



Bogan Shire Council Community Financial Report 2020-2021



Introduction

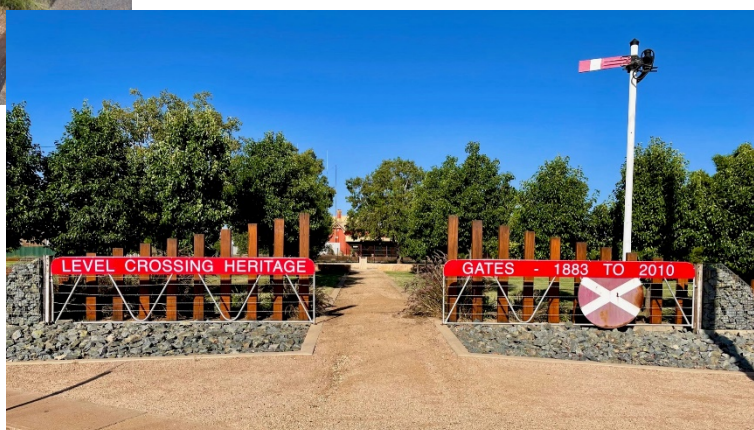
Bogan Shire Council looks after millions of dollars' worth of infrastructure assets on behalf of our community and provides a range of services from garbage collection to medical services. We operate the Nyngan Pool, Library, Medical Centre, Early Learning Centre and the Visitor Information Centre. We try to make sure that we keep our parks, gardens and Nyngan's main street looking good for the benefit of locals and visitors and we maintain over 1,400 kilometres of unsealed roads to enable access to and from our rural properties. More information on these activities can be found in our annual report, which is on our website, but key major projects for this year include:

- Improvements to Nyngan Memorial Swimming Pool
- Commencement of construction for the new Bogan Shire Youth and Community Centre
- Shire Road maintenance to the value of \$3.2 Million including flood damage repairs
- 2km of New Road Construction and 7km of Road Rehabilitation
- 15.4km of Resealing and 50km of Resheeting of Shire Roads

To be able to look after our community assets and provide all these services we need money which comes from the government and from our ratepayers and residents. It is important that we account to the government and our community each year on what money we have received and how we spent it. To do this, every year we prepare audited Annual Financial Statements which are available on Council's website - www.bogan.nsw.gov.au.

Our Annual Financial Statements are complex and the purpose of this Community Financial Report, which is based on information extracted from the audited Annual Financial Statements, is to give community members an easy to follow summary of the Financial Statements.

Overall our operations for the year, with a turnover of over \$24 Million, resulted in a \$1,594,000 cash surplus. In other words we brought in \$1,594,000 more cash than we spent during the year. Whilst this looks like a big surplus, it is really a result of the Federal Government paying our operational grants for 2021/22 in advance. Overall, though, we have had a positive financial result to ensure the ongoing financial viability of our Shire.

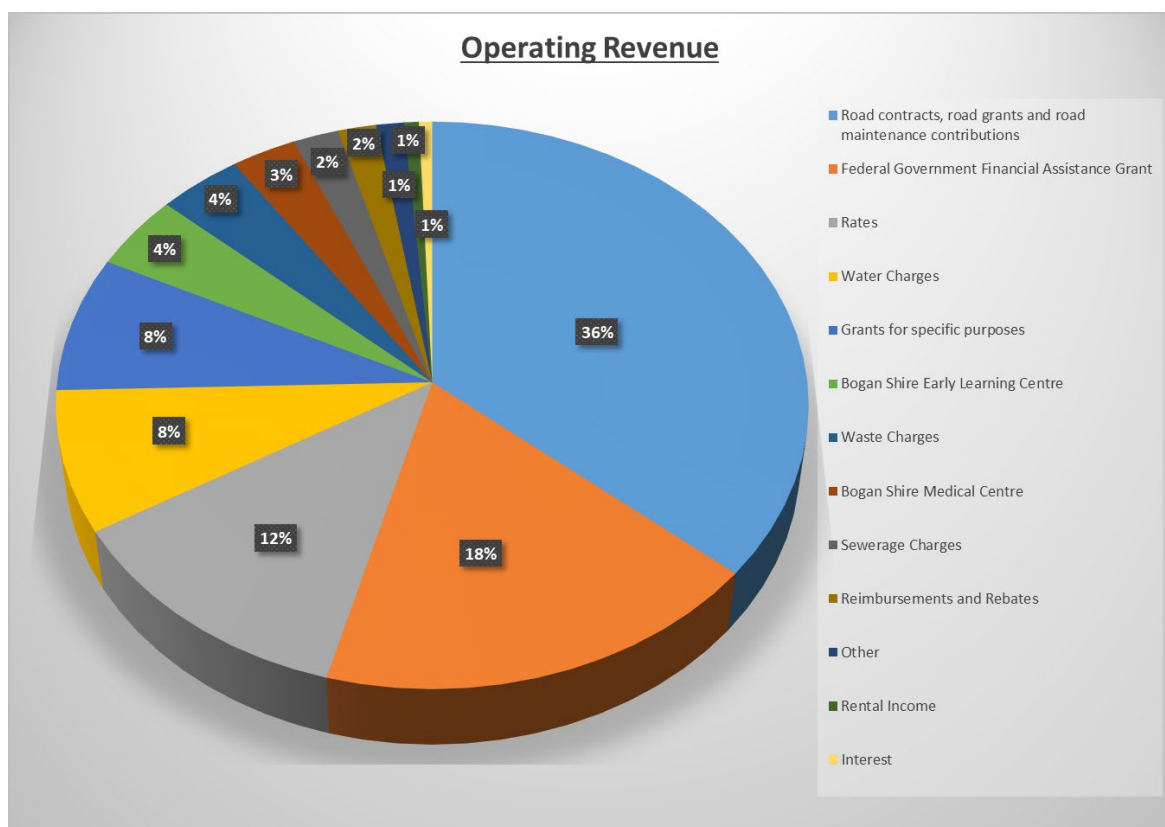


Where did our money come from?

This section shows where our money came from during the year. The figures below show money received for day to day operating purposes only. In addition to this we also received \$4,786,000 to pay for capital improvements (like new roads and water infrastructure) which is detailed on page 5.

Operating Revenue	\$
Road contracts, road grants and road maintenance contributions	8,961,000
Federal Government Financial Assistance Grant	4,484,000
Rates	3,059,000
Water Charges	1,996,000
Grants for specific purposes	1,921,000
Bogan Shire Early Learning Centre	1,062,000
Waste Charges	966,000
Bogan Shire Medical Centre	751,000
Sewerage Charges	528,000
Reimbursements and Rebates	443,000
Other	318,000
Rental Income	172,000
Interest	152,000
	24,813,000

Whilst not the biggest component of income, rates are a very important source of revenue to keep our Shire operating well. In 2020/21 we sent out rates notices totalling \$5.2M and collected \$5.1M during the year, a collection percentage of 98% which compares favourably with many other Councils.



Where did we spend our money?

This section shows what we spent our money on during the year. This page gives details of operating expenses whilst capital/infrastructure expenses spending is shown on page 5.

Bogan Shire Council makes a significant contribution to the local economy through employing 119 local people at a total of \$6.3 Million.

Council's Community Strategic Plan contains five key themes, each of which has a goal and several activities linked to it. Our budget is structured around these themes and activities, showing how much money goes towards each goal / theme.

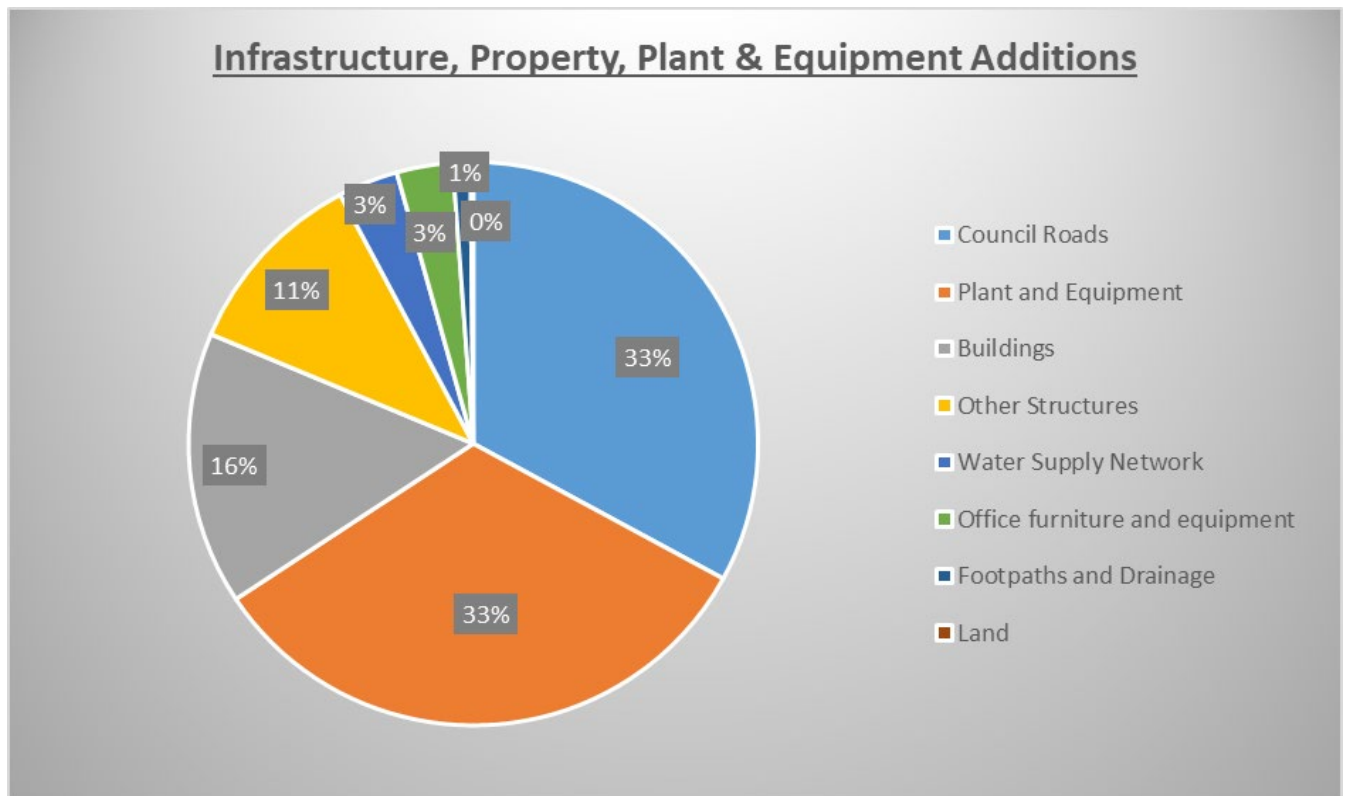
Operating Expenditure	\$
Theme 1 - Social	4,975,000
<p>Goal: An inclusive community that works together and is able to access services and opportunities to support our comfortable country living.</p> <p>Activities include maintaining the pool, parks, gardens, sports fields, community halls and showgrounds as well as operating the Bogan Shire Early Learning Centre, Library and Medical Centre and supporting local emergency management services.</p>	
Theme 2 - Infrastructure	13,446,000
<p>Goal: Construct and manage reliable and efficient community assets that provide access to quality services.</p> <p>Activities include Shire road maintenance, contract highway work on behalf of Transport for NSW and providing water and sewerage services.</p>	
Theme 3 - Environmental	3,060,000
<p>Goal: To support, enhance and preserve the environment of our Shire through sound planning and management practices to ensure a sustainable, healthy community.</p> <p>Activities include waste and recycling services, building and facility maintenance and regulatory functions including noxious weeds, ranger services and health and building surveying.</p>	
Theme 4 - Economic	245,000
<p>Goal: A vibrant local economy with a diversity of successful business that provide local employment opportunities and contribute to a prosperous community.</p> <p>Activities include promoting tourism, economic and community development and operating the Nyngan Airport and Visitor Information Centre.</p>	
Theme 5 – Civic Leadership	2,303,000
<p>Goal: Strong, transparent and effective governance with an actively engaged community.</p> <p>Activities include the costs to efficiently and responsibly run Council's business to enable all of our activities to take place whilst meeting legislative obligations and community needs.</p>	
Total All Themes	24,029,000

In addition to our operating expenses we over \$8 Million on new additions and renewals to our capital / infrastructure assets during the year as shown below.

Infrastructure, Property, Plant & Equipment Additions	\$
Council Roads	1,732,000
Plant and Equipment	1,721,000
Buildings	823,000
Other Structures	573,000
Water Supply Network	179,000
Office furniture and equipment	167,000
Footpaths and Drainage	53,000
Land	8,000
Work in progress	2,759,000
Total	8,015,000

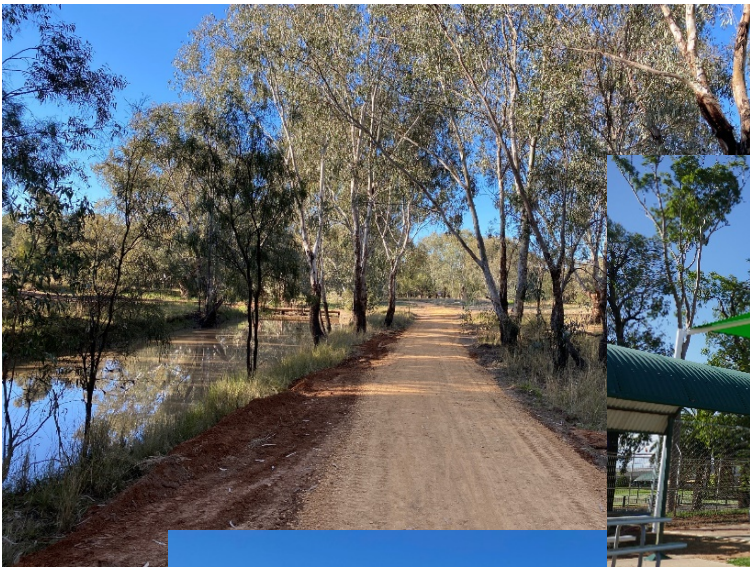
Work in progress relates to capital / infrastructure works that were started during the year but not completed. These include road works of \$1.6 Million, Drought Security water projects of \$682,000 and building works of \$409,000.

Road plant purchases makes up the bulk of the plant and equipment expenditure including a new Jetpatcher Tar Truck at \$420,000, grader at \$378,000 and a roller for \$143,000.



Key capital / infrastructure projects during the year included:

- 2km of sealed road construction at a cost of \$303,000
- Resheeting, resealing and rehabilitation of Shire roads at a cost of \$2,800,000
- Nyngan Pool improvements at a total cost of \$478,000
- Improvements to the Nyngan Showground at \$217,000
- Bogan River Upper and Lower Weir Improvements \$112,000
- Larking Oval sealing netball courts \$111,000
- Ultrasound equipment for Bogan Shire Medical Centre \$93,000



What do we own?

Looking at long-term assets in our Balance Sheet by far the biggest category is property and infrastructure, of which the majority (\$225 Million) are infrastructure assets like our road, water and sewerage networks, followed by \$6 Million in plant and equipment.

Other assets include \$22.5 Million in current assets such as Investments and Debtors. Our Cash and Investments balance includes \$12,670,000, which is restricted for specific purposes and can't be used for Council's current year general expenses.

Total assets are listed below:

Total Assets	\$
Roads, bulk earthworks, bridges and footpaths	164,557,000
Water and Sewerage network	40,940,000
Buildings and other structures	20,444,000
Plant and equipment	6,162,000
Capital projects in progress	3,950,000
Land	3,132,000
Office equipment and furniture	398,000
Cash and Investments	16,554,000
Receivables (Debtors)	5,991,000
Inventory (Stores)	659,000
Other	103,000
	262,890,000



What do we owe?

We owe \$2.18 Million in long term liabilities (loans) which was borrowed in 2016 to finance community infrastructure projects including Council's share of the cost of constructing the Bogan Shire Early Learning Centre, Bogan Shire Medical Centre and improvements to the Nyngan Waste and Recycling Facility to comply with State Government EPA requirements.

This is repayable at \$86,168 per year, including interest, until 2037 at a favourable interest rate of 2.94%.

In addition, our current or short term liabilities amount to \$7.3 Million made up as follows:

Current Liabilities	\$
Contract Liabilities	3,327,000
Provisions	2,005,000
Payables	1,852,000
Borrowings	119,000
Total Current Liabilities	7,303,000

Payables include money we owe our suppliers, which fluctuates every month depending on volume of transactions and terms of payment. Our short term borrowings of \$119,000 are the current year's portion of the community infrastructure loan referred to above. Provisions represent money set aside to pay staff out for any accumulated leave they have due to them but have not taken when they resign or retire. Our contract liabilities represent grant money received from the Government towards capital projects such as the construction of the Bogan Shire Youth and Community Centre and road works which has not yet been spent.



Financial Summary

Shown below is a simplified Balance Sheet and Operating Profit and Loss (Income) Statement that show the result of our operations for the year.

Balance Sheet

ASSETS		\$	LIABILITIES		\$
Current Assets		22,566,000	Current Liabilities		7,303,000
Infrastructure, Property, Plant & Equipment		239,583,000	Non-current borrowings (loans)		2,185,000
Other Assets		741,000			
			Total Liabilities		9,488,000
			EQUITY		\$
			Accumulated Surplus and Reserves		253,402,000
			Total Equity		253,402,000
Total Assets		262,890,000	Total Liabilities and Equity		262,890,000

Operating Profit and Loss

Operating Revenue		\$
Grants (Operating Purposes)		9,728,000
User charges and Fees		9,144,000
Rates and Annual Charges		5,203,000
Other Revenue		480,000
Gain on Disposal of Assets		106,000
Interest		152,000
		24,813,000
Operating Expenses		\$
Staff costs		7,990,000
Materials and Contracts		11,388,000
Other expenses		428,000
Borrowing costs		78,000
		19,884,000
Net Operating Result		4,929,000

This Operating Result excludes depreciation costs, which has been done to show a cash-based end of year position. The Operating Result indicates the amount of cash from operations which Council is able to invest in essential capital / infrastructure during the year.

Conclusion

Bogan Shire Council's Mission, as expressed in our Community Strategic Plan is "to provide a comfortable country lifestyle by progressively improving on the level of facilities and services and encouraging growth and economic development that is responsive to the needs of the community".

A comfortable country lifestyle can mean different things to different people. Whether this is a safe and well-maintained road network, the provision of medical services, a reliable and safe domestic water supply, well-maintained sports facilities or childcare, Bogan Shire Council strives to provide services to meet the needs of our community.

We encourage you to make contact with the Mayor, your Councillors or the General Manager to talk about how we can improve Council services to meet your needs.



Back row:

Graeme Bourke, Director Engineering Services, Clr Graham Jackson, Clr Greg Deacon, Clr Tony Elias, Ty Robson, Acting Manager Development and Environmental Services (2015-2017).

Middle row:

Cathy Ellison, Executive Assistant, Stephanie Waterhouse, Director Finance and Corporate Services, Clr Veneta Dutton, Clr Victoria Boag, Clr Jodi Douglas, Debb Wood, Director People and Community Services.

Front row:

Derek Francis, General Manager, Clr Ray Donald (Mayor), Clr Glen Neill (Deputy Mayor), Clr Kevin Ryan.