

2019-20 Budget and Long Term Financial Forecast



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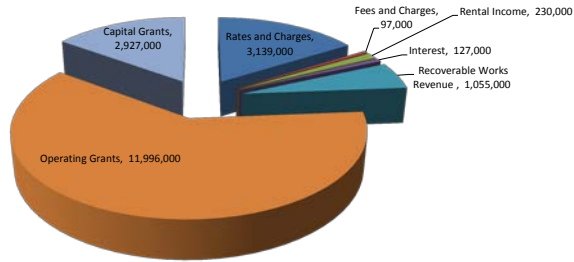
BURKE SHIRE COUNCIL
Prior Year Operating Statement

	2018-2019 Actual	2018-2019- Budget	2019-20 Budget	Budget Percentage Change
Operating Revenue				
Rates and Charges	2,822,357	2,819,000	3,139,000	11.4%
Less: Discount, Rebate & Remissions	- 57,475	- 48,000	- 58,000	20.8%
	2,764,882	2,771,000	3,081,000	11.2%
Fees and Charges	103,740	89,000	97,000	9.0%
Rental Income	224,559	225,000	230,000	2.2%
Interest	212,976	176,000	127,000	-27.8%
Recoverable Works Revenue	998,229	993,000	1,055,000	6.2%
Other Income	431,833	297,000	28,000	-90.6%
	1,971,337	1,780,000	1,537,000	-13.7%
Donations	-	24,000	13,000	-45.8%
Contributions	-	-	-	
Subsidies and Grants	9,227,643	7,864,000	11,996,000	52.5%
	9,227,643	7,888,000	12,009,000	52.2%
Total Operating Revenues	13,963,862	12,439,000	16,627,000	33.7%
Operating Expenditure				
Corporate Governance Costs	947,915	940,000	938,000	-0.2%
Administration Costs	3,417,191	3,697,000	3,901,000	5.5%
Recoverable Works Expenses	930,732	910,000	952,000	4.6%
Engineering Services	6,732,715	6,350,000	7,635,000	20.2%
Utility Services Costs	670,805	671,000	668,000	-0.4%
Net Plant Operating Costs	- 978,836	- 1,280,000	- 913,000	-28.7%
Planning and Environmental Expenses	81,713	158,000	230,000	45.6%
Community Services Costs	1,302,915	1,435,000	2,502,000	74.4%
Finance Costs	20,215	24,000	15,000	-37.5%
Depreciation	4,760,454	4,673,000	4,673,000	0.0%
Other Expenses	-	-	-	
Operating Capability before Capital items	- 3,921,957	- 5,139,000	- 3,974,000	-22.7%
Capital Items				
Sale of non-current assets	- 124,930	-	-	
Contributions	-	-	-	
Subsidies and Grants	3,011,674	3,432,000	2,927,000	-14.7%
Net Result	- 1,035,213	- 1,707,000	- 1,047,000	-38.7%

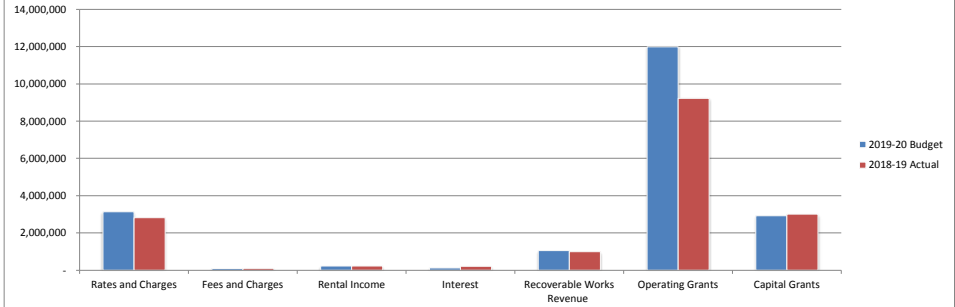
Burke Shire Council
Budget summary for the year ended 30 June 2020

Financial Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Total Operating Revenue	16,627,000	11,569,000	9,432,000	9,656,000	9,889,000	10,124,000	10,366,000	10,614,000	10,869,000	11,129,000	11,400,000
Total Operating Costs	20,601,000	16,605,000	12,870,000	13,137,000	13,265,000	13,478,000	13,735,000	13,897,000	14,088,000	14,403,000	14,471,000
Operating Result	- 3,974,000	- 5,036,000	- 3,438,000	- 3,481,000	- 3,376,000	- 3,354,000	- 3,369,000	- 3,283,000	- 3,219,000	- 3,274,000	- 3,071,000

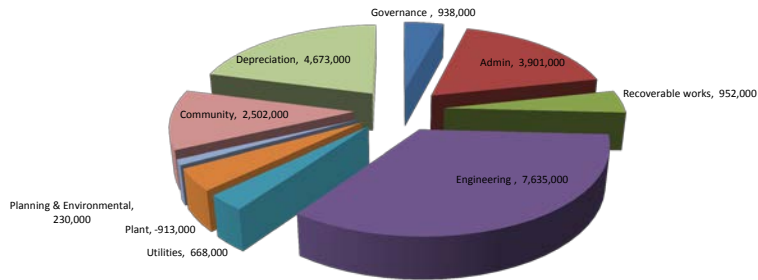
2019-20 Operating and Capital Income \$



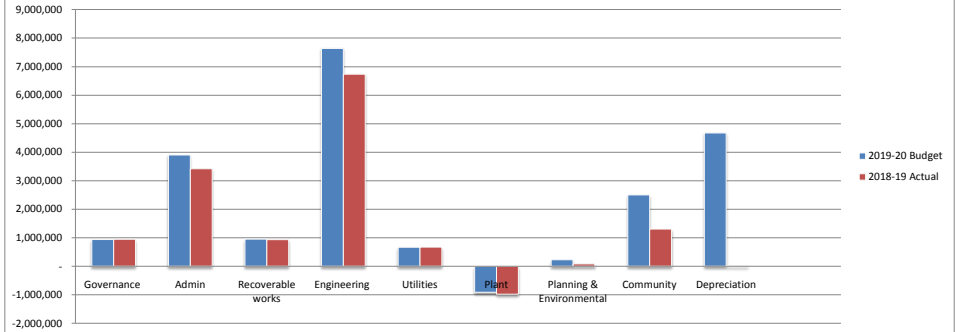
2018-19 Actuals vs 2019-20 Budgeted Income



2019-20 Operating Expenditure \$

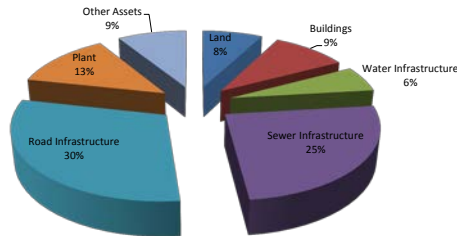


2018-19 Total estimate expenditure vs 2019-20 Budgeted expenditure



2019-20 Capital Expenditure - Asset Additions, Upgrades, Renewals & Replacements

Asset Class	Budget \$
Land	525,000
Buildings	655,000
Water Infrastructure	400,000
Sewer Infrastructure	1,718,000
Road Infrastructure	2,054,000
Plant	871,500
Other Assets	602,500



BURKE SHIRE COUNCIL

2019-20 -2022 Budgeted Operating Statement

Financial Year	2019-20 Budget	2020-21 Forecast	2021-22 Forecast
Operating Revenue			
Rates and Charges	3,139,000	3,222,000	4,563,000
Less: Discount, Rebates & Remissions	- 58,000	- 60,000	- 62,000
	3,081,000	3,162,000	4,501,000
Fees and Charges	97,000	101,000	104,000
Rental Income	230,000	237,000	244,000
Interest	127,000	124,000	121,000
Recoverable Works Revenue	1,055,000	1,086,000	1,117,000
Other Income	28,000	9,000	10,000
	1,537,000	1,557,000	1,596,000
Donations	13,000	13,000	14,000
Developer Contributions	-	-	-
Subsidies and Grants	11,996,000	6,837,000	3,322,000
	12,009,000	6,850,000	3,336,000
Total Operating Revenues	16,627,000	11,569,000	9,433,000
Operating Expenditure			
Corporate Governance Costs	938,000	914,000	925,000
Administration Costs	3,901,000	2,985,000	3,092,000
Recoverable Works Expenses	952,000	979,000	1,008,000
Engineering Services	7,635,000	5,882,000	1,918,000
Utility Services Costs	668,000	686,000	702,000
Net Plant Operating Costs	- 913,000	- 902,000	- 872,000
Planning and Environmental Expenses	230,000	102,000	106,000
Community Services Costs	2,502,000	1,270,000	1,301,000
Finance Costs	15,000	16,000	17,000
Depreciation	4,673,000	4,673,000	4,673,000
Other Expenses	-	-	-
Total Operating Costs	20,601,000	16,605,000	12,870,000
Operating Result	- 3,974,000	- 5,036,000	- 3,437,000
Capital Items			
Sale of non-current assets	-	-	-
Contributions	-	-	-
Subsidies and Grants	2,927,000	2,041,000	2,041,000
Total Capital Items	2,927,000	2,041,000	2,041,000
Net result after capital income	- 1,048,000	- 2,996,000	- 1,395,000

BURKE SHIRE COUNCIL

2019-20 -2022 Budgeted Statement of Financial Position

Financial Year	2019-20 Budget	2020-21 Forecast	2021-22 Forecast
Current Assets			
Cash and cash equivalents	7,749,000	6,138,000	6,083,000
Trade and other receivables	729,000	677,000	667,000
Inventories	231,000	231,000	231,000
Other financial assets	234,000	234,000	234,000
Non-current assets classified as held for sale	-	-	-
Total current assets	8,942,000	7,279,000	7,214,000
Non-current Assets			
Receivables	-	-	-
Property, plant and equipment	214,332,000	215,901,000	217,473,000
Accumulated Depreciation	- 68,044,000	- 70,940,000	- 73,836,000
Capital works in progress	-	-	-
Intangible assets	-	-	-
Total non-current assets	146,288,000	144,962,000	143,637,000
TOTAL ASSETS	155,230,000	152,241,000	150,851,000
Current Liabilities			
Trade and other payables	1,104,000	1,104,000	1,104,000
Borrowings	-	-	-
Provisions	69,000	69,000	69,000
Other	-	-	-
Total current liabilities	1,173,000	1,173,000	1,173,000
Non-current Liabilities			
Trade and other payables	-	-	-
Interest bearing liabilities	-	-	-
Provisions	692,000	697,000	702,000
Other	-	-	-
Total non-current liabilities	692,000	697,000	702,000
TOTAL LIABILITIES	1,865,000	1,870,000	1,875,000
NET COMMUNITY ASSETS	153,365,000	150,371,000	148,976,000
Community Equity			
Shire capital	39,530,000	39,530,000	39,530,000
Asset revaluation reserve	86,419,000	86,419,000	86,419,000
Retained surplus/(deficiency)	27,418,000	24,423,000	23,029,000
Other reserves	-	-	-
TOTAL COMMUNITY EQUITY	153,365,000	150,371,000	148,976,000

BURKE SHIRE COUNCIL

2019-20 -2022 Budgeted Statement of Cash Flow

	2019-20 Budget	2020-21 Forecast	2021-22 Forecast
Cash flows from operating activities:			
Receipts from customers	4,575,000	4,424,000	5,756,000
Payments to suppliers and employees	- 15,998,000	- 11,927,000	- 8,190,000
	- 11,423,000	- 7,503,000	- 2,434,000
Interest received	127,000	124,000	121,000
Rental income	230,000	237,000	244,000
Non-capital grants and contributions	11,996,000	6,837,000	3,322,000
	930,000	- 306,000	1,253,000
Cash flows from investing activities:			
Payments for property, plant and equipment	- 5,938,000	- 3,521,000	- 3,549,000
Proceeds from sale of property, plant and equipment	234,000	175,000	200,000
Grants, subsidies, contributions and donations	2,927,000	2,041,000	2,041,000
	- 2,777,000	- 1,305,000	- 1,308,000
Cash flows from financing activities			
Proceeds from borrowings	-	-	-
Repayment of borrowings	-	-	-
Depreciation	-	-	-
Net increase -decrease in cash held	- 1,846,000	- 1,611,000	- 55,000
Cash at beginning of reporting period	9,596,000	7,749,000	6,138,000
Cash at end of reporting period	7,749,000	6,138,000	6,083,000

Burke Shire Council**Budgeted Statement of Changes in Equity****For the year ended 30 June 2020**

	Reserves	Retained Surplus	Asset Revaluation Reserve	Total
Opening Balance 2019/20		67,995,154	86,419,000	154,414,154
Net Result	-	(1,047,456)	-	(1,047,456)
Increase in Asset Revaluation Reserve	-	-	-	-
Transfers to Reserves	-	-	-	-
Closing Balance 30th June 2020		66,947,698	86,419,000	153,366,698
Net Result	-	(2,995,015)	-	(2,995,015)
Increase in Asset Revaluation Reserve	-	-	-	-
Transfers to Reserves	-	-	-	-
Closing Balance 30th June 2021		63,952,683	86,419,000	150,371,683
Net Result	-	(1,394,301)	-	(1,394,301)
Increase in Asset Revaluation Reserve	-	-	-	-
Transfers to Reserves	-	-	-	-
Closing Balance 30th June 2022	-	62,558,382	86,419,000	148,977,382

BURKE SHIRE COUNCIL

Statement of Financial Position

For the year ended 30 June 2020 -30 June 2030

	2019-20 FY	2020-21 FY	2021-22 FY	2022-23 FY	2023-24 FY	2024-25 FY	2025-26 FY	2026-27 FY	2027-28 FY	2028-29 FY	2029-30 FY
Current Assets											
Cash and cash equivalents	7,749,000	6,138,000	6,083,000	5,879,000	5,739,000	5,567,000	5,594,000	5,891,000	5,996,000	5,965,000	6,276,000
Trade and other receivables	729,000	677,000	667,000	657,000	647,000	637,000	627,000	627,000	627,000	627,000	627,000
Inventories	231,000	231,000	231,000	231,000	231,000	231,000	231,000	231,000	231,000	231,000	231,000
Other financial assets	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000	234,000
Non-current assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Total current assets	8,942,000	7,279,000	7,214,000	7,001,000	6,850,000	6,669,000	6,686,000	6,982,000	7,087,000	7,056,000	7,368,000
Non-current Assets											
Receivables	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	214,332,000	215,901,000	217,473,000	219,150,000	220,869,000	222,641,000	224,200,000	225,566,000	227,187,000	228,888,000	230,443,000
Accumulated Depreciation	- 68,044,000	- 70,940,000	- 73,836,000	- 76,732,000	- 79,628,000	- 82,524,000	- 85,420,000	- 88,316,000	- 91,212,000	- 94,108,000	- 97,004,000
Capital works in progress	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	146,289,000	144,962,000	143,638,000	142,419,000	141,242,000	140,118,000	138,781,000	137,251,000	135,976,000	134,781,000	133,440,000
TOTAL ASSETS	155,230,000	152,240,000	150,851,000	149,419,000	148,091,000	146,786,000	145,466,000	144,232,000	143,062,000	141,836,000	140,807,000
Current Liabilities											
Trade and other payables	1,104,000	1,104,000	1,104,000	1,104,000	1,104,000	1,104,000	1,104,000	1,104,000	1,104,000	1,104,000	1,104,000
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Provisions	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000
Other	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	1,173,000	1,173,000	1,173,000	1,173,000	1,173,000	1,173,000	1,173,000	1,173,000	1,173,000	1,173,000	1,173,000
Non-current Liabilities											
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-
Interest bearing liabilities	-	-	-	-	-	-	-	-	-	-	-
Provisions	692,000	697,000	702,000	707,000	712,000	717,000	722,000	727,000	732,000	737,000	737,000
Other	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	692,000	697,000	702,000	707,000	712,000	717,000	722,000	727,000	732,000	737,000	737,000
TOTAL LIABILITIES	1,864,000	1,869,000	1,874,000	1,879,000	1,884,000	1,889,000	1,894,000	1,899,000	1,904,000	1,909,000	1,909,000
NET COMMUNITY ASSETS	153,367,000	150,372,000	148,977,000	147,540,000	146,207,000	144,897,000	143,572,000	142,333,000	141,159,000	139,928,000	138,898,000
Community Equity											
Shire capital	39,530,000	39,530,000	39,530,000	39,530,000	39,530,000	39,530,000	39,530,000	39,530,000	39,530,000	39,530,000	39,530,000
Asset revaluation reserve	86,419,000	86,419,000	86,419,000	86,419,000	86,419,000	86,419,000	86,419,000	86,419,000	86,419,000	86,419,000	86,419,000
Retained surplus/(deficiency)	27,418,000	24,423,000	23,029,000	21,592,000	20,259,000	18,949,000	17,624,000	16,385,000	15,211,000	13,979,000	12,950,000
Other reserves	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY EQUITY	153,367,000	150,372,000	148,977,000	147,540,000	146,207,000	144,897,000	143,572,000	142,333,000	141,159,000	139,928,000	138,898,000

BURKE SHIRE COUNCIL

Statement of Cash Flow

For the year ended 30 June 2020 - June 2030

	2019-20 FY	2020-21 FY	2021-22 FY	2022-23 FY	2023-24 FY	2024-25 FY	2025-26 FY	2026-27 FY	2027-28 FY	2028-29 FY	2029-30 FY
Cash flows from operating activities:											
Receipts from customers	4,575,000	4,424,000	5,756,000	5,908,000	6,068,000	6,228,000	6,393,000	6,552,000	6,730,000	6,908,000	7,094,000
Payments to suppliers and employees	- 15,998,000	- 11,927,000	- 8,190,000	- 8,457,000	- 8,585,000	- 8,798,000	- 9,054,000	- 9,216,000	- 9,406,000	- 9,723,000	- 9,795,000
	- 11,424,000	- 7,504,000	- 2,434,000	- 2,549,000	- 2,518,000	- 2,570,000	- 2,662,000	- 2,664,000	- 2,676,000	- 2,816,000	- 2,701,000
Interest received	127,000	124,000	121,000	118,000	114,000	111,000	107,000	104,000	101,000	97,000	96,000
Rental income	230,000	237,000	244,000	251,000	259,000	266,000	275,000	283,000	291,000	300,000	309,000
Non-capital grants and contributions	11,996,000	6,837,000	3,322,000	3,391,000	3,459,000	3,530,000	3,602,000	3,675,000	3,748,000	3,825,000	3,902,000
	930,000	- 306,000	1,253,000	1,210,000	1,315,000	1,337,000	1,322,000	1,399,000	1,463,000	1,406,000	1,606,000
Cash flows from investing activities:											
Payments for property, plant and equipment	- 5,938,000	- 3,521,000	- 3,549,000	- 3,775,000	- 3,753,000	- 3,883,000	- 3,586,000	- 3,323,000	- 3,728,000	- 3,850,000	- 3,585,000
Proceeds from sale of property, plant and equipment	234,000	175,000	200,000	321,000	257,000	334,000	250,000	180,000	330,000	372,000	250,000
Grants, subsidies, contributions and donations	2,927,000	2,041,000	2,041,000	2,041,000	2,041,000	2,041,000	2,041,000	2,041,000	2,041,000	2,041,000	2,041,000
	- 2,777,000	- 1,305,000	- 1,308,000	- 1,413,000	- 1,455,000	- 1,508,000	- 1,295,000	- 1,102,000	- 1,357,000	- 1,437,000	- 1,294,000
Cash flows from financing activities											
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Net increase -decrease in cash held	- 1,848,000	- 1,611,000	- 56,000	- 204,000	- 141,000	- 172,000	27,000	297,000	106,000	- 32,000	312,000
Cash at beginning of reporting period	9,596,000	7,749,000	6,138,000	6,083,000	5,879,000	5,739,000	5,567,000	5,594,000	5,891,000	5,996,000	5,965,000
Cash at end of reporting period	7,749,000	6,138,000	6,083,000	5,879,000	5,739,000	5,567,000	5,594,000	5,891,000	5,996,000	5,965,000	6,276,000

BURKE SHIRE COUNCIL

Measures of financial sustainability

For the year ended 30 June 2020 - 30 June 2030

	Target	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2020-2030
Working Capital Ratio	> 1.1	8	6	6	6	6	6	6	6	6	6	6
Operating Surplus Ratio	0 - 15%	-24%	-44%	-36%	-36%	-34%	-33%	-32%	-31%	-30%	-29%	-27%
Net Financial Liabilities Ratio	< 60%	-43%	-47%	-57%	-53%	-50%	-47%	-46%	-48%	-48%	-46%	-48%
Asset Sustainability Ratio	> 90%	48%	56%	56%	56%	56%	56%	56%	56%	56%	56%	56%

Sustainability ratios are a reasonable measure of council's financial performance and financial position

Net Financial Liabilities Ratio: Measures council's ability to increase borrowings where necessary

Operating Surplus Ratio: Measures council's ability to cover operational costs through operational revenues.

Asset Sustainability Ratio: Measures the extent to which infrastructure assets are being replaced as they reach the end of their useful lives

Current Ratio: Measures council's ability to offset short term obligations with current assets.