

# **Bega Valley Shire Council**

**30 June 2014**

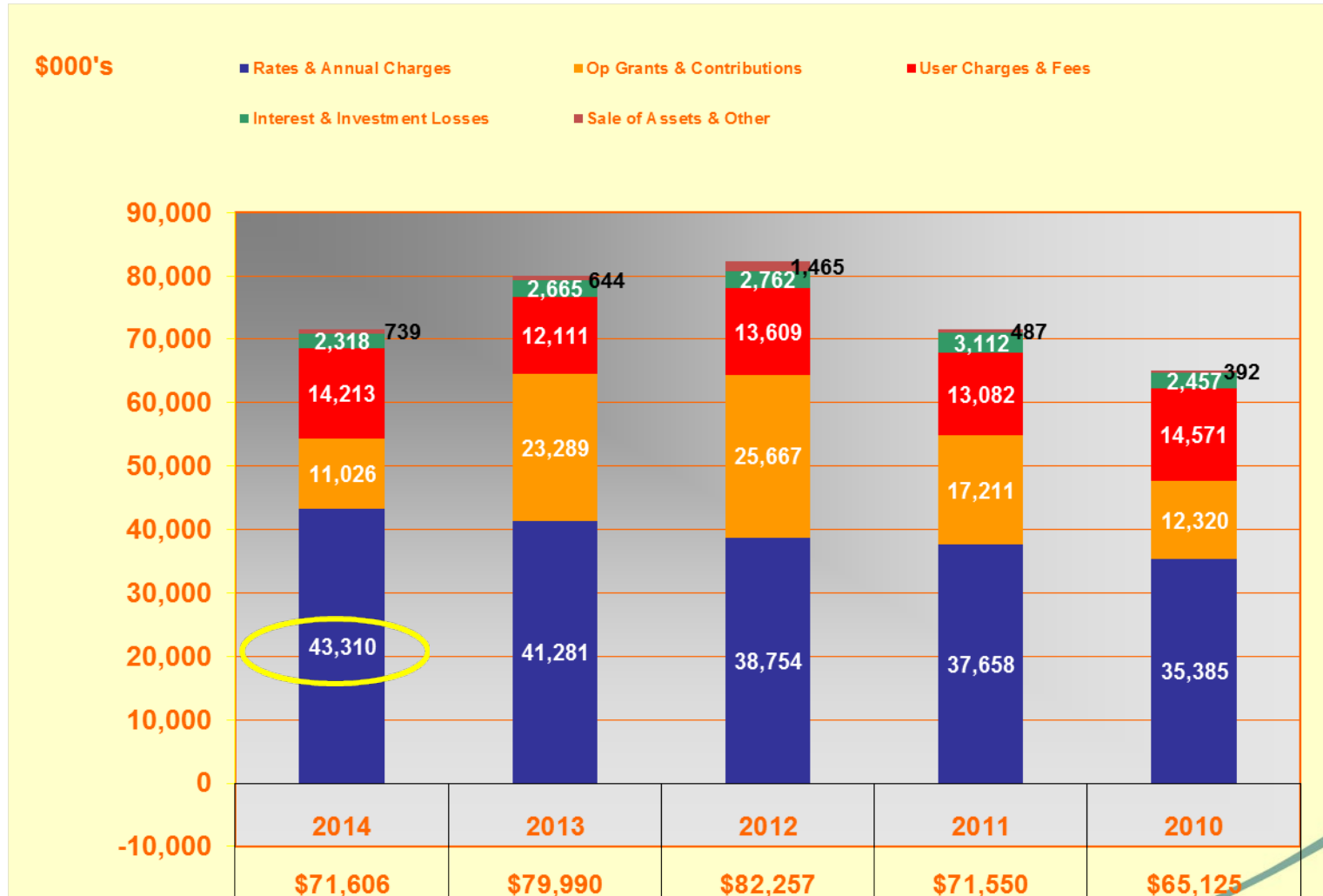
# Audit Scope

- Council responsibility
  - GPFR & SPFR
  - Internal controls
- Audit of financial reports excluding:
  - Budget disclosures, Notes, Special Schedules
  - Integrated Planning; Quarterly budget reviews; Asset Mgt Plans
- Australian Audit Standards
  - Reasonable Assurance
- Unqualified Audit Opinion

## 2014 Performance

	2013	2013
• Op result		
— Pre Capital	\$(6,501)K	\$(3,116)K
— After Capital Amounts	\$(1,951)K	\$511K
• Water	\$(824)K	\$(2,375)K
• Sewer	\$(182)K	\$(1,144)K
• General	\$(945)K	\$ 4,030K

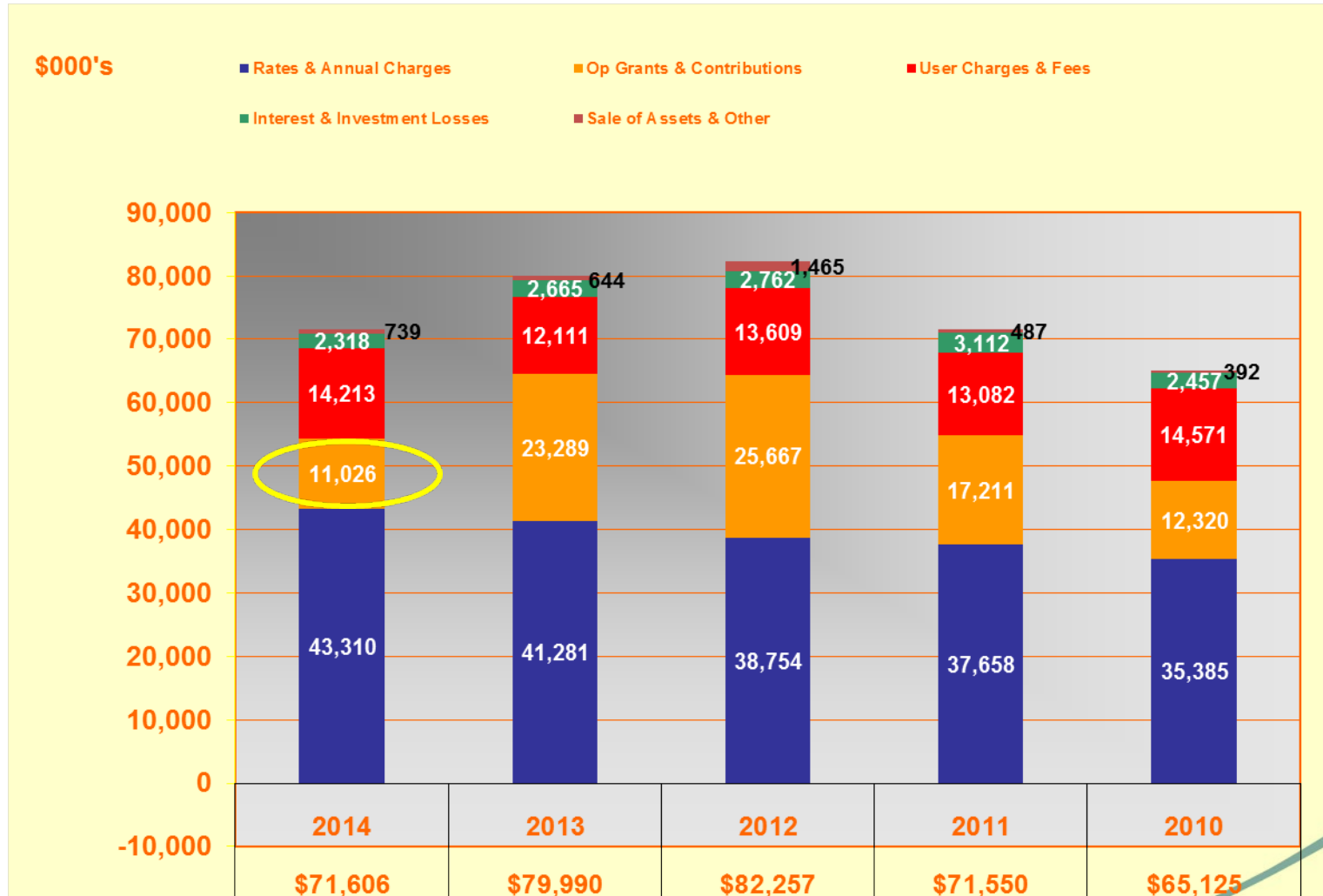
# Operating Revenues \$71,606K – decreased \$(8,384)K



## Revenue Variations

- Rates \$43,310K + \$2,029K (5%)
  - 57% of Operating revenue (2013 – 49%)
  - Ordinary rates \$19,686K + \$1,108K (5.9%)
    - LGI (rate pegging) increase = 3.4%
  - 2015 LGI + SV increase = 5.5%
  - = \$20,615K
- Annual Charges \$23,624K + \$921K (4%)
  - Consistent LGI
- User Charges \$14,213K + \$2,102K
  - User Charges Water & Sewer + \$1,248K
  - Pool revenues + \$551K

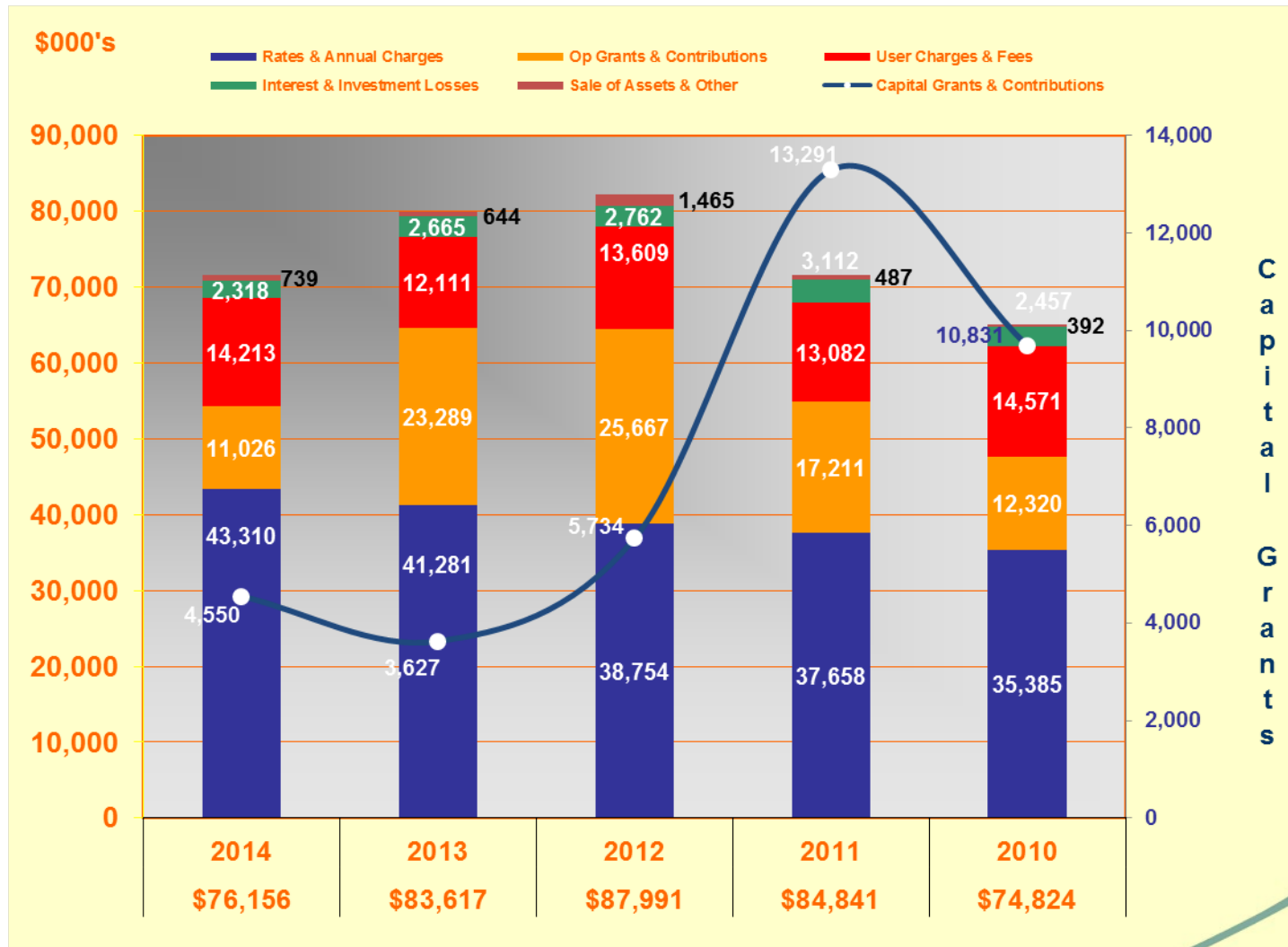
# Operating Revenues \$71,606K – decreased \$(8,384)K



## Operating Grants & Contribution's

- Op Grants & Contribution's \$11,026K (28%) Dn \$(12,263)K
- Advance FAG Instalments – \$(3,238)K
- 2013 funding
  - Flood restoration works – \$(8,929)K

# Op Revenues & Capital Grants – decreased \$(7,461)K

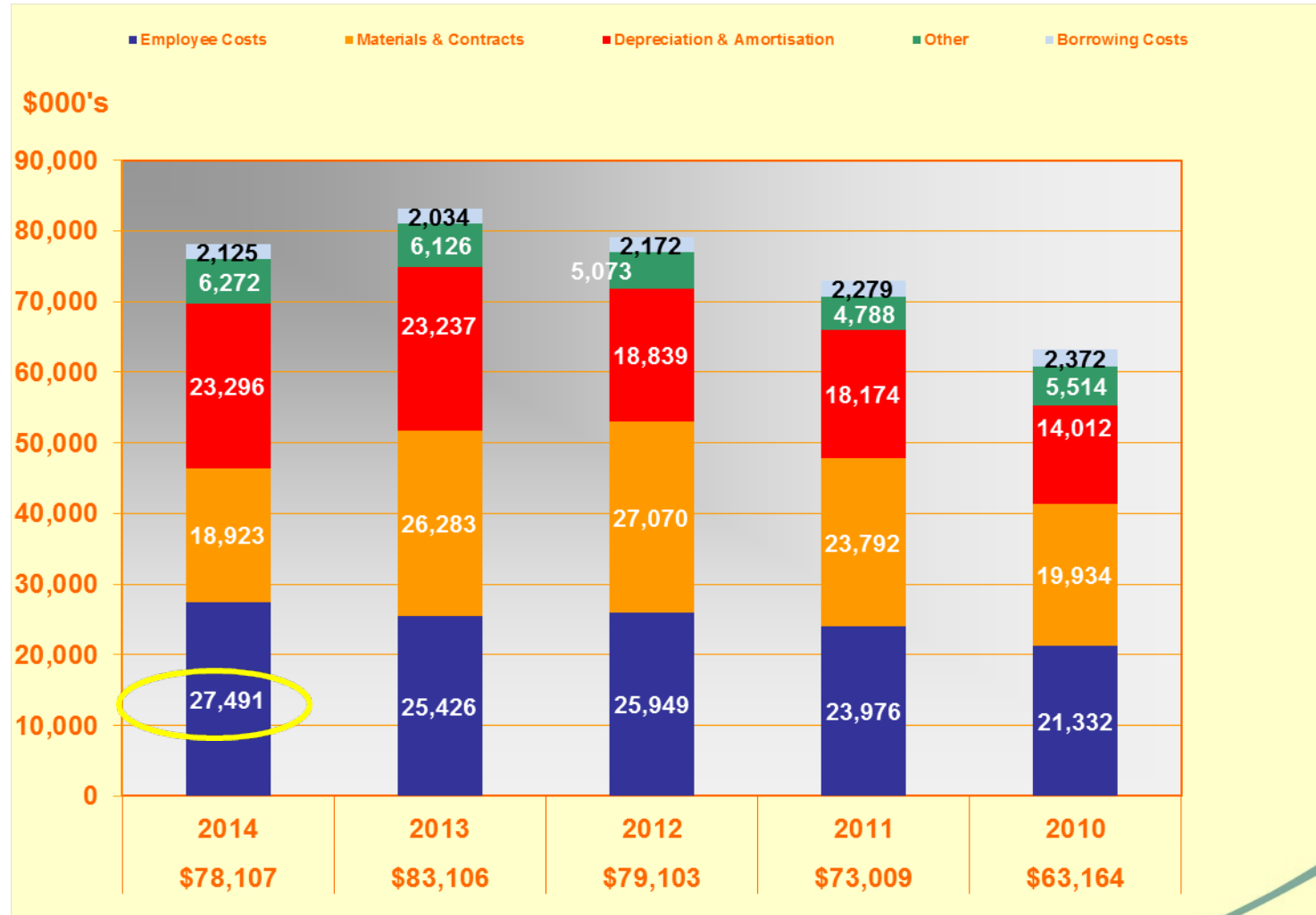




## Capital Grants & Contribution's

- Capital Grants \$4,550K + \$923K
  - Developer Cont's + \$1,497K
- Received & Unspent \$11,021K + \$1,482K

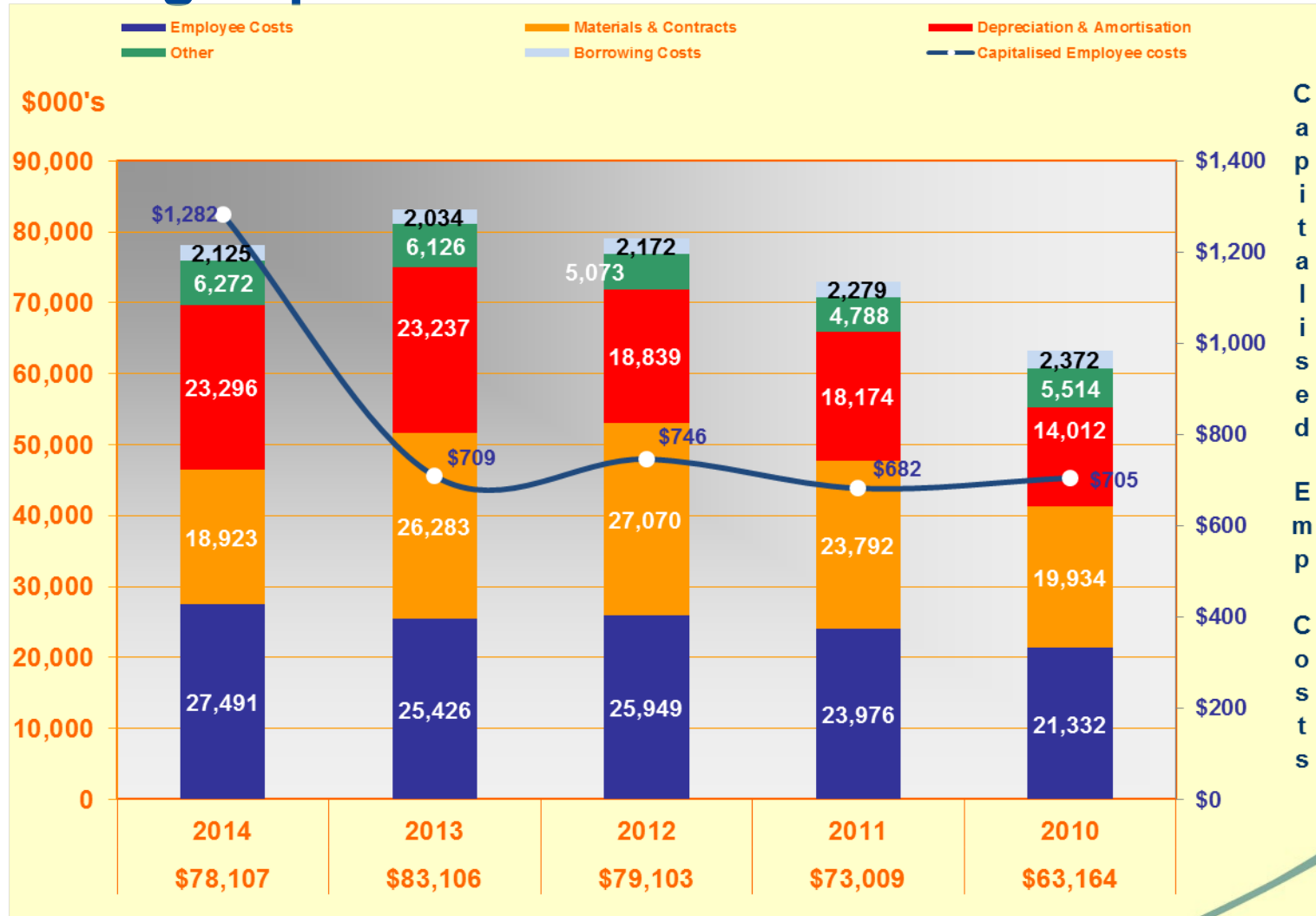
# Operating Expenses \$78,107K – decreased \$(4,999)K



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- Employee costs Precap = 52% (2013 – 44%)
- Depreciation – 29.6% (2013 – 28%)
  - W & S infrastructure Reval = \$10,143K
- Interest Expense \$2,118K = + \$92K
  - 2013 LIRs new borrowing \$2MK
  - Interest subsidy income \$80K
- Materials & Contract expenses \$18,923K – \$(7,360)K
  - 2013 included flood damage works

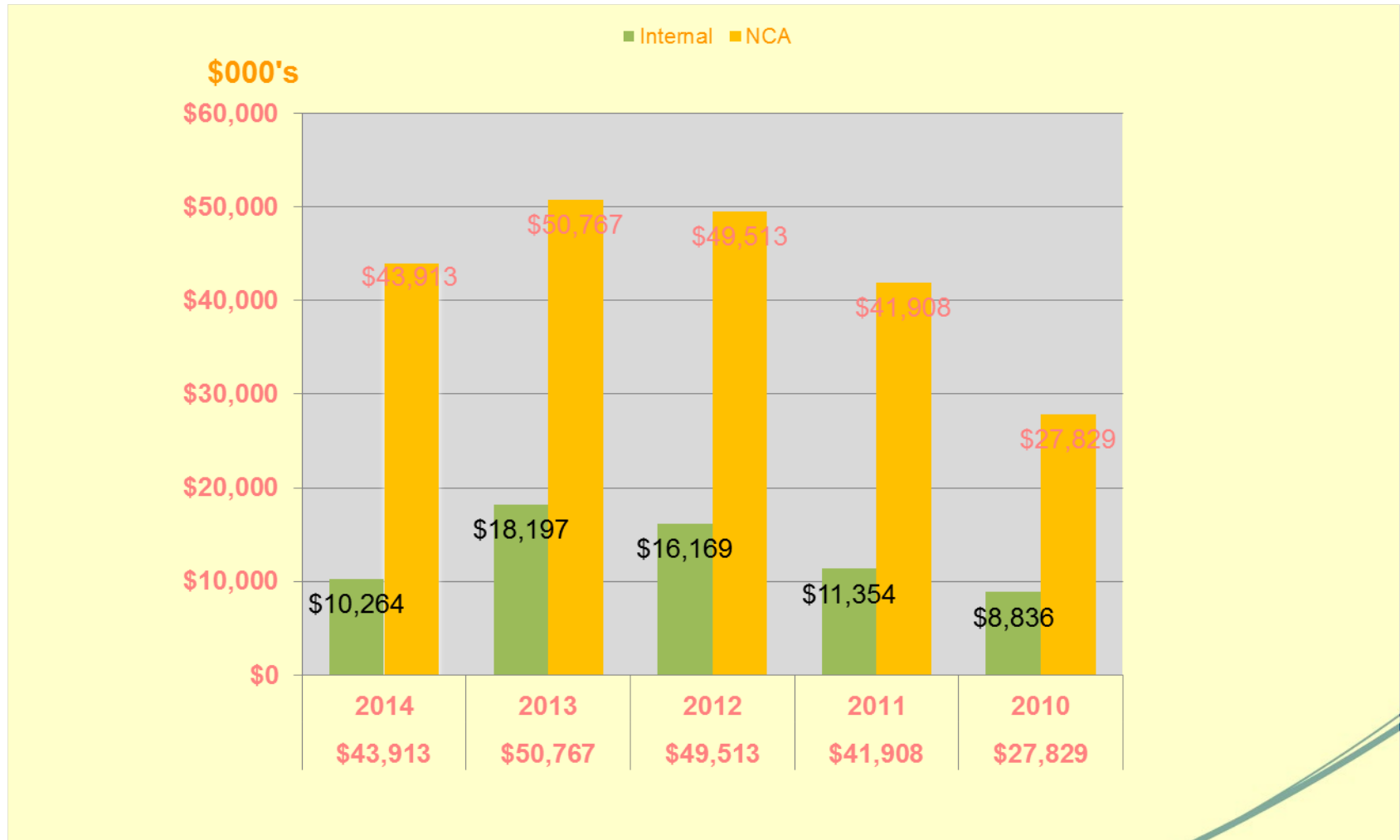
# Operating Expenses



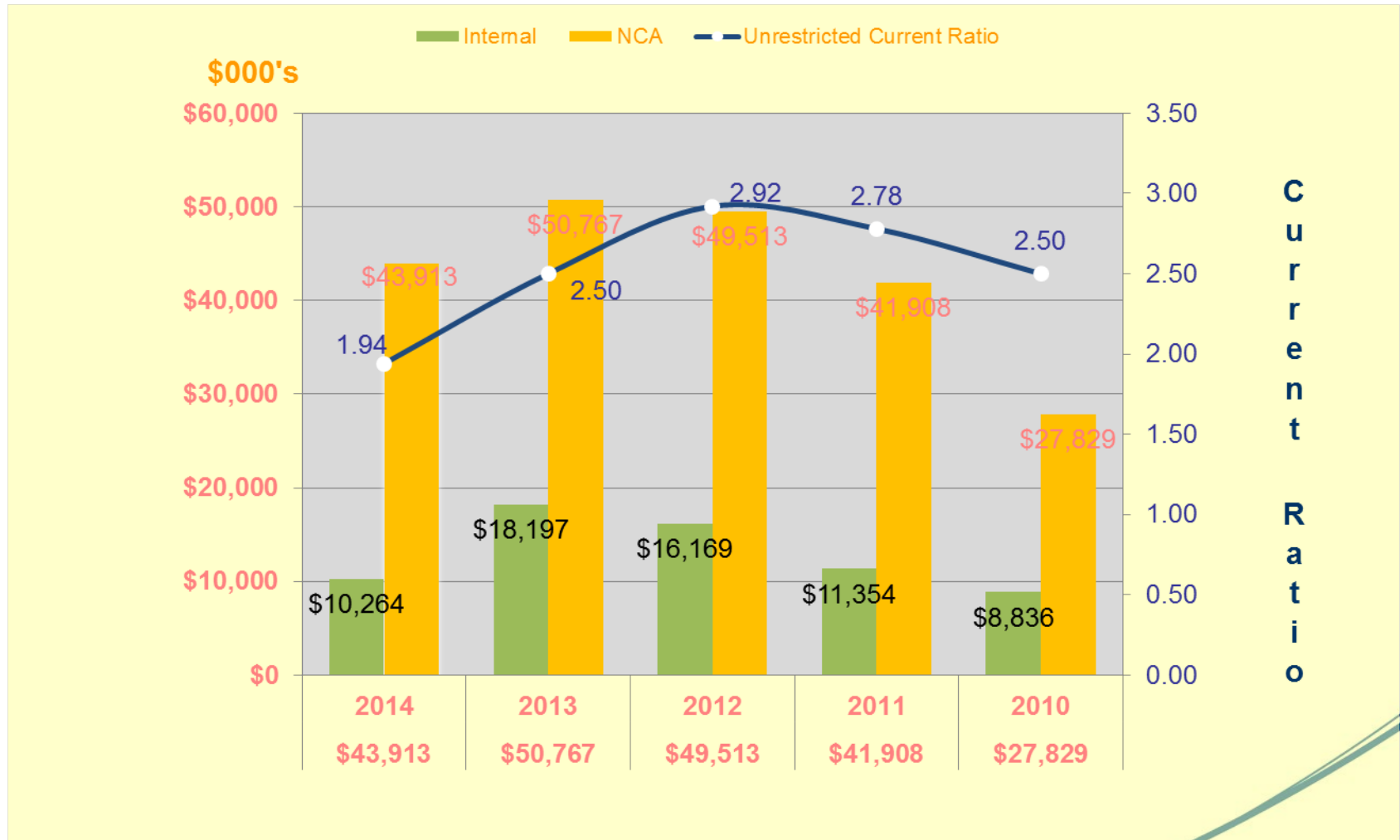
# Balance Sheet 2014

\$ '000	Notes	Actual 2014	Actual 2013
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	27,347	42,400
Investments	6b	26,000	17,000
Receivables	7	5,401	6,358
Inventories	8	770	591
Other	8	15	537
Non-current assets classified as "held for sale"	22	-	-
<b>Total Current Assets</b>		<b>59,533</b>	<b>66,886</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	45	61
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	988,737	972,419
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	-	-
<b>Total Non-Current Assets</b>		<b>988,782</b>	<b>972,480</b>
<b>TOTAL ASSETS</b>		<b>1,048,315</b>	<b>1,039,366</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	5,483	6,705
Borrowings	10	3,006	2,453
Provisions	10	7,131	6,961
<b>Total Current Liabilities</b>		<b>15,620</b>	<b>16,119</b>
<b>Non-Current Liabilities</b>			
Payables	10	-	-
Borrowings	10	32,760	30,767
Provisions	10	4,202	4,939
<b>Total Non-Current Liabilities</b>		<b>36,962</b>	<b>35,706</b>
<b>TOTAL LIABILITIES</b>		<b>52,582</b>	<b>51,825</b>
<b>Net Assets</b>		<b>995,733</b>	<b>987,541</b>

# Net Current Assets \$43,913K – Decreased \$(6,854)K



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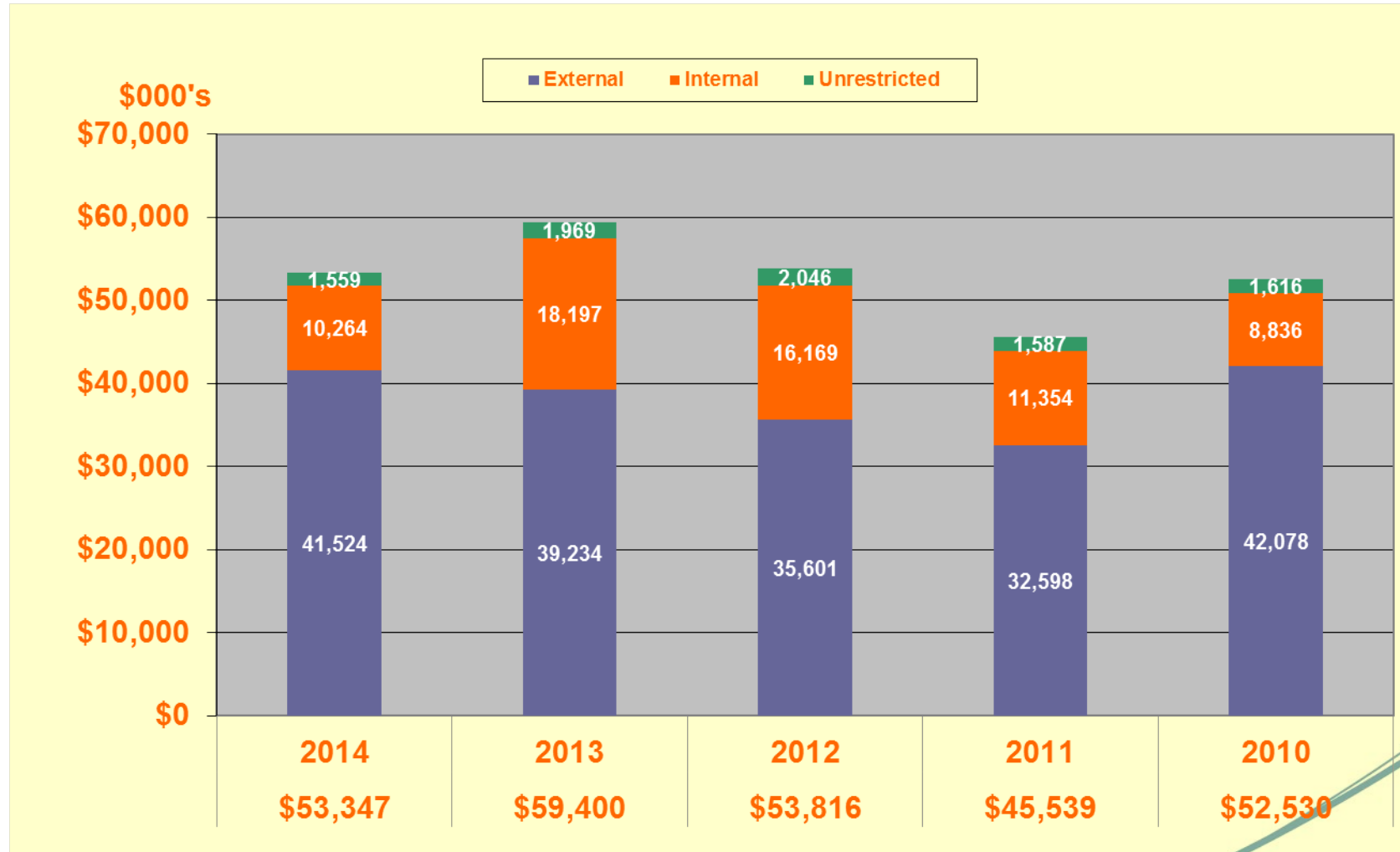


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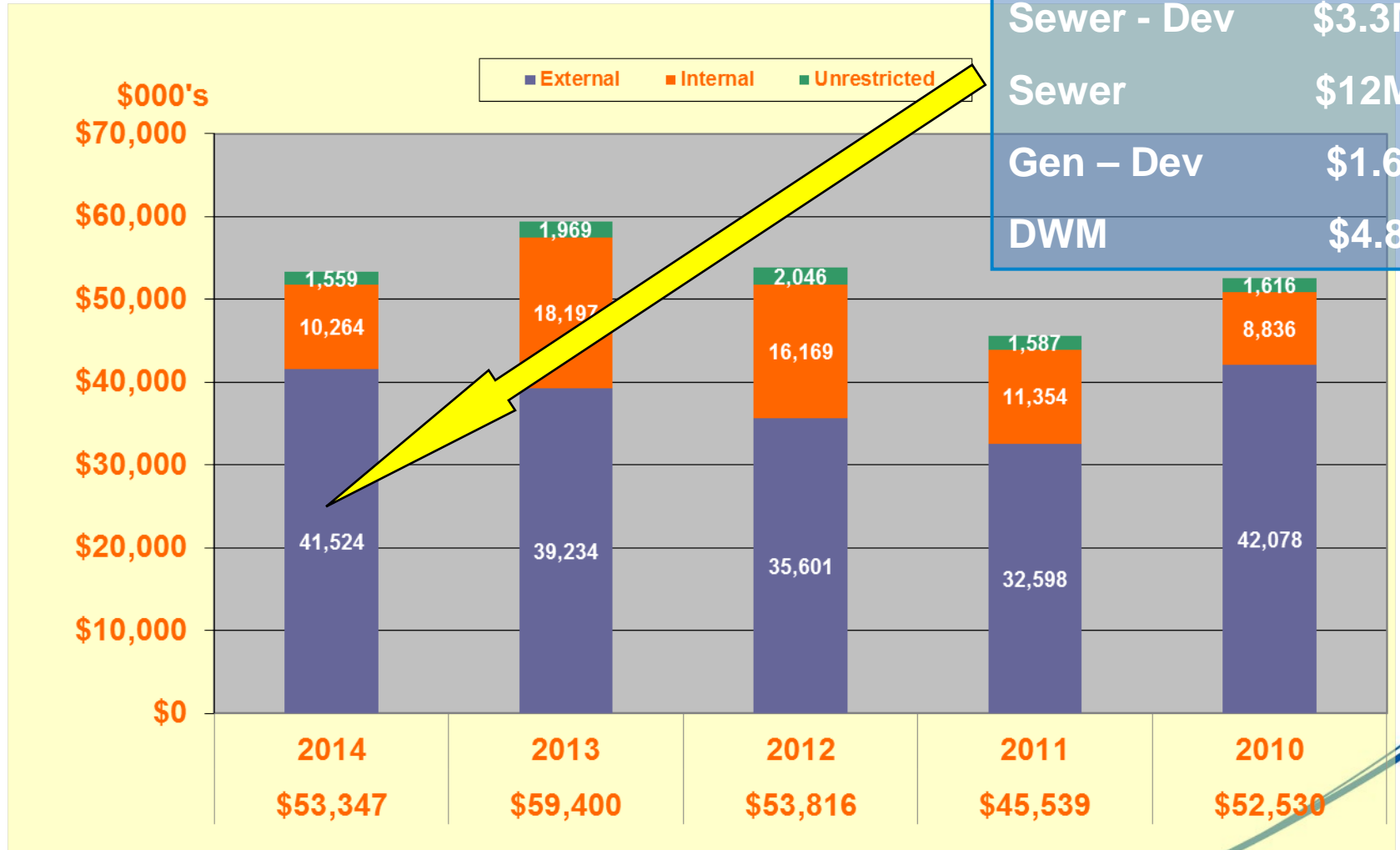
# Cash & Investments \$53,347K – Decreased \$6,053K



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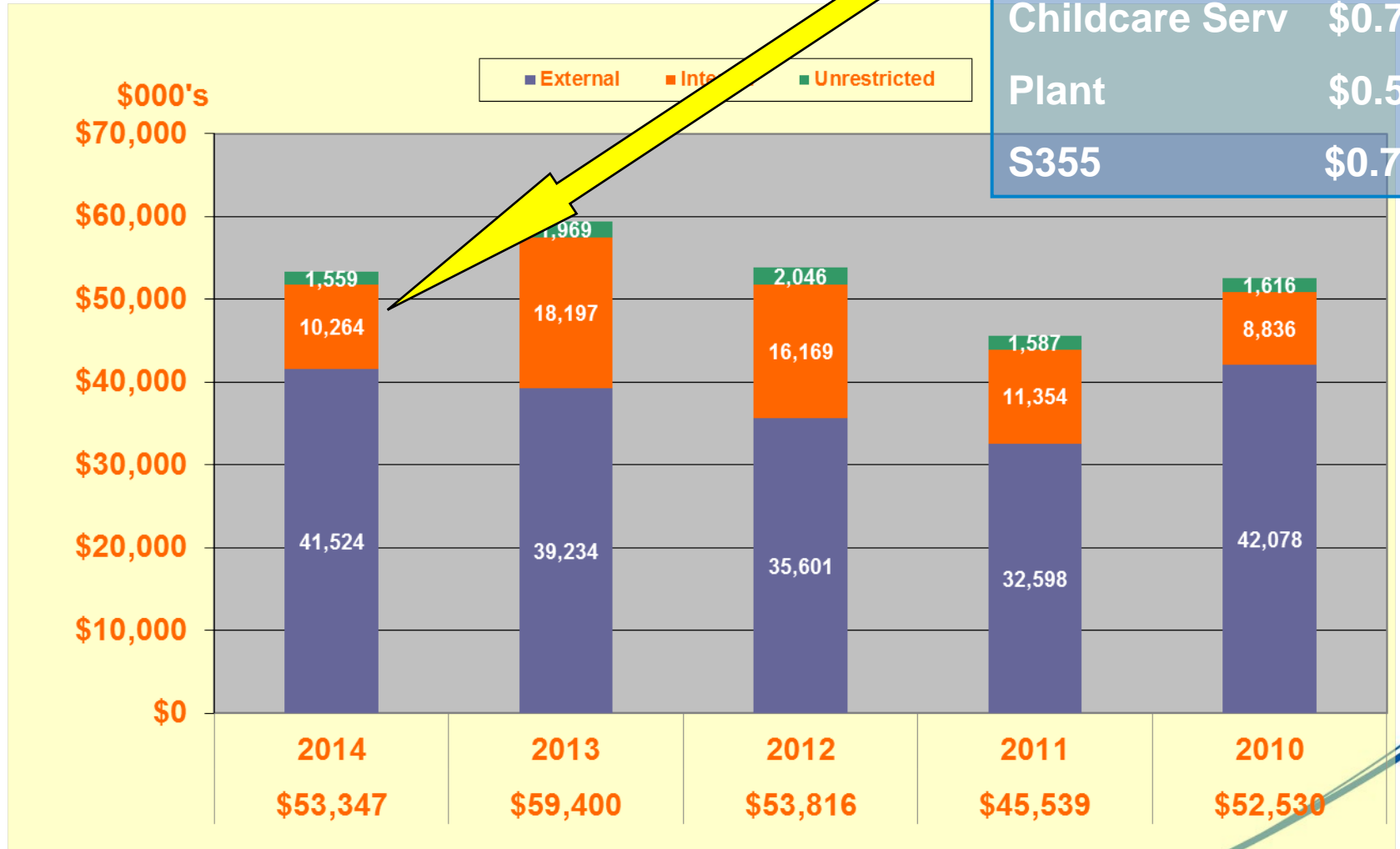
## – Decreased \$6,053K

Water - Dev	\$5.1M <sup>18</sup>
Water	\$11.7M
Sewer - Dev	\$3.3M
Sewer	\$12M
Gen – Dev	\$1.6M
DWM	\$4.8M



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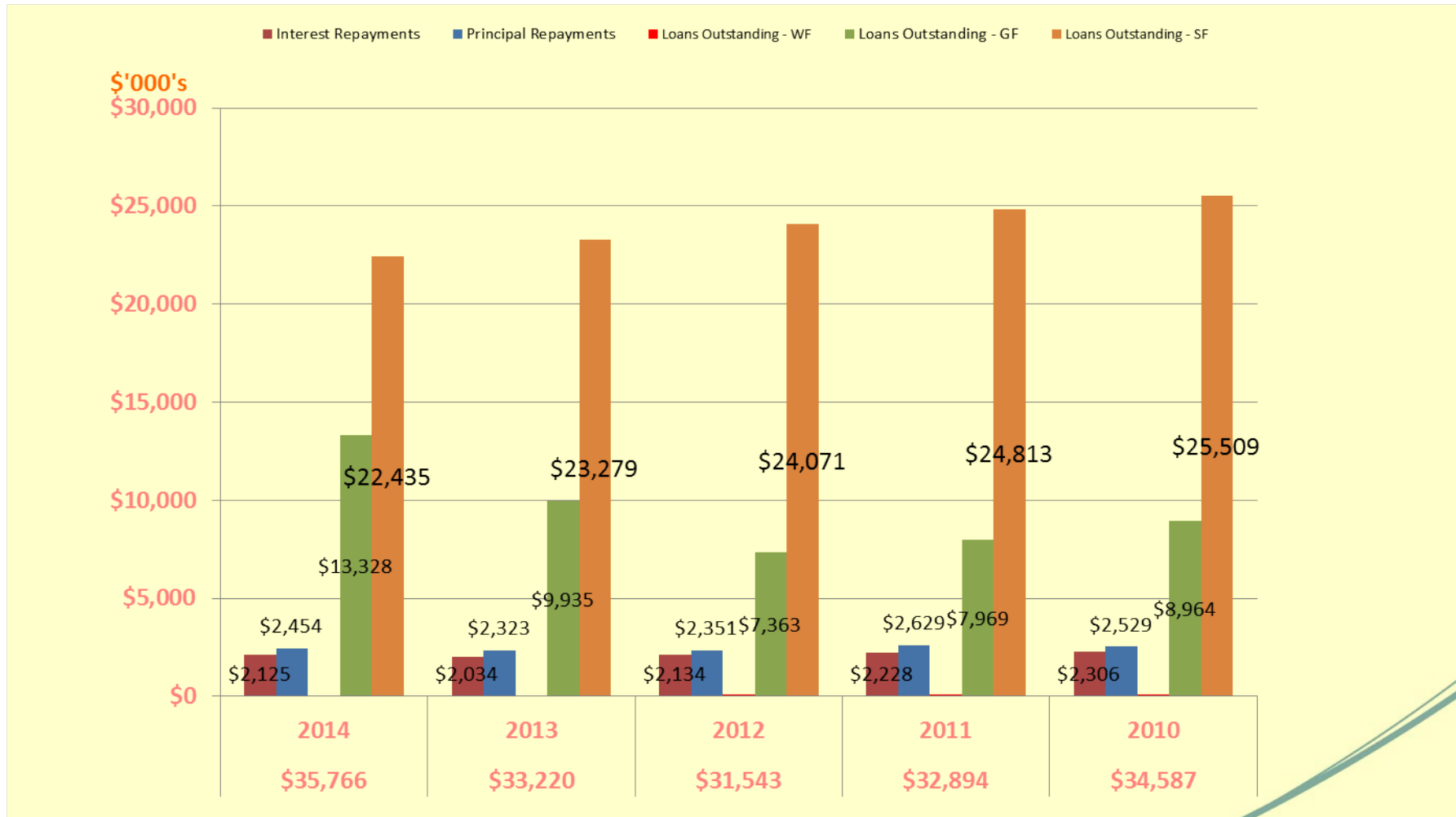
Prop Dev	\$3.1M
ELE	\$2.1M
Childcare Serv	\$0.7M
Plant	\$0.5M
S355	\$0.7M



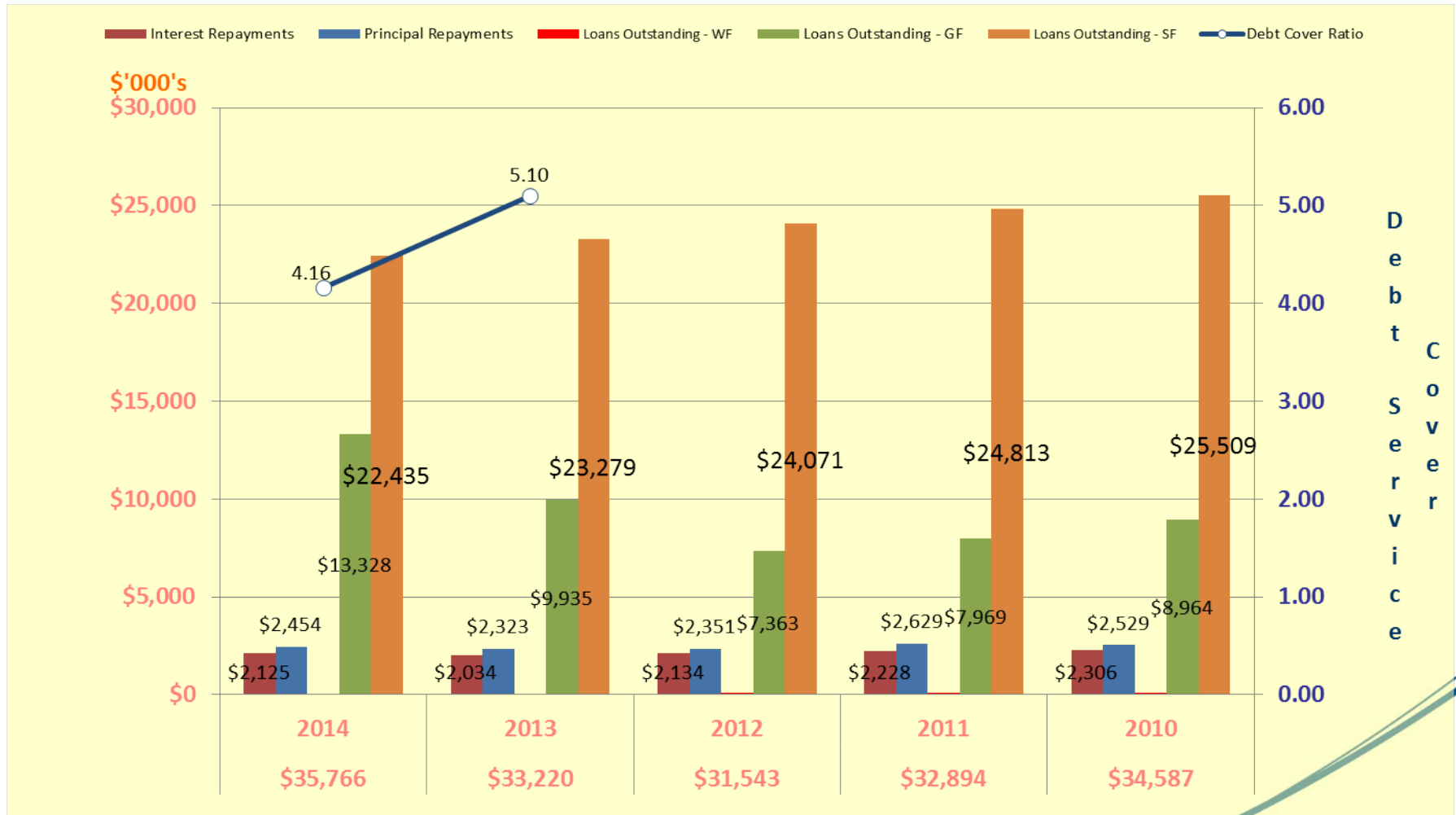
# Statement of Cash Flows 2014

\$ '000	Notes	Actual 2014	Actual 2013
<b>Cash Flows from Operating Activities</b>			
<u>Receipts:</u>			
Rates & Annual Charges		43,322	41,392
User Charges & Fees		15,903	11,965
Investment & Interest Revenue Received		2,371	2,765
Grants & Contributions		16,040	30,819
Bonds, Deposits & Retention amounts received		-	767
Other		4,909	6,044
<u>Payments:</u>			
Employee Benefits & On-Costs		(30,377)	(25,249)
Materials & Contracts		(22,199)	(32,367)
Borrowing Costs		(2,093)	(2,044)
Bonds, Deposits & Retention amounts refunded		(119)	-
Other		(6,751)	(6,391)
<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>21,006</b>	<b>27,701</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts:</u>			
Sale of Infrastructure, Property, Plant & Equipment		1,216	1,174
Deferred Debtors Receipts		16	21
<u>Payments:</u>			
Purchase of Investment Securities		(9,000)	1,132
Purchase of Infrastructure, Property, Plant & Equipment		(30,837)	(24,994)
Deferred Debtors & Advances Made		-	5
<b>Net Cash provided (or used in) Investing Activities</b>		<b>(38,605)</b>	<b>(22,662)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts:</u>			
Proceeds from Borrowings & Advances		5,000	4,000
<u>Payments:</u>			
Repayment of Borrowings & Advances		(2,454)	(2,323)
<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>2,546</b>	<b>1,677</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>(15,053)</b>	<b>6,716</b>
plus: Cash & Cash Equivalents - beginning of year	11a	42,400	35,684
<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>27,347</b>	<b>42,400</b>

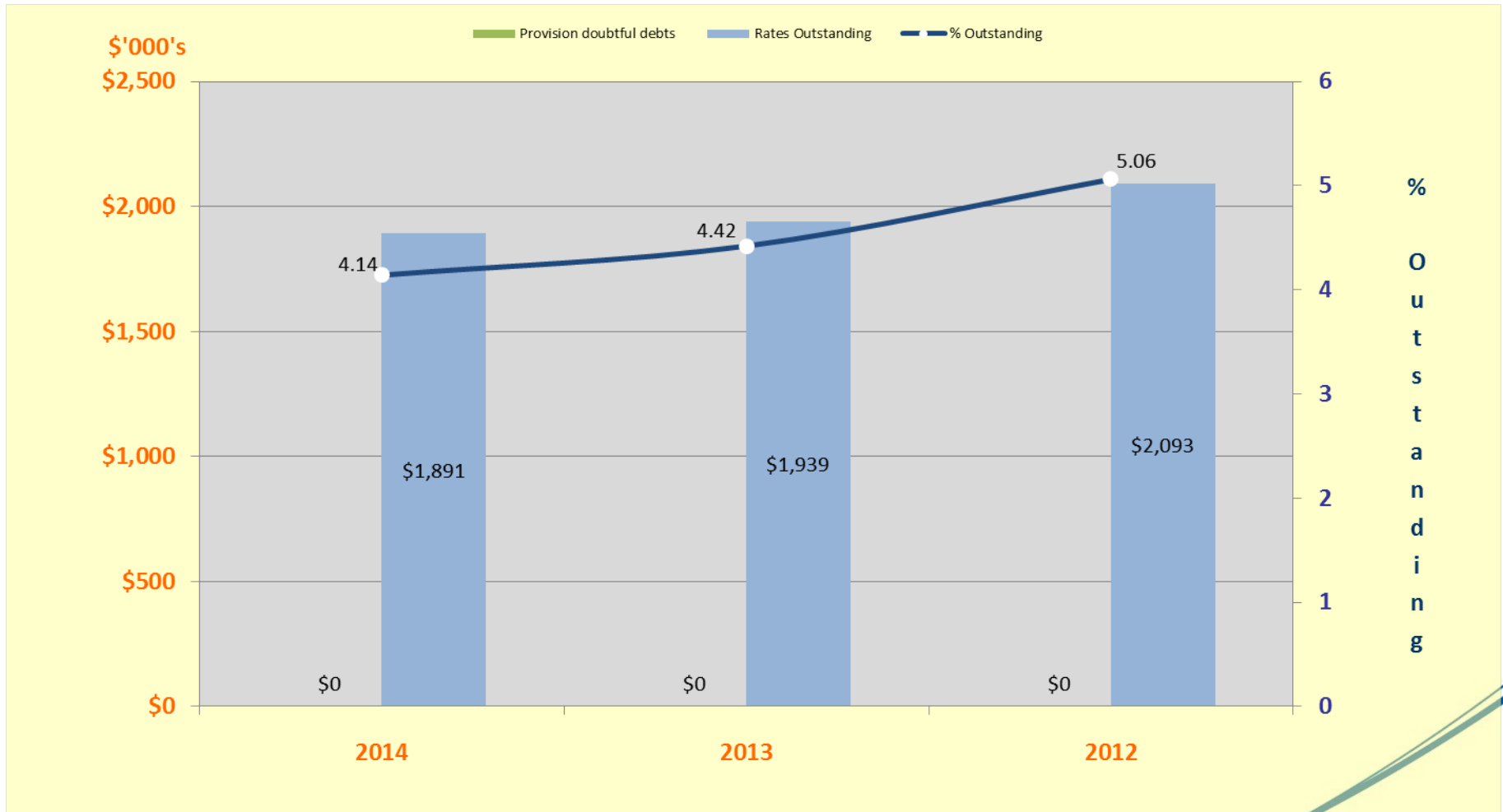
## Debt Profile – Loans Outstanding \$35,766K



# Debt Service Cover – 4.16x



## Rates & Charges Outstanding – 4.14%

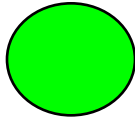
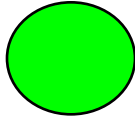
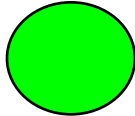


## Valuation of Infrastructure assets

- 2014 – Land Under Roads
- 2015 – Roads, bridges, footpaths etc \$432,937K
- 2016 – Community land & other structures \$69,298K
- 2017 – Water & Sewerage Network \$369,736K
  - Water \$187,761K
  - Sewer \$181,975K
- 2018 – PPE, Operational land & buildings \$116,766K



## Key Performance Indicators

		2013	2013
• Unrestricted CR		1.94	2.50
• Debt Service Cover		4.16%	5.1%
• Rates O/Standing		4.14%	4.42 %

# QUESTIONS?