



District Council of
Mount Remarkable

Long Term Financial Plan (2023-32)

Draft for Public Consultation

August 2022

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1. Introduction

The purpose of this Long Term Financial Plan (“LTFP”) is to express, in financial terms, the activities that the District Council of Mt Remarkable (“Council”) proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Strategic Management 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, 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.

2. Key assumptions

The following assumptions have been built into the forecast calculations:

- The following Inflation, Interest Revenue & Interest Expense rates have been assumed:

	2024	2025	2026	2027	2028	2029	2030	2031	2032
Inflation	5%	4%	3%	2%	2%	2%	2%	2%	2%
Interest Revenue	2%	2%	2%	2%	2%	2%	2%	2%	2%
Interest Expense	5%	5%	5%	5%	5%	5%	5%	5%	5%

- The content of the LTFP is based on real (2022-23) dollar values for all future years to facilitate comparisons between years.
- Forecast debt and cash reserves in future years have been discounted by the assumed inflation rate in recognition of the fact that inflation reduces the real value of financial assets and liabilities.
- Commonwealth Financial Assistance Grant (“FAGs”) revenue is not expected to vary over the planning period. Timing of receipt of FAGs revenue has been assumed to be quarterly four times each year.

- Capital and maintenance are based on expenditure requirements from the 10 year renewal programs for draft transportation & community wastewater management systems. Some amendments have been made to year 1 and year 7 of the draft transportation asset management plan. At this time any new assets included in the draft transportation asset management plan have been put on hold subject to further investigation and affordability.
- Depreciation has been increased from year two onwards based on a 25 year total useful life to reflect the additional depreciation that will be incurred from the construction of the new assets forecast in the 2022-23 Annual Budget currently out for public consultation.
- Capital expenditure renewal levels for asset classes that do not yet have specific asset management plans are based on the depreciation charge reported for that asset class in the 2020-21 Annual Financial Statements. Accordingly plant & equipment have been estimated net of trade ins as this is a notional figure that will be updated in later iterations of the LTFP after a comprehensive review has taken place.
- Commonwealth Roads to Recovery funding is maintained at current levels throughout the planning period.
- The 2022-23 Annual Budget forms year 1 of the LTFP.
- Council will resolve to amend year one of the draft transportation asset management plan to ensure it reflects the renewals as included in the Annual Budget. The existing year one renewal forecasts for the draft transportation asset management plan are not financially sustainable and not fully funded in the 2022-23 Annual Budget. A review of asset data and service standards will form part of the financial strategy that follows with future iterations of the LTFP updated to reflect the outcome of this review.
- The asset data and service standards review will confirm that the level of depreciation included in the 2022-23 Annual Budget is reflective of the level of asset consumption by the community of Councils infrastructure, Property, Plant & Equipment.

3. Financial strategy

The following financial strategy would allow Council to operate in a financially sustainable manner throughout the life of the plan.

- Rate revenue to increase by Cpi plus 1% per annum from the 2023-24 financial year onwards.
- Management will continue to review service delivery to the community to identify any further opportunities to reduce operating costs due to increased operating efficiencies.
- The construction of any new assets after the 2022-23 financial year have been put on hold and subject to further analysis and reviews to ensure an achievable financial strategy is developed to fund the capital expenditure as well as the additional operating expenditure that will flow from these new assets. i.e. Increase depreciation, increased maintenance, opportunity cost of funds and the eventual replacement of the asset when it wears out.
- The draft transportation asset management plan includes a spike of \$1.5M in the 2028-29 financial year for floodway renewal. The LTFP has incorporated a notional reduction of \$1M in asset renewal expenditure in 2028-29 in recognition of savings or alternative asset management strategies that may eventuate from the asset data and asset service standards review to be undertaken soon. Should the full \$1.5M be proven to be required, the future iterations of the LTFP will be adjusted accordingly.
- Grant revenue will be targeted in a strategic manner. Meaning that grant revenue to build new assets would only be pursued and accepted if the new assets were deemed to have strategic significance, 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-run 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.
- Management will continue to identify and pursue nontraditional commercial revenue streams to subsidise operations where possible. At this time, no adjustments to the LTFP have been included to reflect this. Future iterations of the LTFP may do so should such revenue streams be identified.
- The LTFP will be revised as part of the Annual Business Planning process each year.

4. Financial Sustainability – Key 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.

In order 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 Councils asset data systems whilst maintaining sensible debt levels.

These ratios are:

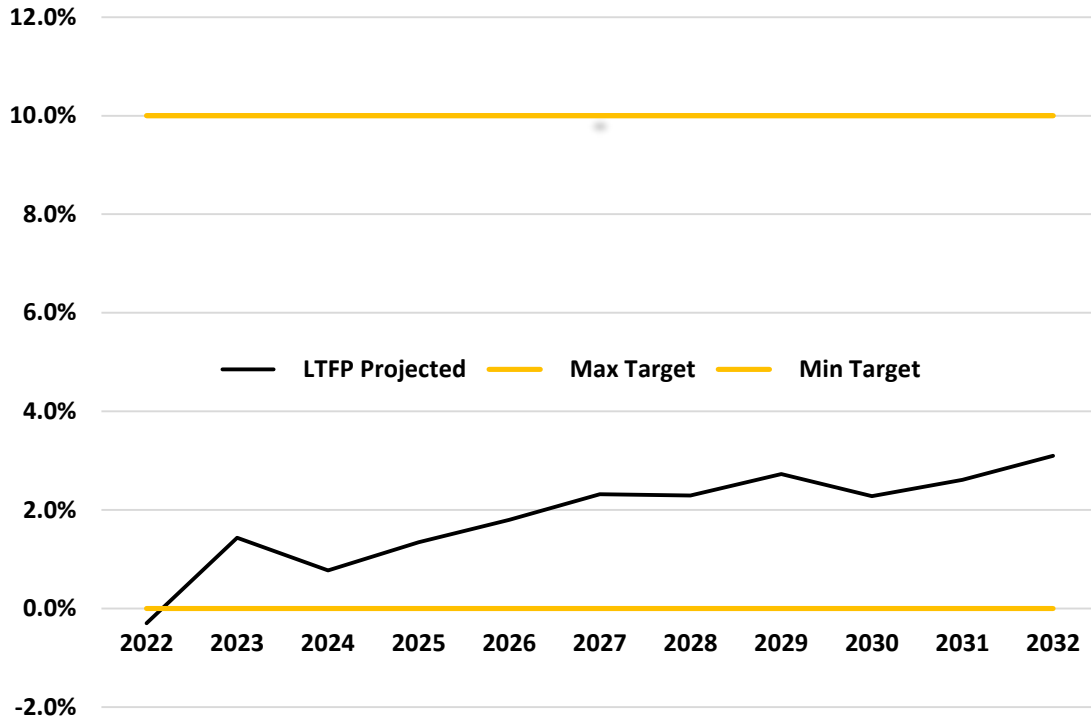
- Net financial liabilities ratio
- Asset renewal funding ratio

Year Ending 30 June:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	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
Operating Surplus Ratio											
<u>Operating Surplus</u>	(27)	121	65	114	153	198	197	235	198	228	272
Total Operating Revenue	9,076	8,436	8,418	8,440	8,483	8,530	8,577	8,625	8,673	8,722	8,771
	-0.3%	1.4%	0.8%	1.3%	1.8%	2.3%	2.3%	2.7%	2.3%	2.6%	3.1%
Net Financial Liabilities Ratio											
<u>Net Financial Liabilities</u>	(3,014)	(978)	(368)	(117)	(79)	905	1,092	2,836	3,222	3,320	3,028
Total Operating revenue	9,076	8,436	8,418	8,440	8,483	8,530	8,577	8,625	8,673	8,722	8,771
	-33%	-12%	-4%	-1%	-1%	11%	13%	33%	37%	38%	35%
Asset Renewal Funding Ratio											
<u>Net Asset Renewal Expenditure per LTFP</u>	2,435	4,627	2,516	2,236	2,072	3,062	2,283	3,883	2,521	2,272	1,927
Net Asset Renewal Expenditure per AMP	2,435	4,627	2,516	2,236	2,072	3,062	3,283	3,883	2,521	2,272	1,927
	100%	100%	100%	100%	100%	100%	70%	100%	100%	100%	100%

4.1 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 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 graph forecasts that Council will be operating in a surplus position throughout the life of this plan.

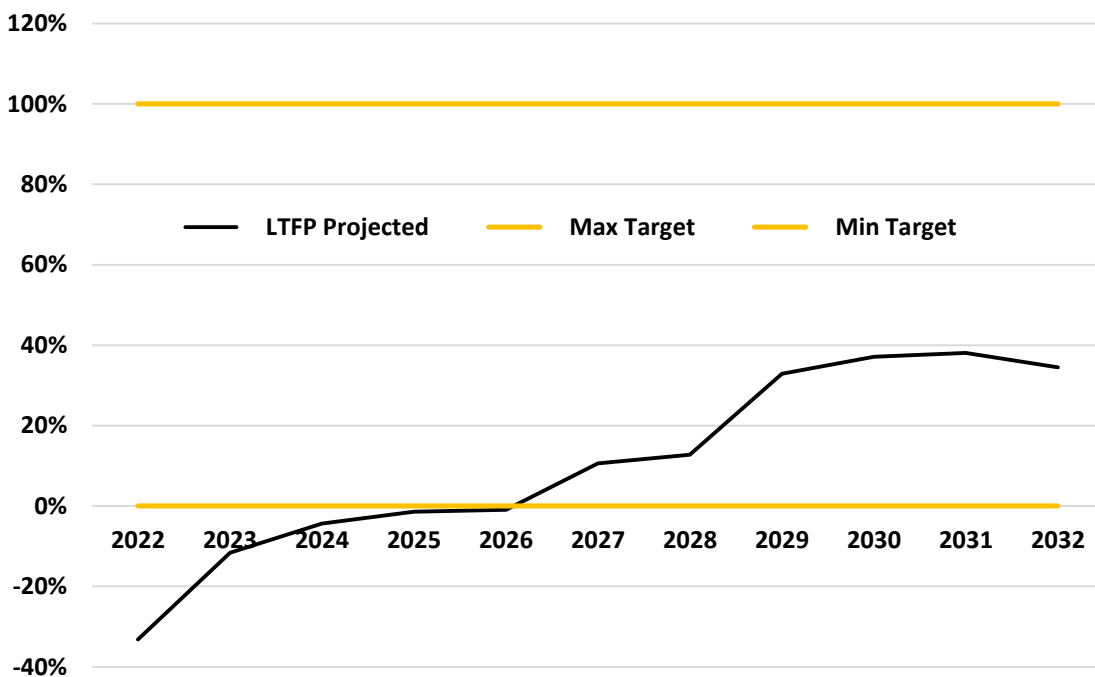
A target range of 0% to 10% has been used to assess performance in achieving a sustainable result for this indicator, in line with LGA Financial sustainability information papers.

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4.2 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 demonstrate that Council can answer "Yes" to this question.



A target range of 0% to 100% has been used to assess performance in achieving a sustainable result for this indicator, in line with LGA Financial sustainability information papers.

A negative result indicates that Council has more financial assets than total liabilities, in effect it is in a net financial assets position.

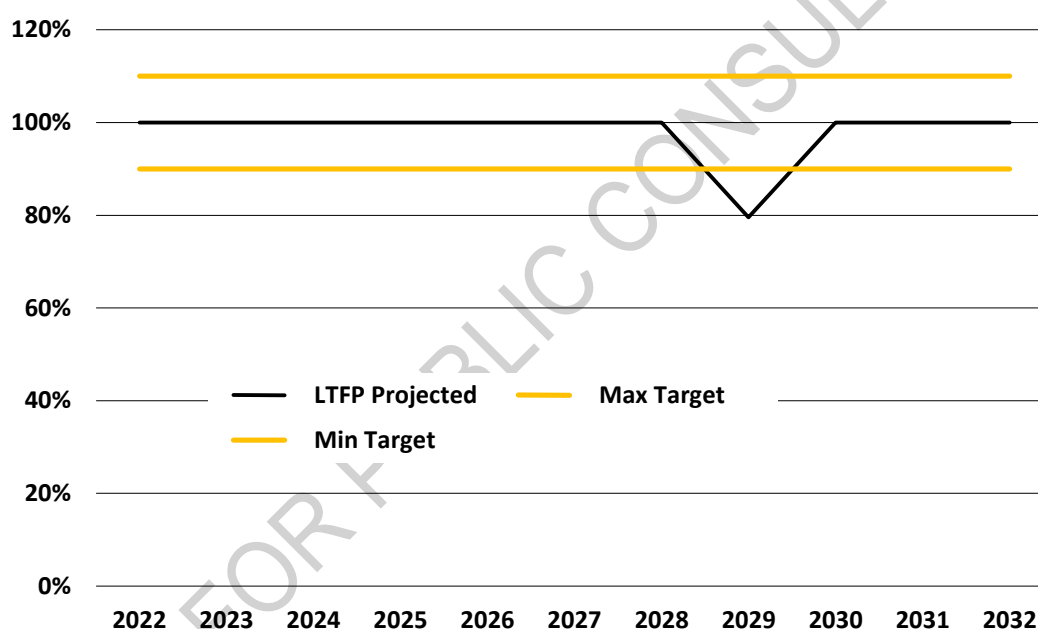
Readers are referred to the uniform presentation of finances (UPF) to identify the areas of expenditure that are causing the graph to trend upwards. In particular spikes in asset renewal funding requirements can be seen in years 2027 & 2029 of the UPF these are reflected in corresponding spikes in the NFLR graph above.

4.3 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 asset service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure as identified by Councils' asset data systems.

If capital expenditure on renewing or replacing existing assets is at least equal to the level determined by Councils' asset data system, 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.

Council have adopted a range that is consistent with the rest of the Local Government Sector for this ratio of between 90% to 110%.



The following table summarises the capital renewal programs and allocations funded by this plan and reflected in the graph above:

Asset Class:	Budget 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Plant & Equipment - net	870	355	355	355	355	355	355	355	355	355
Sealed Roads	-	1,145	851	835	1,776	654	1,587	697	860	321
Unsealed Roads	733	427	408	285	307	557	516	864	368	483
Bridges	980	-	-	-	-	-	-	-	-	-
Other Transportation Assets	761	50	50	50	50	99	788	50	50	133
Other Assets	1,403	95	95	95	95	95	95	95	95	95
Buildings & Structures	232	413	413	413	413	413	413	413	413	413
CWMS	43	0	32	7	35	80	97	16	99	95
Administration Assets	-	32	32	32	32	32	32	32	32	32
	5,022	2,516	2,236	2,072	3,062	2,283	3,883	2,521	2,272	1,927

The funding of asset renewals is the starting point used when preparing a LTFP, accordingly this ratio will usually be a consistent 100% to ensure assets are renewed at the same rate they are wearing out. It should be noted however that in this instance, the target renewal level has not been met for the 2027-28 year due to an assumption made in relation to \$1M of floodway renewals that are indicated as being required in the draft AMP but not funded in this LTFP as the expenditure is subject to review (Refer assumptions in Section 2). Rather than adjust the target for 2028-29, future iterations of the LTFP will address this issue.

5. Chief executive officer report on the sustainability of the Council's Long Term Financial performance and position

The analysis undertaken above demonstrates that Council is forecasting to operate within the target ranges set for the three Key Financial Indicators used by the sector to assess financial sustainability throughout the life of the plan. Accordingly it can be seen that Council is operating in a financially sustainable manner.

Council is committed to ensuring the Long Term Financial Plan is continually updated when necessary to ensure that it will always have appropriate strategies in place to ensure it is operating in a financially sustainable manner.

Year 1 of the plan represents the 2022-23 Annual Budget which will require an additional \$2M (Refer Uniform Presentation of Finances) to fund the goals, objectives and activities as set out in Councils 2022-23 Annual Business Plan.

The ABP & LTFP are consistent with the strategic goals and principal activities of Councils Strategic Management Plan.

6. Extracts from the Relevant Legislation

Part 1—Strategic management plans

122—Strategic management plans

- (1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—
- (a) a long-term financial plan for a period of at least 10 years; and
 - (b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years,
- (and these plans will also be taken to form part of the council's 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; and
 - (ii) any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph,on an annual basis; and
 - (b) in any event, undertake a comprehensive review of its strategic management plans within 2 years after each general election of the council.
- (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; and

Local Government (Financial Management) Regulations 2011

Part 2—Financial accountability

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 renewal funding 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.

7. Uniform Presentation of Finances

The Uniform Presentation of Finances 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 Uniform Presentation of Finances 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 of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

7.1 Explanation / Examples of Components of Uniform Presentation of Finances

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.

District Council of Mount Remarkable - Long Term Financial Plan 2023-32

Uniform Presentation of Finances

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	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
Operating Revenues	9,076	8,436	8,418	8,440	8,483	8,530	8,577	8,625	8,673	8,722	8,771
less Operating Expenses	9,103	8,314	8,353	8,327	8,331	8,332	8,381	8,390	8,475	8,494	8,499
Operating Surplus/(Deficit) before Capital Amounts	(27)	121	65	114	153	198	197	235	198	228	272
LESS: Net Outlays on Existing Assets											
Capital Expenditure on Renewal or Replacement of Existing Assets	2,695	5,022	2,516	2,236	2,072	3,062	2,283	3,883	2,521	2,272	1,927
less Depreciation, Amortisation & Impairment	(2,290)	(1,807)	(1,878)	(1,878)	(1,878)	(1,878)	(1,878)	(1,878)	(1,878)	(1,878)	(1,878)
less Proceeds from Sale of Replaced Assets	(260)	(395)	0	0	0	0	0	0	0	0	0
Net Outlays on Existing Assets	145	2,819	638	358	194	1,184	405	2,004	643	393	49
LESS: Net Outlays on New or Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	1,268	1,773	0	0	0	0	0	0	0	0	0
less Amounts Specifically for New/Upgraded Assets	(329)	(2,435)	0	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	939	(662)	0	0	0	0	0	0	0	0	0
EQUALS: Net Lending / (Borrowing) for Financial Year	(1,111)	(2,036)	(573)	(244)	(41)	(1,117)	(209)	(1,796)	(445)	(166)	223

Statement of Comprehensive Income

	2022 Year 0 \$,000	2023 Year 1 \$,000	2024 Year 2 \$,000	2025 Year 3 \$,000	2026 Year 4 \$,000	2027 Year 5 \$,000	2028 Year 6 \$,000	2029 Year 7 \$,000	2030 Year 8 \$,000	2031 Year 9 \$,000	2032 Year 10 \$,000
Income											
Rates	4,246	4,539	4,585	4,631	4,677	4,724	4,771	4,819	4,867	4,915	4,965
Statutory charges	63	91	91	91	91	91	91	91	91	91	91
User charges	857	505	505	505	505	505	505	505	505	505	505
Grants, subsidies and contributions	3,583	2,819	2,819	2,819	2,819	2,819	2,819	2,819	2,819	2,819	2,819
Investment income	30	90	27	3	0	0	0	0	0	0	0
Reimbursements	115	134	134	134	134	134	134	134	134	134	134
Other income	182	258	258	258	258	258	258	258	258	258	258
Total Operating Revenue	9,076	8,436	8,418	8,440	8,483	8,530	8,577	8,625	8,673	8,722	8,771
Expenses											
Employee Costs	2,400	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,678	2,678
Material, Contractors & Other	4,373	3,771	3,771	3,771	3,771	3,771	3,771	3,771	3,771	3,771	3,771
Depreciation, Amortisation & Impairment	2,290	1,807	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878	1,878
Finance Charges	40	59	27	0	4	6	54	63	149	168	173
Total Operating Expenses	9,103	8,314	8,353	8,327	8,331	8,332	8,381	8,390	8,475	8,494	8,499
Operating Surplus / (Deficit)	(27)	121	65	114	153	198	197	235	198	228	272
Amounts Specifically for New or Upgraded Assets	329	2,435	0	0	0	0	0	0	0	0	0
Net Surplus / (Deficit)	302	2,556	65	114	153	198	197	235	198	228	272
Changes in revaluation surplus - IPP&E	0	1,129	0	0	0	0	0	0	0	0	0
Total Comprehensive Income	302	3,685	65	114	153	198	197	235	198	228	272

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Statement of Financial Position

	2022 Year 0 \$,'000	2023 Year 1 \$,'000	2024 Year 2 \$,'000	2025 Year 3 \$,'000	2026 Year 4 \$,'000	2027 Year 5 \$,'000	2028 Year 6 \$,'000	2029 Year 7 \$,'000	2030 Year 8 \$,'000	2031 Year 9 \$,'000	2032 Year 10 \$,'000
Current Assets											
Cash and Cash Equivalents	3,496	1,415	168	0	0	0	0	0	0	0	0
Trade & Other Receivables	650	670	670	670	670	670	670	670	670	670	670
Inventories	40	40	40	40	40	40	40	40	40	40	40
	4,186	2,125	878	710	710	710	710	710	710	710	710
Non-Current Assets											
Financial Assets	30	137	137	137	137	137	137	137	137	137	137
IPP&E	64,382	70,104	70,741	71,099	71,293	72,477	72,882	74,886	75,529	75,922	75,971
	64,412	70,241	70,879	71,236	71,430	72,614	73,019	75,023	75,666	76,059	76,108
Total Assets	68,598	72,366	71,756	71,946	72,140	73,324	73,729	75,733	76,376	76,769	76,818
Current Liabilities											
Trade & Other Payables	253	154	154	154	154	154	154	154	154	154	154
Borrowings	87	79	0	0	0	0	0	0	0	0	0
Provisions	107	367	367	367	367	367	367	367	367	367	367
	447	600	521	521	521	521	521	521	521	521	521
Non-current Liabilities											
Borrowings	629	558	0	83	121	1,105	1,292	3,036	3,421	3,520	3,228
Provisions	86	86	86	86	86	86	86	86	86	86	86
	715	644	86	169	207	1,191	1,378	3,122	3,507	3,606	3,314
Total Liabilities	1,162	1,244	607	690	728	1,712	1,899	3,643	4,028	4,127	3,835
Net Assets	67,436	71,121	71,149	71,256	71,411	71,611	71,830	72,090	72,347	72,642	72,983
Equity											
Accumulated Surplus	38,072	40,628	40,693	40,807	40,959	41,157	41,354	41,589	41,786	42,014	42,286
Asset Revaluation Reserves	27,857	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986
Other Reserves	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507
Adjustment Cash & Borrowings for effects of inflation	0	0	(37)	(43)	(41)	(39)	(17)	8	68	135	204
Total Equity	67,436	71,121	71,149	71,256	71,411	71,611	71,830	72,090	72,347	72,642	72,983

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Statement of Changes in Equity

	2022 Year 0 \$,000	2023 Year 1 \$,000	2024 Year 2 \$,000	2025 Year 3 \$,000	2026 Year 4 \$,000	2027 Year 5 \$,000	2028 Year 6 \$,000	2029 Year 7 \$,000	2030 Year 8 \$,000	2031 Year 9 \$,000	2032 Year 10 \$,000
Accumulated Surplus											
Balance at end of previous reporting period	37,770	38,072	40,628	40,693	40,807	40,959	41,157	41,354	41,589	41,786	42,014
Net Result for Year	302	2,556	65	114	153	198	197	235	198	228	272
Balance at end of period	38,072	40,628	40,693	40,807	40,959	41,157	41,354	41,589	41,786	42,014	42,286
Asset Revaluation Reserve											
Balance at end of previous reporting period	27,857	27,857	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986
Changes in revaluation surplus - IPP&E	0	1,129	0	0	0	0	0	0	0	0	0
Balance at end of period	27,857	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986	28,986
Other Reserves											
Balance at end of previous reporting period	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507
Balance at end of period	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507	1,507
Adjustment to Cash & Borrowings for effects of inflation	0	0	(37)	(43)	(41)	(39)	(17)	8	68	135	204
Total Equity at End of Reporting Period	67,436	71,121	71,149	71,256	71,411	71,611	71,830	72,090	72,347	72,642	72,983

District Council of Mount Remarkable - Long Term Financial Plan 2023-32

Statement of Cash Flow

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	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
Cash Flow from Operating Activities											
Receipts											
Operating Receipts	9,046	8,326	8,391	8,437	8,483	8,530	8,577	8,625	8,673	8,722	8,771
Investment Receipts	30	90	27	3	0	0	0	0	0	0	0
Payments											
Operating Payments to Suppliers & Employees	6,773	6,407	6,485	6,455	6,446	6,446	6,427	6,423	6,389	6,381	6,379
Finance Payments	40	59	27	0	4	6	54	63	149	168	173
Net Cash provided by (or used in) Operating Activities	2,263	1,950	1,906	1,986	2,033	2,078	2,097	2,139	2,136	2,173	2,219
Cash Flow from Investing Activities											
Receipts											
Grants specifically for new or upgraded assets	329	2,435	0	0	0	0	0	0	0	0	0
Sale of replaced Assets	260	395	0	0	0	0	0	0	0	0	0
Payments											
Expenditure on renewal/replaced assets	2,695	5,022	2,516	2,236	2,072	3,062	2,283	3,883	2,521	2,272	1,927
Expenditure on new/upgraded assets	1,268	1,773	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) Investing Activities	(3,374)	(3,965)	(2,516)	(2,236)	(2,072)	(3,062)	(2,283)	(3,883)	(2,521)	(2,272)	(1,927)
Cash Flows from Financing Activities											
Receipts											
Proceeds from Borrowings	0	13	0	83	38	984	187	1,744	385	99	0
Payments											
Repayment of Borrowings	76	79	637	0	0	0	0	0	0	0	292
Net Cash Provided by (used in) Financing Activities	(76)	(66)	(637)	83	38	984	187	1,744	385	99	(292)
Net Increase / (Decrease) in Cash	(1,187)	(2,082)	(1,247)	(167)	0	0	0	0	0	0	0
Cash and Cash Equivalents at start of reporting period	4,683	3,496	1,415	167	0	0	0	0	0	0	0
Cash & Cash Equivalents at the end of the reporting period	3,496	1,415	167	0	0	0	0	0	0	0	0

REFERENCE MATERIAL

IPWEA Practice Note 6 – Long-term Financial Planning.

LGA Information Paper 9 – Local Government Financial Indicators

LGA Information Paper 12 – Targets for Local Government Financial Indicators

South Australian Local Government Model Financial Statements

Escosa – Local Government Advice - Framework and Approach