>	<b>5,683,077</b>
Total Current Liabilities	70,183	70,183	81,503
Total Non Current Liabilities	240,480	240,480	279,254
<b>Total Liabilities</b>	<b>310,663</b>	<b>310,663</b>	<b>360,757</b>
<b>Net Community Assets/ Total Community Equity</b>	<b>4,417,019</b>	<b>4,417,019</b>	<b>5,322,320</b>



**HEADLINE - COMMENTARY****Income & Expense Statement**

Council's financial results at August 2013 show the organisation with a \$8.9 million lower than forecasted operating position against the full year budget. This operating result variation is made up of operating revenue being \$12.8 million lower than the full year budget, along with operating expenses being \$3.8 million lower than the full year budget.

It should be noted that it is difficult to compare year to date budgets and actual results with any degree of certainty until:

- 1) 2012/13 carry-over works are loaded into the 2013/14 Budget as part of Budget Review 1; and
- 2) the impact of accruals from June 2013 are matched to physical payments.

**Operating Revenues**

The unfavourable revenue variance of \$12.8 million is largely a result of outstanding dividend from Unitywater of \$8.8 million from 2012/13. Receipt of these funds will not occur until after Unitywater present their annual financial statements to the State Government, around September/October.

Net Rates and Utility Charges has an unfavourable variance of \$2.9 million. General rates have a unfavourable variance of \$5.4 million that is offset by pre-paid rates of \$2.6. Overall, the main risk is there was lower general rates growth than anticipated, that is, 1.0% growth against 1.5% budget. This equates to \$1.0 million financial risk.

**Operating Expenses**

The favourable variance in operating expenses of \$3.8 million relates to Materials & Services and is largely due to profiling with variations relating to:

- \$3.0 million relating to contracts due to a slow start and some budget profiling, mainly projects of \$1.7 million for Infrastructure Services and \$535,000 for Community Services; and
- \$670,000 of Water and Sewerage charges (Unitywater charges) yet to be processed.

**Capital Expenditure**

As at 31 August 2013, \$18.4 million (16.8%) of council's \$109.3 million 2013/14 Capital Works Program was financially expended.

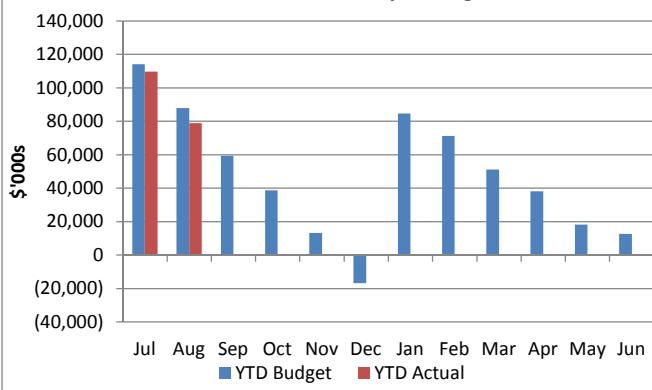
**HEADLINE - RISKS****Income & Expense Statement**

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 of \$1.0 million.
2. Financial Assistance Grant - during 2012/13 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 2012/13 budget.
3. Organisation Review - \$4.7 million savings loaded into the budget.
4. De-amalgamation - the budget reductions for Materials & Services budget after separation occurs 1 January 2014 may be difficult to achieve.
5. Employee Vacancy Factor - \$4.4 million loaded in the budget. May be difficult to achieve this saving along with Organisation Review.

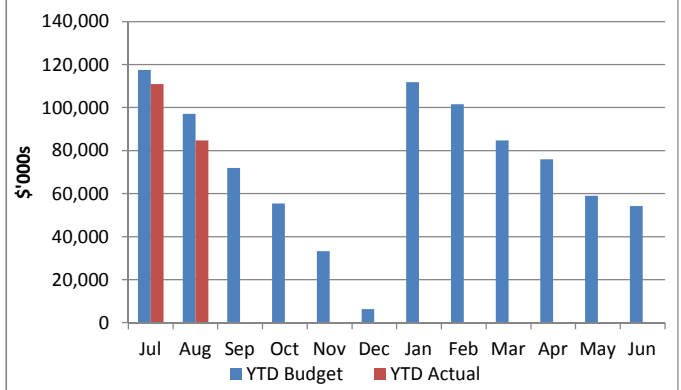
STATEMENT OF INCOME & EXPENSES

	Annual		YTD				Annual
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %	Forecast Budget \$000s
<b>Operating Revenue</b>							
Gross Rates & Utility Charges	262,411	262,411	145,713	143,006	(2,707)	54.5%	262,411
Interest from Rates & Utilities	2,053	2,053	382	320	(62)	15.6%	2,053
Less Discounts, Pensioner Remissions	(11,374)	(11,374)	(6,283)	(6,412)	(129)	56.4%	(11,374)
Net Rates & Utility Charges	253,090	253,090	139,812	136,913	(2,898)	54.1%	253,090
Fees & Charges	53,274	53,274	12,152	12,504	352	23.5%	53,274
Interest Received from Investments	8,512	8,512	1,788	1,557	(231)	18.3%	8,512
Grants and Subsidies - Recurrent	10,780	10,780	3,278	2,342	(936)	21.7%	10,780
Operating contributions	570	570	105	85	(20)	14.9%	570
Interest received from Unitywater	26,205	26,205	0	0	0	0.0%	26,205
Dividends Received	27,001	27,001	0	(8,749)	(8,749)	-32.4%	27,001
Other Revenue	13,249	13,249	2,287	2,416	129	18.2%	13,249
Internal Revenues	7,614	7,614	1,415	1,005	(410)	13.2%	7,614
Community Service Obligations	0	0	0	0	0	0.0%	0
<b>Total Operating Revenue</b>	<b>400,295</b>	<b>400,295</b>	<b>160,837</b>	<b>148,074</b>	<b>(12,762)</b>	<b>37.0%</b>	<b>400,295</b>
<b>Operating Expenses</b>							
Employee costs	130,879	130,879	23,391	23,402	11	17.9%	131,340
Materials & Services	152,860	152,875	28,902	25,048	(3,853)	16.4%	157,096
Internal Expenditure	0	0	0	0	0	0.0%	0
Finance Costs	14,197	14,182	2,585	2,530	(55)	17.8%	14,182
Company Contributions	1,152	1,152	1,152	1,152	0	100.0%	1,152
Depreciation	70,510	70,510	13,266	13,266	0	18.8%	70,510
Other Expenses	17,984	17,984	3,639	3,711	73	20.6%	18,034
Competitive Neutrality Adjustments	0	0	(0)	0	0	0.0%	0
<b>Total Operating Expenses</b>	<b>387,582</b>	<b>387,582</b>	<b>72,934</b>	<b>69,109</b>	<b>(3,825)</b>	<b>17.8%</b>	<b>392,314</b>
<b>Operating Result</b>	<b>12,713</b>	<b>12,713</b>	<b>87,903</b>	<b>78,965</b>	<b>(8,938)</b>	<b>621.1%</b>	<b>7,981</b>
<b>Capital Revenue</b>							
Capital Grants and Subsidies	2,900	2,900	2,900	4,671	1,771	161.1%	2,900
Capital Contributions	7,201	7,201	1,344	1,070	(274)	14.9%	7,201
Contributed Assets.	27,000	27,000	5,000	0	(5,000)	0.0%	27,000
Other Capital Revenue	4,472	4,472	0	0	0	0.0%	4,472
<b>Total Capital Revenue</b>	<b>41,573</b>	<b>41,573</b>	<b>9,244</b>	<b>5,741</b>	<b>(3,503)</b>	<b>175.9%</b>	<b>41,573</b>
<b>Net Result</b>	<b>54,287</b>	<b>54,287</b>	<b>97,147</b>	<b>84,706</b>	<b>(12,441)</b>	<b>156.0%</b>	<b>49,555</b>

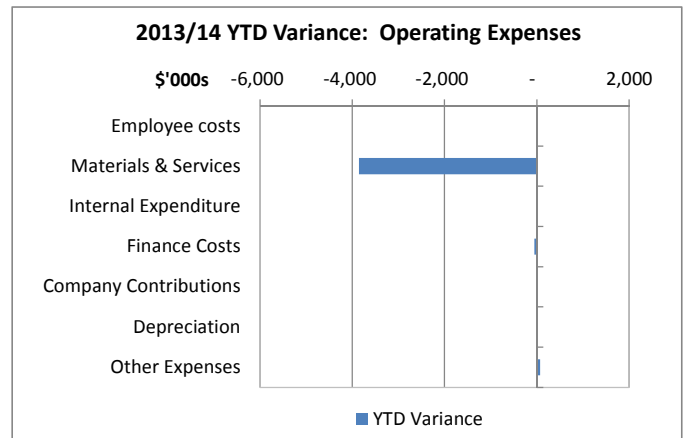
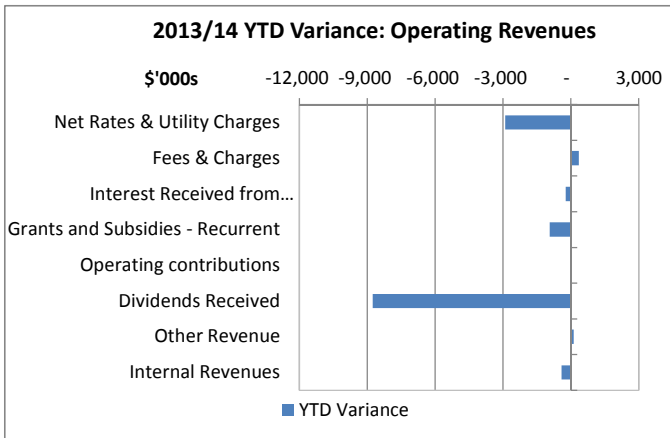
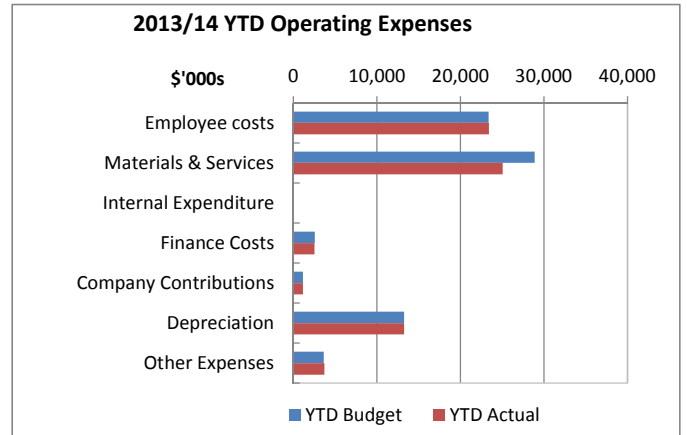
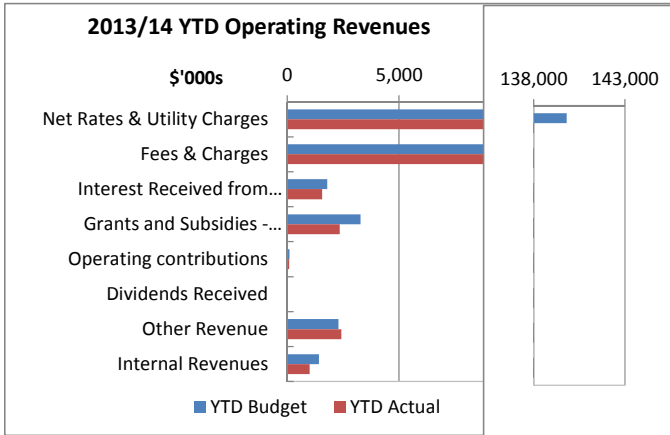
2013/14 Operating Result



2013/14 Net Result



STATEMENT OF INCOME & EXPENSES



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	6,568	799	619	9.4%	6,568
Coast and Canals	1,949	1,949	246	54	2.8%	1,961
Divisional Allocations	3,100	2,987	8	471	15.8%	2,987
Environmental Assets	1,238	1,238	83	43	3.5%	1,238
Fleet	1,000	1,000	-	-	0.0%	1,000
Parks and Gardens	10,317	10,278	1,020	1,111	10.8%	10,278
Stormwater	4,161	4,146	857	851	20.5%	4,146
Transportation	52,952	52,975	6,601	6,757	12.8%	53,160
Information Communication Technology	3,927	3,927	567	510	13.0%	3,927
Strategic Land & Comm Properties	9,422	9,422	55	6,346	67.4%	9,422
Sunshine Coast Airport	3,400	3,400	565	698	20.5%	3,400
SC Holiday Parks	1,455	1,455	16	44	3.0%	1,455
Quarries	150	150	-	217	144.5%	150
Waste	9,651	9,651	76	645	6.7%	9,651
<b>TOTAL</b>	<b>109,270</b>	<b>109,146</b>	<b>10,892</b>	<b>18,366</b>	<b>16.8%</b>	<b>109,342</b>

