

BUDGET 2021/22 FINANCIAL STATEMENTS

Version 2
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Budget 2021/22 - Income and Expenditure and Other Comprehensive Income

Income & Expenditure	Appendix Ref.	2020/21 Predicted Year End	2020/21 Budget COVID Year	2019/20 Actual at 30 June 20	2021/22 Budget
		000's	000's	000's	000's
Income from continuing operations					
Recurrent Income					
Rates and charges	1	2,062	2,059	2,057	2,174
Statutory fees and fines	2	56	52	58	54
User fees	3	666	632	1,109	1,039
Grants - Operational	4	1,965	1,965	1,735	2,228
Interest income	5	35	35	99	35
Other income	6	120	44	209	69
Investment revenue from water corporation	7	9	-	18	18
		4,913	4,787	5,284	5,616
Capital Income					
Grants Capital		3,924	3,897	300	297
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		-	-	(600)	-
Recognition of land under roads		-	-	-	-
	8	3,924	3,897	(300)	297
Total Income from continuing operations		8,837	8,684	4,984	5,913
Expenses from continuing operations					
Employee benefits	10	(2,301)	(2,241)	(1,887)	(2,599)
Materials and services	11	(2,450)	(2,409)	(1,695)	(2,860)
Materials & services - Plant Recharges and Quarry Recharges for Capital Works	11	167	167	299	167
Impairment of debts	12	-	-	(1)	-
Depreciation and amortisation	13	(1,632)	(1,632)	(1,658)	(1,720)
Finance costs	14	(65)	(65)	(55)	(67)
Other expenses	15	(134)	(134)	(396)	(141)
Total Expenses from continuing operations		(6,414)	(6,314)	(5,393)	(7,219)
Net Surplus/(Deficit) - excluding Telstra Project		2,423	2,370	(408)	(1,306)
Telstra Project Income	9	788	788	1,099	-
Telstra Project Expenditure	16	(5)	(5)	-	-
		783	783	1,099	-
Net Surplus/(Deficit) - including Telstra Project		3,206	3,153	690	(1,306)

KPI: Underlying Surplus Ratio %

This ratio serves as an overall measure of financial overall effectiveness.
Calculation: Underlying Surplus or Deficit divided by Recurrent Income.

-12% -12% 6% -23%

Budget 2021/22 - Capital Expenditure

Description	Capital Type	Predicted year End 2020/21	2019/20 Budget	2020/21 Budget	2021/22 Budget	Budget 2021/22 Notes
		000's	000's	000's	000's	
Roads		(528)	(826)	(528)	(367)	
Roads - Resheeting	Replacement	(180)	(257)	(180)	(270)	14.4 km: Palana Rd, Westend Rd, Killiecrankie Rd, NE River Rd, Fairhaven Rd, Coast Rd and Trousers Rd.
Roads - Reseals	Replacement	(113)	(216)	(113)	(87)	1.5km: Memand Rd.
Roads - Reconstruction	Replacement	(180)	(273)	(180)	-	
Roads - Footpaths	Replacement	(20)	(20)	(20)	(10)	Minor repair work on footpaths.
Roads - Bridges	Replacement	(35)	(60)	(35)		
Plant - Municipal		(127)	(12)	(128)	(105)	
Plant Mun - Vehicle Replacement - Hino Tip Truck	Replacement	(120)	-	(120)	(25)	Budget 2020/21 carried to 2021/22 as unspent, and additional \$25k required for Hino due to more accurate quotes. Estimated total cost is \$145k.
Plant Mun - Vehicle Replacement	Replacement	-	-	-	(55)	Additional Vehicle required for Fleet. Toyota Hilux is due for replacement, however it will not be disposed, and instead used for P&G and Cleaning / Maintenance.
Plant Mun - Mowers	Replacement	-	(12)	-	-	
Plant Mun - Steam Cleaner, Pressure Washer	New Capital	(7)	-	(8)	-	
Plant Mun - Small Equipment Replacements	Replacement				(25)	Various small Plant and Equipment buffer, to replace potential requirements for equipment. This is a provisional sum arising from unknown failures across a range of antiquated plant and equipment.
Plant - Airport		-	(3,630)	-	-	
Plant - Airport Fuel Facility	New Capital	-	(30)	-	-	
Plant - Airport Runway	Capital Upgrade	-	(3,600)	-	-	
Buildings & Facilities		(93)	(89)	(74)	(30)	
B & F - Rental Housing Upgrades	Replacement		-		(30)	Rental housing require upgrades due to outstanding issues relating to various larger repairs such as plumbing and heating. These upgrades are beyond minor repair work.
B & F - Safe Harbour	New Capital	(18)	-			
B & F - Airconditioning Units	Replacement	(6)	(4)	(4)		
B & F - Council Office Septic	Capital Upgrade	(70)	(35)	(70)		
B & F - Council Works Shed	Replacement	-	(50)	-		
B & F - Council Windows	Replacement	-	-	-		
Waste		(160)	(100)	(160)	-	
Waste - Build Cell #1	New Capital	(100)	(80)	(100)		
Waste - Fencing	New Capital	-	-	-		
Waste - Concrete Bays and Shed	New Capital	(60)	-	(60)		
Waste - Euro Quick Hitch Forks	New Capital	-	-	-		
Waste - New Self-Tipping Bins	New Capital	-	(20)	-		
IT Computers, Telephones and Furniture & Fittings		(18)	(8)	(3)	(50)	
IT - Video Conferencing	New Capital	(15)				
IT Hardware and Software	Replacement	(3)	(3)	(3)	(40)	IT Hardware and Software is outdated including mobile phones used for security. 2021/22 requires review and update of IT infrastructure.
F & F - Office Chairs Desks	Replacement	-	-		(10)	Replacement office chairs for staff to ensure Health and Safety requirements are met. Current chairs are very old, and some not functioning to standards.
F & F - Signage	Replacement	-	(5)	-		Signage capital is not required as this will be grant funded.
Total Capital		(927)	(4,665)	(893)	(552)	

Budget 2021/22 - Appendix 1 - Income

Income Appendices	2020/21 Predicted Year End	2020/21 Budget COVID Year	2021/22 Budget	Budget Notes 2021/2022 notes
Appendix Ref.	000's	000's	000's	
1 Rates and Charges	2,062	2,059	2,174	
Rates - General Rate	2,004	1,992	2,105	Rate increase 5.52%.
Rate - Fire Levy	72	71	73	Fire Levy is collected and paid to the State Fire Commission.
Rate - Waste Management Rate	-	-	-	
Rates - Pensioner Remission - Fire Levy	(0)	-	-	
Rates - Pensioner Remission - State Govt. 30%	(4)	(4)	(4)	
Rates - Received In Advance	(10)	-	-	
2 Statutory Fees and Fines	56	52	54	
Statutory Fees and Fines	40	40	41	
Property Certificates	16	12	12	
3 User Fees and Charges	666	632	1,039	
Airport Fees & Charges	368	360	425	Increase in Airport Fees is derived mainly from growth in passenger travel, as flights are predicted to resume to normal levels. User fees include a 3% CPI increase for the Airport fees.
Cemetery Fees	20	10	10	
Environment	9	8	13	Normal levels of activity assumed after the COVID-19 year.
Equipment Hire	4	3	4	
Planning & Building	21	9	18	Normal levels of activity assumed after the COVID-19 year, as a result of Home Grant Stimulus packages.
Private Works	242	242	568	Growth in Private works is derived from minor works on the Lady Barron State Road.
Other User Fees and Charges	2	-	1	
4 Grants - Operational	1,965	1,965	2,228	
Grants - Financial Assistance	1,437	1,437	1,466	
Grants - Heavy Vehicle Motor Tax	230	230	237	
Grants - Operational GST Inc	-	-	-	
Grants - Operational GST Free	298	298	525	LRCI Grant 1 - \$298k; LRCI Grant 2 - \$225k; LRCI Grant 3 - \$300k (50% of \$597k).
5 Interest Income	35	35	35	
Interest	35	35	35	
6 Other Income	120	44	69	
Contributions	5	5	37	
Other Revenue - GST Inc	8	3	3	
Other Revenue - GST Free	74	20	21	
Bad Debts Recovered	-	-	-	
Insurance Recoveries	-	-	-	
Rent Received	33	16	8	
7 Investment revenue from water corporation	9	-	18	
Investment revenue from water corporation	9	-	18	
8 Capital Income	3,924	3,897	297	
Grants - Capital Projects GST Inc	27	-	-	
Grants - Capital Projects GST Free	3,600	3,600	-	
Grants - Roads to Recovery	297	297	297	
Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant and Equipment	-	-	-	
9 Telstra Project Income	788	788	-	
Telstra Project Income	788	788	-	
Total Income	9,625	9,472	5,913	

Budget 2021/22 - Appendix 2 - Operational Expenses

Expense Appendices	2020/21 Predicted Year End	2020/21 Budget COVID year	2021/22 Budget	Budget Notes 2021/2022 workings
Appendix Ref.	000's	000's	000's	
10 Employee benefits	(2,301)	(2,241)	(2,599)	
Employee - Labour Costs	(2,262)	(2,202)	(2,457)	
Employee - Other Costs	(39)	(39)	(142)	Includes \$20k increase in training plus \$75k budgeted for LRCI Roads Grant.
Employee - Oncosts Recovery	-	-	-	
No of Full-Time-Equivalent Employees for OPERATIONS		24.8	26.3	
11 Materials & Services	(2,283)	(2,242)	(2,693)	
Administration Costs	(258)	(258)	(262)	
Advertising	(26)	(26)	(36)	\$10k Increases relate to advertising contribution to Sharp Airlines.
Bank Charges	(23)	(23)	(24)	
Insurance and Legal	(242)	(242)	(240)	
Consulting Services	(260)	(110)	(96)	
Contractor Services	(546)	(482)	(571)	Increase \$75k relates to LRCI Roads Grant work.
Council Member Costs	(26)	(26)	(27)	
Leases, Levies and Licence Fees	(85)	(85)	(88)	
Materials and Equipment	(668)	(840)	(1,124)	Increases: \$75k relates to LRCI Roads Grant work; \$250k Private Works DIER Minor Works; \$225k LRCI Grant.
Other Costs	(87)	(87)	(97)	
Repairs and Maintenance	(124)	(126)	(184)	Increase \$75k relates to LRCI Roads Grant work.
Travel Costs	(69)	(69)	(74)	
Utility Costs (Gas, Electricity & Water)	(37)	(37)	(38)	
Quarry Recharges	65	65	65	
Plant Hire Recharges	102	102	102	
12 Impairment of debts	-	-	-	
Bad & Doubtful Debts	-	-	-	
Write-Off	-	-	-	
13 Depreciation and amortisation	(1,632)	(1,632)	(1,720)	
Depreciation - Leasehold Improvements	(49)	(49)	(50)	
Depreciation - Footpaths	(34)	(34)	(35)	
Depreciation - Bridges	(89)	(89)	(92)	
Depreciation - Building	(73)	(73)	(111)	
Depreciation - Furniture & Fittings	(11)	(11)	(11)	
Depreciation - Infrastructure	(290)	(290)	(299)	
Depreciation - Plant & Equipment	(281)	(281)	(289)	
Depreciation - Roads	(778)	(778)	(801)	
Depreciation - Stormwater Infrastructure	(5)	(5)	(5)	
Depreciation - Waste Infrastructure	(15)	(15)	(19)	
Ammortisation on Municipal Revaluation	(8)	(8)	(8)	
14 Finance costs	(65)	(65)	(67)	
Interest Expense	(65)	(65)	(67)	
15 Other expenses	(134)	(134)	(141)	
Other Expenses	-	-	-	
Audit Fees	(33)	(33)	(37)	
Councillor Allowances	(101)	(101)	(104)	
16 Telstra Project Expenditure	(5)	(5)	-	
Telstra Project Expenditure	(5)	(5)	-	
Total Expenses	(6,419)	(6,319)	(7,219)	

Budget 2021/22 - Appendix 3 - Departmental Expense Analysis

	2020/21 Predicted year End	2019/20 Budget	2020/21 Budget COVID Year	2021/22 Budget	Notes
	000's	000's	000's	000's	
Airport	(357)	(428)	(357)	(460)	
Buildings & Facilities	(444)	(132)	(444)	(350)	Note 1
Community Economic Development	(171)	(209)	(171)	(178)	
Corporate	(1,274)	(1,181)	(1,175)	(1,290)	
Depot	(130)	(128)	(130)	(138)	
Governance	(563)	(604)	(563)	(608)	
Parks & Gardens	(123)	(96)	(123)	(133)	
Planning & Development	(536)	(402)	(536)	(537)	
Plant - Plant Expenses	(213)	55	(213)	(224)	
Private Works	(223)	(453)	(223)	(474)	
Quarries	33	65	33	29	
Roads & Streets	(489)	(409)	(489)	(833)	Note 2
Waste Management	(291)	(185)	(291)	(303)	
Depreciation	(1,632)	(1,602)	(1,632)	(1,720)	
Total Operational excluding Telstra Project	(6,414)	(5,708)	(6,314)	(7,219)	
TELSTRA Operational Project	(5)	(350)	(5)	0	
Total Operational including Telstra Project	(6,419)	(6,058)	(6,319)	(7,219)	

Budget Notes:

1 - The increase in Building and Facilities costs relate to the Local Roads and Community Infrastructure LRCI Grant funding applied for in Budget 2020/21 (\$298k), and \$225k to be applied for in Budget 2021/2022.

2 - Roads and Streets increase relates to LRCI Grant for 50% of \$597k to be recognised in Budget 2021/22, and 50% recognised in Budget 2022/23.

Budget 2021/22 - Appendix 4 - Balance Sheet and Cashflow Forecasts

Statement of Financial Position

Period Start	1 July 18 30 June 19	1 July 19 30 June 20	1 July 20 30 June 21	1 July 21 30 June 22
Period End	Actual 000's	Actual 000's	Forecast 000's	Budget 000's
Assets				
Current Assets	7,510	4,320	6,270	4,637
Cash and Cash Equivalents	2,328	3,664	5,613	3,956
Trade and Other Receivables	603	452	453	478
Financial Assets	4,469	112	112	112
Inventories	107	89	89	89
Other Assets	4	3	3	3
Non - Current Assets	55,105	56,488	55,916	55,243
Investment in Water Corporation	3,904	3,030	3,030	3,030
Property, Plant and Equipment and Infrastructure	51,095	53,372	52,801	52,128
Intangible Assets	40	26	26	26
Other Assets	66	59	59	59
Total Assets	62,615	60,808	62,186	59,881
Liabilities				
Current Liabilities	4,319	821	837	910
Trade and Other Payables	3,553	343	358	431
Trust Funds and Deposits	139	67	67	67
Provisions	352	370	370	370
Interest-Bearing Loans and Borrowings	275	42	42	42
Non - Current Liabilities	1,910	3,660	1,869	794
Provisions	338	328	338	348
Interest-Bearing Loans and Borrowings	1,573	3,331	1,531	446
Total Liabilities	6,230	4,481	2,707	1,704
Net Assets	56,385	56,327	59,479	58,177
Equity	56,385	56,327	59,479	58,177
Accumulated Surplus	38,878	43,204	46,357	45,054
Reserves	17,507	13,123	13,123	13,123
Total Equity	56,385	56,327	59,479	58,177
Current Assets to Current Liabilities Ratio	1.7	5.3	7.5	5.1

Cash, Investments and Loans

	Year End Actual 30 June 2019	Year End Actual 30 June 2020	2020/21 Budget	2021/22 Budget
	000's	000's	000's	000's
Cash and Cash Equivalents	2,328	3,664	5,613	3,956
Financial Assets	4,469	112	112	112
Cash and Investments	6,796	3,776	5,725	4,067
Deduct Interest-Bearing Loans and Borrowings	1,848	3,373	1,573	488
Net Liquidity	4,948	403	4,152	3,579

Cash to Loan Ratio

	3.7	1.1	3.6	8.3
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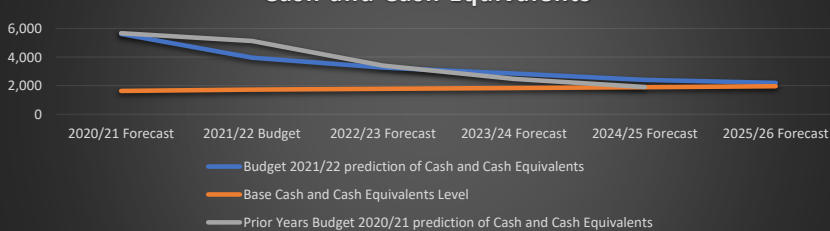
Note 1 - Financial Assets currently comprise 'Term Deposits' held at bank institutes.

Note 2 - Loan repayments \$1.8 million bridging loan in 2020/21 and loan repayments \$1.1 million in 2021/22

Cashflow Movement Summary (Extract from Long Term Financial Plan)

	2020/21 Forecast	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
	000's	000's	000's	000's	000's	000's
Opening Balance of Cash and Cash Equivalents	3,664	5,615	3,956	3,265	2,843	2,405
Cash effect from Income Statement	4,620	247	365	569	631	797
Cash effect from PIPE movement (Capital Purchases)	(893)	(880)	(906)	(934)	(962)	(990)
Cash effect of Loan movement	(1,800)	(1,085)	(45)	(47)	(47)	(47)
Cash effect from movement in Trade & Other Receivables	(2)	(25)	(40)	(43)	(39)	(41)
Cash effect from movement in Trade & Other Payables	16	72	(75)	23	(34)	58
Cash effect from movement in Provisions	10	10	10	11	11	11
Closing Balance of Cash and Cash Equivalents	5,615	3,956	3,265	2,843	2,405	2,193
Base Cash and Cash Equivalents Level (Depreciation level)	1,632	1,720	1,776	1,834	1,896	1,961

Cash and Cash Equivalents



The Cash Forecast in Budget 2021/22 follows detailed work on the Long Term Financial Strategy, and is based on the assumptions applied in the Long Term Financial and Asset Management plans. Although the future trajectory continues to show a declining trend, the ten year plan endeavours to ensure that the operational cash is sustained above the base level.