

Budget 2020/21- Income and Expenditure and Other Comprehensive Income		FLINDERS COUNCIL		
Income & Expenditure	Appendix	2019/20 Budget 000's	2019/20 Preliminary forecast 000's	2020/21 Budget 000's
<b>Income from continuing operations</b>				
<b>Recurrent Income</b>				
Rates and charges	1	2,048	2,047	2,059
Statutory fees and fines	2	40	44	40
User fees	3	1,144	1,160	660
Grants - Operational	4	949	1,734	1,965
Interest Income	5	70	97	35
Other Income	6	56	102	28
Investment revenue from water corporation	7	36	18	-
		<b>4,342</b>	<b>5,202</b>	<b>4,787</b>
<b>Capital Income</b>				
Grants Capital		2,099	300	3,897
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		-	(350)	-
Recognition of land under roads		-	-	-
	8	<b>2,099</b>	<b>(50)</b>	<b>3,897</b>
<b>Total Income from continuing operations</b>		<b>6,441</b>	<b>5,152</b>	<b>8,684</b>
<b>Expenses</b>				
Employee benefits	10	(2,090)	(2,000)	(2,241)
Materials and services	11	(2,356)	(1,870)	(2,520)
Materials & Services - Plant Recharges and Quarry Recharges for Capital Works	11	428	274	167
Impairment of debts	12	0	-	-
Depreciation and amortisation	13	(1,602)	(1,602)	(1,632)
Finance costs	14	(88)	(65)	(88)
Other expenses	15	-	(7)	-
<b>Total Expenses from continuing operations</b>		<b>(5,708)</b>	<b>(5,269)</b>	<b>(6,314)</b>
<b>Net Surplus/(Deficit) - excluding Telstra Project</b>		<b>733</b>	<b>(117)</b>	<b>2,370</b>
Telstra Project Income	9	1,887	1,099	788
Telstra Project Expenditure	16	(350)	(350)	(5)
		<b>1,537</b>	<b>749</b>	<b>783</b>
<b>Net Surplus/(Deficit) - including Telstra Project</b>		<b>2,270</b>	<b>632</b>	<b>3,153</b>

Budget 2020/21 - Capital Expenditure		FLINDERS COUNCIL			
Description	Capital Type	Notes	2019/20 Budget	2019/20 Preliminary forecast	2020/21 Budget
			000's	000's	000's
<b>Roads</b>		Note 1	826	610	528
Roads - Resheeting	Replacement		257	99	180
Roads - Reseals	Replacement		216	195	113
Roads - Reconstruction	Replacement		273	256	180
Roads - Footpaths	Replacement		20	-	20
Roads - Bridges	Replacement		60	61	35
<b>Plant - Municipal</b>			12	36	128
Plant Mun - Vehicle Replacement - Hino Tip Truck	Replacement		-	25	120
Plant Mun - Mowers	Replacement		12	10	-
Plant Mun - Steam Cleaner, Pressure Washer	New Capital		-	-	8
<b>Plant - Airport</b>			3,630	3,625	-
Plant - Airport Fuel Facility	New Capital		30	40	-
Plant - Airport Runway	Capital Upgrade		3,600	3,585	-
<b>Buildings &amp; Facilities</b>			89	61	74
B & F - Airport - Airconditioning Unit	Replacement		4	-	4
B & F - Council Office Septic	Capital Upgrade		35	1	70
B & F - Council Works Shed	Replacement		50	48	-
B & F - Council Windows	Replacement		-	12	-
<b>Waste</b>			100	17	160
Waste - Build Cell #1	New Capital	Note 2	80	-	100
Waste - Concrete Bays and Shed	New Capital	Note 3	-	-	60
Waste - Euro Quick Hitch Forks	New Capital		-	5	-
Waste - New Self-Tipping Bins	New Capital		20	12	-
<b>IT Computers, Telephones and Furniture &amp; Fittings</b>			8	8	3
Hardware - Laptops	Replacement		3	3	3
F & F Signage	Replacement		5	-	-
<b>TOTAL CAPITAL</b>			<b>4,665</b>	<b>4,357</b>	<b>893</b>

**Notes:**

**Note 1:** Roads budget expenditure has declined due to change in methodology on the Roads to Recovery Program. Although the budget is below last year, it is aligned with the Roads Program requirements.

**Note 2:** The Waste Lined Cell #1 was scheduled for building in the prior budget, however as the design is still awaiting EPA approval, it was delayed. This has now been scheduled for Budget 2020/21.

**Note 3:** The Waste concrete bays and shed at the Whitemark Tip are required to allow a streamlined approach to sorting the waste.

## Budget 2020/21 - Appendix 1 - Income

Income Appendices	2019/20 Budget	2019/20 Preliminary forecast	2020/21 Budget	Budget Notes 2020/21
	000's	000's	000's	
<b>1 Rates and Charges</b>	<b>2,048</b>	<b>2,047</b>	<b>2,059</b>	
Rates - General Rate	1,981	1,976	1,992	<b>Rates</b> : Zero increase applied in Budget 2020/21. Additional \$20k is due to natural growth.
Rate - Fire Levy	67	71	71	
Rate - Waste Management Rate	-	-	-	
Rates - Pensioner Remission - Fire Levy	-	0	-	
Rates - Pensioner Remission - State Govt. 30%	-	(0)	(4)	
Rates - received in advance	-	-	-	
<b>2 Statutory Fees and Fines</b>	<b>40</b>	<b>44</b>	<b>40</b>	
Statutory Fees and Fines	40	44	40	
<b>3 User Fees and Charges</b>	<b>1,144</b>	<b>1,160</b>	<b>660</b>	
Airport Fees & Charges	514	402	360	<b>Airport Fees and Charges</b> : constitutes, passenger taxes, landing fees, terminal rental and sale of aviation fuel. A significant decline in passenger numbers occurred in the last six months. Due to the impact of Covid-19, the budget assumes a 30% decline in passenger travel.
Cemetery Fees	10	42	10	
Environment	8	15	8	
Equipment Hire	6	4	3	<b>Private Works</b> : The reduction in Private Works is due to a drop in \$300k for minor works on the Lady Barron State Road. This additional grant occurs every two years.
Planning & Building	19	21	9	
Private Works	542	625	242	
Property Certificates	12	14	12	
Rent Received	33	36	16	
Other User fees and Charges	2	1	-	
<b>4 Grants - Operational</b>	<b>949</b>	<b>1,734</b>	<b>1,965</b>	
Grants - Financial Assistance	719	1,476	1,437	<b>Financial Assistance Grant Support</b> : 50% of the FAGS Budget 2020/21 was paid in advance and recorded in FY1920 Preliminary Forecast. Budget 2020/21 assumes that the FAGS grant will be paid in advance.
Grants - Heavy Vehicle Motor Tax	230	237	230	
Grants - Operational GST Inc	-	12	298	
Grants - Operational GST Free	-	9	-	
<b>5 Interest Income</b>	<b>70</b>	<b>97</b>	<b>35</b>	
Interest	70	97	35	<b>Interest Earned</b> is predicted to be 50% of prior years budget, due to the decline in interest rates.
<b>6 Other Income</b>	<b>56</b>	<b>102</b>	<b>28</b>	
Contributions	10	17	5	<b>Other Income</b> is budgeted as 50% of prior year's budget due to impacts of COVID-19.
Other Revenue - GST Inc	6	6	3	
Other Revenue - GST Free	40	79	20	
Bad Debts Recovered	-	-	-	
Insurance Recoveries	-	-	-	
<b>7 Investment revenue from water corporation</b>	<b>36</b>	<b>18</b>	<b>-</b>	
Investment revenue from water corporation	36	18	-	<b>Revenue from Taswater</b> has been suspended due to COVID-19 impacts.
<b>8 Capital Income</b>	<b>2,099</b>	<b>(50)</b>	<b>3,897</b>	
Grants - Capital Projects GST Inc	-	-	-	<b>Capital Grant \$3.6m</b> : Commonwealth Grant for the Airport Runway Upgrade is due to be paid in Budget 2020/21. Work on this program was completed at year end 30 June 20.
Grants - Capital Projects GST Free	1,800	-	3,600	
Grants - Roads to Recovery	299	300	297	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(350)	-	
<b>9 Telstra Project Income</b>	<b>1,887</b>	<b>1,099</b>	<b>788</b>	
Telstra Project Income	1,887	1,099	788	<b>Building Better Regions Grant</b> funding for Telstra Project income for the last 10% of the Telstra project is due in Budget 2020/21. The Telstra project was completed Year end 30 June 20.
<b>TOTAL INCOME</b>	<b>8,328</b>	<b>6,251</b>	<b>9,472</b>	

Expense Appendices	2019/20 Budget	2019/20 Preliminary forecast	2020/21 Budget	Budget Notes
	000's	000's	000's	
<b>10 Employee benefits</b>	<b>(2,090)</b>	<b>(2,000)</b>	<b>(2,241)</b>	
Employee - Labour Costs	(2,035)	(1,978)	(2,202)	<b>Employee Costs:</b> Operational costs have increased in three main areas: EBA ( Enterprise Bargaining Agreement ) increase \$40k; Workers Compensation Insurance increases \$29k and additional resources required for the Waste area \$70k. The FTE head shift represents 1 head for the Waste area, and the second head is merely a shift from the Capital program to Operations ( and is not in fact an additional head on the workforce).
Employee - Other Costs	(55)	(22)	(39)	
Employee - Oncosts Recovery	(0)	(0)	-	
<b>No of Full-Time-Equivalent Employees for OPERATIONS</b>	<b>22.8</b>		<b>24.8</b>	
<b>11 Materials &amp; Services</b>	<b>(1,928)</b>	<b>(1,596)</b>	<b>(2,353)</b>	
Administration Costs	(258)	(195)	(258)	<b>Materials and Services:</b>
Advertising	(26)	(21)	(26)	
Audit, Insurance and Legal	(240)	(199)	(275)	<b>Audit, Insurance and Legal:</b> Insurance cost is the main contributing factor to the increase over last year. Insurances have increased by \$35k compared to Budget 2019/20. This is the second year where significant rises are due to impacts from bush fires in Australia and Tasmania.
Consulting Services	(154)	(50)	(110)	<b>Consulting Costs:</b> Costs have been reduced from prior years budget by \$44k.
Contractor Services	(538)	(350)	(482)	
Council Member Costs	(127)	(112)	(127)	<b>Contractor Costs:</b> Although Contractor costs have increased by \$130k for the Land Planning Scheme work, other areas have been reduced to mitigate increases.
Leases and Levys and Licence Fees	(85)	(83)	(85)	
Materials and Equipment	(583)	(511)	(840)	<b>Materials &amp; Equipment:</b> The large increase in Materials is due to the expenditure budgeted for the Infrastructure Grant of \$298k.
Other Costs	(87)	(110)	(87)	
Repairs and Maintenance	(154)	(170)	(126)	<b>Repairs and Maintenance:</b> We have reduced the R&M budget this year as a large proportion of the maintenance of the assets can be conducted through the Infrastructure grant.
Travel Costs	(69)	(29)	(69)	
Utility Costs (Gas, Electricity & Water)	(37)	(40)	(37)	
<b>Quarry Recharges</b>	<b>108</b>	<b>25</b>	<b>65</b>	<b>Quarry and Plant Recharges:</b> Positive gains relate to the usage of plant and quarry on capital programs. Budget 2020/21 shows a decline to prior year due to the reduced capital works.
<b>Plant Hire Recharges</b>	<b>320</b>	<b>249</b>	<b>102</b>	
<b>12 Impairment of debts</b>	<b>0</b>	<b>-</b>	<b>-</b>	
Bad & Doubtful Debts	0	-	-	
Write-off	-	-	-	
<b>13 Depreciation and amortisation</b>	<b>(1,602)</b>	<b>(1,602)</b>	<b>(1,632)</b>	
Depreciation - Leasehold Improvements	(49)	(49)	(49)	<b>Depreciation Costs:</b> Budget 2020/21 Depreciation costs are similar to last year. Although we have upgraded the Airport runway in 2019/20, the new infrastructure will have a small increase.
Depreciation - Footpaths	(34)	(34)	(34)	
Depreciation - Bridges	(89)	(89)	(89)	
Depreciation - Building	(73)	(73)	(73)	
Depreciation - Furniture & Fittings	(11)	(11)	(11)	
Depreciation - Infrastructure	(260)	(260)	(290)	
Depreciation - Plant & Equipment	(281)	(281)	(281)	
Depreciation - Roads	(778)	(778)	(778)	
Depreciation - Stormwater Infrastructure	(5)	(5)	(5)	
Depreciation - Waste Infrastructure	(15)	(15)	(15)	
Ammortisation on Municipal Revaluation	(8)	(8)	(8)	
<b>14 Finance costs</b>	<b>(88)</b>	<b>(65)</b>	<b>(88)</b>	
Interest Expense	(65)	(55)	(65)	
Bank Charges	(23)	(9)	(23)	
<b>15 Other expenses</b>	<b>-</b>	<b>(7)</b>	<b>-</b>	
Other Expenses	-	(7)	-	
<b>16 Telstra Project Expenditure</b>	<b>(350)</b>	<b>(350)</b>	<b>(5)</b>	
Telstra Project Expenditure	(350)	(350)	(5)	
<b>TOTAL</b>	<b>(6,058)</b>	<b>(5,619)</b>	<b>(6,319)</b>	

## Budget 2020/21 - Appendix 3 - Departmental Expense Analysis

FLINDERS COUNCIL

	2019/20 Budget	2019/20 Preliminary forecast	2020/21 Budget	Notes
	000's	000's	000's	
Airport	(428)	(428)	(357)	
Buildings & Facilities	(132)	(136)	(444)	Note 1
Community Economic Development	(209)	(154)	(171)	
Corporate	(1,181)	(1,182)	(1,175)	
Depot	(128)	(174)	(130)	
Governance	(604)	(498)	(563)	
Parks & Gardens	(96)	(132)	(123)	
Strategic Planning & Development	(402)	(292)	(536)	Note 2
Plant - Plant Exp	55	314	(213)	Note 3
Private Works	(453)	(386)	(223)	
Quarries	65	13	33	
Roads & Streets	(409)	(403)	(489)	
Waste Management	(185)	(225)	(291)	
Depreciation	(1,602)	(1,602)	(1,632)	
<b>TOTAL OPERATIONAL EXCL TELSTRA</b>	<b>(5,708)</b>	<b>(5,269)</b>	<b>(6,314)</b>	
TELSTRA Operational Project	(350)	(350)	(5)	
<b>TOTAL OPERATIONAL INCL TELSTRA</b>	<b>(6,058)</b>	<b>(5,619)</b>	<b>(6,319)</b>	

**Notes:**

1 - The increase in Building and Facilities costs relate to the Infrastructure Grant funding of \$298k which will be applied for in Budget 2020/21.

2 - Strategic Planning, LPS project costs are estimated to be \$130k higher than previously budgeted.

3 - 2019/20 positive gains on Plant usage was due to work on the Airport Upgrade and additional works on the State-owned Lady Barron Road. Budget 2020/21 has base capital works on the Road program.

## Budget 2020/21 - Appendix 4 - Balance Sheet and Cashflow Forecasts

FLINDERS COUNCIL

Statement of Financial Position Summary		Year End Actual Jun 2019 000's	2019/20 Preliminary forecast 000's	2020/21 Budget 000's	
<b>Assets</b>					
Total Current Assets	-Cash, Investments, Debtors Inventories	7,510	4,212	6,012	Note 1
Total Non-Current Assets	-Property, Infrastructure Plant and Equipment	55,105	55,098	58,098	Note 2
		62,615	59,310	64,110	
<b>Liabilities</b>					
Total Current Liabilities	-Creditors and Provisions	(4,319)	(998)	(1,000)	Note 3
Total Non-Current liabilities	-Loans and Borrowings	(1,911)	(3,404)	(1,604)	Note 4
		(6,230)	(4,402)	(2,604)	
<b>Net Assets</b>		<b>56,385</b>	<b>54,908</b>	<b>61,506</b>	
<b>Total Equity</b>		<b>56,385</b>	<b>54,908</b>	<b>61,506</b>	
Current Assets to Current Liabilities Ratio		1.7	4.2	6.0	

Note 1 Budget 2020/21 improves when the \$3.6million grant for the Airport Upgrade is paid.

Note 2 Budget 2020/21 increases with the new Airport Upgrade infrastructure.

Note 3 Budget 2020/21 resumes to normal levels and no change predicted to 2019/20 preliminary forecast.

Note 4 Budget 2020/21 bridging loan of \$1.8 million is paid back.

Cash, Investments and Loans		Year End Actual Jun 2019 000's	2019/20 Preliminary forecast 000's	2020/21 Budget 000's	
Cash and Cash Equivalents		2,328	3,664	5,558	
Financial Assets		4,468	112	112	Note 1
Cash and Investments		6,796	3,776	5,670	Note 2
Loans and Borrowings		(1,848)	(3,404)	(1,604)	Note 3
<b>Net Liquidity</b>		<b>4,948</b>	<b>371</b>	<b>4,066</b>	
Cash to Loan Ratio		3.7	1.1	3.5	

Note 1 - Financial Assets currently comprise 'Term Deposits' held at bank institutes.

Note 2 - Budget 2020/21 will improve when the Airport Grant of \$3.6million is paid.

Note 3 - Budget 2020/21 bridging loan of \$1.8 million will be repaid when the Airport Upgrade funding of \$3.6m is received.

Cashflow Forecast	2020/21 Budget 000's	2021/22 Forecast 000's	2022/23 Forecast 000's	2023/24 Forecast 000's	2024/25 Forecast 000's
<b>INCOME</b>	9,472	5,238	4,983	5,328	5,074
Operational Income	4,787	5,238	4,983	5,328	5,074
Grants - BBR Telstra Grant	787	0	0	0	0
Grant - Commonwealth grant for Airport Upgrade	3,600	0	0	0	0
Cash - from Loans	0	0	0	0	0
Grants - Other	298	0	0	0	0
<b>EXPENDITURE</b>	(7,470)	(5,789)	(6,702)	(6,250)	(5,648)
Recurrent Expenditure (excluding Depreciation)	(4,590)	(4,969)	(4,717)	(5,065)	(4,814)
Capital Works - as per program	(782)	(778)	(900)	(1,140)	(787)
Grants - Infrastructure Program	(298)				
Loan Repayments - Old loans	0	(42)	(1,085)	(45)	(47)
Loan Repayments - New loan of \$1.8million	(1,800)				
<b>CASH MOVEMENT: surplus/ (deficit)</b>	<b>2,002</b>	<b>(551)</b>	<b>(1,719)</b>	<b>(922)</b>	<b>(574)</b>
Balance of Cash brought forward	3,668	5,670	5,119	3,400	2,478
<b>Balance of Cash predicted year end 30th June Budget 2020/2021</b>	<b>5,670</b>	<b>5,119</b>	<b>3,400</b>	<b>2,478</b>	<b>1,904</b>
Minimum Cash holding should be \$1.6 million					
<b>Loan Balances</b>	<b>(1,573)</b>	<b>(1,531)</b>	<b>(446)</b>	<b>(401)</b>	<b>(354)</b>
<b>Net Liquidity: cash/ (debt) prediction Budget 2020/2021</b>	<b>4,097</b>	<b>3,588</b>	<b>2,954</b>	<b>2,077</b>	<b>1,550</b>

The Cash Forecast in Budget 2020/21 shows a significant improvement over last year. The main reason for the improvement is related to the Airport Runway upgrade: The prior year Budget 2019/20 we had budgeted for a 50% grant and expected to take a \$1.8 million loan to fund the runway upgrade. In January 2020, the Federal Government approved 100% funding on the \$3.6 million Airport Upgrade, which meant we did not have to pay for the upgrade from Council reserves. Although the future trajectory continues to show a declining trend, the problem has been pushed out a few more years, which allows us time to assess ways to solve the problem.

