



Long Term Financial Plan

2022/23 – 2031/32

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INTRODUCTION

The Long Term Financial plan forms part of Warren Shire Council’s overall Resourcing Strategy. The Resourcing Strategy consists of Council’s Long Term Financial Plan, Workplace Management Strategy and Asset Management Strategic Plan.

These documents give consideration of the capacity of Warren Shire Council to deliver on items identified in the “Warren Shire 2035” Community Strategic Plan and to prioritise items into the four year Delivery Program and the one year Operational Plan.

The Long Term Financial Plan (LTFP) also provides a means of determining service levels and the rate of infrastructure renewal possible based on different funding scenarios. Council will further develop this aspect as Council’s Asset Management Strategic Plan is being implemented.

Council’s LTFP covers all areas of Council operations and considers the high degree of infrastructure renewal required.

The LTFP will be subject to continuous review and adjustment as circumstances and priorities change as driven by the “Warren Shire 2035” Community Strategic Plan and other factors which impact upon Council’s resourcing plans.

The LTFP enables Council to model the financial impacts of various activities, initiatives, service levels and programs as well as perform risk analysis in terms of measuring the impacts of changing assumptions such as inflation, rate pegging, interest rates etc.

This LTFP covers the 10 year planning period from 2022/23 to 2031/32.

Integrated Planning & Reporting Framework



OBJECTIVES OF THE LONG TERM FINANCIAL PLAN

This is the third comprehensive LTFP developed by Warren Shire Council under the new integrated planning guidelines. Accordingly, the plan will be subject to further refinement as the Asset Management Plans are further developed.

The LTFP has taken into considered areas of priority that are consistent with the “Warren Shire 2027” Community Strategic Plan and Asset Management Plans with identified service level objectives.

The LTFP sets the basis of resourcing Council’s activities that are included in Council’s Delivery Program 2022/23 to 2025/26. The Delivery Program sets the program of actions for Council over that period. The Operational Plan is be prepared based on Council’s known resourcing strategy that defines the limits of Council’s capacity to deliver services and renew and provide infrastructure.

The aim of the LTFP is to put in place a financial structure for strategic financial decision making based on guiding principles for the short and long term periods.

FINANCIAL SUSTAINABILITY

Financial sustainability is a key challenge facing Council and Local Government in general due to several contributing factors including:

- increased demand for services beyond those traditionally provided,
- cost shifting from other levels of government,
- ageing infrastructure and constraints on revenue growth,
- rate pegging constraints,
- uncertainty over grant income,
- increased maintenance due to an ageing infrastructure network,
- cost increases in major inputs in excess of CPI

The financial modelling underpinning this LTFP confirms that if Council is to maintain current service levels, ensure existing assets are maintained and renewed as required and the demand for new facilities is met it is not financially sustainable in the long term given its current level of resourcing.

The financial challenges identified have emerged over a number of years and can be attributed to:

- cost shifting from other levels of Government, with local government being forced to take on increased responsibilities without being provided appropriate funding to meet these additional responsibilities,
- increase in regulatory compliance and reporting (red tape),
- freezing of the Financial Assistance Grant for 3 years – 2014/15 to 2016/17 this has a multiplier effect each year i.e.: the gap is increasing each year and will never be caught up.

Cost Shifting

Cost shifting describes the situation where the responsibility for, or the cost of, providing a certain service, concession, facility or regulatory function are 'shifted' from a higher level of Government without the provision of corresponding funding or an ability to raise revenue to adequately fund the shifted responsibility.

There have been several enquiries and surveys of cost shifting over the years with the latest LGNSW survey for 2015/16 confirming that cost shifting continues to place significant burden on Council's financial situation. Warren Shire Council's estimated cost amounted to \$581,045 or 4.17% of total operating income.

Contributions to the Fire & Rescue NSW, NSW Rural Fire Service and State Emergency Service, lack of adequate funding for public libraries, the NSW Government's failure to reimburse the full mandatory pensioner rebates, the cost of regulation of companion animals, swimming pool compliance, and administration of environmental regulations are all examples of cost shifting that impact on Council's financial performance and place additional pressure on its financial sustainability.

Cost Increases

Council has experienced cost increases well in excess of inflation for a number of major expenditure items over the past few years, a trend that is expected to continue.

Therefore, Council's expenditure base has increased at a significantly higher rate than its revenue base.

Infrastructure Renewals and Backlog

The issue of financial sustainability of local government has been identified as a major issue in a number of State based and National inquiries and studies into the issue over many years. Each has identified a shortfall in infrastructure renewal expenditure and a substantial backlog in infrastructure spending as the major issue facing the industry, primarily due to limited funding opportunities available, coupled with the diverse and increasing demand on Council's resources.

Council is constantly developing asset management plans and indications are that current levels of maintenance and renewals currently adequate of that required to maintain the assets in a satisfactory condition.

The asset management plans will quantify the level of spending required to maintain existing infrastructure assets and address any infrastructure backlog.

Further detail of this issue, including its impacts and associated risks if not addressed, is contained in Council's Asset Management Plans.

PLANNING ASSUMPTIONS

The LTFP is based on a number of planning assumptions. These assumptions were used to model and formulate the plan and test a range of scenarios, a process which ultimately formed the basis of the proposed LTFP.

The key planning assumptions considered in the development of the LTFP are detailed below.

Rate Pegging Increases in Rates

On 4 June 2010 the NSW Government announced a number of new functions for the Independent Pricing and Regulatory Tribunal (IPART) relating to Local Government.

The new functions include IPART determining the peg for Councils general rate revenue, and reviewing Council's applications for special variations and minimum rate increases under the Local Government Act 1993. Part of this new framework includes IPART establishing a Local Government Cost Index (LGCI), which will be used in the setting of the maximum allowable increase in general revenue.

The rate peg announced by IPART on 13th December 2021 for 2022/23 is 1.3%. Subsequently the Office of Local Government (OLG) and IPART advised all NSW Councils of an opportunity to apply for a one-off Additional Special Variation to a maximum total general rate increase of 2.5%. Council resolved at the March 2022 Meeting to apply for an Additional Special Variation of 1.2% to IPART, a successful determination on Council's application was received from IPART on 20th June 2022.

Interest on Investments

- Scenario 1 (Planned Forecast), Interest on Investment forecast rate of 0.7% in 2022/23 then 1.0%, 1.3%, 1.8% then 2.5% for the life of the plan,
- Scenario 2 (Optimistic Forecast) Interest on Investment forecast rate of 5% for the life of the plan,
- Scenario 3 (Conservative Forecast) Interest on Investment forecast rate of 0% for the life of the plan.

Inflation *Consumer Price Index (CPI)*

- Scenario 1 (Planned Forecast), CPI forecast rate of 3.0% in 2022/23 then 2.5% for the life of the plan,
- Scenario 2 (Optimistic Forecast) CPI forecast rate of 0% for the life of the plan,
- Scenario 3 (Conservative Forecast) CPI forecast rate of 5% for the life of the plan.

REVENUE FORECASTS

Rates & Annual Charges

In preparing this LTFP, three scenarios were modelled to identify possible strategies to address the financial challenges facing Warren Shire Council.

- Scenario 1 (Planned Forecast), rates increased by 2.5% and Annual Charges by 5% for the life of the plan,
- Scenario 2 (Optimistic Forecast) rates increased by 8% and Annual Charges by 8% for the life of the plan,
- Scenario 3 (Conservative Forecast) rates increased by 1% and Annual Charges by 1% for the life of the plan.

User Charges and Fees & Other Revenues

User Fees and Charges include fees for use of Council facilities and fees for private works undertaken.

No new User Charges or Fees opportunities have been identified as part of the development of the Community Strategic Plan. These services are assumed to be provided on the same pricing basis and are forecast to increase in line with inflation.

Given that User Charges and Fees and Other Revenues represent between 5 to 7% of total revenues each year the potential error margin of this assumption, and resultant impact on financial position, is not considered material to Council's operations.

Interest

Interest income has been calculated by multiplying the interest rate by the previous year's projected total cash in the Balance Sheet each year based on the below scenarios.

- Scenario 1 (Planned Forecast), Interest on Investment forecast rate of 0.7% in 2022/23 then 1.0%, 1.3%, 1.8% then 2.5% for the life of the plan,
- Scenario 2 (Optimistic Forecast) Interest on Investment forecast rate of 5% for the life of the plan,
- Scenario 3 (Conservative Forecast) Interest on Investment forecast rate of 0% for the life of the plan.

Operating Grants & Contributions

In reviewing operating grants and contributions it is considered prudent not to forecast an increase, other than for CPI, over the period of the plan. It is unlikely that there will be any increase in grants, or provision of new grants, for current services. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

Capital Grants & Contributions

As with the operating grants and contributions it is considered prudent not to forecast an increase, other than for CPI, over the period of the plan. It is unlikely that there will be any increase in grants, or provision of new grants, for capital works. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

EXPENDITURE FORECASTS

Much of Council's expenditure is ongoing and regular. Expenditure forecasts are regularly reviewed through the quarterly budget review process and as a part of the annual review and updating of the LTFP. This process identifies any changes in services provided, service levels, commitments and changes to costs for goods and services consumed.

The basis of the forecasts for major expenditure items are detailed below.

Employee Costs

Employee costs consist of salaries and wages, employee leave entitlements, Council's contribution to superannuation schemes, workers compensation insurance and fringe benefits tax.

Salaries and wages make up most of the employee cost and combined with employee leave entitlements represent 88% of this expenditure item.

As part of its financial strategy, Council sets aside a reserve to enable any 'spikes' in employee leave entitlements, particularly resulting from the retirement or resignation of long serving employees, to be funded. The reserve currently represents 26% of total employee entitlement provisions and is forecast to remain at this percentage for the 10 year plan.

Borrowing Costs

The LTFP does not include any anticipated loans for the duration of the plan.

Materials, Contracts and Other Operating Costs

Expenditure on materials, contracts and other operating cost has been generally based on CPI.

Capital Works – Asset Acquisitions/Renewals

The capital works program in this plan have been taken from rolling works programs, Plant Replacement Program, Water & Sewerage Strategic Plan, Buildings Asset Management Plan, Recreation Asset Management Plan, Stormwater Asset Management Plan and other know works scheduled. Some capital works are fully funded by grant funding (i.e.: Roads & Maritime Services - Block Grant, Supplementary Block Grant and Repair Program) if the funding is not received the capital works will not be undertaken.

The plan assumes the Roads to Recovery Program will be in place for the next 10 years.

SENSITIVITY ANALYSIS

The LTFP is based on a number of underlying assumptions. Sensitivity analysis identifies the impact on Council's financial position any changes in these assumptions will affect outcomes of the plan.

Sensitivity analysis looks at 'what if' scenarios. For example, what happens to Council's financial position if salary and wages increases are 1% higher than forecast; or investment returns are 1% less than forecast in the LTFP Plan.

The major underlying assumptions underpinning the LTFP have been subject to sensitivity analysis which has identified the following impacts:

Rate Pegging

The impact of a 1% reduction in rate pegging each year from Scenario 1 (Planned Forecast) was modelled the analysis indicated that general fund rates would be reduced by a total of \$2,601,000 over the last nine years of the plan.

Inflation

The impact of a 1% increase in inflation over the estimate each year resulted in materials, contracts and other expenses compounding to an extra \$2,723,000 (or an average of \$302,555 each year) for the last nine years of the plan.

FINANCIAL STRATEGIES UNDERPINNING THE LTFP

This LTFP identifies possible strategies that need to be addressed to ensure Council is financially sustainable into the future. The key strategies underpinning the LTFP are:

- achieving balanced cash budgets
- maintaining a sound financial position
- maintaining a positive unrestricted cash and investment balance
- maintaining service levels
- progressively increasing funding for asset maintenance and renewal
- maintaining a fair and equitable rating structure

Without the identification of appropriate financial strategies, Council is clearly not financially sustainable in the long term and as a result, the community aspirations identified and articulated in the CSP would not be able to be achieved.

The financial challenges faced by Council, as measured in the scenarios below, will require an innovative multi-faceted financial strategy if Council is to continue to deliver the level of services currently provided and satisfy the demand for additional facilities and existing asset renewals.

Identifying Budget Expenditure Reductions

In response to the financial challenges highlighted in this LTFP each department within Council will undertake an ongoing annual review of its current activities and service levels to identify possible opportunities to reduce budget expenditures without significant reductions in service levels.

Productivity Improvements & Initiatives

The continued pursuit of productivity improvements over the period of the plan is a critical component of the strategy developed to deliver financial sustainability. As previously indicated, Warren Shire Council is committed to a process of continuous improvement and organisational development and this process will continue to deliver productivity improvements that will contribute to addressing unexpected funding gaps that may occur.

FINANCIAL MODELLING SCENARIOS

In preparing this LTFP, three (3) scenarios have been modelled to inform the community of the financial implications of the activities and the level of services under different strategies.

The three (3) scenarios are:

Scenario 1 – (Planned Forecast)

This scenario is based upon a 2.5% general rate revenue increase in 2022/23 then a 2.5% increase in general rates each year, a 5% increase in domestic waste charges, annual water charges and annual sewerage charges for the life of the plan.

Interest on investments has been estimated at 0.7% in 2022/23, then 1.0%, 1.3%, 1.8% then 2.5% for the life of the plan.

Inflation estimated at 3.0% in 2022/23 then 2.5% for the life of the plan.

The trend of this scenario shows significant drop in internal restrictions to fund both operational and capital expenses by the end of the plan.

Scenario 2 – (Optimistic Forecast)

This scenario is based upon a 2.5% general rate revenue increase in 2022/23 then an increase of 8% in all rates and annual charges each year after.

Interest on investments has been estimated at 0.3% in 2022/23, then 5% for the life of the plan.

Inflation estimated at 3.0% in 2022/23 then 0% for the life of the plan.

The trend of this scenario would see General Fund having a cash balance of \$37,024,000 by the end of the plan.

Scenario 3 – (Conservative Forecast)

This scenario is based upon a 2.5% general rate revenue increase in 2022/23 then a 1.0% increase in all rates and annual charges each year after.

Interest on investments has been estimated at 0.3% in 2022/23 then 0% for the life of the plan.

Inflation estimated at 3.0% in 2022/23 then 5% for the life of the plan.

The trend of this scenario would see all General Fund cash being exhausted in 2027/28 with a deficit of \$14,843,000 by the end of the plan.

SUMMARY OF THE LTFP

This is the fourth comprehensive LTFP prepared by Council under the new Integrated Planning and Reporting guidelines.

The plan has been prepared based on Council's known financial position together with financial forecasts.

The plan has highlighted that Council cannot maintain services in the general fund without operating on a funding deficit that is projected for the next 10 years. This indicates that Council's forecast financial position is not sustainable without some corrective action being taken in the short to medium term.

The LTFP will to be monitored and amended each year in line with Council's actual situation, the economic climate and forecast, and future changes in Council's priorities.

FINANCIAL MODELLING OUTPUTS

Following are the financial modelling outputs for each of the three (3) scenarios being:

- i) Projected (Consolidated Funds) Income Statement
- ii) Projected (Consolidated Funds) Statement of Cash Flows
- iii) Projected (Consolidated Funds) Statement of Financial Position

INCOME STATEMENT - SCENARIO No. 1 - (Planned Forecast)

Consolidated (All Funds)

Income Statement - 2022/23 to 2031/32

Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
REVENUES										
Rates & Annual Charges	6,538	6,726	6,925	7,130	7,341	7,566	7,798	8,038	8,287	8,624
User Charges & Fees	1,022	1,172	1,208	1,247	1,286	1,315	1,345	1,375	1,406	1,462
Other Revenues	265	270	276	282	288	295	302	310	318	326
Operating Grants & Contributions	14,535	6,405	6,113	6,624	6,790	6,960	7,134	7,312	7,495	7,682
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	41	42	46	51	86	119	104	91	76	78
Other Income	128	130	132	134	136	139	142	146	150	154
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	22,529	14,745	14,700	15,468	15,927	16,394	16,825	17,272	17,732	18,326
EXPENSES										
Employee Benefits & Costs	6,567	6,688	6,785	6,884	6,983	7,157	7,335	7,518	7,707	7,917
Borrowing Costs	99	95	91	86	82	76	73	68	63	84
Materials & Contracts	6,566	4,594	4,769	4,949	5,135	5,263	5,394	5,529	5,667	5,826
Depreciation	4,216	4,258	4,276	4,318	4,362	4,471	4,582	4,696	4,813	4,952
Other Expenses	179	183	188	192	197	202	207	212	217	222
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	17,627	15,818	16,109	16,429	16,759	17,169	17,591	18,023	18,467	19,001
Operating Result - Surplus / (Deficit)	4,902	(1,073)	(1,409)	(961)	(832)	(775)	(766)	(751)	(735)	(675)
Op Result less Capital Grants	4,902	(1,073)	(1,409)	(961)	(832)	(775)	(766)	(751)	(735)	(675)
Rate Pegging Limit	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Annual Garbage Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water Annual Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water User Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewerage Annual Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewerage User Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Investment Interest Rates	0.7%	1.0%	1.3%	1.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Inflation Percentages Used	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Loan Borrowing Interest Rates	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

The above Income Statement is consistent with the normal ongoing operations of Warren Shire Council, it provides for existing levels of service in all operations of Council.

The Income Statement does not forecast for any profit or loss on the disposal of assets.

STATEMENT OF CASH FLOWS - SCENARIO No. 1 - (Planned Forecast)

Consolidated (All Funds)

Statement of Cash Flows - 2022/23 TO 2031/32

Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>										
<u>Receipts</u>										
Rates & Annual Charges	6,555	6,746	6,945	7,150	7,361	7,585	7,818	8,058	8,311	8,545
User Charges & Fees	1,722	1,172	1,208	1,247	1,286	1,315	1,345	1,375	1,406	1,436
Interest Earned	41	42	46	51	86	119	104	91	76	72
Grants	14,535	6,405	6,113	6,624	6,790	6,960	7,134	7,312	7,495	7,682
Other Revenues	265	270	276	282	288	295	302	310	318	326
Receipts from Operations	23,118	14,635	14,588	15,354	15,811	16,274	16,703	17,146	17,606	18,061
<u>Payments</u>										
Employee Benefits & Costs	6,625	6,687	6,810	6,883	6,983	7,157	7,334	7,518	7,707	7,900
Materials & Contracts	6,566	4,594	4,769	4,949	5,135	5,263	5,394	5,529	5,667	5,809
Borrowing Costs	99	95	91	86	82	76	73	68	63	58
Other Expenses	179	183	188	192	197	202	207	212	217	222
Payments from Operations	13,469	11,559	11,858	12,110	12,397	12,698	13,008	13,327	13,654	13,989
Net Cash from Operations	9,649	3,076	2,730	3,244	3,414	3,576	3,695	3,819	3,952	4,072
<u>CASH FLOWS FROM CAPITAL ACTIVITIES</u>										
<u>Receipts</u>										
Sale of Assets	363	372	381	391	401	411	421	432	443	454
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	363	372	381	391	401	411	421	432	443	454
<u>Payments</u>										
<u>Acquisition/Renewal of Fixed Assets</u>										
Infrastructure - General Fund	7,766	3,256	3,336	2,419	2,478	2,538	2,601	2,664	2,491	2,553
Infrastructure - Water Supply Fund	370	83	113	146	183	260	151	273	61	61
Infrastructure - Sewerage Services Fund	0	0	0	0	0	254	260	267	85	85
Plant, Property & Equipment	1,650	1,384	1,418	1,454	1,490	1,527	1,566	1,605	1,645	1,686
Other Assets	15	46	7	7	7	7	42	13	14	14
Payments from Capital Activity	9,801	4,769	4,874	4,026	4,158	4,586	4,620	4,822	4,296	4,399
Net Cash from Capital Activity	(9,438)	(4,397)	(4,493)	(3,635)	(3,757)	(4,175)	(4,199)	(4,390)	(3,853)	(3,945)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>										
<u>Receipts</u>										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>										
Repayment of Loans	159	164	167	171	176	181	188	193	198	203
Payments from Finance Activity	159	164	167	171	176	181	188	193	198	203
Net Cash from Financing	(159)	(164)	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)
NET CHANGE CASH & INVESTMENTS	52	(1,485)	(1,930)	(562)	(519)	(780)	(692)	(764)	(99)	(76)
Current Year Cash	52	(1,485)	(1,930)	(562)	(519)	(780)	(692)	(764)	(99)	(76)
Cash at Start of Year	10,084	10,136	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305
Cash at End of Year	10,136	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305	3,229

BALANCE SHEET - SCENARIO No. 1 - (Planned Forecast)

Consolidated (All Funds) Statement of Financial Position - 2022/23 to 2031/32 Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
ASSETS										
Cash and Investments	10,136	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305	3,229
Receivables - Rates & Charges	275	255	235	215	195	176	156	136	112	112
Receivables - Other	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,062
Inventories	800	800	800	800	800	800	800	800	630	630
Other	20	20	20	20	20	20	20	20	105	105
Infrastructure, Property, Plant & Equipment	213,469	213,663	213,935	213,307	212,757	212,516	212,188	211,937	211,032	210,098
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	226,760	225,449	223,771	222,561	221,472	220,432	219,392	218,357	217,244	216,236
LIABILITIES										
Creditors	1,144	1,079	1,014	949	884	819	754	689	624	294
Borrowings	3,686	3,522	3,355	3,184	3,008	2,827	2,639	2,446	1,829	1,285
Provisions	1,558	1,560	1,568	1,569	1,570	1,570	1,571	1,572	1,572	1,572
Total Liabilities	6,388	6,161	5,937	5,702	5,462	5,216	4,964	4,707	4,025	3,151
Net Assets	220,372	219,288	217,834	216,859	216,010	215,216	214,428	213,650	213,219	213,085
EQUITY										
Accumulated Surplus	133,973	132,834	131,325	130,295	129,391	128,542	127,699	126,866	126,380	126,191
Asset Revaluation Reserve	86,399	86,454	86,509	86,564	86,619	86,674	86,729	86,784	86,839	86,894
Total Equity	220,372	219,288	217,834	216,859	216,010	215,216	214,428	213,650	213,219	213,085
Note : Cash & Investments is comprised of :										
General Fund Cash & Investments	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,700	3,500	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100
Water Supply	372	352	322	280	227	128	164	110	331	562
Sewerage Services	1,210	1,227	1,233	1,286	1,360	1,204	1,070	955	1,051	1,175
Domestic Waste Management	250	135	110	110	110	110	110	110	110	110
Internal Restrictions	4,104	2,937	1,256	883	543	218	0	0	0	782
Cash and Investments	10,136	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305	3,229

INCOME STATEMENT - SCENARIO No. 2 - (Optimistic Forecast)

Consolidated (All Funds)

Income Statement - 2022/23 to 2031/32

Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
REVENUES										
Rates & Annual Charges	6,538	7,052	7,612	8,216	8,866	9,575	10,340	11,167	12,061	13,187
User Charges & Fees	1,022	1,181	1,229	1,281	1,334	1,378	1,424	1,473	1,526	1,633
Other Revenues	265	263	262	261	260	260	260	260	260	260
Operating Grants & Contributions	14,535	6,057	5,605	5,963	5,963	5,963	5,963	5,963	5,963	5,963
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	41	399	338	302	367	528	661	840	1,065	1,407
Other Income	128	127	126	125	124	124	124	124	124	124
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	22,529	15,079	15,172	16,148	16,914	17,828	18,772	19,827	20,999	22,574
EXPENSES										
Employee Benefits & Costs	6,567	6,523	6,453	6,383	6,310	6,310	6,310	6,310	6,310	6,310
Borrowing Costs	99	95	91	86	82	76	73	68	63	84
Materials & Contracts	6,566	4,430	4,490	4,550	4,612	4,612	4,612	4,612	4,612	4,612
Depreciation	4,216	4,153	4,065	4,000	3,936	3,936	3,936	3,936	3,936	3,936
Other Expenses	179	179	180	180	180	180	180	180	180	180
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	17,627	15,380	15,279	15,199	15,120	15,114	15,111	15,106	15,101	15,122
Operating Result - Surplus / (Deficit)	4,902	(301)	(107)	949	1,794	2,714	3,661	4,721	5,898	7,452
Op Result less Capital Grants	4,902	(301)	(107)	949	1,794	2,714	3,661	4,721	5,898	7,452
Rate Pegging Limit	2.5%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Annual Garbage Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water Annual Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water User Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Sewerage Annual Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Sewerage User Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Investment Interest Rates	0.7%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Inflation Percentages Used	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Borrowing Interest Rates	4.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

The above income statement has been forecast to increase general rates, garbage, water and sewerage annual charges by 8% for the last 9 years of the plan, as can be seen the operating result would turn into large surpluses over the years that could potentially enable a vast increase in the levels of service in all operations of Council.

The Income Statement does not forecast for any profit or loss on the disposal of assets.

STATEMENT OF CASH FLOWS - SCENARIO No. 2 - (Optimistic Forecast)

Consolidated (All Funds)

Statement of Cash Flows - 2022/23 TO 2031/32

Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	6,555	7,072	7,632	8,236	8,886	9,594	10,360	11,187	12,085	13,025
User Charges & Fees	1,722	1,181	1,229	1,281	1,334	1,378	1,424	1,473	1,526	1,580
Interest Earned	41	399	338	302	367	528	661	840	1,065	1,364
Grants	14,535	6,057	5,605	5,963	5,963	5,963	5,963	5,963	5,963	5,963
Other Revenues	265	263	262	261	260	260	260	260	260	260
Receipts from Operations	23,118	14,972	15,066	16,043	16,810	17,723	18,668	19,723	20,899	22,192
Payments										
Employee Benefits & Costs	6,625	6,522	6,478	6,382	6,310	6,310	6,309	6,310	6,310	6,310
Materials & Contracts	6,566	4,430	4,490	4,550	4,612	4,612	4,612	4,612	4,612	4,612
Borrowing Costs	99	95	91	86	82	76	73	68	63	58
Other Expenses	179	179	180	180	180	180	180	180	180	180
Payments from Operations	13,469	11,226	11,239	11,198	11,184	11,178	11,174	11,170	11,165	11,160
Net Cash from Operations	9,649	3,746	3,827	4,845	5,626	6,545	7,494	8,553	9,734	11,032
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	363	363	363	363	363	363	363	363	363	363
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	363	363	363	363	363	363	363	363	363	363
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	7,766	3,253	3,253	2,253	2,253	2,253	2,253	2,253	2,047	2,047
Infrastructure - Water Supply Fund	370	81	107	135	165	230	130	230	50	50
Infrastructure - Sewerage Services Fund	0	0	0	0	0	224	224	224	70	70
Plant, Property & Equipment	1,650	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
Other Assets	15	45	5	5	5	5	40	10	10	10
Payments from Capital Activity	9,801	4,729	4,715	3,743	3,773	4,062	3,997	4,067	3,527	3,527
Net Cash from Capital Activity	(9,438)	(4,366)	(4,352)	(3,380)	(3,410)	(3,699)	(3,634)	(3,704)	(3,164)	(3,164)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	0	0	0	0	0	0	0	0	0	0
Payments										
Repayment of Loans	159	164	167	171	176	181	188	193	198	203
Payments from Finance Activity	159	164	167	171	176	181	188	193	198	203
Net Cash from Financing	(159)	(164)	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)
NET CHANGE CASH & INVESTMENTS	52	(784)	(692)	1,294	2,040	2,665	3,672	4,656	6,372	7,665
Current Year Cash	52	(784)	(692)	1,294	2,040	2,665	3,672	4,656	6,372	7,665
Cash at Start of Year	10,084	10,136	9,352	8,660	9,954	11,994	14,659	18,331	22,987	29,359
Cash at End of Year	10,136	9,352	8,660	9,954	11,994	14,659	18,331	22,987	29,359	37,024

BALANCE SHEET - SCENARIO No. 2 - (Optimistic Forecast)

Consolidated (All Funds) Statement of Financial Position - 2022/23 to 2031/32 Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
ASSETS										
Cash and Investments	10,136	9,352	8,660	9,954	11,994	14,659	18,331	22,987	29,359	37,024
Receivables - Rates & Charges	275	255	235	215	195	176	156	136	112	112
Receivables - Other	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,062
Inventories	800	800	800	800	800	800	800	800	630	630
Other	20	20	20	20	20	20	20	20	105	105
Infrastructure, Property, Plant & Equipment	213,469	213,737	214,079	213,514	213,043	212,861	212,614	212,437	211,720	211,003
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	226,760	226,224	225,854	226,563	228,112	230,576	233,981	238,440	243,986	250,936
LIABILITIES										
Creditors	1,144	1,079	1,014	949	884	819	754	689	624	294
Borrowings	3,686	3,522	3,355	3,184	3,008	2,827	2,639	2,446	1,829	1,285
Provisions	1,558	1,560	1,568	1,569	1,570	1,570	1,571	1,572	1,572	1,572
Total Liabilities	6,388	6,161	5,937	5,702	5,462	5,216	4,964	4,707	4,025	3,151
Net Assets	220,372	220,063	219,917	220,861	222,650	225,360	229,017	233,733	239,961	247,785
EQUITY										
Accumulated Surplus	133,973	133,609	133,408	134,297	136,031	138,686	142,288	146,949	153,122	160,891
Asset Revaluation Reserve	86,399	86,454	86,509	86,564	86,619	86,674	86,729	86,784	86,839	86,894
Total Equity	220,372	220,063	219,917	220,861	222,650	225,360	229,017	233,733	239,961	247,785
Note : Cash & Investments is comprised of :										
General Fund Cash & Investments	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,700	3,500	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100
Water Supply	372	409	469	570	719	920	1,319	1,736	2,491	3,367
Sewerage Services	1,210	1,255	1,320	1,465	1,667	1,707	1,816	1,996	2,409	2,904
Domestic Waste Management	250	135	110	110	110	110	110	110	110	110
Internal Restrictions	4,104	3,553	2,961	4,209	6,098	8,722	12,086	16,345	21,749	30,043
Cash and Investments	10,136	9,352	8,660	9,954	11,994	14,659	18,331	22,987	29,359	37,024

INCOME STATEMENT - SCENARIO No. 3 - (Conservative Forecast)

Consolidated (All Funds)

Income Statement - 2022/23 to 2031/32

Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
REVENUES										
Rates & Annual Charges	6,538	6,594	6,655	6,716	6,775	6,842	6,909	6,978	7,047	7,128
User Charges & Fees	1,022	1,152	1,167	1,183	1,198	1,201	1,204	1,207	1,210	1,216
Other Revenues	265	276	289	302	316	332	349	366	384	403
Operating Grants & Contributions	14,535	6,754	6,640	7,330	7,697	8,082	8,486	8,910	9,356	9,824
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	41	(48)	(46)	(42)	(29)	12	13	14	15	16
Other Income	128	133	139	145	151	159	167	175	184	193
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	22,529	14,861	14,844	15,634	16,108	16,628	17,128	17,650	18,196	18,780
EXPENSES										
Employee Benefits & Costs	6,567	6,852	7,124	7,409	7,707	8,092	8,497	8,921	9,367	9,879
Borrowing Costs	99	95	91	86	82	76	73	68	63	84
Materials & Contracts	6,566	4,758	5,056	5,368	5,699	5,984	6,283	6,597	6,927	7,315
Depreciation	4,216	4,364	4,494	4,654	4,823	5,064	5,317	5,583	5,863	6,201
Other Expenses	179	187	197	206	216	226	237	248	260	273
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	17,627	16,256	16,962	17,723	18,527	19,442	20,407	21,417	22,480	23,752
Operating Result - Surplus / (Deficit)	4,902	(1,395)	(2,118)	(2,089)	(2,419)	(2,814)	(3,279)	(3,767)	(4,284)	(4,972)
Op Result less Capital Grants	4,902	(1,395)	(2,118)	(2,089)	(2,419)	(2,814)	(3,279)	(3,767)	(4,284)	(4,972)
Rate Pegging Limit	2.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual Garbage Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Water Annual Charge Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Water User Charge Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sewerage Annual Charge Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sewerage User Charge Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Investment Interest Rates	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inflation Percentages Used	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Loan Borrowing Interest Rates	4.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

The above conservative income statement with increases in rates and annual charges of 1% and inflation at 5% for the term of the plan shows that Council would be operating in deficits each year which is not sustainable and would have no cash by the year ending 2027/28. The only way Council could survive under this scenario would be dramatically cut staff and therefore levels of service in all operations of Council.

The Income Statement does not forecast for any profit or loss on the disposal of assets.

STATEMENT OF CASH FLOWS - SCENARIO No. 3 - (Conservative Forecast)

Consolidated (All Funds) Statement of Cash Flows - 2022/23 TO 2031/32

Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>										
<u>Receipts</u>										
Rates & Annual Charges	6,555	6,614	6,675	6,736	6,795	6,861	6,929	6,998	7,071	7,117
User Charges & Fees	1,722	1,152	1,167	1,183	1,198	1,201	1,204	1,207	1,210	1,211
Interest Earned	41	(48)	(46)	(42)	(29)	12	13	14	15	16
Grants	14,535	6,754	6,640	7,330	7,697	8,082	8,486	8,910	9,356	9,824
Other Revenues	265	276	289	302	316	332	349	366	384	403
Receipts from Operations	23,118	14,748	14,725	15,509	15,977	16,488	16,981	17,495	18,036	18,571
<u>Payments</u>										
Employee Benefits & Costs	6,625	6,851	7,149	7,408	7,707	8,092	8,496	8,921	9,367	9,836
Materials & Contracts	6,566	4,758	5,056	5,368	5,699	5,984	6,283	6,597	6,927	7,273
Borrowing Costs	99	95	91	86	82	76	73	68	63	58
Other Expenses	179	187	197	206	216	226	237	248	260	273
Payments from Operations	13,469	11,891	12,493	13,068	13,704	14,378	15,089	15,834	16,617	17,440
Net Cash from Operations	9,649	2,857	2,232	2,441	2,273	2,110	1,892	1,661	1,419	1,131
<u>CASH FLOWS FROM CAPITAL ACTIVITIES</u>										
<u>Receipts</u>										
Sale of Assets	363	381	400	420	441	463	486	510	536	563
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	363	381	400	420	441	463	486	510	536	563
<u>Payments</u>										
<u>Acquisition/Renewal of Fixed Assets</u>										
Infrastructure - General Fund	7,766	3,260	3,420	2,589	2,716	2,849	2,989	3,136	3,012	3,162
Infrastructure - Water Supply Fund	370	85	118	157	201	294	174	324	74	74
Infrastructure - Sewerage Services Fund	0	0	0	0	0	286	301	316	103	103
Plant, Property & Equipment	1,650	1,418	1,488	1,563	1,641	1,723	1,809	1,900	1,995	2,094
Other Assets	15	46	8	9	9	9	45	17	18	19
Payments from Capital Activity	9,801	4,809	5,034	4,318	4,567	5,161	5,318	5,693	5,202	5,452
Net Cash from Capital Activity	(9,438)	(4,428)	(4,634)	(3,898)	(4,126)	(4,698)	(4,832)	(5,183)	(4,666)	(4,889)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>										
<u>Receipts</u>										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	0	0	0	0	0	0	0	0	0	0
<u>Payments</u>										
Repayment of Loans	159	164	167	171	176	181	188	193	198	203
Payments from Finance Activity	159	164	167	171	176	181	188	193	198	203
Net Cash from Financing	(159)	(164)	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)
NET CHANGE CASH & INVESTMENTS	52	(1,735)	(2,569)	(1,628)	(2,029)	(2,769)	(3,128)	(3,715)	(3,445)	(3,961)
Current Year Cash	52	(1,735)	(2,569)	(1,628)	(2,029)	(2,769)	(3,128)	(3,715)	(3,445)	(3,961)
Cash at Start of Year	10,084	10,136	8,401	5,832	4,204	2,175	(594)	(3,722)	(7,437)	(10,882)
Cash at End of Year	10,136	8,401	5,832	4,204	2,175	(594)	(3,722)	(7,437)	(10,882)	(14,843)

BALANCE SHEET - SCENARIO No. 3 - (Conservative Forecast)

Consolidated (All Funds) Statement of Financial Position - 2022/23 to 2031/32 Inflated \$'000s

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	Estimate 2031/32
ASSETS										
Cash and Investments	10,136	8,401	5,832	4,204	2,175	(594)	(3,722)	(7,437)	(10,882)	(14,843)
Receivables - Rates & Charges	275	255	235	215	195	176	156	136	112	112
Receivables - Other	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,062
Inventories	800	800	800	800	800	800	800	800	630	630
Other	20	20	20	20	20	20	20	20	105	105
Infrastructure, Property, Plant & Equipment	213,469	213,588	213,783	213,082	212,440	212,129	211,699	211,354	210,212	209,000
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	226,760	225,124	222,730	220,381	217,690	214,591	211,013	206,933	202,237	197,066
LIABILITIES										
Creditors	1,144	1,079	1,014	949	884	819	754	689	624	294
Borrowings	3,686	3,522	3,355	3,184	3,008	2,827	2,639	2,446	1,829	1,285
Provisions	1,558	1,560	1,568	1,569	1,570	1,570	1,571	1,572	1,572	1,572
Total Liabilities	6,388	6,161	5,937	5,702	5,462	5,216	4,964	4,707	4,025	3,151
Net Assets	220,372	218,963	216,793	214,679	212,228	209,375	206,049	202,226	198,212	193,915
EQUITY										
Accumulated Surplus	133,973	132,509	130,284	128,115	125,609	122,701	119,320	115,442	111,373	107,021
Asset Revaluation Reserve	86,399	86,454	86,509	86,564	86,619	86,674	86,729	86,784	86,839	86,894
Total Equity	220,372	218,963	216,793	214,679	212,228	209,375	206,049	202,226	198,212	193,915
Note : Cash & Investments is comprised of :										
General Fund Cash & Investments	500	500	500	500	500	(3,313)	(5,505)	(8,061)	(10,779)	(12,114)
External Restrictions	3,700	3,500	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100
Water Supply	372	298	165	(39)	(319)	(728)	(1,054)	(1,567)	(1,839)	(2,185)
Sewerage Services	1,210	1,195	1,134	1,083	1,013	637	227	(219)	(474)	(754)
Domestic Waste Management	250	135	110	110	110	110	110	110	110	110
Internal Restrictions	4,104	2,773	623	0	0	0	0	0	0	0
Cash and Investments	10,136	8,401	5,832	4,204	2,175	(594)	(3,722)	(7,437)	(10,882)	(14,843)

As can be seen in the above conservative balance sheet forecast the Council would be in overdraft by the end of the 2027/28 financial year.

FINANCIAL INDICATORS

Financial indicators are a benchmark tool to assess actual performance against performance targets, the most common tools used are included in the General Purpose Financial Statements in Note 13 – Statement of Performance Measurement - Indicators.

Unrestricted Current Ratio – this ratio measures Councils council’s ability to meet its financial obligations in the short term, such as paying for goods and services supplied.

Local Government Benchmark:

Greater than 2	Financially Sustainable
Between 1 and 2	Corrective Action required for long term sustainability
Less than 1	Financially Unsustainable

Debt Service Ratio – this ratio measures the cost of paying debt (principal & interest) as a percentage of income from continuing operations.

FFTF Benchmark:

Greater than 0% and Less than 20%

Rates & Annual Charges Coverage Ratio – this ratio measures percentage of rates and annual charges levied compared to the total income from continuing operations.

Rates & Annual Charges Outstanding Percentage – this ratio measures the percentage of all rates and annual charges collectable for the year against the actual collections for the year.

Local Government Benchmark of acceptability for Rural Councils is <10%

Asset Renewal Ratio (General Fund) – this ratio measures Councils rate at which assets are being renewed against the rate at which they are depreciating.

FFTF Benchmark is 100% or greater.

A percentage of 100% indicates that the renewal of assets equals the amount of depreciation.

Operating Performance Ratio (General Fund) – this ratio measures Councils ability to generate continuing income to meet its continuous expenses each year.

FFTF Benchmark is break even or better.

On the following pages are tables of the above ratios using all scenarios.

FINANCIAL INDICATORS – SCENARIO 1 – (Planned Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	FFTF Benchmarks
Unrestricted Current Ratio										
Current Assets less External Restrictions	7,335	6,033	4,307	3,914	3,554	3,210	2,796	2,381	1,971	
Current Liabilities	2,108	2,033	1,959	1,882	1,802	1,721	1,638	1,553	1,328	
Ratio to 1	3.48	2.97	2.20	2.08	1.97	1.87	1.71	1.53	1.48	>1.5x
Debt Service Ratio										
Debt Service Cost	258	259	258	257	258	257	261	261	261	
Income from Continuing Operations less Specific Purpose Grants	10,745	11,091	11,338	11,595	11,888	12,185	12,442	12,711	12,988	
Percentage	2.40%	2.34%	2.28%	2.22%	2.17%	2.11%	2.10%	2.05%	2.01%	>0% & <20%
Rates & Annual Charges Coverage Ratio										
Rates & Annual Charges	6,538	6,726	6,925	7,130	7,341	7,566	7,798	8,038	8,287	
Income from Continuing Operations	22,529	14,745	14,700	15,468	15,927	16,394	16,825	17,272	17,732	
Percentage	29.02%	45.62%	47.11%	46.10%	46.09%	46.15%	46.35%	46.54%	46.73%	
Rates & Annual Charges Outstanding Percentage										
Outstanding Rates & Annual Charges	275	255	235	215	195	176	156	136	112	
Collectable Rates & Annual Charges	6,555	6,746	6,945	7,150	7,361	7,585	7,818	8,058	8,311	
Percentage	4.20%	3.78%	3.38%	3.01%	2.65%	2.32%	2.00%	1.69%	1.35%	<10%
Asset Renewal Ratio										
Asset Renewals	8,136	3,339	3,449	2,565	2,661	3,052	3,012	3,204	2,637	
Depreciation	3,316	3,358	3,376	3,418	3,462	3,571	3,682	3,796	3,913	
Percentage	245.36%	99.43%	102.16%	75.04%	76.86%	85.47%	81.80%	84.40%	67.39%	>=100%

FINANCIAL INDICATORS – SCENARIO 2 – (Optimistic Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	FFTF Benchmarks
Unrestricted Current Ratio										
Current Assets less External Restrictions	7,335	6,649	6,012	7,240	9,109	11,714	15,058	19,297	24,507	
Current Liabilities	2,108	2,033	1,959	1,882	1,802	1,721	1,638	1,553	1,328	
Ratio to 1	3.48	3.27	3.07	3.85	5.05	6.81	9.19	12.43	18.45	>1.5x
Debt Service Ratio										
Debt Service Cost	258	259	258	257	258	257	261	261	261	
Income from Continuing Operations less Specific Purpose Grants	10,745	11,773	12,318	12,936	13,702	14,616	15,560	16,615	17,787	
Percentage	2.40%	2.20%	2.09%	1.99%	1.88%	1.76%	1.68%	1.57%	1.47%	>0% & <20%
Rates & Annual Charges Coverage Ratio										
Rates & Annual Charges	6,538	7,052	7,612	8,216	8,866	9,575	10,340	11,167	12,061	
Income from Continuing Operations	22,529	15,079	15,172	16,148	16,914	17,828	18,772	19,827	20,999	
Percentage	29.02%	46.77%	50.17%	50.88%	52.42%	53.71%	55.08%	56.32%	57.44%	
Rates & Annual Charges Outstanding Percentage										
Outstanding Rates & Annual Charges	275	255	235	215	195	176	156	136	112	
Collectable Rates & Annual Charges	6,555	7,072	7,632	8,236	8,886	9,594	10,360	11,187	12,085	
Percentage	4.20%	3.61%	3.08%	2.61%	2.19%	1.83%	1.51%	1.22%	0.93%	<10%
Asset Renewal Ratio										
Asset Renewals	8,136	3,334	3,360	2,388	2,418	2,707	2,607	2,707	2,167	
Depreciation	3,316	3,253	3,165	3,100	3,036	3,036	3,036	3,036	3,036	
Percentage	245.36%	102.49%	106.16%	77.03%	79.64%	89.16%	85.87%	89.16%	71.38%	>=100%

FINANCIAL INDICATORS – SCENARIO 3 – (Conservative Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28	Estimate 2028/29	Estimate 2029/30	Estimate 2030/31	FTF Benchmarks
Unrestricted Current Ratio										
Current Assets less External Restrictions	7,335	5,869	3,674	2,481	982	(821)	(3,033)	(5,609)	(8,521)	
Current Liabilities	2,108	2,033	1,959	1,882	1,802	1,721	1,638	1,553	1,328	
Ratio to 1	3.48	2.89	1.88	1.32	0.54	(0.48)	(1.85)	(3.61)	(6.42)	>1.5x
Debt Service Ratio										
Debt Service Cost	258	259	258	257	258	257	261	261	261	
Income from Continuing Operations less Specific Purpose Grants	10,745	10,858	10,955	11,055	11,162	11,297	11,393	11,491	11,591	
Percentage	2.40%	2.39%	2.36%	2.32%	2.31%	2.27%	2.29%	2.27%	2.25%	>0% & <20%
Rates & Annual Charges Coverage Ratio										
Rates & Annual Charges	6,538	6,594	6,655	6,716	6,775	6,842	6,909	6,978	7,047	
Income from Continuing Operations	22,529	14,861	14,844	15,634	16,108	16,628	17,128	17,650	18,196	
Percentage	29.02%	44.37%	44.83%	42.96%	42.06%	41.15%	40.34%	39.54%	38.73%	
Rates & Annual Charges Outstanding Percentage										
Outstanding Rates & Annual Charges	275	255	235	215	195	176	156	136	112	
Collectable Rates & Annual Charges	6,555	6,614	6,675	6,736	6,795	6,861	6,929	6,998	7,071	
Percentage	4.20%	3.86%	3.52%	3.19%	2.87%	2.57%	2.25%	1.94%	1.58%	<10%
Asset Renewal Ratio										
Asset Renewals	8,136	3,345	3,538	2,746	2,917	3,429	3,464	3,776	3,189	
Depreciation	3,316	3,464	3,594	3,754	3,923	4,164	4,417	4,683	4,963	
Percentage	245.36%	96.56%	98.44%	73.15%	74.36%	82.35%	78.42%	80.63%	64.26%	>=100%