



Long Term Financial Plan

2023/24 – 2032/33

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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 2023/24 to 2032/33.

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 2023/24 to 2026/27. 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 \$614,866.50 or 4.17% of total operating income, applied to the 2023/24 estimates.

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.

Interest on Investments

- Scenario 1 (Planned Forecast), Interest on Investment forecast rate of 1.0% in 2023/24 then 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 2.5% in 2023/24 extending across 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 1.0% in 2023/24 then 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 \$3,298,000 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 \$2,726,000 (or an average of \$302,888 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 2023/24 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 1.0% in 2023/24, then 1.3%, 1.8% then 2.5% for the life of the plan.

Inflation estimated at 2.5% in 2023/24 extending across 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 10% general rate revenue increase in 2023/24 then an increase of 8% in all rates and annual charges each year after.

Interest on investments has been estimated at 5.0% in 2023/24, then 5.0% for the life of the plan.

Inflation estimated at 3.0% in 2023/24 then 0% for the life of the plan.

The trend of this scenario would see General Fund having a cash balance of \$40,435,000 by the end of the plan.

Scenario 3 – (Conservative Forecast)

This scenario is based upon a 2.5% general rate revenue increase in 2023/24 then a 1.0% increase in all rates and annual charges each year after.

Interest on investments has been estimated at 0.3% in 2023/24 then 0% for the life of the plan.

Inflation estimated at 3.0% in 2023/24 then 5% for the life of the plan.

The trend of this scenario would see all General Fund cash being exhausted in 2028/29 with a deficit of \$10,178,000 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)
WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN
Consolidated (All Funds)

Income Statement - 2023/24 to 2032/33

Inflated \$'000s

	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	Estimate 2032/33
REVENUES										
Rates & Annual Charges	6,726	6,925	7,130	7,341	7,566	7,798	8,038	8,287	8,624	8,893
User Charges & Fees	1,172	1,208	1,247	1,286	1,315	1,345	1,375	1,406	1,462	1,496
Other Revenues	270	276	282	288	295	302	310	318	326	334
Operating Grants & Contributions	6,405	6,113	6,624	6,790	6,960	7,134	7,312	7,495	7,682	7,874
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	42	46	51	86	119	104	91	76	78	75
Other Income	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	14,745	14,700	15,468	15,927	16,394	16,825	17,272	17,732	18,326	18,672
EXPENSES										
Employee Benefits & Costs	6,688	6,785	6,884	6,983	7,157	7,335	7,518	7,707	7,917	8,114
Borrowing Costs	95	91	86	82	76	73	68	63	84	82
Materials & Contracts	4,594	4,769	4,949	5,135	5,263	5,394	5,529	5,667	5,826	5,972
Depreciation	4,258	4,276	4,318	4,362	4,471	4,582	4,696	4,813	4,952	5,075
Other Expenses	183	188	192	197	202	207	212	217	222	227
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	15,818	16,109	16,429	16,759	17,169	17,591	18,023	18,467	19,001	19,470
Operating Result - Surplus / (Deficit)	(1,073)	(1,409)	(961)	(832)	(775)	(766)	(751)	(735)	(675)	(798)
Op Result less Capital Grants	(1,073)	(1,409)	(961)	(832)	(775)	(766)	(751)	(735)	(675)	(798)
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	1.0%	1.3%	1.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Inflation Percentages Used	2.5%	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)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2023/24 TO 2032/33

Inflated \$'000s

	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	Estimate 2032/33
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CASH FLOWS FROM OPERATING ACTIVITIES

<u>Receipts</u>										
Rates & Annual Charges	6,746	6,945	7,150	7,361	7,585	7,818	8,058	8,311	8,545	8,832
User Charges & Fees	1,172	1,208	1,247	1,286	1,315	1,345	1,375	1,406	1,436	1,473
Interest Earned	42	46	51	86	119	104	91	76	72	67
Grants	6,405	6,113	6,624	6,790	6,960	7,134	7,312	7,495	7,682	7,874
Other Revenues	270	276	282	288	295	302	310	318	326	334

Receipts from Operations	14,635	14,588	15,354	15,811	16,274	16,703	17,146	17,606	18,061	18,580
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<u>Payments</u>										
Employee Benefits & Costs	6,687	6,810	6,883	6,983	7,157	7,334	7,518	7,707	7,900	8,118
Materials & Contracts	4,594	4,769	4,949	5,135	5,263	5,394	5,529	5,667	5,809	5,954
Borrowing Costs	95	91	86	82	76	73	68	63	58	83
Other Expenses	183	188	192	197	202	207	212	217	222	227

Payments from Operations	11,559	11,858	12,110	12,397	12,698	13,008	13,327	13,654	13,989	14,382
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Net Cash from Operations	3,076	2,730	3,244	3,414	3,576	3,695	3,819	3,952	4,072	4,198
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CASH FLOWS FROM CAPITAL ACTIVITIES

<u>Receipts</u>										
Sale of Assets	372	381	391	401	411	421	432	443	454	465
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0

Receipts from Capital Activity	372	381	391	401	411	421	432	443	454	465
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<u>Payments</u>										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	3,256	3,336	2,419	2,478	2,538	2,601	2,664	2,491	2,553	2,617
Infrastructure - Water Supply Fund	83	113	146	183	260	151	273	61	61	0
Infrastructure - Sewerage Services Fund	0	0	0	0	254	260	267	85	85	0
Plant, Property & Equipment	1,384	1,418	1,454	1,490	1,527	1,566	1,605	1,645	1,686	1,728
Other Assets	46	7	7	7	7	42	13	14	14	14

Payments from Capital Activity	4,769	4,874	4,026	4,158	4,586	4,620	4,822	4,296	4,399	4,359
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Net Cash from Capital Activity	(4,397)	(4,493)	(3,635)	(3,757)	(4,175)	(4,199)	(4,390)	(3,853)	(3,945)	(3,894)
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CASH FLOWS FROM FINANCING ACTIVITIES

<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
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<u>Payments</u>										
Repayment of Loans	164	167	171	176	181	188	193	198	203	209

Payments from Finance Activity	164	167	171	176	181	188	193	198	203	209
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Net Cash from Financing	(164)	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)	(209)
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NET CHANGE CASH & INVESTMENTS	(1,485)	(1,930)	(562)	(519)	(780)	(692)	(764)	(99)	(76)	95
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Current Year Cash	(1,485)	(1,930)	(562)	(519)	(780)	(692)	(764)	(99)	(76)	95
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Cash at Start of Year	10,136	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305	3,229
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Cash at End of Year	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305	3,229	3,324
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BALANCE SHEET - SCENARIO No. 1 - (Planned Forecast)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2023/24 to 2032/33

Inflated \$'000s

	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	Estimate 2032/33
ASSETS										
Cash and Investments	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305	3,229	3,324
Receivables - Rates & Charges	255	235	215	195	176	156	136	112	112	112
Receivables - Other	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,062	2,062
Inventories	800	800	800	800	800	800	800	630	630	630
Other	20	20	20	20	20	20	20	105	105	105
Infrastructure, Property, Plant & Equipment	213,663	213,935	213,307	212,757	212,516	212,188	211,937	211,032	210,098	208,990
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	225,449	223,771	222,561	221,472	220,432	219,392	218,357	217,244	216,236	215,223
LIABILITIES										
Creditors	1,079	1,014	949	884	819	754	689	624	294	294
Borrowings	3,522	3,355	3,184	3,008	2,827	2,639	2,446	1,829	1,285	1,156
Provisions	1,560	1,568	1,569	1,570	1,570	1,571	1,572	1,572	1,572	1,572
Total Liabilities	6,161	5,937	5,702	5,462	5,216	4,964	4,707	4,025	3,151	3,022
Net Assets	219,288	217,834	216,859	216,010	215,216	214,428	213,650	213,219	213,085	212,201
EQUITY										
Accumulated Surplus	132,834	131,325	130,295	129,391	128,542	127,699	126,866	126,380	126,191	125,252
Asset Revaluation Reserve	86,454	86,509	86,564	86,619	86,674	86,729	86,784	86,839	86,894	86,949
Total Equity	219,288	217,834	216,859	216,010	215,216	214,428	213,650	213,219	213,085	212,201
Note : Cash & Investments is comprised of :										
General Fund Cash & Investments	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,500	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100	100
Water Supply	352	322	280	227	128	164	110	331	562	899
Sewerage Services	1,227	1,233	1,286	1,360	1,204	1,070	955	1,051	1,175	1,387
Domestic Waste Management	135	110	110	110	110	110	110	110	110	110
Internal Restrictions	2,937	1,256	883	543	218	0	0	0	782	328
Cash and Investments	8,651	6,721	6,159	5,640	4,860	4,168	3,404	3,305	3,229	3,324

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2023/24 to 2032/33

Inflated \$'000s

	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	Estimate 2032/33
REVENUES										
Rates & Annual Charges	7,176	7,747	8,362	9,024	9,746	10,525	11,367	12,276	13,425	14,499
User Charges & Fees	1,188	1,236	1,288	1,341	1,385	1,432	1,482	1,535	1,643	1,707
Other Revenues	271	270	269	268	268	268	268	268	268	268
Operating Grants & Contributions	6,475	6,023	6,381	6,381	6,381	6,381	6,381	6,381	6,381	6,381
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	399	345	315	389	558	699	889	1,127	1,483	1,868
Other Income	131	130	129	128	128	128	128	128	128	128
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	15,640	15,751	16,744	17,531	18,466	19,433	20,515	21,715	23,328	24,723
EXPENSES										
Employee Benefits & Costs	6,720	6,650	6,580	6,507	6,507	6,507	6,507	6,507	6,507	6,507
Borrowing Costs	95	91	86	82	76	73	68	63	84	82
Materials & Contracts	4,627	4,687	4,747	4,809	4,809	4,809	4,809	4,809	4,809	4,809
Depreciation	4,280	4,192	4,127	4,063	4,063	4,063	4,063	4,063	4,063	4,063
Other Expenses	184	185	185	185	185	185	185	185	185	185
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	15,906	15,805	15,725	15,646	15,640	15,637	15,632	15,627	15,648	15,646
Operating Result - Surplus / (Deficit)	(266)	(54)	1,019	1,885	2,826	3,796	4,883	6,088	7,680	9,077
Op Result less Capital Grants	(266)	(54)	1,019	1,885	2,826	3,796	4,883	6,088	7,680	9,077
Rate Pegging Limit	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Annual Garbage Charge Increase	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water Annual Charge Increase	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water User Charge Increase	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Sewerage Annual Charge Increase	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Sewerage User Charge Increase	10.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Investment Interest Rates	5.0%	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	1.0%	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)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2023/24 TO 2032/33

Inflated \$'000s

	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	Estimate 2032/33
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	7,196	7,767	8,382	9,044	9,765	10,545	11,387	12,300	13,259	14,341
User Charges & Fees	1,188	1,236	1,288	1,341	1,385	1,432	1,482	1,535	1,589	1,654
Interest Earned	399	345	315	389	558	699	889	1,127	1,439	1,813
Grants	6,475	6,023	6,381	6,381	6,381	6,381	6,381	6,381	6,381	6,381
Other Revenues	271	270	269	268	268	268	268	268	268	268
Receipts from Operations	15,529	15,641	16,635	17,423	18,357	19,325	20,407	21,611	22,936	24,457
Payments										
Employee Benefits & Costs	6,719	6,675	6,579	6,507	6,507	6,506	6,507	6,507	6,507	6,528
Materials & Contracts	4,627	4,687	4,747	4,809	4,809	4,809	4,809	4,809	4,809	4,809
Borrowing Costs	95	91	86	82	76	73	68	63	58	83
Other Expenses	184	185	185	185	185	185	185	185	185	185
Payments from Operations	11,625	11,638	11,597	11,583	11,577	11,573	11,569	11,564	11,559	11,605
Net Cash from Operations	3,904	4,003	5,038	5,840	6,780	7,752	8,838	10,047	11,377	12,852
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	374	374	374	374	374	374	374	374	374	374
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	374	374	374	374	374	374	374	374	374	374
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	3,257	3,257	2,257	2,257	2,257	2,257	2,257	2,047	2,047	2,047
Infrastructure - Water Supply Fund	83	110	139	170	237	134	237	52	52	0
Infrastructure - Sewerage Services Fund	0	0	0	0	231	231	231	72	72	0
Plant, Property & Equipment	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391
Other Assets	46	6	6	6	6	41	11	11	11	11
Payments from Capital Activity	4,777	4,764	3,793	3,824	4,122	4,054	4,127	3,573	3,573	3,449
Net Cash from Capital Activity	(4,403)	(4,390)	(3,419)	(3,450)	(3,748)	(3,680)	(3,753)	(3,199)	(3,199)	(3,075)
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	164	167	171	176	181	188	193	198	203	209
Payments from Finance Activity	164	167	171	176	181	188	193	198	203	209
Net Cash from Financing	(164)	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)	(209)
NET CHANGE CASH & INVESTMENTS	(663)	(554)	1,448	2,214	2,851	3,884	4,892	6,650	7,975	9,568
Current Year Cash	(663)	(554)	1,448	2,214	2,851	3,884	4,892	6,650	7,975	9,568
Cash at Start of Year	10,136	9,473	8,919	10,367	12,581	15,432	19,316	24,208	30,858	38,833
Cash at End of Year	9,473	8,919	10,367	12,581	15,432	19,316	24,208	30,858	38,833	48,401

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2023/24 to 2032/33

Inflated \$'000s

	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	Estimate 2032/33
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ASSETS

Cash and Investments	9,473	8,919	10,367	12,581	15,432	19,316	24,208	30,858	38,833	48,401
Receivables - Rates & Charges	255	235	215	195	176	156	136	112	112	112
Receivables - Other	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,062	2,062
Inventories	800	800	800	800	800	800	800	630	630	630
Other	20	20	20	20	20	20	20	105	105	105
Infrastructure, Property, Plant & Equipment	213,647	213,900	213,247	212,689	212,429	212,101	211,846	211,037	210,228	209,295
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	226,255	225,934	226,709	228,345	230,917	234,453	239,070	244,802	251,970	260,605

LIABILITIES

Creditors	1,079	1,014	949	884	819	754	689	624	294	294
Borrowings	3,522	3,355	3,184	3,008	2,827	2,639	2,446	1,829	1,285	1,156
Provisions	1,560	1,568	1,569	1,570	1,570	1,571	1,572	1,572	1,572	1,572
Total Liabilities	6,161	5,937	5,702	5,462	5,216	4,964	4,707	4,025	3,151	3,022

Net Assets

	220,094	219,997	221,007	222,883	225,701	229,489	234,363	240,777	248,819	257,583
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EQUITY

Accumulated Surplus	133,640	133,488	134,443	136,264	139,027	142,760	147,579	153,938	161,925	170,634
Asset Revaluation Reserve	86,454	86,509	86,564	86,619	86,674	86,729	86,784	86,839	86,894	86,949
Total Equity	220,094	219,997	221,007	222,883	225,701	229,489	234,363	240,777	248,819	257,583

Note : Cash & Investments is comprised of :

General Fund Cash & Investments	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,500	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100	100
Water Supply	403	457	552	695	888	1,283	1,695	2,451	3,330	4,431
Sewerage Services	1,253	1,317	1,462	1,665	1,700	1,805	1,982	2,398	2,898	3,535
Domestic Waste Management	135	110	110	110	110	110	110	110	110	110
Internal Restrictions	3,682	3,235	4,643	6,711	9,534	13,118	17,621	23,299	31,895	39,725
Cash and Investments	9,473	8,919	10,367	12,581	15,432	19,316	24,208	30,858	38,833	48,401

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2023/24 to 2032/33

Inflated \$'000s

	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	Estimate 2032/33
REVENUES										
Rates & Annual Charges	6,692	6,770	6,849	6,926	7,012	7,099	7,187	7,276	7,399	7,493
User Charges & Fees	1,157	1,177	1,198	1,218	1,227	1,236	1,245	1,254	1,273	1,283
Other Revenues	271	284	297	311	327	343	360	378	397	417
Operating Grants & Contributions	6,475	6,347	7,022	7,373	7,742	8,129	8,535	8,962	9,410	9,881
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	111	113	113	114	112	113	114	115	116	116
Other Income	131	137	143	149	156	164	172	181	190	
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Total Revenues	14,837	14,828	15,622	16,091	16,576	17,084	17,613	18,166	18,785	19,190
EXPENSES										
Employee Benefits & Costs	6,720	6,986	7,265	7,555	7,933	8,329	8,745	9,182	9,682	10,166
Borrowing Costs	95	91	86	82	76	73	68	63	84	82
Materials & Contracts	4,627	4,919	5,225	5,548	5,826	6,117	6,423	6,744	7,123	7,479
Depreciation	4,280	4,406	4,561	4,725	4,961	5,209	5,470	5,744	6,075	6,379
Other Expenses	184	194	203	213	223	234	245	257	269	282
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Total Expenses	15,906	16,596	17,340	18,123	19,019	19,962	20,951	21,990	23,233	24,388
Operating Result - Surplus / (Deficit)	(1,069)	(1,768)	(1,718)	(2,032)	(2,443)	(2,878)	(3,338)	(3,824)	(4,448)	(5,198)
Op Result less Capital Grants	(1,069)	(1,768)	(1,718)	(2,032)	(2,443)	(2,878)	(3,338)	(3,824)	(4,448)	(5,198)
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	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water Annual Charge Increase	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Water User Charge Increase	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Sewerage Annual Charge Increase	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Sewerage User Charge Increase	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Investment Interest Rates	0.3%	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	8.0%	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 2028/29. 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)

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2023/24 TO 2032/33

Inflated \$'000s

	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	Estimate 2032/33
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	6,712	6,790	6,869	6,946	7,031	7,119	7,207	7,300	7,368	7,481
User Charges & Fees	1,157	1,177	1,198	1,218	1,227	1,236	1,245	1,254	1,261	1,275
Interest Earned	111	113	113	114	112	113	114	115	116	116
Grants	6,475	6,347	7,022	7,373	7,742	8,129	8,535	8,962	9,410	9,881
Other Revenues	271	284	297	311	327	343	360	378	397	417
Receipts from Operations	14,726	14,711	15,499	15,962	16,439	16,940	17,461	18,009	18,552	19,170
Payments										
Employee Benefits & Costs	6,719	7,011	7,264	7,555	7,933	8,328	8,745	9,182	9,641	10,143
Materials & Contracts	4,627	4,919	5,225	5,548	5,826	6,117	6,423	6,744	7,081	7,435
Borrowing Costs	95	91	86	82	76	73	68	63	58	83
Other Expenses	184	194	203	213	223	234	245	257	269	282
Payments from Operations	11,625	12,215	12,778	13,398	14,058	14,752	15,481	16,246	17,049	17,943
Net Cash from Operations	3,101	2,496	2,721	2,564	2,381	2,188	1,980	1,763	1,503	1,227
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	374	393	413	434	456	479	503	528	554	582
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	374	393	413	434	456	479	503	528	554	582
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	3,257	3,417	2,585	2,712	2,845	2,985	3,132	3,012	3,162	3,320
Infrastructure - Water Supply Fund	83	116	154	197	288	171	317	72	72	0
Infrastructure - Sewerage Services Fund	0	0	0	0	281	295	310	101	101	0
Plant, Property & Equipment	1,391	1,460	1,533	1,610	1,690	1,775	1,863	1,957	2,054	2,157
Other Assets	46	8	8	9	9	45	17	18	18	19
Payments from Capital Activity	4,777	5,001	4,280	4,528	5,113	5,271	5,639	5,160	5,407	5,496
Net Cash from Capital Activity	(4,403)	(4,608)	(3,867)	(4,094)	(4,657)	(4,792)	(5,136)	(4,632)	(4,853)	(4,914)
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	164	167	171	176	181	188	193	198	203	209
Payments from Finance Activity	164	167	171	176	181	188	193	198	203	209
Net Cash from Financing	(164)	(167)	(171)	(176)	(181)	(188)	(193)	(198)	(203)	(209)
NET CHANGE CASH & INVESTMENTS	(1,466)	(2,279)	(1,317)	(1,706)	(2,457)	(2,792)	(3,349)	(3,067)	(3,553)	(3,896)
Current Year Cash	(1,466)	(2,279)	(1,317)	(1,706)	(2,457)	(2,792)	(3,349)	(3,067)	(3,553)	(3,896)
Cash at Start of Year	10,136	8,670	6,391	5,074	3,368	911	(1,881)	(5,230)	(8,297)	(11,850)
Cash at End of Year	8,670	6,391	5,074	3,368	911	(1,881)	(5,230)	(8,297)	(11,850)	(15,746)

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2023/24 to 2032/33

Inflated \$'000s

	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	Estimate 2032/33
ASSETS										
Cash and Investments	8,670	6,391	5,074	3,368	911	(1,881)	(5,230)	(8,297)	(11,850)	(15,746)
Receivables - Rates & Charges	255	235	215	195	176	156	136	112	112	112
Receivables - Other	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,062	2,062
Inventories	800	800	800	800	800	800	800	630	630	630
Other	20	20	20	20	20	20	20	105	105	105
Infrastructure, Property, Plant & Equipment	213,647	213,904	213,265	212,689	212,440	212,078	211,799	210,742	209,619	208,255
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	225,452	223,410	221,434	219,132	216,407	213,233	209,585	205,352	200,678	195,418
LIABILITIES										
Creditors	1,079	1,014	949	884	819	754	689	624	294	294
Borrowings	3,522	3,355	3,184	3,008	2,827	2,639	2,446	1,829	1,285	1,156
Provisions	1,560	1,568	1,569	1,570	1,570	1,571	1,572	1,572	1,572	1,572
Total Liabilities	6,161	5,937	5,702	5,462	5,216	4,964	4,707	4,025	3,151	3,022
Net Assets	219,291	217,473	215,732	213,670	211,191	208,269	204,878	201,327	197,527	192,396
EQUITY										
Accumulated Surplus	132,837	130,964	129,168	127,051	124,517	121,540	118,094	114,488	110,633	105,447
Asset Revaluation Reserve	86,454	86,509	86,564	86,619	86,674	86,729	86,784	86,839	86,894	86,949
Total Equity	219,291	217,473	215,732	213,670	211,191	208,269	204,878	201,327	197,527	192,396
Note : Cash & Investments is comprised of :										
General Fund Cash & Investments	500	500	500	500	500	(4,282)	(6,668)	(9,221)	(10,388)	(14,002)
External Restrictions	3,500	3,300	3,100	2,900	2,700	2,500	2,300	2,100	100	100
Water Supply	326	232	80	(134)	(461)	(694)	(1,096)	(1,246)	(1,454)	(1,618)
Sewerage Services	1,211	1,175	1,159	1,135	820	485	124	(40)	(218)	(336)
Domestic Waste Management	135	110	110	110	110	110	110	110	110	110
Internal Restrictions	2,998	1,074	125	0	0	0	0	0	0	0
Cash and Investments	8,670	6,391	5,074	3,368	911	(1,881)	(5,230)	(8,297)	(11,850)	(15,746)

As can be seen in the above conservative balance sheet forecast the Council would be in overdraft by the end of the 2028/29 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 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	Estimate 2032/33	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	6,033	4,307	3,914	3,554	3,210	2,796	2,381	1,971	3,542	3,088	
Current Liabilities	2,033	1,959	1,882	1,802	1,721	1,638	1,553	1,328	1,040	997	
Ratio to 1	2.97	2.20	2.08	1.97	1.87	1.71	1.53	1.48	3.41	3.10	>1.5x
Debt Service Ratio											
Debt Service Cost	259	258	257	258	257	261	261	261	287	291	
Income from Continuing Operations less Specific Purpose Grants	11,091	11,338	11,595	11,888	12,185	12,442	12,711	12,988	13,395	13,549	
Percentage	2.34%	2.28%	2.22%	2.17%	2.11%	2.10%	2.05%	2.01%	2.14%	2.15%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	6,726	6,925	7,130	7,341	7,566	7,798	8,038	8,287	8,624	8,893	
Income from Continuing Operations	14,745	14,700	15,468	15,927	16,394	16,825	17,272	17,732	18,326	18,672	
Percentage	45.62%	47.11%	46.10%	46.09%	46.15%	46.35%	46.54%	46.73%	47.06%	47.63%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	255	235	215	195	176	156	136	112	112	112	
Collectable Rates & Annual Charges	6,746	6,945	7,150	7,361	7,585	7,818	8,058	8,311	8,624	8,893	
Percentage	3.78%	3.38%	3.01%	2.65%	2.32%	2.00%	1.69%	1.35%	1.30%	1.26%	<10%
Asset Renewal Ratio											
Asset Renewals	3,339	3,449	2,565	2,661	3,052	3,012	3,204	2,637	2,699	2,617	
Depreciation	3,358	3,376	3,418	3,462	3,571	3,682	3,796	3,913	4,052	4,175	
Percentage	99.43%	102.16%	75.04%	76.86%	85.47%	81.80%	84.40%	67.39%	66.61%	62.68%	>=100%
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	(694)	(1,054)	(636)	(543)	(530)	(562)	(594)	(626)	(654)	(682)	
Total Operating Income less Capital Grants	13,330	13,217	13,912	14,293	14,674	15,021	15,377	15,743	16,123	16,512	> or Equal to Break Even
Percentage	(5.21%)	(7.97%)	(4.57%)	(3.80%)	(3.61%)	(3.74%)	(3.86%)	(3.98%)	(4.06%)	(4.13%)	

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	6,778	6,286	7,674	9,722	12,526	16,090	20,573	26,057	
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	3.33	3.21	4.08	5.40	7.28	9.82	13.25	19.62	>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	11,916	12,479	13,114	13,901	14,836	15,803	16,885	18,085	
Percentage	2.40%	2.17%	2.07%	1.96%	1.86%	1.73%	1.65%	1.55%	1.44%	>0% & <20%
Rates & Annual Charges Coverage Ratio										
Rates & Annual Charges	6,538	7,176	7,747	8,362	9,024	9,746	10,525	11,367	12,276	
Income from Continuing Operations	22,529	15,640	15,751	16,744	17,531	18,466	19,433	20,515	21,715	
Percentage	29.02%	45.88%	49.18%	49.94%	51.47%	52.78%	54.16%	55.41%	56.53%	
Rates & Annual Charges Outstanding Percentage										
Outstanding Rates & Annual Charges	275	255	235	215	195	176	156	136	112	
Collectable Rates & Annual Charges	6,555	7,196	7,767	8,382	9,044	9,765	10,545	11,387	12,300	
Percentage	4.20%	3.54%	3.03%	2.57%	2.16%	1.80%	1.48%	1.19%	0.91%	<10%
Asset Renewal Ratio										
Asset Renewals	8,136	3,340	3,367	2,396	2,427	2,725	2,622	2,725	2,171	
Depreciation	3,316	3,380	3,292	3,227	3,163	3,163	3,163	3,163	3,163	
Percentage	245.36%	98.82%	102.28%	74.25%	76.73%	86.15%	82.90%	86.15%	68.64%	>=100%
Operating Performance Ratio - General Fund Only										
Total Operating Income less Capital Grants and Operating Expenses	4,695	40	152	1,097	1,821	2,577	3,375	4,265	5,258	
Total Operating Income less Capital Grants	20,570	14,143	14,152	15,018	15,667	16,421	17,219	18,108	19,100	> or Equal to Break Even
Percentage	22.82%	0.28%	1.07%	7.30%	11.62%	15.69%	19.60%	23.55%	27.53%	

FINANCIAL INDICATORS – SCENARIO 3 – (Conservative Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	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	Estimate 2032/33	FFTF Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	6,094	4,125	3,156	1,868	234	(1,810)	(4,216)	(6,963)	(8,128)	(11,742)	
Current Liabilities	2,033	1,959	1,882	1,802	1,721	1,638	1,553	1,328	1,040	997	
Ratio to 1	3.00	2.11	1.68	1.04	0.14	(1.11)	(2.71)	(5.24)	(7.82)	(11.78)	>1.5x
Debt Service Ratio											
Debt Service Cost	259	258	257	258	257	261	261	261	287	291	
Income from Continuing Operations less Specific Purpose Grants	11,113	11,232	11,351	11,469	11,585	11,706	11,829	11,955	12,126	12,060	
Percentage	2.33%	2.30%	2.26%	2.25%	2.22%	2.23%	2.21%	2.18%	2.37%	2.41%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	6,692	6,770	6,849	6,926	7,012	7,099	7,187	7,276	7,399	7,493	
Income from Continuing Operations	14,837	14,828	15,622	16,091	16,576	17,084	17,613	18,166	18,785	19,190	
Percentage	45.10%	45.66%	43.84%	43.04%	42.30%	41.55%	40.81%	40.05%	39.39%	39.05%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	255	235	215	195	176	156	136	112	112	112	
Collectable Rates & Annual Charges	6,712	6,790	6,869	6,946	7,031	7,119	7,207	7,300	7,399	7,493	
Percentage	3.80%	3.46%	3.13%	2.81%	2.50%	2.19%	1.89%	1.53%	1.51%	1.49%	<10%
Asset Renewal Ratio											
Asset Renewals	3,340	3,533	2,739	2,909	3,414	3,451	3,759	3,185	3,335	3,320	
Depreciation	3,380	3,506	3,661	3,825	4,061	4,309	4,570	4,844	5,175	5,479	
Percentage	98.82%	100.77%	74.82%	76.05%	84.07%	80.09%	82.25%	65.75%	64.44%	60.59%	>=100%
Operating Performance Ratio - General Fund Only											
Total Operating Income less Capital Grants and Operating Expenses	(644)	(1,290)	(1,186)	(1,445)	(1,795)	(2,168)	(2,561)	(2,975)	(3,410)	(3,870)	
Total Operating Income less Capital Grants	13,459	13,414	14,173	14,606	15,056	15,525	16,015	16,528	17,065	17,627	> or Equal to Break Even
Percentage	(4.78%)	(9.62%)	(8.37%)	(9.89%)	(11.92%)	(13.96%)	(15.99%)	(18.00%)	(19.98%)	(21.95%)	