District Council of KIMBA
EST. 1924

LONG TERM FINANCIAL PLAN 2024-33

August 2023

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1. Introduction

The purpose of the long-term financial plan (LTFP) is to express, in financial terms, the activities that the District Council of Kimba (Council) proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Strategic Plan.

It is a guide for future action based on the longer-term impact of revenue and expenditure proposals. The aggregation of future intended outlays and anticipated revenues enables the accumulating overall financial implications to be readily identified and if warranted, for proposed future activities to be revised.

Long-term financial plans are particularly important for local governments as they are responsible for managing a high level of long-lived assets relative to their income base. A council may have long-periods with modest levels of asset renewal requirements and then other periods when very significant outlays are necessary. All councils need to generate revenue in an equitable manner over time and ensure they have capacity to finance peaks in asset management and other outlays when, and including by way of borrowings, where necessary.

The preparation of a LTFP generates improved information to guide decisions about the mix and timing of outlays on operating activities and additional assets and the funding implications of these. Without a soundly based LTFP & Infrastructure & Asset Management Plan (IAMP) an organisation with significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels and affordable asset stockholding strategies, appropriate revenue targets or optimal treasury management.

The LTFP and Asset Renewal Plans have been impacted significantly by inflation. In particular, the updated renewal and maintenance programs included in the IAMP and funded by this LTFP have increased significantly.

Further to this, the ten year asset renewal programs included in the IAMP have been impacted significantly by damage caused to Councils' Road network sustained due to a severe weather event that occurred in January 2022 by ex-tropical cyclone Tiffany.

2. Key Assumptions

The following assumptions have been built into the forecast calculations:

- The content of the LTFP is based on real (2023-24) dollar values for all future years to facilitate comparisons between years.
- That rate revenue will not increase in real terms. This means that only CPI increases have been considered in this plan.
- Forecast debt and cash reserves in future years have been discounted by 3.25% per annum for 2024-25, 2.75% for 2025-26 then 2.50% each year after that in recognition of the fact that inflation reduces the real value of financial assets and liabilities.

  Refer following extract from the State Budget 2023-24, Budget Paper 5: Budget Measures Statement, Chapter 7: South Australian Economy.

Economic forecasts

Table 7.1: Key economic indicators — Australia and South Australia real growth rates (per cent per annum, year averages)

	2021-22 Actual	2022-23 Estimate	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection
Australia[a]						
Gross Domestic Product (GDP)	3.7	3¼	1½	2¼	2¾	2¾
South Australia						
Gross State Product (GSP)	5.1	3½	1	1¾	2	2
State Final Demand (SFD)	5.6	2½	1¼	1¾	2	2
Employment	3.9	3	1	¾	1	1
Adelaide Consumer Price Index (CPI)	4.2	7¾	3¾	3¼	2¾	2½

(a) Australian forecasts from Commonwealth Government's 2023-24 Budget, Budget Strategy and Outlook, Budget Paper No.1.

- Investment revenue has been calculated on the assumed rate of 1% above the forecast assumptions for the Adelaide CPI increases outlined in the above table.
- Capital renewal expenditure for Road Infrastructure, Community Wastewater Management Systems (CWMS) and Buildings has been funded at the levels identified in Councils IAMP.
- Plant and Equipment replacement is based on the Councils' 10 year Plant and Equipment Replacement Program.
- Wages have been assumed to increase in line with CPI.
- A zero growth or decline in population is assumed.
- Maintenance costs are maintained at current levels.
- Service range and standards are maintained at current levels.
- A pool of funds approach to financing has been assumed. Accordingly, any accumulations of cash have been offset against any debt that may exist.
- Commonwealth Financial Assistance Grant (FAGs) revenue has been evened out such that the plan reflects a stable four payments across each year.
- Commonwealth Roads to Recovery funding is maintained at normal levels from the year ending 30 June 2025 onwards.

3. Financial Strategy

The LTFP projects that Council's financial position and performance over time will remain steady. This is based on the continued achievement of the financial strategy described below.

- Significant quantities of debt will not be incurred until a strategy has been identified that will highlight how Council will repay the additional debt. This will be reflected in an updated LTFP to be prepared at that time;
- CWMS service charges will be increased in line with CPI;
- Grant revenue will be targeted in a strategic manner. This means that grant revenue to build new assets would only be pursued and accepted if the new assets were deemed to be warranted, particularly if additional funding was to be contributed by Council. Where a grant is sought and additional Council funds are required to be contributed, then careful consideration will be given to long-term benefits and costs. This will ensure activities that may better fit Council's strategic objectives are not being delayed in lieu of the activity being funded by the grant;
- Revaluation of assets will be undertaken in a timely and appropriate manner to allow for increased accuracy with the IAMP and Asset Register and subsequently, to ensure accurate depreciation figures can be determined;
- The long term financial plan will be updated on an annual basis.

4. Funding Plan

Council's approach to funding services and infrastructure of the council

The Uniform Presentation of Finances (UPF) in section 7 of this plan identifies future cash surpluses or shortages. This allows a mechanism for Council to make investing and funding decisions independently of one another.

Investing decisions are decisions that determine what services Council will spend its money on whereas funding decisions are decisions made on how best to invest any cash surplus to needs or fund in cash shortages as identified in the UPF.

In most instances, it will always be more cost effective to fund a cash shortfall from cash reserves (if available) rather than from debt due to the gap between the investing and lending rates offered by banks. Any cash surpluses that are identified should be applied against debt for the same reason. Council's Treasury Management Policy allows flexibility in borrowings to enable this offset to occur.

Council's projected total revenue for the period to which the long-term financial plan relates

Total forecast Operating revenue across the ten years of the plan is $49M.

Intended sources of $49M operating revenue

Rates - General & Other rates account for 46% of Councils ten-year revenue forecast.

General Rates – Section 146 of the Local Government Act 1999 provides for a Council to raise revenue for the broad purposes of the Council through a general rate. This applies to all rateable properties, using differential rating principles that vary according to the locality of the land and its use, rates are calculated with reference to property capital values. Rate calculations are subject to a minimum rate.

Other Rates - In addition, Section 146 of the Local Government Act 1999 also allows Council to raise separate rates, service rates and service charges.

Council charges a service rate for Community Wastewater Management Systems and kerbside bin collection services. The rate is set at a level that will recover the whole of life costs of these services.

Statutory Charges account for 0.5% of Councils ten year revenue forecast.

These are charges prescribed in various Acts of parliament.

User charges - account for 3% of Councils ten year revenue forecast.

The Local Government Act 1999 allows Council to levy charges for the reasons outlined in Section 188 (1). The charges do not need to be based on cost recovery unless the charge is a Statutory Charge. This means Council can subsidise a service or make a profit on the service dependent upon Council policy.

Grants, subsidies and contributions account for 43% of Councils' ten year revenue forecast.

This income represents amounts received from Government and other entities to assist with a range of Councils operating and capital services.

There are four categories that this revenue is separated into. Recurring operating grants, non–recurring operating grants, non–recurring capital grants and amounts specifically for new or upgraded assets.

Financial Assistance Grants, Supplementary Local Roads Funding and Roads to Recovery Funding account for 41% of the ten year revenue forecast of $49M.

Investment income account for 1% of Councils ten year revenue forecast.

Council is only permitted to invest in term deposits. This revenue is dictated by market forces that set the interest income earning rates.

Reimbursements account for 4% of Councils ten year revenue forecast.

This revenue is related to activities that Council undertake on behalf of other organisations. It is essentially money in, money out.

Other income accounts for 2% of Councils ten year revenue forecast.

This income relates to any revenue stream that is not specifically covered by any of the categories explained above.

5. Key Financial Indicators

The financial sustainability evaluation of a Council is undertaken with reference to a properly developed and complete LTFP. The financial plan includes the forecast achievement of projected performance against agreed financial sustainability targets. By achieving these targets, Council can claim to be operating in a financially sustainable manner.

To demonstrate that the financial strategies above are being achieved, Council needs to monitor the operating surplus ratio.

Further to this, two additional ratios will be reported on to demonstrate that assets are being replaced in line with the requirements of the IAMP whilst maintaining sensible debt levels.

These ratios are:

- Net financial liabilities ratio
- Asset renewal funding ratio

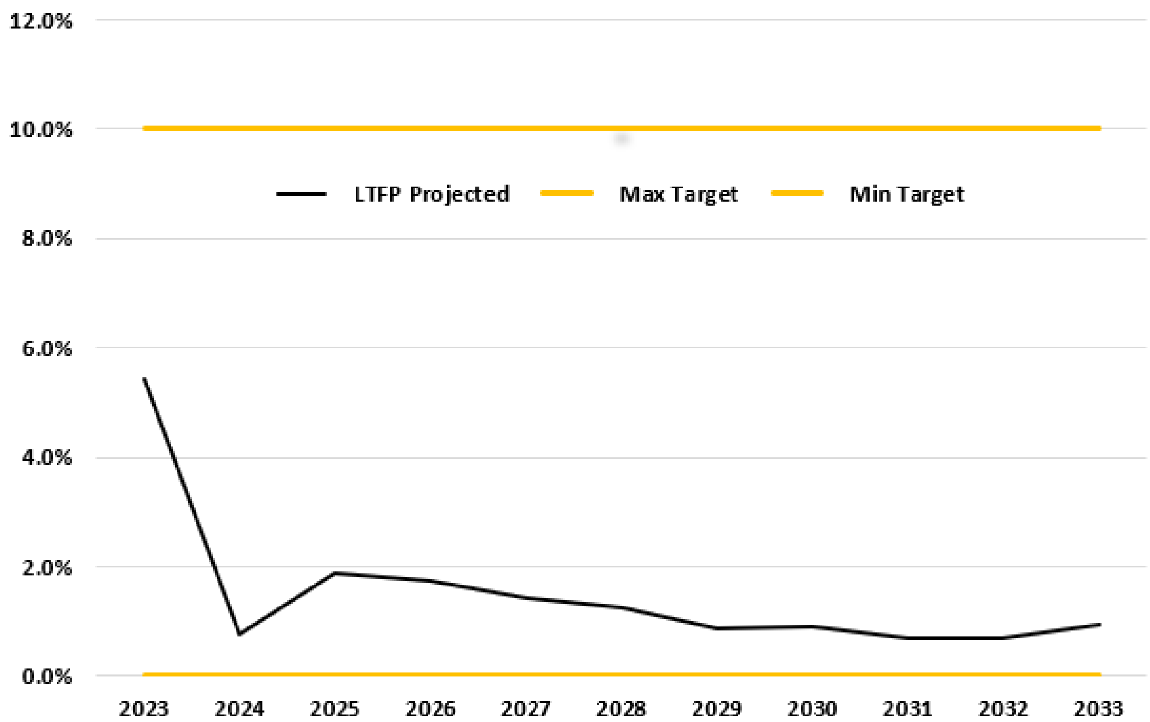
The following table is used to populate the graphs in sections 4.1 to 4.3:

Year Ending 30 June:	2023 Year 0 $,000	2024 Year 1 $,000	2025 Year 2 $,000	2026 Year 3 $,000	2027 Year 4 $,000	2028 Year 5 $,000	2029 Year 6 $,000	2030 Year 7 $,000	2031 Year 8 $,000	2032 Year 9 $,000	2033 Year 10 $,000
Operating Surplus Ratio											
Operating Surplus	269	51	96	80	66	57	40	42	32	33	43
Total Operating Revenue	4,943	6,654	5,068	4,665	4,651	4,642	4,626	4,628	4,619	4,620	4,631
	5.4%	**0.8%**	**1.9%**	**1.7%**	**1.4%**	**1.2%**	**0.9%**	**0.9%**	**0.7%**	**0.7%**	**0.9%**
Net Financial Liabilities Ratio											
Net Financial Liabilities	(1,666)	(1,626)	(1,517)	(1,267)	(1,020)	(527)	(606)	(333)	(373)	(698)	(903)
Total Operating revenue	3,839	6,654	5,068	4,665	4,651	4,642	4,626	4,628	4,619	4,620	4,631
	-43%	**-24%**	**-30%**	**-27%**	**-22%**	**-11%**	**-13%**	**-7%**	**-8%**	**-15%**	**-19%**
Asset Renewal Funding Ratio											
Net Asset Renewal Expenditure per LTFP	1,763	1,582	1,450	1,445	1,448	1,680	1,105	1,467	1,128	854	974
Net Asset Renewal Expenditure per AMP	1,649	1,582	1,450	1,445	1,448	1,680	1,105	1,467	1,128	854	974
	107%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

5.1 Operating Surplus Ratio (OSR)

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of total operating revenue.

Calculated as: Operating revenue minus operating expense divided by operating revenue.



*The 2023 year is included for context as is year zero of the LTFP. The figure included reflects the adjusted OSR from the 2022-23 Budget Review #3 adopted by Council. The adjustments have the effect of reversing the timing differences caused by the continuously varying dates and amounts that the Federal Government pay the financial assistance grants to Council.

The OSR is used to confirm that Council can cover its operating expenditure and depreciation charge from its operating revenue. A negative result indicates that Council is not doing so.

The above information forecasts that Council will be operating with a small surplus throughout the life of this plan.

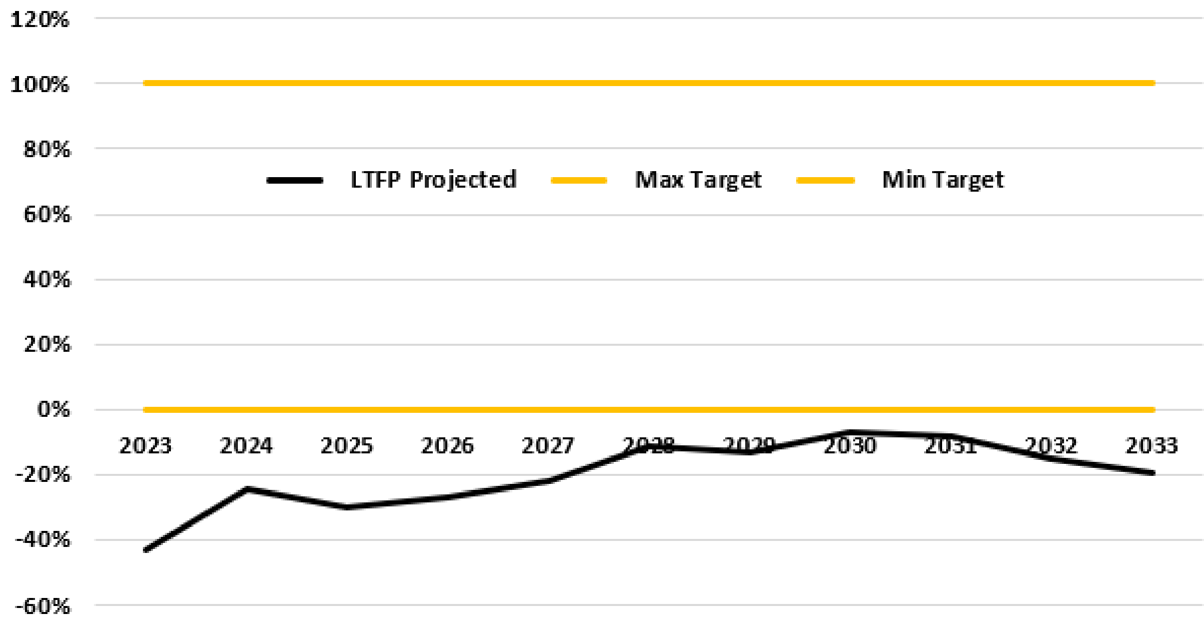
The target range has been set at 0% to 10% for the duration of the plan. This is in line target range for this ratio as required by the assessment framework that the Essential Services Commission of South Australia (ESCOSA) are using for the assessment of this ratio.

An additional use of this ratio has been identified by ESCOSA where they use it to understand what is driving a council's OSR and the extent to which this indicates potential concerns regarding affordability and cost control risk. This is very similar to how Council have used this ratio to assess its operating performance.

5.2 Net Financial Liabilities Ratio (NFLR)

Net financial liabilities are a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, Net Financial Liabilities equals total liabilities minus financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The NFLR answers the question - Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves? The following graph and table show that Council can answer "Yes" to this question.



The Council is currently in a net financial assets position. Accordingly, the net financial liabilities ratio is showing a negative amount.

Council has set a target range for this ratio of between 0% to 100%. This is in line with the target range for this ratio as required by the assessment framework ESCOSA are using for the assessment of this ratio.

Previously the sector had some level of discretion in relation to the key financial indicators to set a target range that is more suitable to the culture and risk aversion profile of the Council, unfortunately, this is no longer the case.

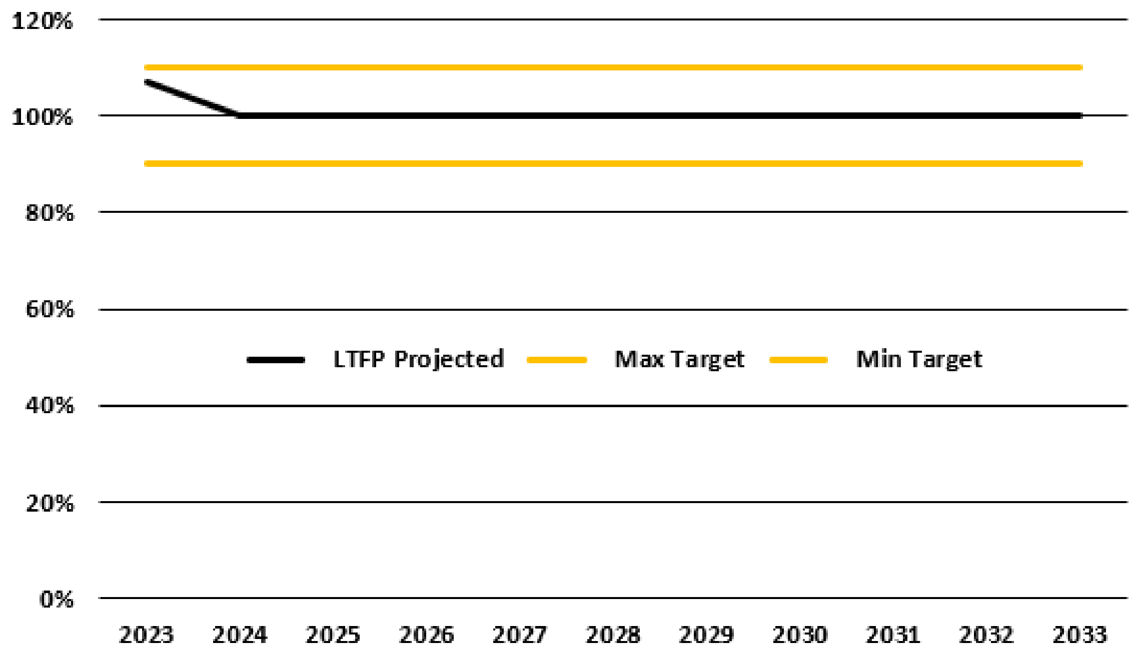
In relation to the assessment of Councils financial sustainability, a result of less than 0% indicates Council is in a net financial assets position. Accordingly, the Council should not be assessed as having a financial sustainability risk due to unmanageable levels of liabilities.

An additional use of this ratio has been identified by ESCOSA where they use it to understand what is driving a council's net financial liabilities ratio and the extent to which this indicates potential concerns regarding financial and service sustainability risk. The results of the ratio indicate there are no concerns.

5.3 Asset Renewal Funding Ratio (ARFR)

This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure proposed in a Council's asset management plan.

If capital expenditure on renewing or replacing existing assets is at least equal to the level proposed in the asset management plan, then a Council is ensuring optimal timing of replacement of physical assets to maintain service levels. Any material underspending on renewal and replacement over the medium term is likely to adversely impact on the achievement of preferred, affordable service levels and could potentially progressively undermine a Council's financial sustainability.



The above information indicates that the ARFR is targeted to be 100% for the life of the plan, indicating that asset renewal directly reflects the requirements of Councils 10-year asset renewal plans as outlined in section 6 later in this plan.

An additional use for the ARFR has been identified by ESCOSA where they use it to understand what is driving a council's ARFR. This relates to assessing the consistency of the LTFP and IAMP, and the extent to which these appropriately reflect actual asset condition. This has implications for financial and service sustainability, as well as affordability and cost control risk. This is very similar to how Council have strategically assessed the results of this indicator in the past and believe there are no implications for financial and service sustainability, nor affordability and cost control risks.

6 Chief Executive Officer's Report on the Sustainability of the Council's Long Term Financial Performance & Position

The analysis of the key financial indicators table and relevant graphs included in the 2024-33 Long Term Financial Plan (LTFP) demonstrates that the Council is forecasting to operate in a financially sustainable manner throughout the life of the plan.

The OSR ranges from 1% to 2% across the ten years. This equates to a small operating surplus of between $50k to $100k p.a. that is considered to be adequate for now, given that Council has a healthy level of cash reserves.

Advice provided by the Audit & Risk Committee to Council after reviewing and discussing the updated IAMP and LTFP warned Council that, as with all businesses in Australia, Councils' forecast expenditure is exposed to inflation risk. The LTFP assumes CPI is the relevant yardstick to peg future cost increases to. The risk is that CPI is not reflective of Councils actual cost increases and that Councils costs may in reality increase by more than CPI. Should this occur, Council might be moved into an unsustainable operating deficit position.

Further to this, a level of risk has also been identified in relation to Councils dependence upon recurring grant income, in particular, financial assistance grants, supplementary local road funding and roads to recovery funding. In the 2021-22 financial year, these three streams of revenue accounted for 46% of Councils operating income once removing capital grants.

Cash and cash equivalents range from $1M to $2.2M across the life of the LTFP. As such, should operating expenses increase, or operating revenue decrease due to situations out of Councils' control, there will be sufficient time for Council to update its financial strategy to rectify any financial sustainability issues this may cause.

The Council is committed to ensuring the ten year asset renewal program as well as the LTFP is continually updated when necessary (and at least annually) to ensure that it will always have appropriate strategies in place to ensure it is operating in a financially sustainable manner. The update of the ten year renewal programs will have a focus on asset conditions with external assistance brought in where required to ensure the renewal programs accurately reflect Councils planned capital expenditure needs.

The 2023-24 Annual Business Plan & Budget as well as the 2024-33 AMP & LTFP are consistent with the strategic goals and principal activities of Councils Strategic Management Plan. The Audit & Risk Committee have advised Council that this is the situation during the June & July 2023 Audit & Risk Committee meetings where these plans were reviewed and discussed.

Year one of the 2024-33 IAMP & LTFP is consistent with the 2023-24 adopted Annual Business Plan & Budget. The LTFP funds the capital and maintenance identified in the IAMP. This also has been confirmed in discussions held during the July 2023 Audit & Risk Committee meeting.

7 Relevant Legislation

Local Government Act 1999

S122—Strategic management plans

(1b) The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.

(4) A council may review its strategic management plans under this section at any time but must—

(a) undertake a review of—

(i) its long-term financial plan on an annual basis

(4a) A council must, for the purposes of a review under subsection (4), take into account—

(a) in relation to a review under subsection (4)(a)(i)—a report from the chief executive officer on the sustainability of the council's long-term financial performance and position taking into account the provisions of the council's annual business plan and strategic management plans

Local Government (Financial Management) Regulations

2011 Reg 5—Long Term Financial Plans

(1) A long‑term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—

(b) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and

(c) estimates and target ranges adopted by the council for each year of the long‑term financial plan with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.

(2) A long‑term financial plan must be accompanied by a statement which sets out—

(a) the purpose of the long‑term financial plan; and

(b) the basis, including key assumptions, on which it has been prepared; and

(c) the key conclusions which may be drawn from the estimates, proposals and other information in the plan.

(3) A statement under sub-regulation (2) must be expressed in plain English and must avoid unnecessary technicality and excessive detail.

8 Operating & Capital Expenditure Funded in this Plan

Year Ending 30 June:	2024 $'000	2025 $'000	2026 $'000	2027 $'000	2028 $'000	2029 $'000	2030 $'000	2031 $'000	2032 $'000	2033 $'000
Plant & Machinery	510	768	545	658	1,070	310	815	290	135	170
Office Equipment & Furniture	38	20	20	20	20	20	20	20	20	20
Buildings	0	120	100	100	150	50	75	100	50	200
Road Resheeting (inc DRP)	904	335	463	469	474	397	395	434	268	327
Road Resealing	307	310	347	300	262	308	292	278	335	272
Other, CWMS & Stormwater	0	80	80	80	80	80	80	80	80	80
Total	**1,759**	**1,633**	**1,555**	**1,627**	**2,055**	**1,165**	**1,677**	**1,203**	**889**	**1,069**

The capital expenditure itemised above is consistent with the asset data used to determine the ten-year renewal programs included in Councils soon to be updated IAMP.

New assets for foothpaths, kerb and guttering as outlined on page 14 of the IAMP have been funded in this LTFP.

Additional new assets may be included in future updates.

Operating Expenditure – Indicative p.a.

The following operating asset maintenance expenditure listed on page 9 of the IAMP is funded for the life of this LTFP:

	$,000
Community Wastewater Management	45
Water Supply	42
Institute and Gardens	33
Health Services	38
Independent and Aged Accommodation	52
Public Conveniences	64
Waste Disposal Facilities	182
Stormwater Management	15
Street Cleaning	28
Street Scaping	16
Parks and Gardens	64
Recreation Facilities – Outdoor	82
Swimming Centre	14
Aerodrome	40
Roads – Sealed	112
Roads – Formed	317
Footpaths, Kerbs and Guttering	45
Roads Unformed	158

Future Projects

The following projects fall into the category of New & Upgraded Assets and are not funded in this LTFP. Scenario analysis undertaken indicated that funding the following projects would push Council into an operating deficit position with potentially undesirable changes required to be made to Councils financial strategy to ensure Council remained in a financially sustainable position.

However, these projects are included, as management intend to pursue grant funding, in particular, through the Community Benefits Program associated with the Nuclear Waste Disposal Facility. Should funding become available, then the LTFP will be updated at that time to ensure Council remain in sustainable position should it pursue the construction of new or upgraded assets.

Year Ending 30 June:	2025 $'000	2026 $'000	2027 $'000
KPMV New 2 Bedroom Units	-	250	250
New Doctors House	800	-	-
Gums Toilets	-	-	300
Town Hall – External Toilets	-	500	-
Town Hall - Roof Upgrade	-	-	-
Total Buildings & Structures	**800**	**750**	**550**

9. Uniform Presentation of Finances (UPF) and Principal Financial Statements

The Summary of Financial Performance & Position statement together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations.

The Summary of Financial Performance & Position report highlights the operating surplus / (deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line or rather the result of this report is the movement in Net Financial Liabilities (Net Lending / Borrowing) for the year based on Council's planned capital and operating budgets for that year.

Achieving a zero result on the net lending / (borrowing) measure in any one year essentially means that the Council has met all its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

Explanation / Examples of Components of Summary of Financial Position

Operating Revenue and Expenditure: Represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Roads reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New & Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for new or upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a council building that was no longer required, sale of surplus land.

Local Government (Financial Management) Regulations 2011

Reg 5—Long Term Financial Plans

(1) A long‑term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—

(b) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;

The Model Financial Statements have been amended this year to reflect the following format in relation to the Uniform Presentation of Finances.

Uniform Presentation of Finances

	2023 Year 0 $'000	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
Operating Revenues											
Rates	2,064	2,229	2,229	2,229	2,229	2,229	2,229	2,229	2,229	2,229	2,229
Statutory charges	28	24	24	24	24	24	24	24	24	24	24
User charges	164	156	156	156	156	156	156	156	156	156	156
Grants, subsidies and contributions - Operating	1,183	2,416	2,418	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029
Investment income	58	81	94	79	66	57	40	43	34	35	46
Reimbursements	225	1,657	57	57	57	57	57	57	57	57	57
Other income	118	91	91	91	91	91	91	91	91	91	91
less **Operating Expenses**											
Employee costs	1,608	1,797	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714
Materials, contracts and other expenses	1,883	3,612	2,051	1,662	1,662	1,662	1,662	1,662	1,662	1,662	1,662
Depreciation, amortisation and impairment	1,183	1,194	1,207	1,208	1,209	1,209	1,210	1,211	1,211	1,212	1,213
Operating Surplus/(Deficit) before Capital Amounts	**(835)**	**51**	**96**	**80**	**66**	**57**	**40**	**42**	**32**	**33**	**43**
LESS: Net Outlays on Existing Assets											
Capital Expenditure on Renewal or Replacement of Existing Assets	1,844	1,759	1,633	1,555	1,627	2,055	1,165	1,677	1,203	889	1,069
less Depreciation, Amortisation & Impairment	(1,183)	(1,194)	(1,207)	(1,208)	(1,209)	(1,209)	(1,210)	(1,211)	(1,211)	(1,212)	(1,213)
less Proceeds from Sale of Replaced Assets	(80)	(177)	(183)	(110)	(179)	(375)	(60)	(210)	(75)	(35)	(95)
Net Outlays on Existing Assets	**580**	**388**	**242**	**237**	**239**	**471**	**(105)**	**257**	**(83)**	**(358)**	**(239)**
LESS: Net Outlays on New or Upgraded Assets											
Capital Expenditure on New/Upgraded Assets **	329	599	48	36	27	38	38	27	52	40	44
less Amounts Specifically for New/Upgraded Assets **	(850)	(896)	(157)	0	0	0	0	0	0	0	0
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0
Net Outlays on New or Upgraded Assets	**(521)**	**(297)**	**(109)**	**36**	**27**	**38**	**38**	**27**	**52**	**40**	**44**
EQUALS: Net Lending / (Borrowing) for Financial Year *	**(893)**	**(40)**	**(37)**	**(192)**	**(200)**	**(451)**	**107**	**(242)**	**64**	**351**	**238**

*Refer included in section 4.1 for further context.

** It should be noted that in year zero, the year one amounts received specifically for new & upgraded assets exceed the amount spent on the construction of new assets. This has been caused by the treatment of the disaster recovery program funding which has been removed from the operating section and reported here. This allows for a more accurate strategic assessment of Councils operating performance.

Statement of Comprehensive Income

Year Ending 30 June:	2023 Year 0 $,000	2024 Year 1 $,000	2025 Year 2 $,000	2026 Year 3 $,000	2027 Year 4 $,000	2028 Year 5 $,000	2029 Year 6 $,000	2030 Year 7 $,000	2031 Year 8 $,000	2032 Year 9 $,000	2033 Year 10 $,000
Income											
Rates	2,064	2,229	2,229	2,229	2,229	2,229	2,229	2,229	2,229	2,229	2,229
Statutory charges	28	24	24	24	24	24	24	24	24	24	24
User charges	164	156	156	156	156	156	156	156	156	156	156
Grants, subsidies and contributions	1,183	2,416	2,418	2,029	2,029	2,029	2,029	2,029	2,029	2,029	2,029
Investment income	58	81	94	79	66	57	40	43	34	35	46
Reimbursements	225	1,657	57	57	57	57	57	57	57	57	57
Other income	118	91	91	91	91	91	91	91	91	91	91
Total Operating Revenue	**3,839**	**6,654**	**5,068**	**4,665**	**4,651**	**4,642**	**4,626**	**4,628**	**4,619**	**4,620**	**4,631**
Expenses											
Employee Costs	1,608	1,797	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714
Material, Contractors & Other	1,883	3,612	2,051	1,662	1,662	1,662	1,662	1,662	1,662	1,662	1,662
Depreciation, Amortisation & Impairment	1,183	1,194	1,207	1,208	1,209	1,209	1,210	1,211	1,211	1,212	1,213
Total Operating Expenses	**4,674**	**6,603**	**4,972**	**4,584**	**4,585**	**4,585**	**4,586**	**4,586**	**4,587**	**4,588**	**4,588**
Operating Surplus / (Deficit)	**(835)**	**51**	**96**	**80**	**66**	**57**	**40**	**42**	**32**	**33**	**43**
Amounts Specifically for New or Upgraded Assets	850	896	157	0	0	0	0	0	0	0	0
Net Surplus / (Deficit)	**15**	**947**	**253**	**80**	**66**	**57**	**40**	**42**	**32**	**33**	**43**
Total Comprehensive Income	**15**	**947**	**253**	**80**	**66**	**57**	**40**	**42**	**32**	**33**	**43**

Statement of Financial Position

As at 30 June:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
Assets											
Current Assets											
Cash and Cash Equivalents	2,323	2,283	2,174	1,923	1,676	1,184	1,263	990	1,029	1,355	1,560
Trade & Other Receivables	245	245	245	245	245	245	245	245	245	245	245
Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0
Inventories	57	57	57	57	57	57	57	57	57	57	57
Total Current Assets	**2,625**	**2,585**	**2,476**	**2,225**	**1,978**	**1,486**	**1,564**	**1,292**	**1,331**	**1,657**	**1,861**
Non Current Assets											
Infrastructure, Property, Plant & Equipment	43,960	44,947	45,238	45,510	45,777	46,286	46,218	46,502	46,470	46,152	45,958
Other Non-current Assets	442	442	442	442	442	442	442	442	442	442	442
Total Non-current Assets	**44,403**	**45,389**	**45,680**	**45,953**	**46,219**	**46,728**	**46,660**	**46,944**	**46,913**	**46,595**	**46,400**
Total Assets	**47,027**	**47,974**	**48,155**	**48,178**	**48,197**	**48,213**	**48,224**	**48,236**	**48,244**	**48,251**	**48,261**
Liabilities											
Current Liabilities											
Trade & Other Payables	429	429	429	429	429	429	429	429	429	429	429
Borrowings	0	0	0	0	0	0	0	0	0	0	0
Provisions	448	448	448	448	448	448	448	448	448	448	448
Total Current Liabilities	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**877**	**877**
Non-current Liabilities											
Provisions	24	24	24	24	24	24	24	24	24	24	24
Total Non-Current Liabilities	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**	**24**
Total Liabilities	**901**	**901**	**901**	**901**	**901**	**901**	**901**	**901**	**901**	**901**	**901**
Net Assets	**46,126**	**47,073**	**47,254**	**47,277**	**47,296**	**47,312**	**47,323**	**47,334**	**47,342**	**47,350**	**47,360**
Equity											
Accumulated Surplus	17,862	18,808	19,062	19,142	19,208	19,266	19,305	19,347	19,379	19,412	19,455
Asset Revaluation Reserves	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848
Other Reserves	417	417	417	417	417	417	417	417	417	417	417
Adjustment to Cash & Borrowings for effects of inflation			(72)	(130)	(177)	(218)	(247)	(278)	(302)	(327)	(360)
Total Equity	**46,126**	**47,073**	**47,254**	**47,277**	**47,296**	**47,312**	**47,323**	**47,334**	**47,342**	**47,350**	**47,360**

Statement of Changes in Equity

Year Ending 30 June:	2023 Year 0 $,000	2024 Year 1 $,000	2025 Year 2 $,000	2026 Year 3 $,000	2027 Year 4 $,000	2028 Year 5 $,000	2029 Year 6 $,000	2030 Year 7 $,000	2031 Year 8 $,000	2032 Year 9 $,000	2033 Year 10 $,000
Accumulated Surplus											
Balance at end of previous reporting period	17,847	17,862	18,808	19,062	19,142	19,208	19,266	19,305	19,347	19,379	19,412
Net Result for Year	15	947	253	80	66	57	40	42	32	33	43
Balance at end of period	**17,862**	**18,808**	**19,062**	**19,142**	**19,208**	**19,266**	**19,305**	**19,347**	**19,379**	**19,412**	**19,455**
Asset Revaluation Reserve											
Balance at end of previous reporting period	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848	27,848
Balance at end of period	**27,848**	**27,848**	**27,848**	**27,848**	**27,848**	**27,848**	**27,848**	**27,848**	**27,848**	**27,848**	**27,848**
Other Reserves											
Balance at end of previous reporting period	417	417	417	417	417	417	417	417	417	417	417
Balance at end of period	**417**	**417**	**417**	**417**	**417**	**417**	**417**	**417**	**417**	**417**	**417**
Adjustment to Cash & Borrowings for effects of inflation	0	0	(72)	(130)	(177)	(218)	(247)	(278)	(302)	(327)	(360)
Total Equity at End of Reporting Period	**46,126**	**47,073**	**47,254**	**47,277**	**47,296**	**47,312**	**47,323**	**47,334**	**47,342**	**47,350**	**47,360**

Statement of Cash Flow

Year Ending 30 June:	2023 Year 0 $,000	2024 Year 1 $,000	2025 Year 2 $,000	2026 Year 3 $,000	2027 Year 4 $,000	2028 Year 5 $,000	2029 Year 6 $,000	2030 Year 7 $,000	2031 Year 8 $,000	2032 Year 9 $,000	2033 Year 10 $,000
Cash Flow from Operating Activities											
Receipts											
Operating Receipts	4,767	6,572	4,974	4,585	4,585	4,585	4,585	4,585	4,585	4,585	4,585
Investment Receipts	58	81	94	79	66	57	40	43	34	35	46
Payments											
Operating Payments to Suppliers & Employees	3,491	5,409	3,837	3,434	3,423	3,417	3,405	3,407	3,400	3,401	3,409
Net Cash provided by (or used in) Operating Activities	**1,334**	**1,245**	**1,232**	**1,231**	**1,228**	**1,226**	**1,221**	**1,222**	**1,219**	**1,219**	**1,223**
Cash Flow from Investing Activities											
Receipts											
Grants specifically for new or upgraded assets	850	896	157	0	0	0	0	0	0	0	0
Sale of replaced Assets	80	177	183	110	179	375	60	210	75	35	95
Payments											
Expenditure on renewal/replaced assets	1,844	1,759	1,633	1,555	1,627	2,055	1,165	1,677	1,203	889	1,069
Expenditure on new/upgraded assets	329	599	48	36	27	38	38	27	52	40	44
Net cash provided by (used in) Investing Activities	**(1,242)**	**(1,285)**	**(1,340)**	**(1,481)**	**(1,475)**	**(1,718)**	**(1,142)**	**(1,494)**	**(1,180)**	**(894)**	**(1,018)**
Net Increase / (Decrease) in Cash	**93**	**(40)**	**(109)**	**(251)**	**(247)**	**(492)**	**79**	**(273)**	**39**	**326**	**205**
Cash and Cash Equivalents at start of reporting period	2,231	2,323	2,283	2,174	1,923	1,676	1,184	1,263	990	1,029	1,355
Cash & Cash Equivalents at the end of the reporting period	**2,323**	**2,283**	**2,174**	**1,923**	**1,676**	**1,184**	**1,263**	**990**	**1,029**	**1,355**	**1,560**