



# **Croydon Shire Council**

**2020-2021 Financial Year Budget**

# 2020-2021 Financial Year Budget

## Attachments 1-5 refers:

- Attachments:**
1. Statement of Financial Position 2020-2021
  2. Statement of Cash Flows 2020-2021
  3. Statement of Income and Expenditure 2020-2021
  4. Statement of Changes in Equity 2020-2021
  5. Long-term Financial Forecast and Relevant Measures of Financial Sustainability

## Executive Summary

In accordance with the requirements of the *Local Government Regulation 2012*, the 2020-21 budget and associated policies were adopted by Council at the Ordinary Meeting of 18 June 2020. The budget highlights a responsible and sustainable long-term financial outlook while ensuring infrastructure is renewed and expanded and high quality services are delivered to the community.

## 2020-2021 Budget Summary

In accordance with *Local Government Regulation 2012*, Council is required to prepare a budget for each financial year which must be prepared on an accrual accounting basis. Some of the legislatively mandated requirements for the budget are:

**s169 (1) (b)** The budget must include statements for the following year and the next two financial years:

- (a) financial position;
- (b) cash flow;
- (c) income and expenditure;
- (d) changes in equity.

**s169 (3)** Within the statement of income and expenditure, the following must be stated:

- (a) Rates and utility charges excluding discounts and rebates;
- (b) Contributions from developers;
- (c) Fees and charges;
- (d) Interest;
- (e) Grants and subsidies;
- (f) Depreciation;
- (g) Finance costs;
- (h) Net result;
- (i) The estimated costs of –
  - a. The local governments significant business activities carried on using a full cost pricing basis; and
  - b. The activities of the local government's commercial business units; and
  - c. The local government's significant business activities.

**s169 (4)** The budget must include each of the relevant measures of financial sustainability for the financial year for which it is prepared and the next 9 financial years.

**s169 (5)** The relevant measures of financial sustainability are the following measures as described in the financial management (sustainability) guideline —

- (a) asset sustainability ratio;
- (b) net financial liabilities ratio;
- (c) operating surplus ratio.

In addition, the budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget, net of discounts and rebates.

### **Comparison of proposed rates and utility charges for 2020/21 with previous year (2019/20)**

In accordance with *Local Government Regulation 2012* the total value of change in proposed rates and utility charges for the financial year 2020/21 compared with the rates and utility charges levied in the previous budget is an increase of **2.35%**.

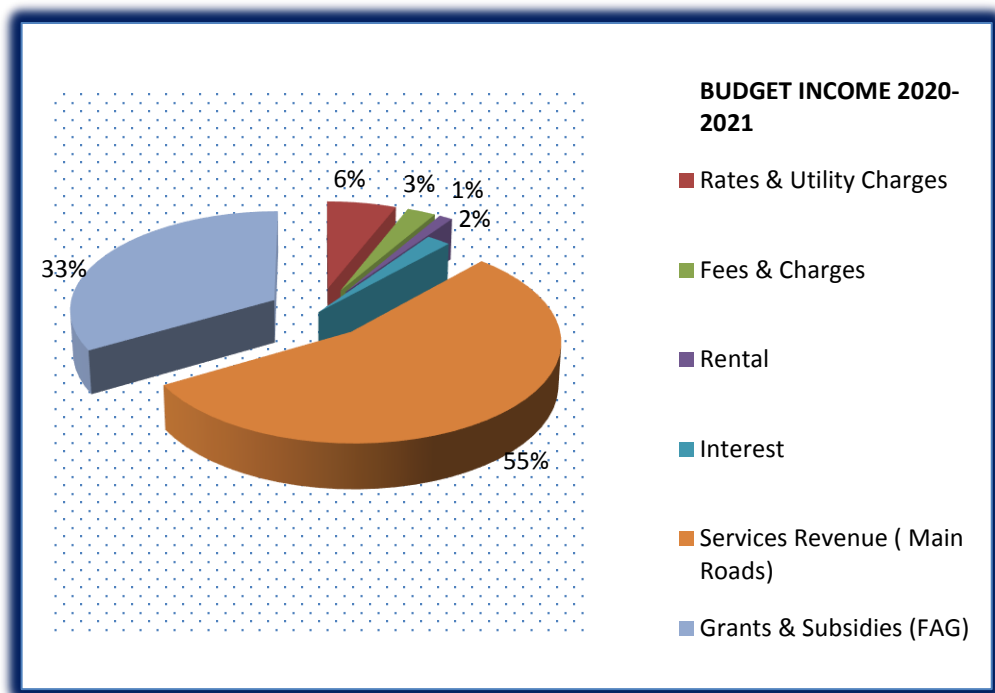
The budget must also be consistent with the following documents of the local government –

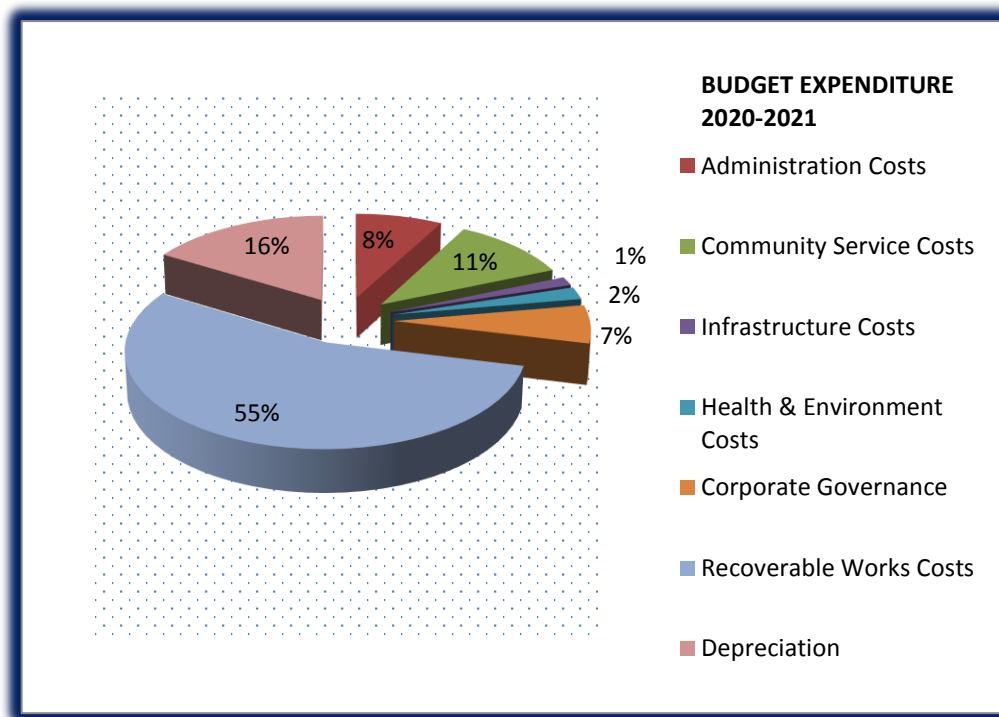
- (a) 5 year Corporate Plan;
- (b) Annual Operational Plan;

A local government must adopt its budget for a financial year after 31 May in the year before that financial year and before 1 August of that financial year.

Key financial statistics to note in relation to the 2020-2021 budget include:

- Total budget expenditure (operational and capital) of \$18.4m;
- A budget surplus of \$5k and fully funded depreciation of \$1.9m;
- Capital works expenditure of \$6.6m;
- Flood damage and main roads contract work of \$6.5m





Major projects to be undertaken during the 2020/21 financial year:

- Install pipe culverts (various locations) - \$1.3m
- Richmond Road upgrade (R2R, TIDS & FAG grant funding) - \$890k
- Water Infrastructure repairs – \$465k
- Plant replacement program \$990k
- Upgrade to Council buildings and facilities - \$340k
- New gardeners shed - \$65k
- Information Centre solar power installation – 30k
- Town Hall projector viewing platform - \$40k
- Purchase/Sale of Residential Housing (Cairns Regional District) - \$70k

Specific Council Operational Activities (net budget allocation):

- Maintenance of parks and gardens - \$91k
- Provision of library service - \$45k
- Provision of sporting facilities - \$97k
- Tourism promotion & VIC operation - \$198k
- Annual mosquito control program - \$35k
- Provision of childcare program service - \$132k
- Cemetery operation & maintenance - \$14k
- Heritage operation & maintenance - \$62k
- Community events donations - \$15k
- Lake Belmore operation & maintenance - \$64k
- Swimming Pool operation and maintenance - \$128k
- Aerodrome operation & maintenance - \$21k

(The 2020-21 budget does not contain any contributions from developers nor does Council have any financially significant business activities).

# CROYDON SHIRE COUNCIL

## Budgeted Statement of Financial Position

For the year ended 30 June 2021

	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
<b>Current Assets</b>											
Cash and Equivalents	21,885,000	22,310,557	22,895,843	24,524,060	26,083,160	26,715,540	27,359,558	28,372,505	29,296,378	30,308,174	31,246,890
Trade Receivables	100,000	946,232	1,454,069	1,061,871	340,693	458,130	466,821	475,473	485,084	495,654	506,181
Inventories	138,000	138,000	142,140	146,404	150,796	155,320	159,980	164,779	169,723	174,814	180,059
Other Current Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>22,123,000</b>	<b>23,394,789</b>	<b>24,492,052</b>	<b>25,732,335</b>	<b>26,574,649</b>	<b>27,328,990</b>	<b>27,986,359</b>	<b>29,012,757</b>	<b>29,951,185</b>	<b>30,978,642</b>	<b>31,933,130</b>
<b>Non-Current Assets</b>											
Receivables	90,000	100,000	600,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Property, Plant and Equipment	105,549,211	106,954,211	108,289,211	110,534,211	120,811,211	123,162,211	125,657,211	127,843,211	130,174,211	141,382,211	143,848,211
<b>Total Non-Current Assets</b>	<b>105,639,211</b>	<b>107,054,211</b>	<b>108,889,211</b>	<b>110,634,211</b>	<b>120,911,211</b>	<b>123,262,211</b>	<b>125,757,211</b>	<b>127,943,211</b>	<b>130,274,211</b>	<b>141,482,211</b>	<b>143,948,211</b>
<b>TOTAL ASSETS</b>	<b>127,762,211</b>	<b>130,449,000</b>	<b>133,381,263</b>	<b>136,366,546</b>	<b>147,485,860</b>	<b>150,591,201</b>	<b>153,743,570</b>	<b>156,955,968</b>	<b>160,225,396</b>	<b>172,460,853</b>	<b>175,881,341</b>
<b>Current Liabilities</b>											
Trade and Other Payables	220,211	60,000	61,260	62,546	63,860	65,201	66,570	67,968	69,396	70,853	72,341
Provisions	127,000	128,000	132,000	136,000	140,000	144,000	148,000	152,000	157,000	162,000	167,000
<b>Total Current Liabilities</b>	<b>347,211</b>	<b>188,000</b>	<b>193,260</b>	<b>198,546</b>	<b>203,860</b>	<b>209,201</b>	<b>214,570</b>	<b>219,968</b>	<b>226,396</b>	<b>232,853</b>	<b>239,341</b>
<b>Non-Current Liabilities</b>											
Trade and Other Payables	-	-	-	-	-	-	-	-	-	-	-
Provisions	177,000	177,000	182,000	187,000	193,000	199,000	205,000	211,000	217,000	224,000	231,000
<b>Total Non-Current Liabilities</b>	<b>177,000</b>	<b>177,000</b>	<b>182,000</b>	<b>187,000</b>	<b>193,000</b>	<b>199,000</b>	<b>205,000</b>	<b>211,000</b>	<b>217,000</b>	<b>224,000</b>	<b>231,000</b>
<b>TOTAL LIABILITIES</b>	<b>524,211</b>	<b>365,000</b>	<b>375,260</b>	<b>385,546</b>	<b>396,860</b>	<b>408,201</b>	<b>419,570</b>	<b>430,968</b>	<b>443,396</b>	<b>456,853</b>	<b>470,341</b>
<b>NET COMMUNITY ASSETS</b>	<b>127,238,000</b>	<b>130,084,000</b>	<b>133,006,000</b>	<b>135,981,000</b>	<b>147,089,000</b>	<b>150,183,000</b>	<b>153,324,000</b>	<b>156,525,000</b>	<b>159,782,000</b>	<b>172,004,000</b>	<b>175,411,000</b>
<b>Community Equity</b>											
Retained Surplus	49,770,000	52,616,000	55,538,000	58,513,000	61,558,000	64,652,000	67,793,000	70,994,000	74,251,000	77,571,000	80,978,000
Revaluation Reserve	77,468,000	77,468,000	77,468,000	77,468,000	85,531,000	85,531,000	85,531,000	85,531,000	85,531,000	94,433,000	94,433,000
<b>TOTAL COMMUNITY EQUITY</b>	<b>127,238,000</b>	<b>130,084,000</b>	<b>133,006,000</b>	<b>135,981,000</b>	<b>147,089,000</b>	<b>150,183,000</b>	<b>153,324,000</b>	<b>156,525,000</b>	<b>159,782,000</b>	<b>172,004,000</b>	<b>175,411,000</b>

# CROYDON SHIRE COUNCIL

## Budgeted Statement of Cash Flows

For the year ended 30 June 2021

	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
<b>Cash flows from operating activities:</b>											
Receipts from customers	1,485,000	649,768	524,023	2,462,934	2,331,786	1,534,039	1,682,649	1,725,549	1,768,446	1,812,338	1,859,229
Payments to suppliers and employees	(9,842,000)	(9,662,211)	(9,527,740)	(9,590,714)	(9,617,687)	(9,869,659)	(10,128,631)	(10,396,602)	(10,671,573)	(10,770,543)	(11,030,512)
	<b>(8,357,000)</b>	<b>(9,012,443)</b>	<b>(9,003,717)</b>	<b>(7,127,780)</b>	<b>(7,285,901)</b>	<b>(8,335,620)</b>	<b>(8,445,981)</b>	<b>(8,671,053)</b>	<b>(8,903,127)</b>	<b>(8,958,204)</b>	<b>(9,171,284)</b>
Rental Income	140,000	140,000	145,000	150,000	155,000	160,000	166,000	172,000	178,000	184,000	190,000
Interest Received	245,000	312,000	320,000	343,000	364,000	373,000	382,000	396,000	408,000	422,000	435,000
Operating Grants and Contributions	9,897,000	9,617,000	9,713,000	9,810,000	10,055,000	10,357,000	10,668,000	10,988,000	11,318,000	11,658,000	12,008,000
<b>Net cash inflow (outflow) from operating activities</b>	<b>1,925,000</b>	<b>1,056,557</b>	<b>1,174,283</b>	<b>3,175,220</b>	<b>3,288,099</b>	<b>2,554,380</b>	<b>2,770,019</b>	<b>2,884,947</b>	<b>3,000,873</b>	<b>3,305,796</b>	<b>3,461,716</b>
<b>Cash flows from investing activities:</b>											
Payments for Property, Plant and Equipment	(6,610,000)	(3,500,000)	(3,500,000)	(4,500,000)	(4,725,000)	(4,961,000)	(5,209,000)	(5,000,000)	(5,250,000)	(5,513,000)	(5,789,000)
Proceeds from Sale of Property, Plant and Equipment	216,500	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Capital Grants and Subsidies	4,709,000	2,769,000	2,811,000	2,853,000	2,896,000	2,939,000	2,983,000	3,028,000	3,073,000	3,119,000	3,166,000
<b>Net cash inflow (outflow) from investing activities</b>	<b>(1,684,500)</b>	<b>(631,000)</b>	<b>(589,000)</b>	<b>(1,547,000)</b>	<b>(1,729,000)</b>	<b>(1,922,000)</b>	<b>(2,126,000)</b>	<b>(1,872,000)</b>	<b>(2,077,000)</b>	<b>(2,294,000)</b>	<b>(2,523,000)</b>
<b>Cash flows from financing activities:</b>											
Proceeds from Borrowings	-	-	-	-	-	-	-	-	-	-	-
Repayment of Borrowings	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>240,500</b>	<b>425,557</b>	<b>585,286</b>	<b>1,628,217</b>	<b>1,559,099</b>	<b>632,380</b>	<b>644,019</b>	<b>1,012,947</b>	<b>923,873</b>	<b>1,011,796</b>	<b>938,716</b>
Cash at beginning of reporting period	21,644,500	21,885,000	22,310,557	22,895,843	24,524,060	26,083,160	26,715,540	27,359,558	28,372,505	29,296,378	30,308,174
<b>Cash at end of reporting period</b>	<b>21,885,000</b>	<b>22,310,557</b>	<b>22,895,843</b>	<b>24,524,060</b>	<b>26,083,160</b>	<b>26,715,540</b>	<b>27,359,558</b>	<b>28,372,505</b>	<b>29,296,378</b>	<b>30,308,174</b>	<b>31,246,890</b>

# CROYDON SHIRE COUNCIL

## Budgeted Statement of Income and Expenditure

For the year ended 30 June 2021

	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
<b>Operating Revenue</b>											
Rates and Utility Charges	716,000	730,000	745,000	760,000	775,000	791,000	807,000	823,000	839,000	856,000	873,000
Less: Discount Allowed	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
	<b>708,000</b>	<b>722,000</b>	<b>737,000</b>	<b>752,000</b>	<b>767,000</b>	<b>783,000</b>	<b>799,000</b>	<b>815,000</b>	<b>831,000</b>	<b>848,000</b>	<b>865,000</b>
Contribution from Developers	-	-	-	-	-	-	-	-	-	-	-
Fees and Charges	281,000	288,000	295,000	302,000	309,000	316,000	324,000	332,000	340,000	348,000	356,000
Interest	245,000	312,000	320,000	343,000	364,000	373,000	382,000	396,000	408,000	422,000	435,000
Rental Income	140,000	140,000	145,000	150,000	155,000	160,000	166,000	172,000	178,000	184,000	190,000
Recoverable Works	487,000	487,000	495,000	512,000	530,000	548,000	567,000	586,000	606,000	626,000	647,000
Other Income	9,000	9,000	9,000	9,000	9,000	9,000	6,000	6,000	6,000	6,000	7,000
Grants and Subsidies	9,897,000	9,617,000	9,713,000	9,810,000	10,055,000	10,357,000	10,668,000	10,988,000	11,318,000	11,658,000	12,008,000
<b>Total Operating Revenues</b>	<b>11,767,000</b>	<b>11,575,000</b>	<b>11,714,000</b>	<b>11,878,000</b>	<b>12,189,000</b>	<b>12,546,000</b>	<b>12,912,000</b>	<b>13,295,000</b>	<b>13,687,000</b>	<b>14,092,000</b>	<b>14,508,000</b>
<b>Operating Expenditure</b>											
Employee Costs	3,646,000	3,718,000	3,792,000	3,868,000	3,907,000	3,946,000	3,985,000	4,025,000	4,065,000	4,106,000	4,147,000
Materials and Services	6,192,000	5,781,000	5,742,000	5,729,000	5,717,000	5,930,000	6,150,000	6,378,000	6,614,000	6,673,000	6,892,000
Finance Costs	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Depreciation	1,920,000	1,995,000	2,065,000	2,155,000	2,411,000	2,510,000	2,614,000	2,714,000	2,819,000	3,107,000	3,223,000
	<b>11,762,000</b>	<b>11,498,000</b>	<b>11,603,000</b>	<b>11,756,000</b>	<b>12,040,000</b>	<b>12,391,000</b>	<b>12,754,000</b>	<b>13,122,000</b>	<b>13,503,000</b>	<b>13,891,000</b>	<b>14,267,000</b>
<b>OPERATING RESULT</b>	<b>5,000</b>	<b>77,000</b>	<b>111,000</b>	<b>122,000</b>	<b>149,000</b>	<b>155,000</b>	<b>158,000</b>	<b>173,000</b>	<b>184,000</b>	<b>201,000</b>	<b>241,000</b>
<b>Capital Items</b>											
Sale of Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-
Capital Grants, and Subsidies	4,709,000	2,769,000	2,811,000	2,853,000	2,896,000	2,939,000	2,983,000	3,028,000	3,073,000	3,119,000	3,166,000
<b>INCREASE IN OPERATING CAPABILITY</b>	<b>4,714,000</b>	<b>2,846,000</b>	<b>2,922,000</b>	<b>2,975,000</b>	<b>3,045,000</b>	<b>3,094,000</b>	<b>3,141,000</b>	<b>3,201,000</b>	<b>3,257,000</b>	<b>3,320,000</b>	<b>3,407,000</b>

# CROYDON SHIRE COUNCIL

## Budgeted Statement of Changes in Equity

For the year ended 30 June 2021

	Retained Surplus	Revaluation Reserve	TOTAL
<b>Opening Balance 2019/20</b>	<b>45,056,000</b>	<b>77,468,000</b>	<b>122,524,000</b>
Net Result	4,714,000	-	4,714,000
Increase in Asset Revaluation Reserve	-	-	-
Transfers to Reserves		-	-
<b>Closing Balance 30th June 2021</b>	<b>49,770,000</b>	<b>77,468,000</b>	<b>127,238,000</b>
Net Result	2,846,000	-	2,846,000
Increase in Asset Revaluation Reserve	-	-	-
Transfers to Reserves	-	-	-
<b>Closing Balance 30th June 2022</b>	<b>52,616,000</b>	<b>77,468,000</b>	<b>130,084,000</b>
Net Result	2,922,000	-	2,922,000
Increase in Asset Revaluation Reserve	-	-	-
Transfers to Reserves	-	-	-
<b>Closing Balance 30th June 2023</b>	<b>55,538,000</b>	<b>77,468,000</b>	<b>133,006,000</b>

## CROYDON SHIRE COUNCIL

	Target	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
<b>Working Capital Ratios</b>	<b>&gt; 1.1</b>	63.72	124.44	126.73	129.60	130.36	130.64	130.43	131.90	132.30	133.04	133.42
<b>Operating Surplus</b>	<b>0 - 15%</b>	0.04%	0.67%	0.95%	1.03%	1.22%	1.24%	1.22%	1.30%	1.34%	1.43%	1.66%
<b>Net Financial Liabilities</b>	<b>&lt; 60%</b>	-183.55%	-198.96%	-205.88%	-213.39%	-214.77%	-214.58%	-213.50%	-214.98%	-215.59%	-216.59%	-216.87%
<b>Asset Sustainability</b>	<b>&gt; 90%</b>	309.84%	157.89%	152.54%	187.94%	176.38%	177.88%	179.35%	165.81%	167.61%	159.69%	161.65%