

FINANCIAL REPORT

Nine months ended

31 March 2023

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1. Income Statement

For the nine months ending 31 March 2023

	YTD Forecast Budget \$'000	YTD Actual Results \$'000	YTD Forecast Variance \$'000	Annual Forecast \$'000	Adopted Budget \$'000	Variance Adopted To Forecast \$'000
Income						
Rates & charges	102,228	102,259	32	102,486	102,337	149
Statutory fees & fines	3,299	3,539	240	5,253	5,190	62
User fees	22,666	22,795	129	29,364	28,262	1,102
Contributions - cash	4,152	4,140	(12)	6,879	5,945	934
Grants - operating (recurrent)	3,662	3,638	(23)	8,838	8,314	524
Grants - operating (non-recurrent)	1,110	1,247	137	16,577	426	16,152
Other income	2,089	2,357	269	2,285	1,178	1,108
Net gain (loss) on disposal of property, infrastructure, plant & equipment	13	489	476	(113)	(93)	(20)
Total income	139,218	140,465	1,247	171,570	151,558	20,011
Expenses						
Employee costs	49,037	49,067	(30)	63,879	63,388	(491)
Materials and services	22,975	22,587	388	30,592	30,341	(251)
Contractors	19,111	18,102	1,009	41,321	25,950	(15,371)
Depreciation and amortisation	20,407	20,407	(0)	27,209	27,209	0
Amortisation - right of use assets	0	0	0	862	862	(0)
Finance costs	182	182	0	354	926	572
Finance costs - leases	0	0	0	61	61	0
Other expenses	1,097	1,055	42	710	769	59
Total expenses	112,809	111,399	1,409	164,989	149,507	(15,483)
Underlying surplus (deficit)	26,410	29,066	2,656	6,580	2,052	4,529
Grants - capital (recurrent and non- recurrent)	7,688	7,689	1	28,611	23,585	5,026
Comprehensive result	34,098	36,755	2,657	35,191	25,637	9,554

2. Balance Sheet

As at 31 March 2023

	31/03/2023	31/03/2022	30/06/2022
	\$ '000	\$ '000	\$ '000
Assets			
Current assets			
Cash and cash equivalents	8,901	37,109	45,875
Trade and other receivables	29,337	40,403	28,869
Other financial assets	85,238	31,343	23,981
Inventories	492	503	480
Other assets	243	1,009	724
Total current assets	124,211	110,367	99,929
Non-current assets			
Trade and other receivables	447	571	447
Other financial assets	1,057	1,057	0
Investments in associates, joint arrangements and subsidiaries	2,534	3,733	2,533
Property, infrastructure, plant and equipment	2,024,493	1,948,869	2,014,272
Right-of-use assets	1,308	2,149	1,308
Intangible assets	748	874	748
Total non-current assets	2,030,587	1,957,253	2,019,308
Total assets	2,154,798	2,067,620	2,119,237
Liabilities			
Current liabilities			
Trade and other payables	(5,269)	(15,767)	(9,759)
Trust funds and deposits	(13,645)	(5,627)	(6,371)
Unearned income - operating grants	(10,770)	(10,725)	(11,529)
Unearned income - capital grants	(28,700)	(25,570)	(4,421)
Provisions	(14,047)	(14,582)	(14,193)
Interest-bearing liabilities	(1,875)	(1,578)	(2,715)
Lease liabilities	(645)	(934)	(645)
Total current liabilities	(74,951)	(74,783)	(49,633)
Non-current liabilities			
Trust funds and deposits	(293)	(330)	(293)
Unearned income - capital grants	0	0	(25,661)
Provisions	(1,223)	(1,507)	(1,223)
Interest-bearing liabilities	(20,709)	(13,479)	(21,562)
Lease liabilities	(699)	(1,252)	(699)
Total non-current liabilities	(22,924)	(16,568)	(49,438)
Total liabilities	(97,875)	(91,351)	(99,071)
Net assets	2,056,923	1,976,269	2,020,166

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Equity

Accumulated surplus	860,765	837,204	848,764
Surplus (deficit) for period	36,755	37,882	0
Reserves	1,159,403	1,101,183	1,171,402
Total equity	2,056,923	1,976,269	2,020,166

3. Statement of Cash Flows

For the nine months ended 31 March 2023

	31/03/2023	31/03/2022
	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	86,741	80,006
Statutory fees and fines	3,539	3,311
User fees	39,057	4,751
Grants - operating	4,818	7,921
Grants - capital	7,689	12,446
Contributions - monetary	4,140	6,282
Interest received	1,146	546
Trust funds and deposits taken	7,248	5,546
Employee costs	(49,433)	(44,654)
Materials and services	(43,016)	(32,194)
Trust funds and deposits repaid	(7,189)	(5,688)
Net cash provided by/ (used in) operating activities	54,740	38,273
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(28,331)	(35,156)
Proceeds from sales of property, infrastructure, plant and equipment	805	654
Payments for investments	(168,174)	(57,092)
Proceeds from sales of investments	105,861	63,666
Net cash provided by/ (used in) investing activities	(89,839)	(27,929)
Cash flows from financing activities		
Finance costs	(182)	(388)
Proceeds from borrowings	(1,693)	(761)
Net cash provided by/ (used in) financing activities	(1,875)	(1,149)
Net increase (decrease) in cash and cash equivalents	(36,974)	9,195
Cash and cash equivalents at the beginning of the period	45,875	27,914
Cash and cash equivalents at the end of the financial period	8,901	37,109

4. Statement of Capital Works

For the nine months ending 31 March 2023

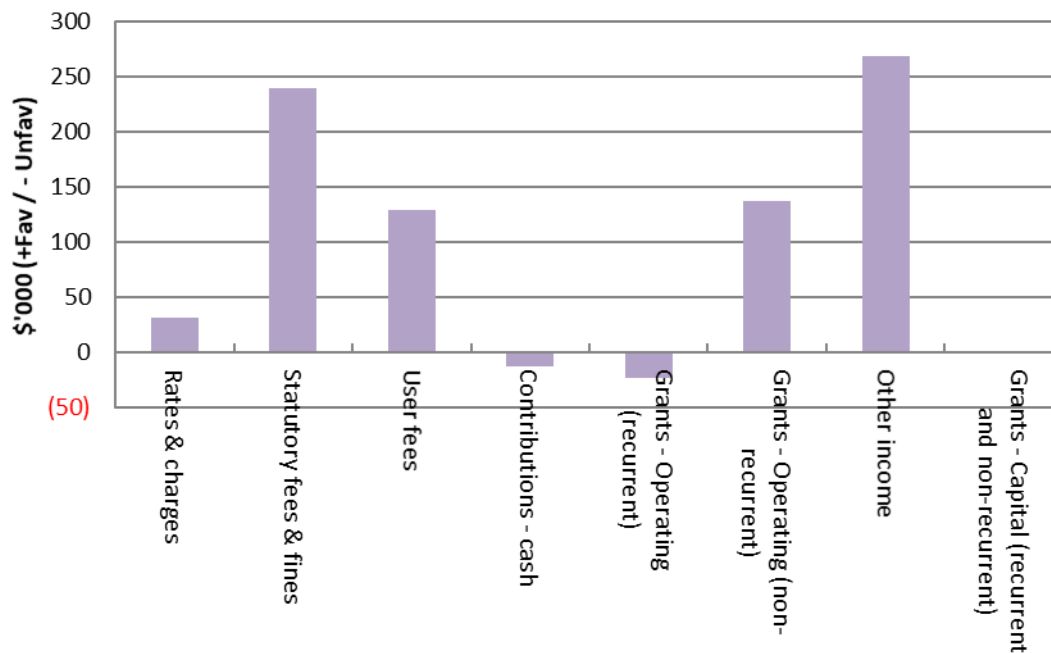
	YTD Forecast Budget \$'000	YTD Actual * \$'000	YTD Bud Var \$'000	Forecast Budget ** \$'000	Amount Carried Forward \$'000	Adopted Budget \$'000
Classification						
Buildings	12,285	14,476	(2,191)	15,400	5,225	2,800
Roads	3,988	4,076	(88)	5,298	778	2,638
Footpaths and cycleways	1,719	1,766	(48)	2,602	221	3,446
Carparks	640	597	43	19,492	440	24,050
Drainage	2,983	2,978	5	6,345	1,559	4,292
Waste management	1,433	1,433	0	2,570	37	2,550
Other capital roads and drainage	314	314	0	1,483	667	1,045
Recreational leisure and community facilities	1,616	2,107	(491)	1,888	348	1,201
Parks and open space	874	1,041	(166)	2,542	700	2,197
Commercial centres	0	0	0	220	0	0
Fixtures, fittings and furniture	104	85	19	135	33	95
Plant, machinery and equipment	2,392	1,816	576	3,683	500	3,238
Computers and telecommunications	184	266	(82)	2,286	1,618	359
Property sales	0	(8)	8	0	0	0
Building renewal	886	902	(16)	1,201	651	3,787
Total capital works	29,420	31,850	(2,430)	65,145	12,779	51,698

* YTD Actual expenditure includes Carried Forwards

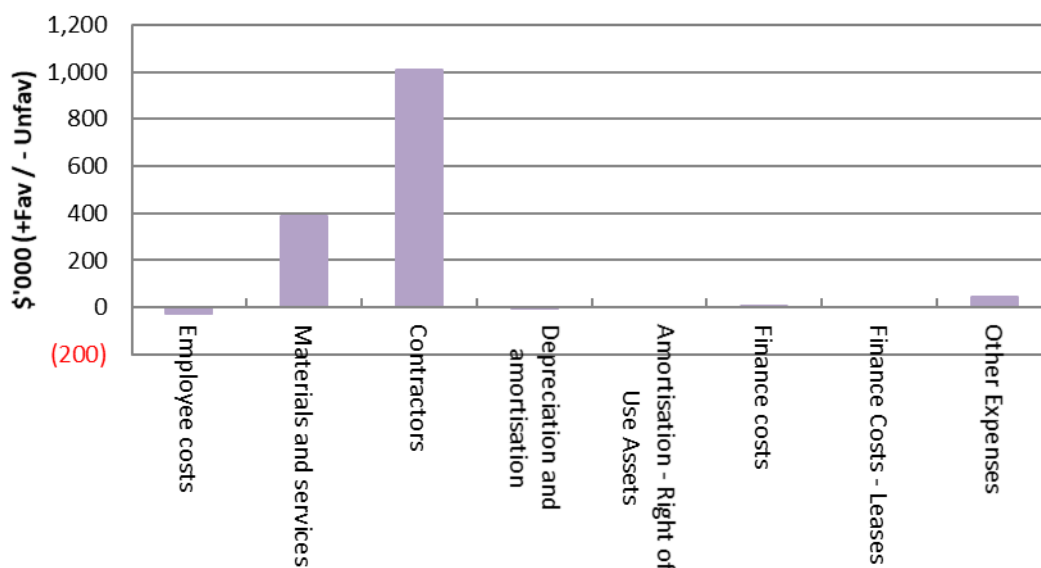
** Forecast Budget expenditure includes Carried Forwards

5. Financial and Capital Analysis

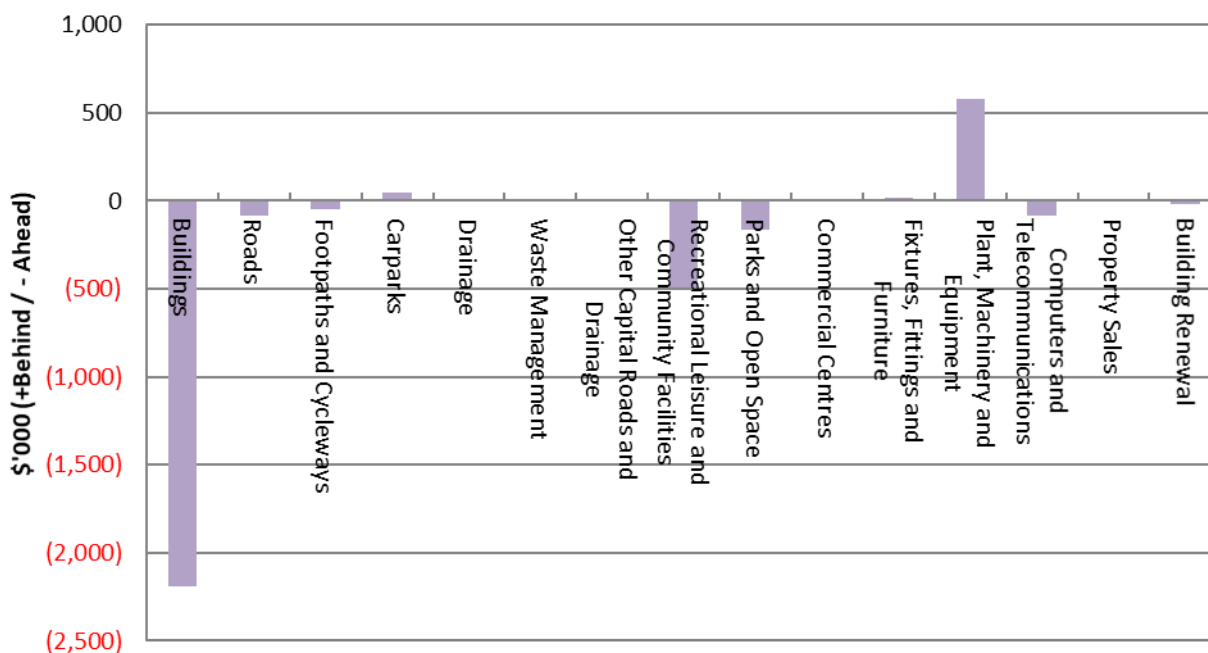
Income – YTD Forecast Budget variances



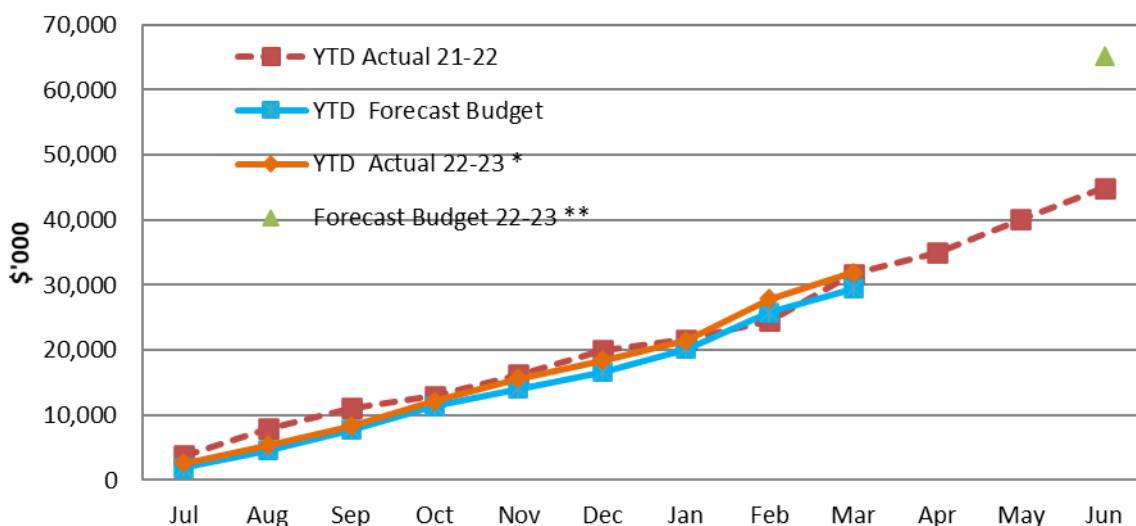
Expenses – YTD Forecast Budget variances



Capital Works – YTD Forecast Budget variances by asset class



Capital works YTD expenditure cumulative



*YTD Actual expenditure includes Carried Forwards

**Forecast Budget expenditure includes Carried Forwards and future years' projects brought forward

These graphs demonstrate that the capital program is on par with overall budget predictions.

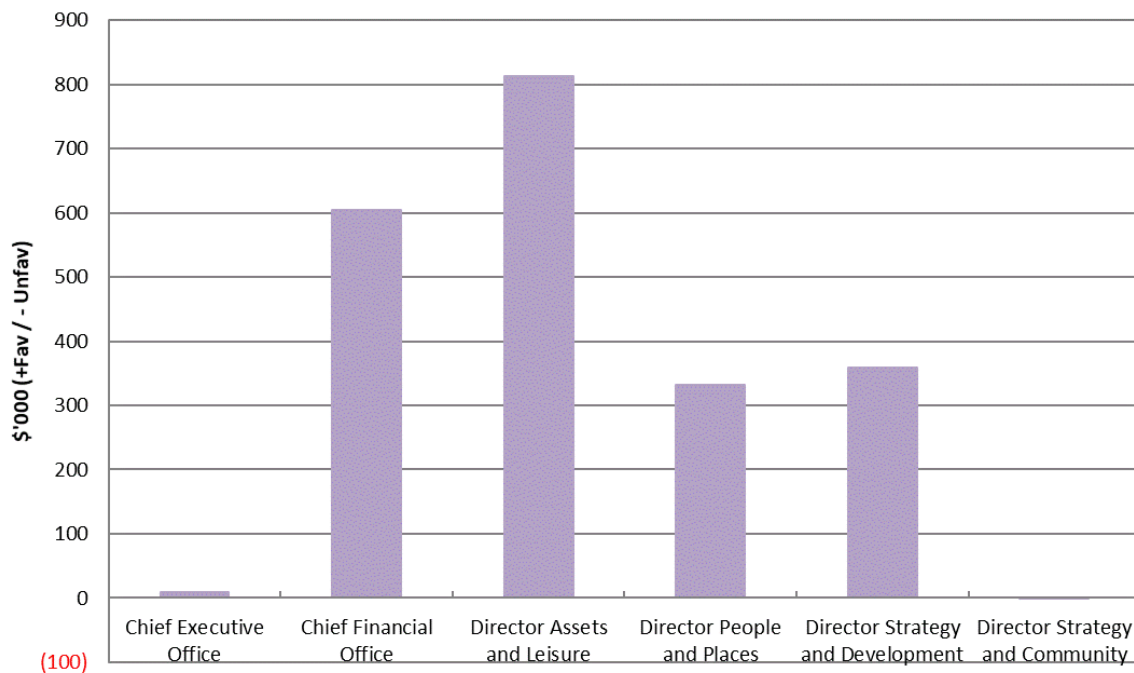
Financial Report
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Directorate Analysis

	YTD Forecast Net \$'000	YTD Actual Net \$'000	YTD Bud Var Net \$'000	Annual Forecast Net \$'000
Department				
Chief Executive Office	(1,097)	(1,087)	10	(1,502)
Chief Financial Office	(19,616)	(19,012)	605	(27,610)
Director Assets and Leisure	(17,561)	(16,747)	814	(22,622)
Director People and Places	(12,064)	(11,731)	333	(16,485)
Director Strategy and Development	(4,327)	(3,969)	358	(3,681)
Director Strategy and Community	(214)	(215)	(1)	(234)
	(54,879)	(52,761)	2,118	(72,134)
Capital Grants & Contributions	7,688	7,689	1	28,611
Net (Gain)/Loss on disposal of equipment	13	489	476	(113)
Other non-attributable *	81,275	81,338	63	78,827
Net (surplus) deficit	34,098	36,755	2,657	35,191

* Other non-attributable includes rate & charges revenue, grants commission, depreciation, and insurance.

Department net cost YTD Budget variances (depiction of the table above)

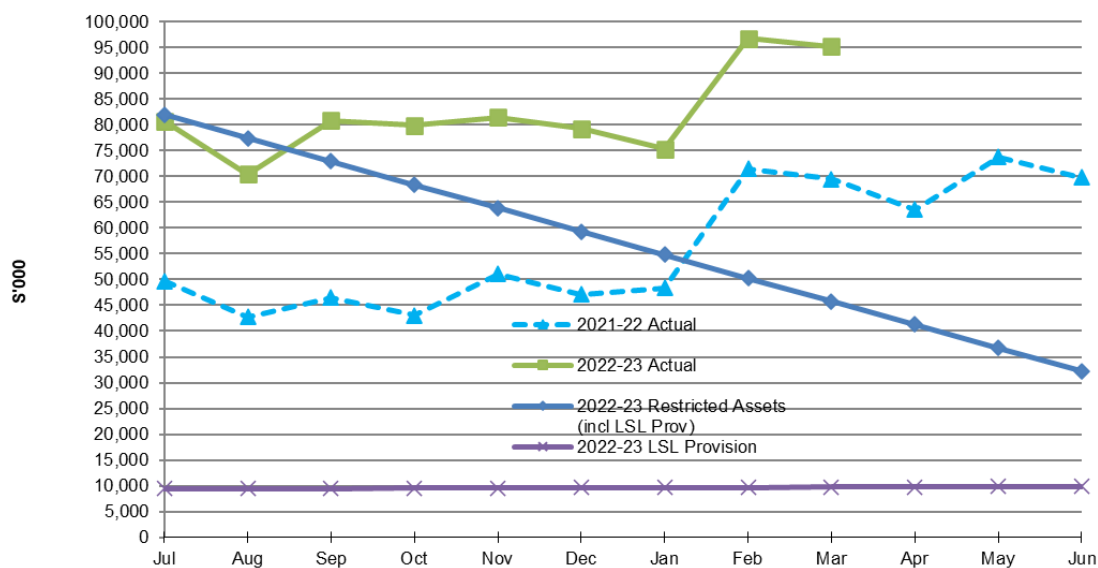


6. Financial Position

	2022-23 March Actual \$'000	2021-22 March Actual \$'000	2022-23 Adopted Budget \$'000	2021-2022 June EOFY Actual \$'000
Cash and investments	95,196	69,509	32,850	69,856
Net current assets	49,260	35,584	10,378	50,256
Net assets and total equity	2,056,923	1,976,269	2,003,755	2,020,168

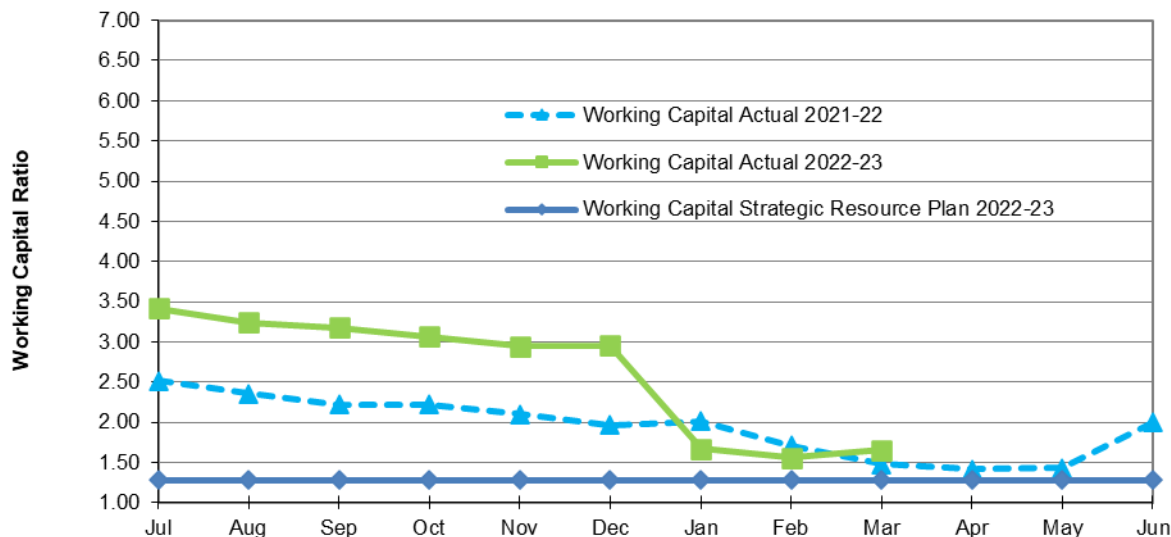
The Financial Position as at 31 March 2023 shows cash and investment balances of \$95.20 million and a net current asset position of \$49.26 million. The net asset position as at 31 March 2023 is \$2.06 billion. Cash and investment balances are above expectations identified in the Long-Term Financial Strategy for the current period of 2022/2023.

Actual cash & investments balance by month



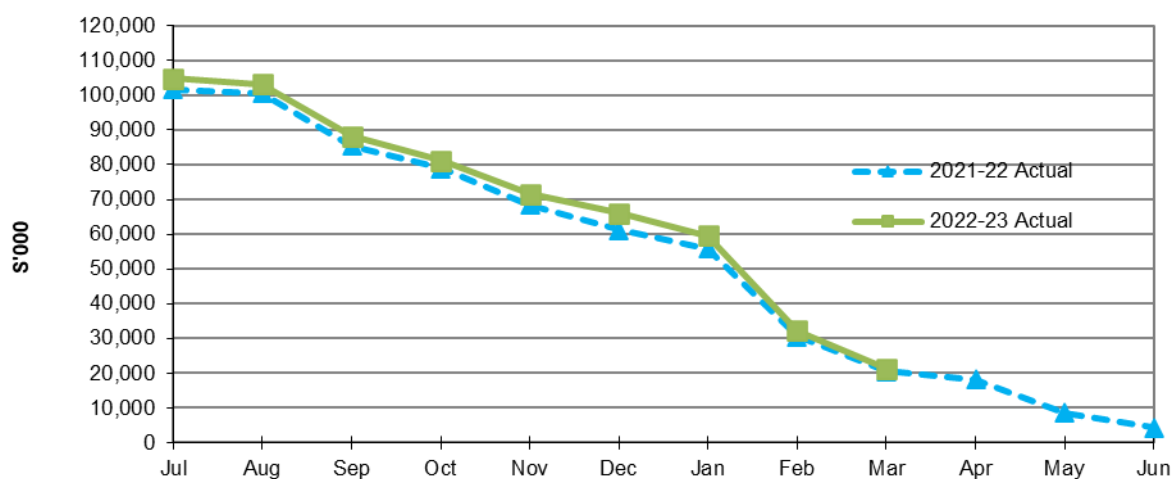
This graph reflects that there are sufficient cash reserves to cover both restricted assets and any fluctuations in cash flow. The levels fluctuate during the year in line with inflows from peak rate payment periods and expense cycles. Restricted Assets refer to unexpended grants and developer's contributions as well as provision for Long Service Leave.

**Actual working capital ratio by month
 (Current Assets / Current Liabilities)**



The working capital ratio is a measure of liquidity. It is always essential for this figure to be greater than 1.00, with the VAGO recommended level being more than 1.50. Council’s working capital ratio as at 31 March 2023 is 1.66.

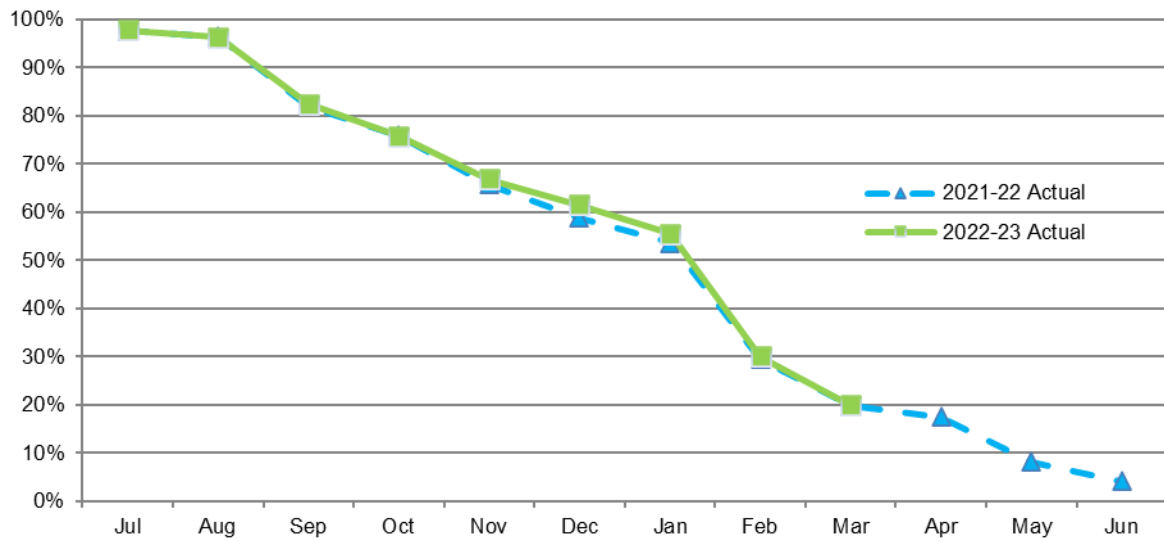
Actual rates outstanding balances by month



The March result indicates a similar trend of rates outstanding as compared to the same stage last year, taking into account rates being struck in July of this year.

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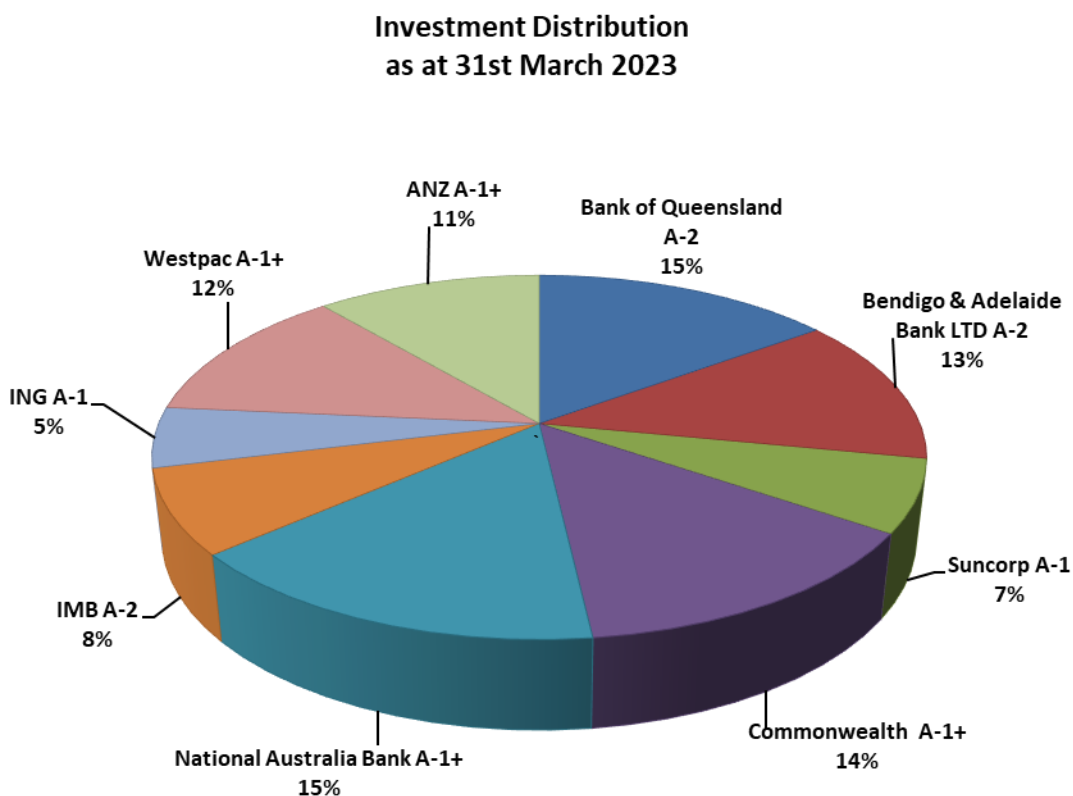
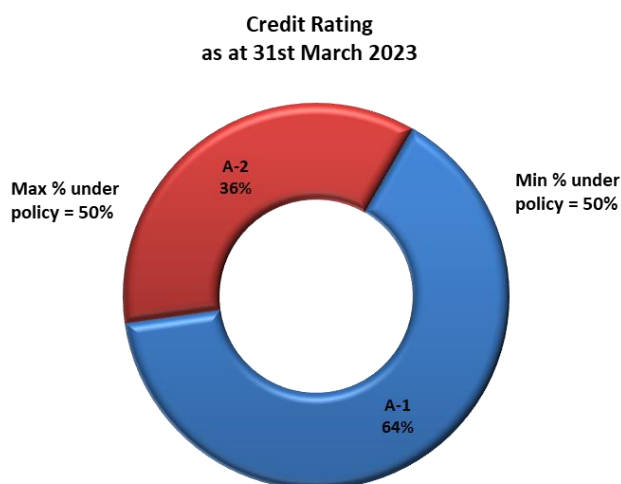
Rates debtor collection rate by %



Rate debtor's collection levels during 2022/2023 are in line with expectations, taking into account rates being struck in July of this year.

7. Cash and Investments

The following graphs indicate the diversification and credit ratings of the investment portfolio at the end of March. The table lists all the investments held as at 31 March 2023. Council's Investment Policy is to maintain a portfolio's balance between A-1 and A-2 investments and hold no greater than 15% of the portfolio with one investing partner.



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Investments as at 31/03/2023							
Institution	Credit Rating	Maturity Date	Period Days	Yield %	Type	\$000's	%
Commonwealth Bank	A-1+			0.30	On-Call	3,871,281	4.1%
ING	A-1	5-Apr-23	44	3.80	Term Dep	1,032,973	1.1%
ANZ	A-1+	26-Apr-23	70	3.69	Term Dep	3,500,000	3.7%
IMB	A-2	5-Apr-23	118	3.80	Term Dep	1,510,829	1.6%
ING	A-1	12-Apr-23	114	3.37	Term Dep	1,012,704	1.1%
Bendigo & Adelaide Bank LTD	A-2	12-Apr-23	112	3.75	Term Dep	2,000,000	2.1%
Bank of Queensland	A-2	19-Apr-23	98	3.80	Term Dep	2,039,968	2.2%
National Australia Bank	A-1+	26-Apr-23	93	3.96	Term Dep	2,539,657	2.7%
National Australia Bank	A-1+	3-May-23	91	3.95	Term Dep	2,546,715	2.7%
Suncorp	A-1	10-May-23	91	3.95	Term Dep	2,551,100	2.7%
Bendigo & Adelaide Bank LTD	A-2	17-May-23	91	4.10	Term Dep	3,000,000	3.2%
Commonwealth	A-1+	17-May-23	91	4.19	Term Dep	2,500,000	2.6%
ANZ	A-1+	24-May-23	98	3.87	Term Dep	3,049,670	3.2%
Bendigo & Adelaide Bank LTD	A-2	1-Jun-23	162	4.05	Term Dep	5,000,000	5.3%
National Australia Bank	A-1+	7-Jun-23	118	4.14	Term Dep	3,000,000	3.2%
Suncorp	A-1	14-Jun-23	188	4.15	Term Dep	3,540,104	3.7%
IMB	A-2	14-Jun-23	114	4.00	Term Dep	1,527,017	1.6%
Bank of Queensland	A-2	14-Jun-23	114	4.25	Term Dep	1,021,180	1.1%
National Australia Bank	A-1+	21-Jun-23	121	4.21	Term Dep	3,000,000	3.2%
Westpac	AA-	21-Jun-23	121	4.23	Term Dep	2,000,000	2.1%
ANZ	A-1+	22-Jun-23	106	4.03	Term Dep	1,519,981	1.6%
Westpac	AA-	22-Jun-23	106	4.18	Term Dep	2,549,312	2.7%
IMB	A-2	26-Jun-23	119	4.00	Term Dep	2,034,570	2.1%
Commonwealth	A-1+	26-Jun-23	119	4.40	Term Dep	1,014,924	1.1%
ANZ	A-1+	26-Jun-23	116	4.09	Term Dep	2,548,905	2.7%
Bank of Queensland	A-2	26-Jun-23	116	4.30	Term Dep	2,000,000	2.1%
National Australia Bank	A-1	28-Jun-23	105	4.34	Term Dep	2,021,142	2.1%
ING	A-1	28-Jun-23	105	3.93	Term Dep	2,018,862	2.1%
Bank of Queensland	A-2	28-Jun-23	98	4.15	Term Dep	2,500,000	2.6%
National Australia Bank	A-1	28-Jun-23	98	4.36	Term Dep	1,500,000	1.6%
Bank of Queensland	A-2	28-Jun-23	97	4.10	Term Dep	1,530,082	1.6%
IMB	A-2	28-Jun-23	91	4.15	Term Dep	2,041,272	2.2%
Westpac	AA-	28-Jun-23	91	4.25	Term Dep	3,064,626	3.2%
Commonwealth	A-1+	28-Jun-23	91	4.28	Term Dep	3,537,589	3.7%
Bank of Queensland	A-2	27-Jul-23	365	4.05	Term Dep	4,011,401	4.2%
Westpac	AA-	7-Dec-23	365	4.36	Term Dep	4,049,066	4.3%
Bendigo & Adelaide Bank LTD	A-2	12-Jul-23	365	3.75	Term Dep	1,331,586	1.4%
Commonwealth	A-1+	29-Sep-23	365	4.53	Term Dep	2,019,039	2.1%
ING	A-1	22-Dec-23	365	4.63	Term Dep	1,020,623	1.1%
Bendigo & Adelaide Bank LTD	A-2	9-Feb-24	365	4.40	Term Dep	1,069,229	1.1%
Bank of Queensland	A-2	14-Mar-24	365	4.70	Term Dep	1,073,630	1.1%
						94,699,039	100%

Term Dep = Term Deposit NCD = Negotiable Certificate of Deposit

Council's performance against the industry wide benchmark (Bank Bill Swap Reference Rate – Average Bid which summarises the returns on banks bills over the period chosen) is provided below:

Benchmark: 90 days Bank Bill Swap Reference Rate – Average Bid (Source: Australian Financial Markets Association)	0.19%
Maroondah Investment Portfolio as at 31 March 2023	4.07%