

Sunshine Coast
Council

FINANCIAL PERFORMANCE REPORT
March 2014

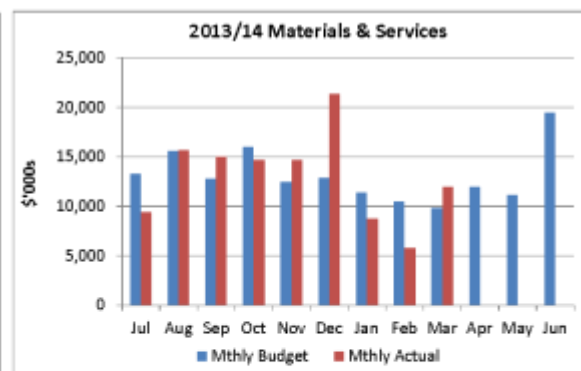
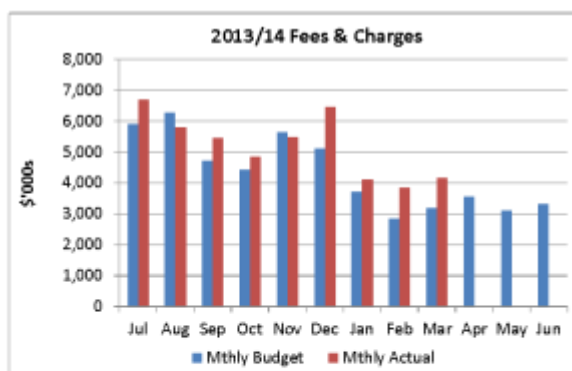
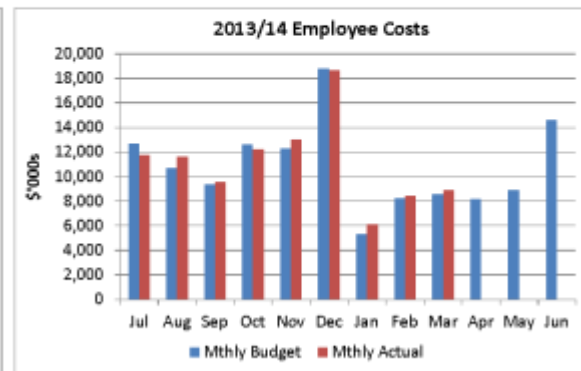
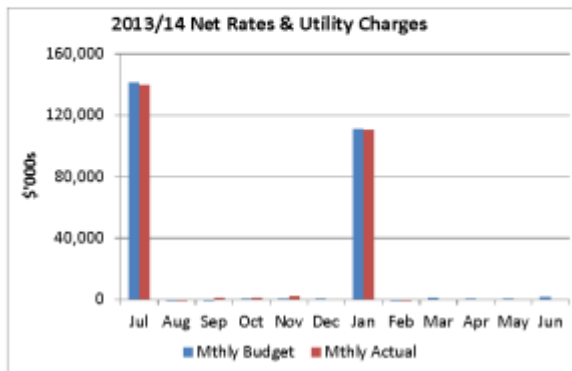
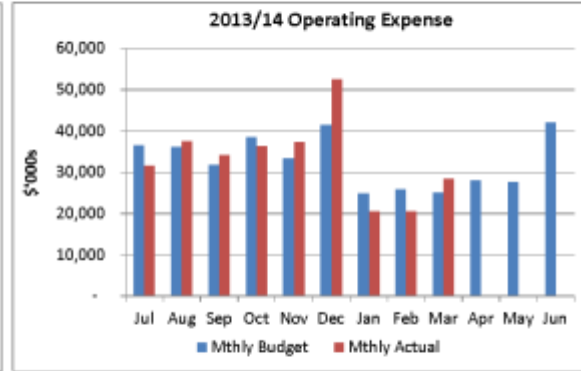
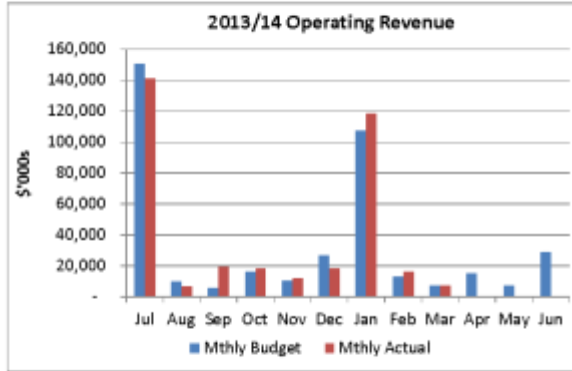


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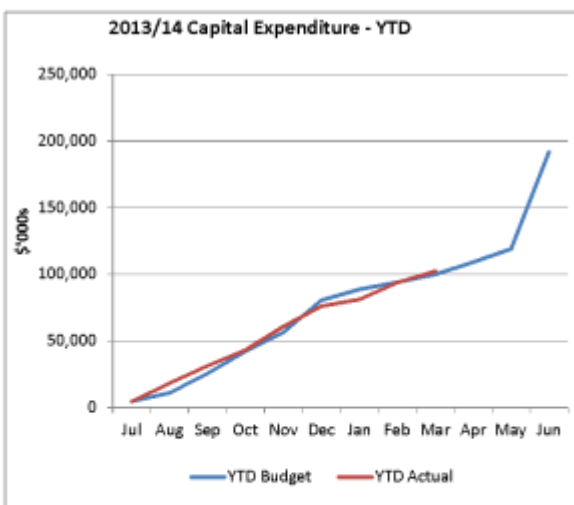
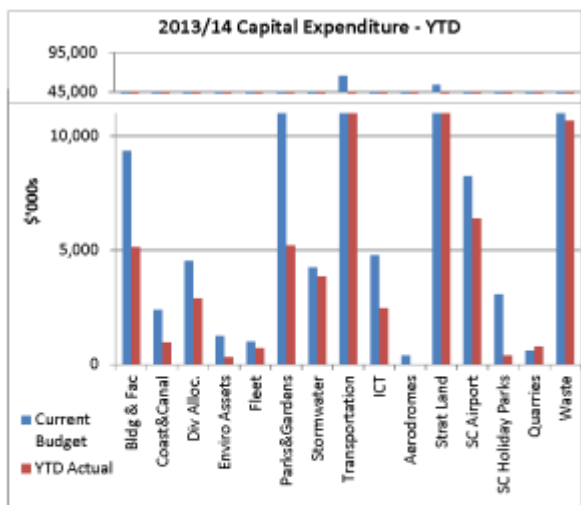
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FINANCIAL PERFORMANCE REPORT March 2014
HEADLINE - OPERATING

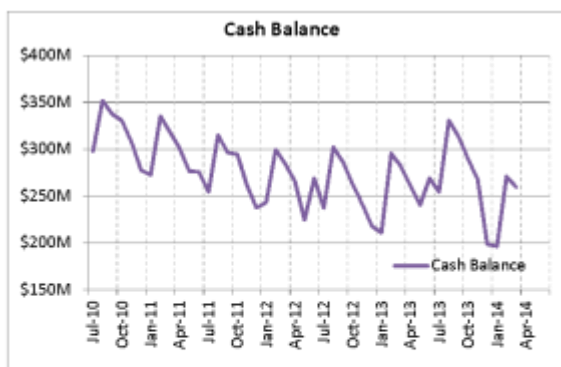
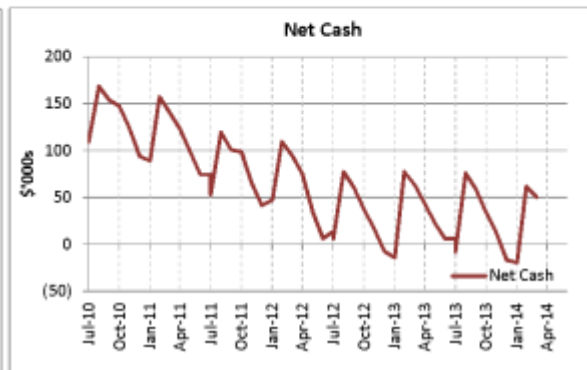
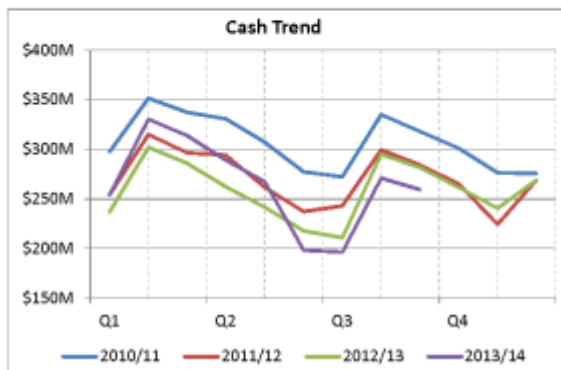
	Annual		YTD			
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %
Operating Revenue	400,295	399,438	348,453	358,360	9,907	2.8%
Operating Expenses	387,582	392,020	294,170	299,297	5,128	1.7%
Operating Result	12,713	7,418	54,283	59,063	4,779	8.8%
NET Result	54,287	50,538	82,494	95,859	13,365	16.2%



FINANCIAL PERFORMANCE REPORT						March 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	26,013	34,599	8,586	
Other Capital Revenues	86,410	86,409	56,153	56,581	427	
Total Capital Revenues	123,511	125,057	82,166	91,179	9,013	
Capital Works Expenditure	109,270	191,678	99,796	102,404	2,609	2.6%
Other capital Expenditure	41,150	33,550	29,870	34,730	4,860	
Total Capital Expenditure	150,420	225,228	129,666	137,135	7,469	
Funds from General Revenue	26,909	100,171	47,500	45,955	(1,545)	



FINANCIAL PERFORMANCE REPORT				March 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	(106,815)	
Investing Activities	(93,697)	(157,471)	46,346	
Financing Activities	476	476	(43,060)	
Net Increase/(decrease) in Cash Held	(45,035)	(113,541)	(103,529)	
Cash at year end	151,206	151,206	157,807	
BALANCE SHEET				
Total Current Assets	216,289	216,289	297,264	
Total Non Current Assets	4,511,393	4,511,393	4,293,107	
Total Assets	4,727,682	4,727,682	4,590,371	
Total Current Liabilities	70,183	70,183	967,653	
Total Non Current Liabilities	240,480	240,480	234,703	
Total Liabilities	310,663	310,663	732,356	
Net Community Assets/ Total Community Equity	4,417,019	4,417,019	5,323,321	



FINANCIAL PERFORMANCE REPORT

March 2014

HEADLINE - COMMENTARY

Income & Expense Statement

Council's financial results at 30 March 2014 shows the organisation with a \$8.5 million higher than forecasted operating position against the year to date budget. This operating result variation is made up of operating revenue being \$10.2 million higher than the year to date budget, along with operating expenses being \$1.7 million higher than the year to date budget.

Operating Revenues

As at March 2014, net rates and utilities are showing an unfavourable variance of \$477,000. This variance is being generated by an increase in waste rates revenue of \$618,000, and is offset by lower than anticipated growth in general rates of \$1 million. Both of these variances will be addressed as part of Budget Review 3 (BR3).

Of the \$5 million favourable variance in fees and charges, \$2.9 million relates to development applications revenue, across all application types.

Of the \$3.8 million favourable variance in other revenue, \$2.3 million relates to the reimbursement of de-amalgamation costs up to the 23 December 2013 from the working capital facility. This reimbursement is for \$1.3 million in employee costs and \$1.0 million in Materials and Services, which covers costs incurred by the Sunshine Coast Council on de-amalgamation activities.

Operating Expenses

As at March 2014 month end, employee costs were over budget by \$1.7 million. Redundancy costs resulting from the Organisational Review are \$508,889 above budget. Due to staggered timing of redundancies, the employee cost savings in 2013/2014 are \$251,000 less than budgeted.

As at March 2014 month end, materials and services costs were above budget by \$2.6million. This variance is made up of higher than budgeted legal costs of \$1.3 million. As at 23 December 2013, \$1 million had been spent on materials and services setting up the new Noosa Shire Council. As reflected in other revenue, the reimbursement of this expenditure has been received, and BR3 will align the revenue and expenditure lines.

Capital Expenditure

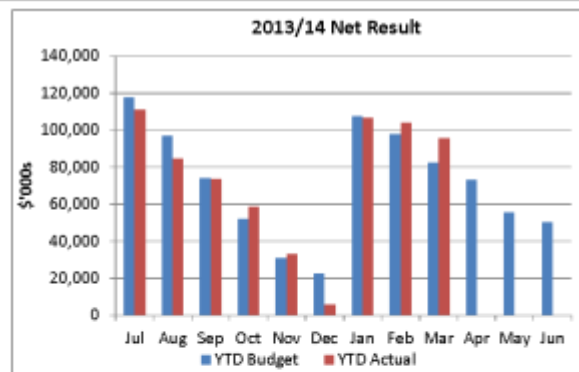
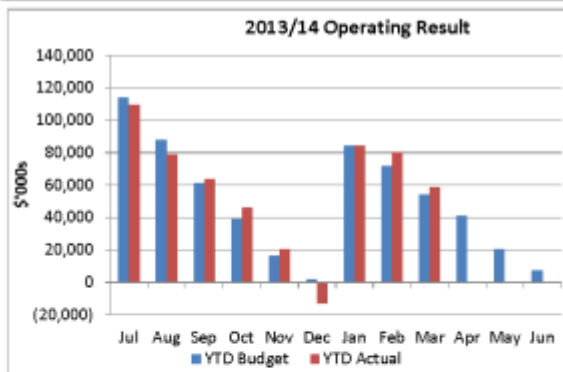
As at 30 March 2014, \$93.8 million (48.9%) of council's \$191.7 million 2013/2014 Capital Works Program was financially expended.

HEADLINE - RISKS

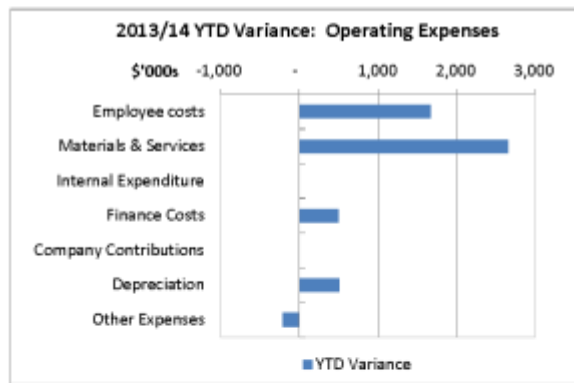
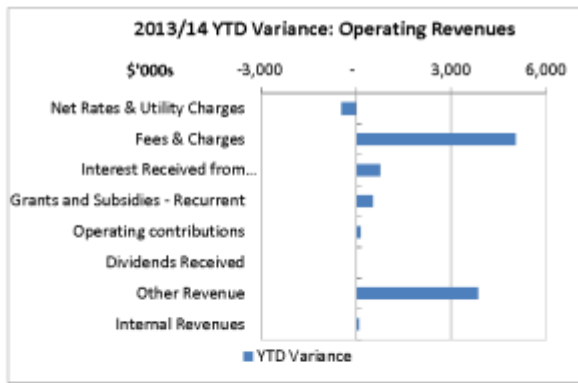
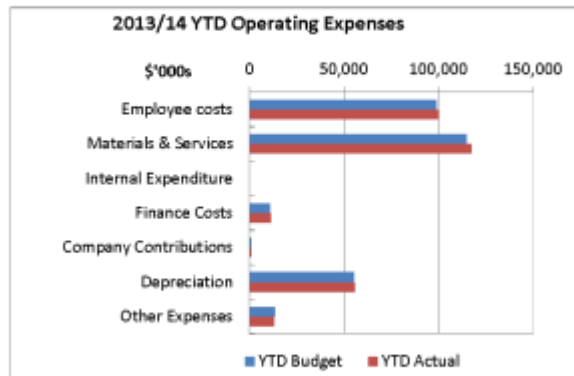
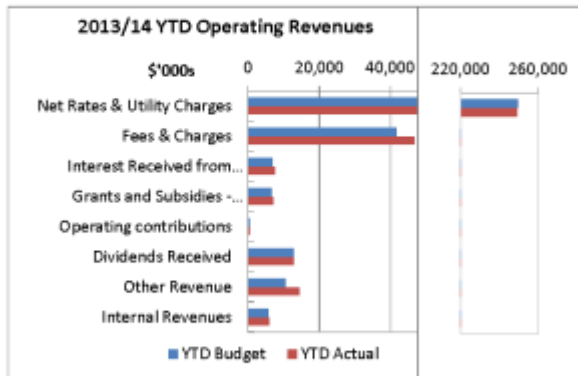
Income & Expense Statement

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. Organisational 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 the Organisational 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

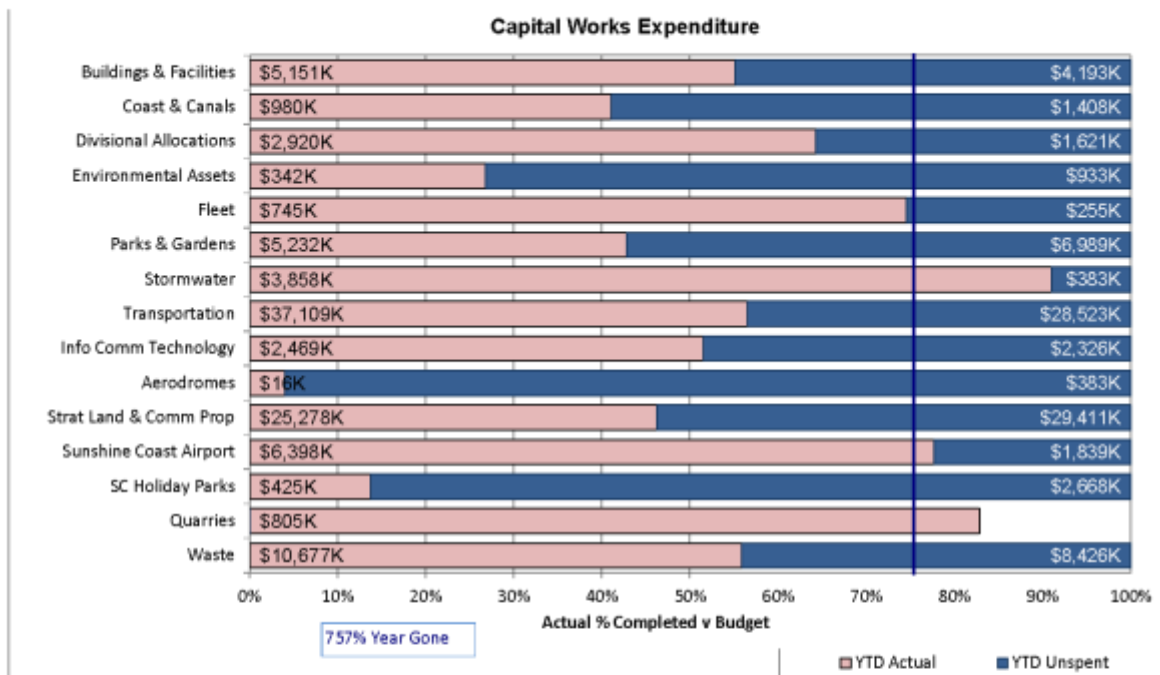
FINANCIAL PERFORMANCE REPORT							March 2014
STATEMENT OF INCOME & EXPENSES							
	Annual		YTD				Annual
	Original Budget \$000s	Current Budget \$000s	Current Budget \$000s	Actuals \$000s	Variance \$000s	Variance %	Forecast Budget \$000s
Operating Revenue							
Gross Rates & Utility Charges	262,411	262,480	259,348	260,387	1,039	0.4%	262,008
Interest from Rates & Utilities	2,053	2,053	1,790	1,746	(44)	-2.5%	2,053
Less Discounts, Pensioner Remissions	(11,374)	(11,374)	(11,332)	(12,804)	(1,471)	13.0%	(11,374)
Net Rates & Utility Charges	253,090	253,159	249,806	249,329	(477)	-0.2%	252,687
Fees & Charges	53,274	51,841	41,841	46,874	5,033	12.0%	54,684
Interest Received from Investments	8,512	8,512	6,896	7,656	760	11.0%	9,012
Grants and Subsidies - Recurrent	10,780	11,091	6,700	7,235	535	8.0%	11,391
Operating contributions	570	570	442	584	142	32.1%	570
Interest received from Unitywater	26,205	26,205	13,331	13,305	(26)	-0.2%	25,205
Dividends Received	27,001	27,001	12,826	12,817	(9)	-0.1%	28,001
Other Revenue	13,249	13,485	10,700	14,554	3,854	36.0%	16,333
Internal Revenues	7,614	7,575	5,910	6,006	95	1.6%	7,575
Community Service Obligations	0	0	0	0	0	0.0%	0
Total Operating Revenue	400,295	399,438	348,453	358,360	9,907	2.8%	405,457
Operating Expenses							
Employee costs	130,879	130,318	98,652	100,327	1,675	1.7%	130,596
Materials & Services	152,860	157,293	114,758	117,418	2,660	2.3%	162,434
Internal Expenditure	0	0	0	0	0	0.0%	0
Finance Costs	14,197	14,197	10,967	11,469	502	4.6%	14,564
Company Contributions	1,152	1,152	1,152	1,152	0	0.0%	1,152
Depreciation	70,510	70,510	55,153	55,663	510	0.9%	63,118
Other Expenses	17,984	18,551	13,488	13,269	(219)	-1.6%	18,569
Competitive Neutrality Adjustments	0	0	(0)	0	0	-100.0%	0
Total Operating Expenses	387,582	392,020	294,170	299,297	5,128	1.7%	390,433
Operating Result	12,713	7,418	54,283	59,063	4,779	8.8%	15,024
Capital Revenue							
Capital Grants and Subsidies	2,900	12,042	4,437	6,227	1,790	40.3%	12,662
Capital Contributions	7,201	7,206	5,855	7,157	1,302	22.2%	7,206
Contributed Assets	27,000	19,400	15,720	21,214	5,494	34.9%	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	28,211	36,797	8,586	30.4%	43,740
Net Result	54,287	50,538	82,494	95,859	13,365	16.2%	58,764



FINANCIAL PERFORMANCE REPORT March 2014
STATEMENT OF INCOME & EXPENSES



FINANCIAL PERFORMANCE REPORT							March 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	5,235	5,151	70.3%	9,386	
Coast and Canals	1,949	2,388	1,600	980	41.0%	2,315	
Divisional Allocations	3,100	4,540	2,760	2,920	64.3%	4,468	
Environmental Assets	1,238	1,276	281	342	26.8%	1,215	
Fleet	1,000	1,000	734	745	74.5%	800	
Parks and Gardens	10,317	12,228	6,190	5,232	42.8%	12,404	
Stormwater	4,161	4,241	2,697	3,858	91.0%	4,094	
Transportation	52,952	65,632	42,642	37,109	56.5%	59,304	
Information Communication Technology	3,927	4,871	2,527	2,469	50.7%	4,958	
Strategic Land & Comm Properties	9,422	56,709	20,287	25,278	44.6%	42,046	
Aerodromes	-	399	7	16	4.0%	399	
Sunshine Coast Airport	3,400	8,237	6,530	6,398	77.7%	8,237	
SC Holiday Parks	1,455	3,093	963	425	13.8%	1,880	
Quarries	150	637	183	805	126.2%	1,121	
Waste	9,651	19,103	7,158	10,677	55.9%	16,942	
TOTAL	109,270	191,678	99,796	102,404	53.4%	169,569	

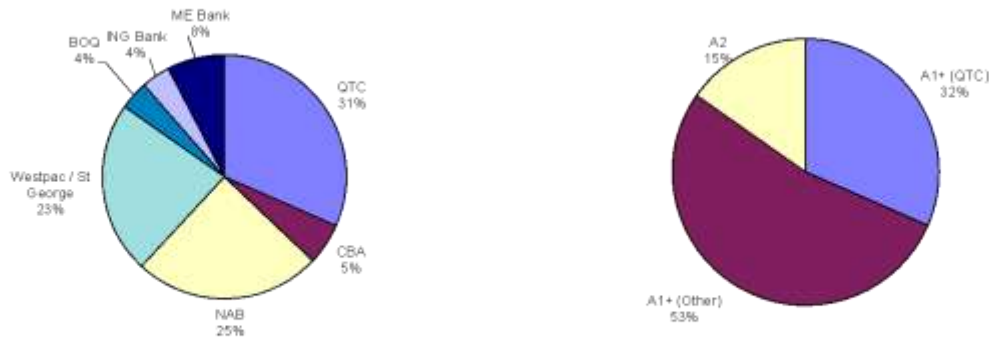


FINANCIAL PERFORMANCE REPORT March 2014
INVESTMENT PERFORMANCE

Liquidity as at: 31/03/2014		
\$'000's		
At-call accounts		
QTC + CBA (exc trust)	\$92,133	35.14%
Maturities within 7 days		
	\$10,000	3.81%
Total at-call	\$102,133	38.95%
Investment Policy Target		10.00%

	INVESTMENT SUMMARY AS AT (including Trust)			Investment Policy				
	31/03/2014		28/02/2014		31/03/2013		Individual Limit	Group Limits
A1+ (QTC)	\$82,789	31.6%	\$91,905	33.7%	\$20,644	7.3%	100%	100%
A1+ (Other)	\$139,434	53.2%	\$126,107	46.2%	\$168,779	59.3%	35%	100%
A1	\$0	0.0%	\$10,000	3.7%	\$30,000	10.5%	30%	30%
A2	\$40,000	15.3%	\$45,000	16.5%	\$65,000	22.9%	10%	30%
TOTAL	\$262,223		\$273,012		\$284,423			

Investment Portfolio



Investment Performance

