



SUPPORTING INFORMATION

for respective items considered at

Coordination Committee Meeting

26 June 2018

SUPPORTING INFORMATION

Ref: [A17067554](#)

The following list of supporting information is provided for:

**ITEM 3.1
MONTHLY REPORTING PACKAGE - MAY 2018 - REGIONAL**

#1 Monthly Financial Report as at 31 May 2018

ITEM 3.1 - MONTHLY REPORTING PACKAGE - MAY 2018 - REGIONAL (Cont.)

#1 Monthly Financial Report as at 31 May 2018

Moreton Bay Regional Council

Monthly Financial Report

Year to date result as at: 31 May 2018

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Moreton Bay Regional Council

ITEM 3.1 - MONTHLY REPORTING PACKAGE - MAY 2018 - REGIONAL (Cont.)

Moreton Bay Regional Council STATEMENT OF COMPREHENSIVE INCOME For the period ended 31 May 2018

	2017/18 Original Budget	2017/18 Revised Budget	2017/18 YTD Actuals	92% of the year elapsed Actuals to Revised Budget 2017/18
Revenue				
Operating Revenue				
Rates and utility charges	\$291,392,765	\$291,392,765	\$293,982,625	100.89%
Fees and charges	\$34,541,062	\$35,119,700	\$33,770,207	96.16%
Rental income	\$7,379,689	\$6,863,089	\$6,338,541	92.36%
Grants, subsidies and contributions	\$19,028,518	\$13,864,657	\$12,601,351	90.89%
Interest revenue	\$44,429,785	\$43,972,219	\$41,941,427	95.38%
Sales revenue	\$2,903,900	\$2,956,990	\$2,936,109	99.29%
Other revenue	\$21,772,026	\$23,272,189	\$21,090,768	90.63%
Share of profit of associate	\$73,034,000	\$73,034,000	\$66,947,833	91.67%
Total Operating Revenue	\$494,481,745	\$490,475,609	\$479,608,861	97.78%
Expenses				
Operating Expenses				
Employee benefits	(\$129,395,101)	(\$128,622,601)	(\$110,181,459)	85.66%
Materials and services	(\$148,209,545)	(\$164,432,626)	(\$125,136,048)	76.10%
Depreciation and amortisation	(\$86,669,450)	(\$86,669,450)	(\$88,192,602)	101.76%
Finance costs	(\$23,324,289)	(\$23,424,289)	(\$22,158,765)	94.60%
Total Operating Expenses	(\$387,598,385)	(\$403,148,966)	(\$345,668,874)	85.74%
Operating Results	\$106,883,360	\$87,326,643	\$133,939,987	153.38%
Capital Revenue	\$83,337,589	\$94,482,785	\$158,912,493	168.19%
Capital Expenses	\$0	\$0	(\$46,169,776)	No Budget
NET RESULT	\$190,220,949	\$181,809,428	\$246,682,704	135.68%
Other Comprehensive Income				
Items that will not be reclassified to net result				
Increase/(decrease) in asset revaluation surplus	\$0	\$0	\$26,569,033	No Budget
Total other comprehensive income for the year	\$0	\$0	\$26,569,033	No Budget
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$190,220,949	\$181,809,428	\$273,251,737	150.30%

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ITEM 3.1 - MONTHLY REPORTING PACKAGE - MAY 2018 - REGIONAL (Cont.)

Moreton Bay Regional Council STATEMENT OF FINANCIAL POSITION As at 31 May 2018

	2017/18 Budget as at 30 June 2018	2017/18 YTD Actual
Assets		
Current Assets		
Cash and cash equivalents	\$276,620,000	\$408,845,772
Trade and other receivables	\$41,933,000	\$42,769,482
Inventories	\$1,092,000	\$1,097,808
	\$319,645,000	\$452,713,062
Non-current assets held for sale	\$0	\$16,421,075
Total Current Assets	\$319,645,000	\$469,134,137
Non-Current Assets		
Trade and other receivables	\$741,805,000	\$677,576,095
Investments	\$15,000	\$15,000
Investment property	\$42,867,000	\$29,199,773
Investment in associate	\$1,097,319,000	\$1,112,782,734
Property, plant and equipment	\$4,338,728,000	\$4,606,481,660
Intangible assets	\$1,410,000	\$434,581
Total Non-Current Assets	\$6,222,144,000	\$6,426,489,843
Total Assets	\$6,541,789,000	\$6,895,623,980
Liabilities		
Current Liabilities		
Trade and other payables	\$36,745,000	\$33,423,084
Borrowings	\$30,678,000	\$7,985,413
Provisions	\$13,644,000	\$13,178,372
Other	\$384,000	\$460,119
Total Current Liabilities	\$81,451,000	\$55,046,988
Non-Current Liabilities		
Trade and other payables	\$415,000	\$213,413
Borrowings	\$355,076,000	\$359,071,081
Provisions	\$20,643,000	\$33,714,084
Total Non-Current Liabilities	\$376,134,000	\$392,998,578
Total Liabilities	\$457,585,000	\$448,045,566
NET COMMUNITY ASSETS	\$6,084,204,000	\$6,447,578,414
Community Equity		
Retained surplus	\$5,212,213,000	\$5,524,079,732
Asset revaluation surplus	\$871,991,000	\$923,498,682
TOTAL COMMUNITY EQUITY	\$6,084,204,000	\$6,447,578,414

Moreton Bay Regional Council

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Moreton Bay Regional Council STATEMENT OF CASH FLOWS For the period ended 31 May 2018

	2017/18 Budget as at 30 June 2018	2017/18 YTD Actuals
Cash flows from operating activities		
Receipts from customers	\$388,467,000	\$365,919,830
Payments to suppliers and employees	(\$273,346,000)	(\$273,892,607)
Interest received	\$44,430,000	\$45,117,803
Rental income	\$7,093,000	\$6,338,541
Non capital grants and contributions	\$18,288,000	\$12,601,351
Borrowing costs	(\$22,193,000)	(\$20,580,342)
Net cash inflow/(outflow) from operating activities	\$162,739,000	\$135,504,576
Cash flows from investing activities		
Payments for property, plant and equipment	(\$195,192,000)	(\$130,061,457)
Payments for intangible assets	\$0	\$0
Payments for investment property	\$0	(\$209,643)
Proceeds from sale of property, plant and equipment	\$30,300,000	\$48,701,340
Net movement in loans to community organisations	\$0	\$5,310
Grants, subsidies and contributions	\$43,111,000	\$75,639,367
Net cash inflow/(outflow) from investing activities	(\$121,781,000)	(\$5,925,083)
Cash flows from financing activities		
Proceeds from borrowings	\$26,250,000	\$0
Repayment of borrowings	(\$27,723,000)	(\$20,493,618)
Net cash inflow/(outflow) from financing activities	(\$1,473,000)	(\$20,493,618)
Net increase/(decrease) in cash held	\$39,485,000	\$109,085,875
Cash and cash equivalents at the beginning of the financial year	\$237,135,000	\$299,759,897
Cash and cash equivalents at the end of the period	\$276,620,000	\$408,845,772

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ITEM 3.1 - MONTHLY REPORTING PACKAGE - MAY 2018 - REGIONAL (Cont.)

Moreton Bay Regional Council STATEMENT OF SOURCES AND APPLICATIONS OF CAPITAL FUNDING For the period ended 31 May 2018

	Original Budget 2017/18	Revised Budget 2017/18	YTD Actuals 2017/18
<u>Capital Funding Sources</u>			
Cash Utilised	\$175,529,065	\$186,930,198	\$134,197,025
Capital Grants and Subsidies received	\$20,610,589	\$31,755,785	\$18,978,011
Contributed Assets and assets not previously recognised	\$40,227,000	\$40,227,000	\$89,631,645
Loans received	\$26,250,000	\$26,250,000	-
Total Capital Funding Sources	\$262,616,654	\$285,162,983	\$242,806,681
<u>Capital Funding Applications</u>			
Capital Expenditure	\$194,666,500	\$217,212,829	\$132,681,418
Contributed Assets and assets not previously recognised	\$40,227,000	\$40,227,000	\$89,631,645
Loan Redemption	\$27,723,154	\$27,723,154	\$20,493,618
Total Capital Funding Applications	\$262,616,654	\$285,162,983	\$242,806,681

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Analysis of Results by Operational Plan

For the period ended 31 May 2018						
Operational Plan	Operating Revenue	Operating Expenses	Operating Result	Capital Revenue	Capital Expenses	Net Result
Engineering, Construction & Maintenance	\$51,562,472	(\$128,930,043)	(\$77,367,571)	\$19,020,118	\$1,398,840	(\$56,948,613)
Community & Environmental Services	\$30,898,500	(\$53,465,432)	(\$22,566,933)	\$30,406,205	\$16,512,375	\$24,351,648
Governance	\$387,485,762	(\$153,396,971)	\$234,088,791	\$109,486,170	(\$64,080,991)	\$279,493,970
Planning and Economic Development	\$9,662,129	(\$9,876,428)	(\$214,299)	-	-	(\$214,299)
Total Council	\$479,608,863	(\$345,668,874)	\$133,939,989	\$158,912,493	(\$46,169,776)	\$246,682,706

Analysis of Results by Entity

For the period ended 31 May 2018						
Entity	Operating Revenue	Operating Expenses	Operating Result	Capital Revenue	Capital Expenses	Net Result
General	\$430,593,612	(\$303,733,418)	\$126,860,193	\$158,870,386	(\$45,791,211)	\$239,939,369
Waste	\$47,521,715	(\$40,122,336)	\$7,399,379	\$42,107	(\$378,565)	\$7,062,921
Canals	\$1,493,536	(\$1,813,120)	(\$319,583)	-	-	(\$319,583)
Total Council	\$479,608,863	(\$345,668,874)	\$133,939,989	\$158,912,493	(\$46,169,776)	\$246,682,706

The Performance at a Glance **as at 31 May 2018**

Synopsis

- * 92% of the financial year is complete.
- * The operating surplus is \$133.94 million.

Operating Revenue

- * Rates and Utility Charges are on track to budget following the fourth quarterly rates levy.
- * User Fees and Charges and Interest Revenue are above budget while Operating Grants and Subsidies are tracking below budget.
- * In total all other revenue categories are performing to the revised budget target at this time of the year.

Operating Expenditure

- * Employee Expenses and Materials and Services are tracking below budget at this point in the year.
- * Finance Costs and Depreciation and Amortisation have exceeded budget.
- * All other expenditure is on track for this stage of the financial year.

Capital Revenue

- * Infrastructure Cash Contributions have exceeded budget.
- * Contributed Assets and Assets not Previously Recognised are also tracking above budget.
- * Grants, Subsidies and Other Contributions are tracking below budget.

Capital Expenditure

- * To date \$121.29 million has been spent on capital works, (which represents 68.34% of the capital program). This excludes the University project costs.

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Comparative Table 2015/16 and 2016/17 to 2017/18*

Year to date result as at: 31 May 2018

92% of the year elapsed

	Revised Budget 2017/18 \$'000	YTD Actuals 2017/18 \$'000	Actuals to Revised Budget 2017/18 %	Actuals to Revised Budget 2016/17 %	Actuals to Revised Budget 2015/16 %	Comments
Operating Revenue						
Rates & Utility Charges	\$291,393	\$293,983	101%	101%	101%	Revenue is slightly above target after the fourth quarter rates levy and is consistent with the previous years.
User Fees & Charges	\$35,120	\$33,770	96%	94%	100%	Revenue is tracking over budget and is up on the previous year.
Interest Revenue	\$43,972	\$41,941	95%	92%	93%	The % for 2017/18 is tracking above budget and is slightly above the previous years.
Operating Expenses						
Employee Expenses & Material and Services	\$293,055	\$235,318	80%	82%	82%	Expenditure is tracking below budget and is slightly below the previous years.
External Loan Interest Expense	\$22,193	\$20,556	93%	91%	93%	Expenditure is tracking to budget and is slightly above the previous year.
Capital Revenues						
Infrastructure Cash Contributions	\$22,500	\$33,730	150%	118%	117%	Infrastructure cash contributions are tracking above budget and is above the previous years.
Contributed Assets	\$40,227	\$89,632	223%	118%	79%	All contributed assets have been recognised to date.
Grants & Subsidies	\$31,756	\$18,978	60%	83%	96%	The % of grants and subsidies received is tracking below budget and is below the previous years.
Capital Expenditure						
Total Capital Expenditure**	\$177,463	\$121,286	68%	73%	80%	Capital expenditure remains behind budget.

* The data presented reflects the position of Council as at 31 May 2018 compared to the position of Council as at 31 May 2017 and 31 May 2016.

** Capital Expenditure excludes the University Projects.

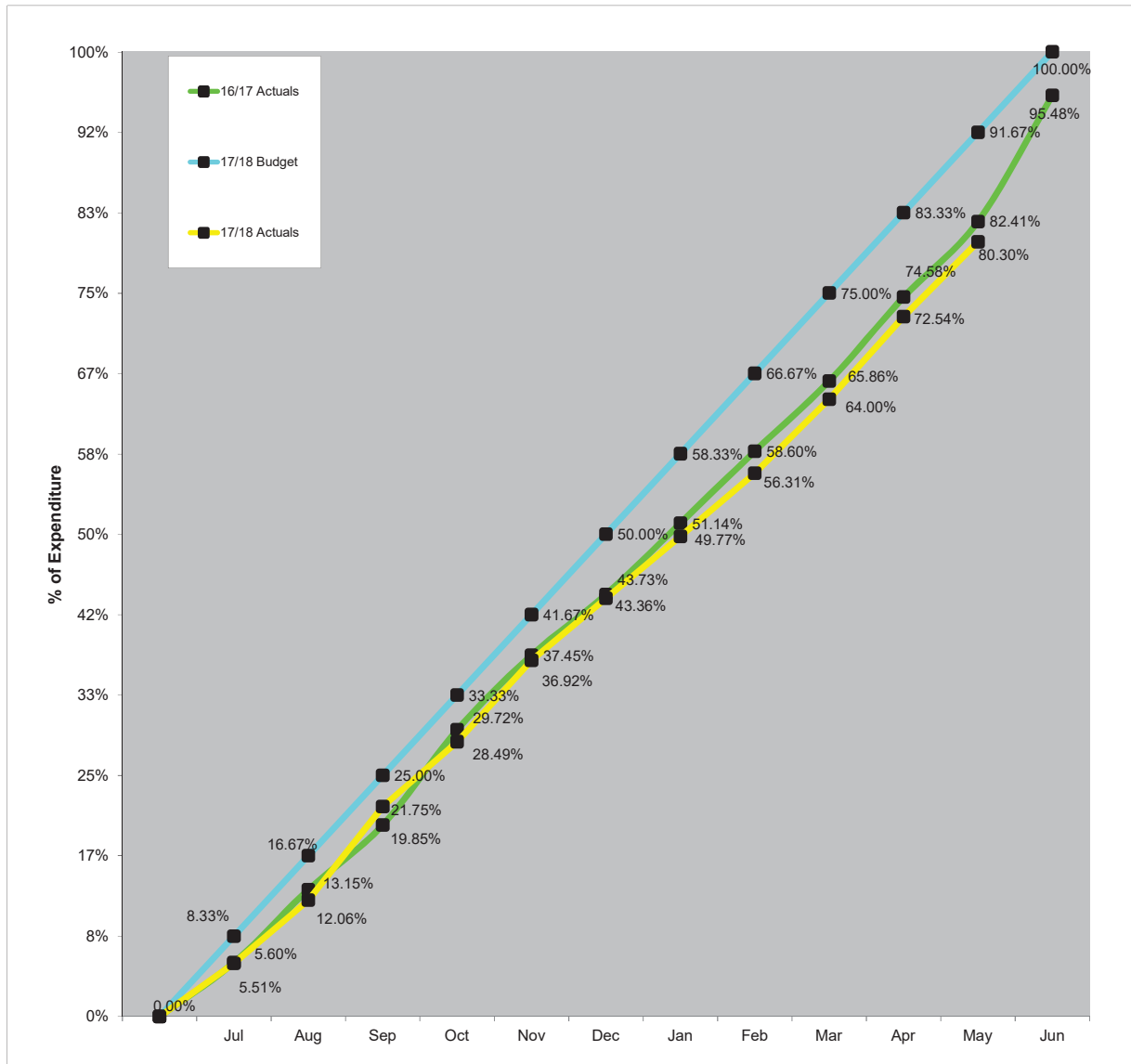
The table focuses on key items of revenue and expenses across the comparative period and is useful guide in understanding what may have changed with regard to revenue and expense streams across the three financial years.

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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 2017/18 and 2016/17 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.



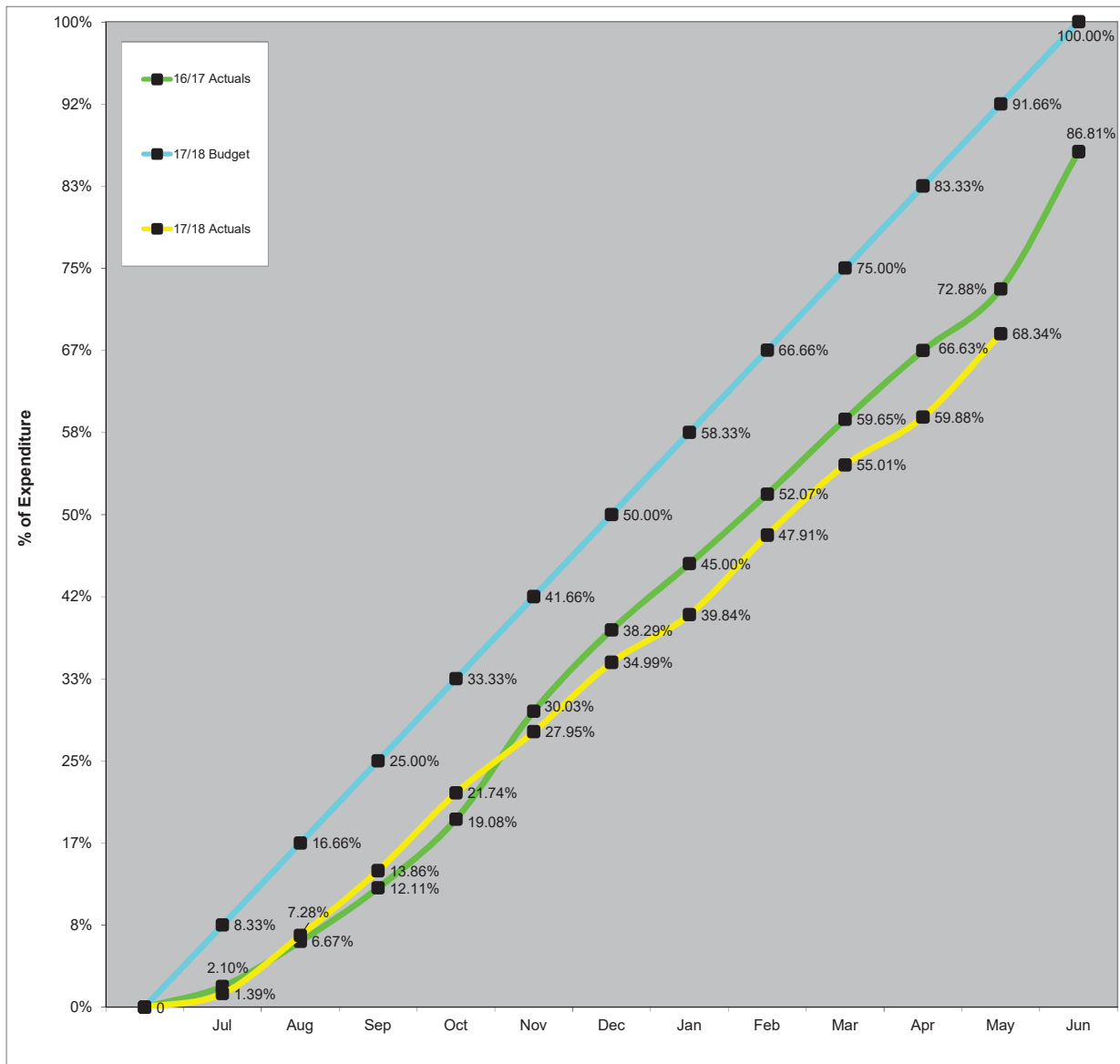
	Annual Revised Budget \$'000	Actuals to May \$'000	Actuals to Budget % spent
2016/17	\$ 275,436	\$ 226,998	82.41%
2017/18	\$ 293,055	\$ 235,318	80.30%

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Capital Expenditure

This graph compares the capital percentage expended for the 2017/18 and 2016/17 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.



	Annual Revised Budget \$'000	Actuals to May \$'000	Actuals to Budget % spent
2016/17	\$ 168,183	\$ 122,568	72.88%
2017/18	\$ 177,463	\$ 121,286	68.34%

ITEM 3.1 - MONTHLY REPORTING PACKAGE - MAY 2018 - 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 May 2018 all of Council's investments are in accordance with the approved Investment Policy. As at this date Council held 81.99% of funds outside of the Queensland Treasury Corporation (QTC). Term Deposit rates have increased slightly in recent times, providing better returns.

Investment Portfolio - Summary of Cash and Investments Held

Current Cash Investments					
Short Term Rating	Institution	Return	Term	Cash and Investment balance as at 31 May 2018	Interest earned YTD
A1+	Qld Treasury Corp*	2.76%	Short Term (45 days)	73,700,180	2,451,195
A1+	ANZ	1.97%	At Call	11,216,101	216,429
A1+	National Australia Bank	2%	At Call	198,929,491	2,233,015
A1+	ANZ	2.48% to 2.59%	181 to 365 days	40,000,000	958,532
A1+	Bankwest	2.6%	364 days	20,000,000	151,014
A1+	National Australia Bank	2.65%	182 days	10,000,000	875,052
A1	Suncorp	2.5% to 2.75%	184 to 364 days	20,000,000	756,822
A2	Bank of Queensland	2.55%	210 days	10,000,000	238,178
A2	Bendigo and Adelaide Bank	2.5% to 2.6%	182 to 364 days	20,000,000	491,014
A2	IMB	2.55%	364 days	5,000,000	166,925
	Petrie Paper Mill Site Funds				199,280
	Trust Investments				188,421
				*	
				408,845,772	8,925,878

* 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 2.40% pa in 2017/18, and has earned an additional \$167,302.94 from investing funds with financial institutions outside QTC.

Non-Current Investments				
Institution	Product	Term	Current Value	Invested Value
Queensland Investment Corporation	QIC Growth Fund	Greater than 5 years	99,386,284	100,000,000

Performance to Budget - Year to Date (YTD) Summary

92% of the year has elapsed

	Original Budget \$'000	Revised Budget \$'000	Actual YTD \$'000	Actual % Achieved \$'000	Comments
Interest Revenue on Investments	7,325	7,882	8,926	113%	Higher cash balance than expected
Interest on Debt held in Unitywater	36,085	35,070	32,147	92%	Tracking as per Budget
Total Investment Income	43,410	42,952	41,073	96%	

Borrowings

Debt Position	\$ '000
Debt held as at 1 July 2017	387,550
New borrowings	0
Borrowings repaid	(20,494)
Debt held as at 31 May 2018	367,056

As at 31 May 2018 the weighted average interest rate of all Council debt is 5.81%