



# SUPPORTING INFORMATION

**for respective items considered at**

**General Meeting**

**25 February 2020**

***SUPPORTING INFORMATION***

**Ref: [A19671027](#)**

The following list of supporting information is provided for:

**ITEM 3.1**

**MONTHLY REPORTING PACKAGE - JANUARY 2020 - REGIONAL**

***#1 Monthly Financial Reporting Package - 31 January 2020***

*ITEM 3.1 - MONTHLY REPORTING PACKAGE - JANUARY 2020 - REGIONAL (Cont.)*  
**#1 Monthly Financial Reporting Package - 31 January 2020**

**Moreton Bay Regional Council**

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**Monthly Financial Report**

**Year to date result as at: 31 January 2020**

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ITEM 3.1 - MONTHLY REPORTING PACKAGE - JANUARY 2020 - REGIONAL (Cont.)

## Moreton Bay Regional Council STATEMENT OF COMPREHENSIVE INCOME For the period ended 31 January 2020

58% of the year  
elapsed

	2019/20 Original Budget \$'000	2019/20 Amended Budget \$'000	2019/20 YTD Actuals \$'000	Actuals to Amended Budget 2019/20
<b>Revenue</b>				
<b>Operating Revenue</b>				
Rates and utility charges	313,151	313,151	240,649	76.85%
Fees and charges	37,272	37,272	22,696	60.89%
Grants, subsidies and contributions	20,149	20,149	16,289	80.85%
Interest revenue	45,426	45,426	24,007	52.85%
Other revenue	39,452	39,452	22,188	56.24%
Share of profit of associate	72,000	72,000	42,000	58.33%
<b>Total Operating Revenue</b>	<b>527,449</b>	<b>527,449</b>	<b>367,829</b>	<b>69.74%</b>
<b>Expenses</b>				
<b>Operating Expenses</b>				
Employee benefits	(140,406)	(140,406)	(78,823)	56.14%
Materials and services	(190,800)	(190,800)	(95,152)	49.87%
Depreciation and amortisation	(97,721)	(97,721)	(60,558)	61.97%
Finance costs	(22,409)	(22,409)	(13,246)	59.11%
<b>Total Operating Expenses</b>	<b>(451,336)</b>	<b>(451,336)</b>	<b>(247,779)</b>	<b>54.90%</b>
<b>Operating Result</b>	<b>76,112</b>	<b>76,112</b>	<b>120,050</b>	<b>157.73%</b>
<b>Capital Revenue</b>	96,868	96,868	85,731	88.50%
<b>Capital Expenses</b>	-	-	(12,194)	No Budget
<b>NET RESULT</b>	<b>172,981</b>	<b>172,981</b>	<b>193,588</b>	<b>111.91%</b>
<b>Other Comprehensive Income</b>				
<b>Items that will not be reclassified to net result</b>				
Increase/(decrease) in asset revaluation surplus	-	-	-	No Budget
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-	2,412	No Budget
<b>Total other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,412</b>	<b>No Budget</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>172,981</b>	<b>172,981</b>	<b>196,000</b>	<b>113.31%</b>

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### Moreton Bay Regional Council STATEMENT OF FINANCIAL POSITION As at 31 January 2020

	2019/20 Budget as at 30 June 2020 \$'000	2019/20 YTD Actual \$'000
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	330,445	369,424
Trade and other receivables	48,848	59,222
Inventories	1,081	1,287
<b>Total Current Assets</b>	<b>380,374</b>	<b>429,934</b>
<b>Non-Current Assets</b>		
Trade and other receivables	677,576	677,587
Investments	1,357,637	1,375,556
Property, plant and equipment	4,837,717	4,950,292
<b>Total Non-Current Assets</b>	<b>6,872,930</b>	<b>7,003,434</b>
<b>Total Assets</b>	<b>7,253,304</b>	<b>7,433,368</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	44,918	27,868
Borrowings	37,334	18,043
Provisions	12,888	14,421
Other	21,427	3,658
<b>Total Current Liabilities</b>	<b>116,567</b>	<b>63,990</b>
<b>Non-Current Liabilities</b>		
Borrowings	332,801	344,307
Provisions	43,841	59,551
<b>Total Non-Current Liabilities</b>	<b>376,642</b>	<b>403,858</b>
<b>Total Liabilities</b>	<b>493,209</b>	<b>467,848</b>
<b>NET COMMUNITY ASSETS</b>	<b>6,760,095</b>	<b>6,965,520</b>
<b>Community Equity</b>		
Retained surplus	5,889,554	6,028,763
Asset revaluation surplus	870,541	936,757
<b>TOTAL COMMUNITY EQUITY</b>	<b>6,760,095</b>	<b>6,965,520</b>

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### Moreton Bay Regional Council STATEMENT OF CASH FLOWS For the period ended 31 January 2020

	<b>2019/20 Budget as at 30 June 2020 \$'000</b>	<b>2019/20 YTD Actuals \$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	413,708	264,488
Payments to suppliers and employees	(341,034)	(231,819)
Interest received	45,426	29,076
Non capital grants and contributions	20,567	16,289
Borrowing costs	(20,379)	(12,102)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>118,288</b>	<b>65,933</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(227,389)	(107,427)
Payments for investment property	-	(76)
Proceeds from sale of property, plant and equipment	21,800	1,418
Net movement in loans to community organisations	-	(85)
Grants, subsidies and contributions	56,868	64,860
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(148,721)</b>	<b>(41,310)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	25,000	-
Repayment of borrowings	(33,916)	(16,642)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(8,916)</b>	<b>(16,642)</b>
Net increase/(decrease) in cash held	<b>(39,349)</b>	<b>7,981</b>
Cash and cash equivalents at the beginning of the financial year	369,794	361,444
<b>Cash and cash equivalents at the end of the period</b>	<b>330,445</b>	<b>369,424</b>

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### Moreton Bay Regional Council STATEMENT OF SOURCES AND APPLICATIONS OF CAPITAL FUNDING For the period ended 31 January 2020

	Original Budget 2019/20 \$'000	Amended Budget 2019/20 \$'000	YTD Actuals 2019/20 \$'000
<b><u>Capital Funding Sources</u></b>			
Cash Utilised	203,001	203,001	102,274
Capital Grants and Subsidies received	33,368	33,368	24,136
Contributed Assets and assets not previously recognised	40,000	40,000	32,072
Loans received	25,000	25,000	-
<b>Total Capital Funding Sources</b>	<b>301,370</b>	<b>301,370</b>	<b>158,482</b>
<b><u>Capital Funding Applications</u></b>			
Capital Expenditure	227,454	227,454	109,768
Contributed Assets and assets not previously recognised	40,000	40,000	32,072
Loan Redemption	33,916	33,916	16,642
<b>Total Capital Funding Applications</b>	<b>301,370</b>	<b>301,370</b>	<b>158,482</b>

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### Analysis of Results by Segment

For the period ended 31 January 2020						
Operational Plan	Operating Revenue \$'000	Operating Expenses \$'000	Operating Result \$'000	Capital Revenue \$'000	Capital Expenses \$'000	Net Result \$'000
Engineering, Construction & Maintenance	47,962	(88,460)	(40,498)	8,651	551	(31,296)
Community & Environmental Services	20,372	(34,586)	(14,214)	-	783	(13,432)
Office of CEO	189	(8,817)	(8,628)	-	-	(8,628)
Finance and Corporate Services	293,740	(108,409)	185,331	61,580	(13,527)	233,383
Planning	5,566	(7,506)	(1,940)	15,500	-	13,560
<b>Total Council</b>	<b>367,829</b>	<b>(247,779)</b>	<b>120,050</b>	<b>85,731</b>	<b>(12,194)</b>	<b>193,588</b>

### Analysis of Results by Entity

For the period ended 31 January 2020						
Entity	Operating Revenue \$'000	Operating Expenses \$'000	Operating Result \$'000	Capital Revenue \$'000	Capital Expenses \$'000	Net Result \$'000
General	322,623	(220,536)	102,088	85,548	(12,111)	175,524
Waste	45,206	(27,243)	17,962	184	(83)	18,063
<b>Total Council</b>	<b>367,829</b>	<b>(247,779)</b>	<b>120,050</b>	<b>85,731</b>	<b>(12,194)</b>	<b>193,588</b>



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**The Performance at a Glance**  
**as at 31 January 2020**

**Synopsis**

- \* 58% of the financial year is complete.
- \* The operating result is \$120.05 million.

**Operating Revenue**

- \* Rates and Utility Charges have been levied for the third quarter. Property growth continues to drive revenue slightly above the original budget.
- \* Councils main fees and charges sources from activities such as development applications, building and plumbing, animal registrations and waste services are meeting or slightly exceeding budgeted expectations.
- \* Operating Grants and Subsidies are above budget at this time of year, however this is expected as it relates to the timing of when the grants are received. The budget will be amended following the Quarter 2 Budget and Operational Plan to reflect the level of revenue expected over the remainder of the financial year.
- \* Interest revenue and Other Revenue are tracking below budget while all the remaining revenue categories are performing closely to budget at this time of the year.

**Operating Expenditure**

- \* Employee Expenses are aligning close to budget at this point in the year while Materials and Services are tracking below budget.
- \* Finance Costs are tracking slightly above to budget at this time of the year.
- \* Depreciation is slightly over budget and is expected to continue to exceed budget due to the revaluation effects of assets from the previous financial year.

**Capital Revenue**

- \* Infrastructure cash contributions have exceeded the budget to date, however the budget will be amended to \$45 million following the Quarter 2 Budget and Operational Plan Operational Plan review to better reflect the forecasted financial year end position.
- \* Contributed Assets are tracking to exceed the budget given the level of developer contributed assets received thus far.
- \* Capital grants and subsidies are tracking above budget at this time of year, however this is expected as it relates to the timing of when the grants are received.

**Capital Expenses**

- \* Capital expenses represents the disposal value of assets as they are decommissioned and renewed through capital works.

**Capital Expenditure**

- \* To date \$87.73 million has been spent on capital works, (which represents 55.71% of the capital program). This excludes the University project costs.

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## Moreton Bay Regional Council

### Comparative Table 2017/18 and 2018/19 to 2019/20\*

Year to date result as at: 31 January 2020

58% of the year elapsed

	Original Budget 2019/20 \$'000	YTD Actuals 2019/20 \$'000	Actuals to Original Budget 2019/20 %	Actuals to Original Budget 2018/19 %	Actuals to Original Budget 2017/18 %	Comments
<b>Operating Revenue</b>						
Rates & Utility Charges	313,151	240,649	77%	74%	75%	Revenue is slightly above target after the third quarter rates levy.
User Fees & Charges	37,272	22,696	61%	67%	69%	Revenue is tracking over budget but is below the previous years.
Interest Revenue	45,426	24,007	53%	54%	61%	The % for 2019/20 is tracking below budget and is below the previous years.
<b>Operating Expenses</b>						
Employee Expenses & Material and Services	331,206	173,976	53%	52%	50%	Expenditure is tracking below budget but is aligning close to the previous year.
External Loan Interest Expense	20,379	12,102	59%	60%	60%	Expenditure is tracking closely to budget and is comparable to previous years.
<b>Capital Revenues</b>						
Infrastructure Cash Contributions	23,500	29,523	126%	103%	101%	Infrastructure cash contributions are tracking above the previous years and exceeding budget.
Contributed Assets	40,000	32,072	80%	137%	104%	All contributed assets have been recognised to date.
Grants & Subsidies	33,368	24,136	72%	21%	47%	The % of grants and subsidies received is tracking above budget and is above the prior years.
<b>Capital Expenditure</b>						
Total Capital Expenditure**	157,474	87,729	56%	40%	40%	Capital expenditure is tracking close to budget and is well up on previous years.

\* The data presented reflects the position of Council as at 31 January 2020 compared to the position of Council as at 31 January 2019 and 31 January 2018.

\*\* Capital Expenditure excludes the University Project.

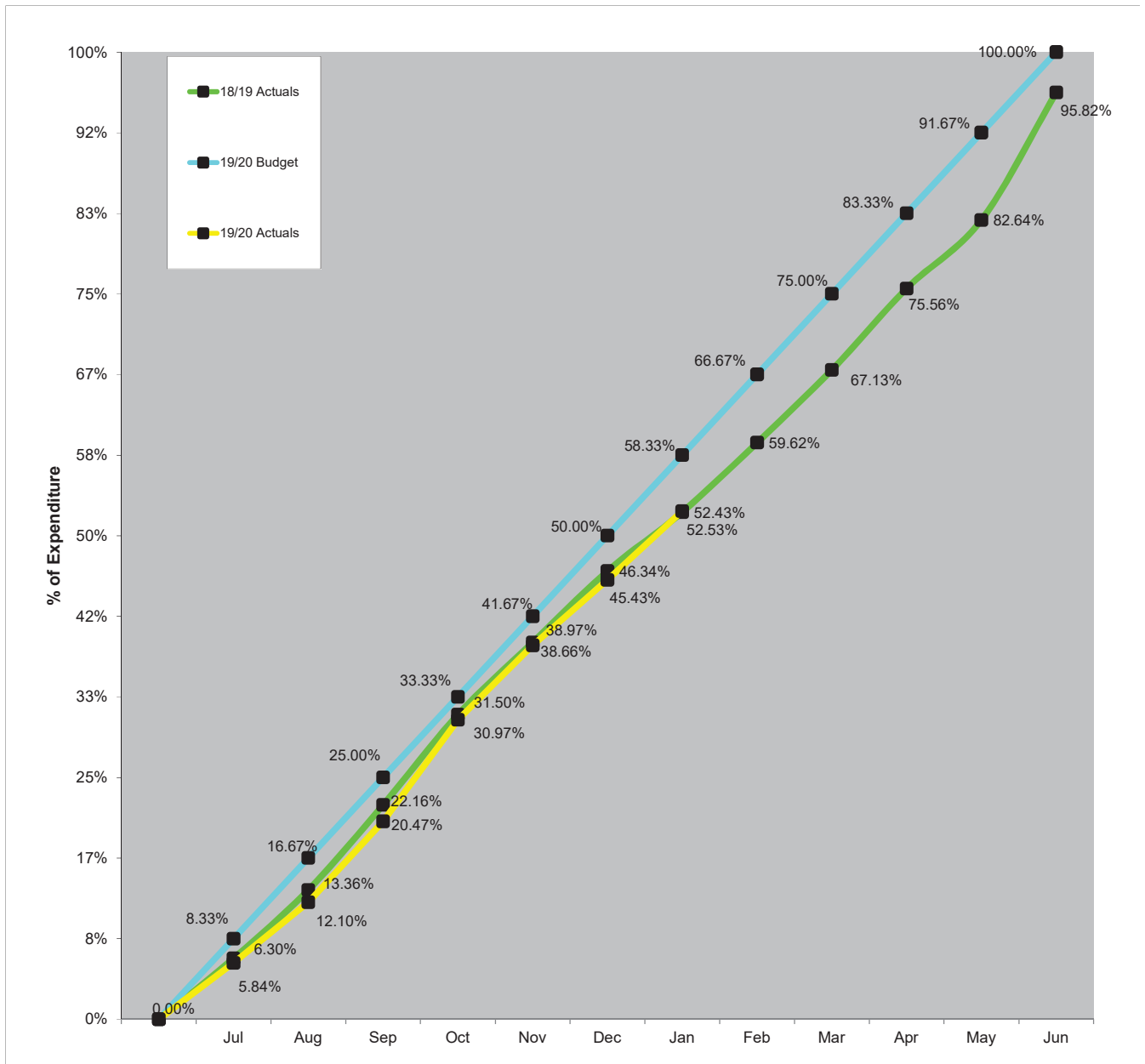
The table focuses on key items of revenue and expenses across the comparative period and is useful guide in understanding what may have changed with regard to revenue and expense streams across the three financial years.

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**Operating Expenditure**

This graph compares the major components of operating expenditure (being employee expenses plus materials and services) on a percentage expended basis for the 2019/20 and 2018/19 years. The graph includes continuing service delivery expenses and operating initiative expenses.

The budgeted expenditure trend is set at 8.33% for each month. The cumulative actual expenditure trend for each month is graphed alongside the budget expenditure.

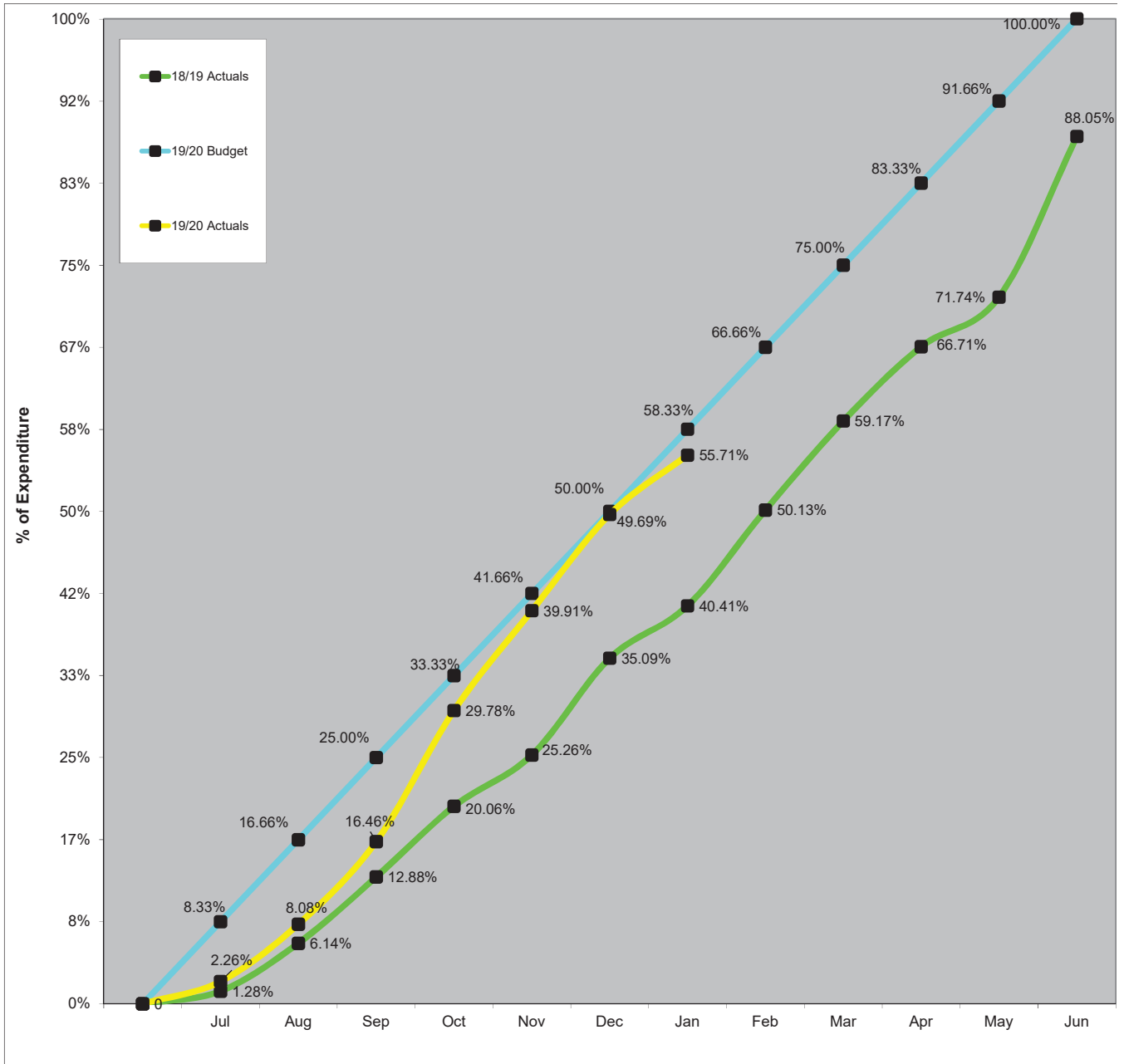


	Budget \$'000	Actuals to January \$'000	Actuals to Budget % spent
<b>2018/19</b>	297,329	155,887	52.43%
<b>2019/20</b>	331,206	173,976	52.53%

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**Capital Expenditure**

This graph compares the capital percentage expended for the 2019/20 and 2018/19 years. The budgeted expenditure trend is set at 8.33% for each month. The cumulative actual expenditure trend for each month is graphed alongside the budget expenditure. The graph excludes capital expenditure associated with the University Project.



	Budget \$'000	Actuals to January \$'000	Actuals to Budget % spent
<b>2018/19</b>	185,971	75,159	40.41%
<b>2019/20</b>	157,474	87,729	55.71%

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## ITEM 3.1 - MONTHLY REPORTING PACKAGE - JANUARY 2020 - REGIONAL (Cont.)

### TREASURY REPORT

The Treasury Report highlights key areas of performance and compliance relating to Council's cash, investments and borrowings.

#### Investments

At 31 January 2020 all of Council's investments are in accordance with the approved Investment Policy. As at this date Council held 69.37% of funds outside of the Queensland Treasury Corporation (QTC).

#### Investment Portfolio - Summary of Cash and Investments Held

Current Cash Investments					
Short Term Rating	Institution	Return	Term	Cash and Investment balance as at 31 January 2020	Interest earned YTD
A1+	Qld Treasury Corp*	1.57%	Short Term (45 days)	114,718,385	1,122,978
A1+	ANZ	1.22%	At Call	12,384,558	95,903
A1+	National Australia Bank	1.25%	At Call	87,321,382	643,386
A1+	ANZ	1.49% to 2.7%	180 to 365 days	39,999,998	506,810
A1+	Bankwest				65,342
A1+	National Australia Bank	1.55% to 1.6%	92 to 98 days	30,000,000	374,167
A1+	Westpac	1.5% to 2.65%	210 to 364 days	40,000,000	689,082
A1	Suncorp				21,781
A2	Bank of Queensland	1.6% to 1.75%	180 to 182 days	30,000,000	368,082
A2	IMB	1.55%	90 days	5,000,000	64,301
A2	AMP Bank	1.9% to 2%	180 to 185 days	10,000,000	140,219
	Petrie Paper Mill Site Funds Trust Investments				49,586
					100,806
				*	
				<b>369,424,322</b>	<b>4,242,442</b>

\* The QTC rate presented is the annualised interest rate for the month as provided by the Queensland Treasury Corporation.

Council has achieved a weighted average interest rate on all cash held of 1.55% pa in 2019/20.

Non-Current Investments				
Institution	Product	Term	Invested Value \$'000	Realisable Value \$'000
Queensland Investment Corporation	QIC Growth Fund	Greater than 5 years	100,000	111,742

#### Performance to Budget - Year to Date (YTD) Summary

58% of the year has elapsed

	Original Budget \$'000	Amended Budget \$'000	Actual YTD \$'000	Actual % Achieved \$'000	Comments
Interest Revenue on Investments	10,391	10,391	4,242	41%	Interest rates are very low
Interest on Debt held in Unitywater	34,000	34,000	19,194	56%	Tracking close to budget
<b>Total Investment Income</b>	<b>44,391</b>	<b>44,391</b>	<b>23,436</b>	<b>53%</b>	

#### Borrowings

Debt Position	\$ '000
Debt held as at 1 July 2019	378,992
New borrowings	0
Borrowings repaid	(16,642)
<b>Debt held as at 31 January 2020</b>	<b>362,350</b>

As at 31 January 2020 the weighted average interest rate of all Council debt is 5.55%