

AUGUST 2008 FINANCIALS – BRIEF NOTES

1	<u>Operating Revenue vs Budget</u> Actual \$177.914m Budget \$178.849m	\$0.935m UNFAV (0.5%)	Original Budget \$473.943m Current Budget \$473.943m	
<p>The general rate is \$2.793m less than budget, with some of that difference expected to be picked up through prepayment of future rates over the next few months. In addition water consumption charges are \$2.353k under in the Northern part of the region, however this is a budget profiling issue and has no full year implications. Offsetting these underruns are improved performances for interest income (\$1.774m over budget due to higher cash balances than anticipated) and other revenue (\$1.468m), which relates mainly to the State government streetlight funding (helping to offset the higher than budgeted electricity charges for this service). In addition grants & subsidies are \$0.752m ahead due to the timing of receipts.</p>				
2	<u>Employee Costs vs Budget</u> Actual \$25.794m Budget \$26.262m	\$0.468m FAV (1.7%)	Original Budget \$167.314m Current Budget \$167.314m	
<p>There is a mixture of over- and under-spending across Council departments, a reflection of the transitional state that the organisation is currently in, but the key point is that overall spending is comfortably within budget. This position will continue to be monitored with a more detailed analysis possible when the organisational structure is finalised.</p>				
3	<u>Materials & Services vs Budget</u> Actual \$29.331m Budget \$37.126m	\$7.795m FAV (20.9%)	Original Budget \$222.861m Current Budget \$222.861m	
<p>The underspend for materials and services is overwhelmingly a reflection of the slower than planned start to the capital works programme, with the variance concentrated (80%) in the main delivery departments of Assets & Infrastructure Services and Sunshine Coast Water.</p>				
4	<u>Capital Revenue vs Budget</u> Actual \$8.982m Budget \$6.977m	\$2.005m FAV (28.7%)	Original Budget \$50.302m Current Budget \$50.302m	
<p>Capital contributions are \$2.991m over budget, boosted by part of the bulk water assets compensation from the State Government. Offsetting this is a \$0.986m underrun attributable to the timing of grant & subsidy receipts.</p>				
5	<u>Constructed Assets vs Budget</u> Actual \$14.481m Budget \$22.085m	\$7.604m UNFAV (34.43%)	Original Budget \$163.116m Current Budget \$163.116m	
<p>8.9% of current budget has been expended with 16.7% of the year gone. The capital programme for 2008/2009 consisting of the original budget and potential carryover from 2007/2008 has been the subject of a thorough review by Finance and Corporate Services, Assets and Infrastructure and Water.</p>				

CORPORATE SUMMARY

The financial position to date is dominated by the differences between actual and budgeted capital works delivery; this is currently being addressed through a review of the budget as well as currently identified funding shortfalls for electricity, airport revenue, asset revaluation costs, election expenses and targeted organisational savings.