

DISTRICT COUNCIL OF LOWER EYRE PENINSULA



LONG TERM FINANCIAL PLAN

2018/19 TO 2027/28

Prepared by DCLEP staff
In October 2018



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PURPOSE OF THE LONG TERM FINANCIAL PLAN

The Long Term Financial Plan has been developed in accordance with the requirements of the Local Government Act 1999, and forms part of Council's Strategic planning documents.

The purpose of the plan is to measure the Council's capacity to fund the projects and services as set out in the Strategic Plan, and to ensure that the Council is adequately providing for Asset replacement.

The ten year plan has been set based on the premise that Council wishes to be financially sustainable over the ten year period, achieving at least a break even position over this time frame.

CEO ASSESSMENT OF COUNCILS FINANCIAL POSITION

1. ASSUMPTIONS

The Long Term Financial Plan (LFTP) has been developed based on the following assumptions:

Consumer Price Index	2.00% per annum
Wages Movement	2.00% per annum
2019 General Rate Revenue	7.75% consisting of: <ul style="list-style-type: none">▪ 2.30% CPI▪ 1.20% Growth▪ 0.75% Road Maintenance Activities▪ 3.00% Asset Sustainability▪ 0.50% Strategic Objectives
2020 General Rate Revenue	4.70% consisting of: <ul style="list-style-type: none">▪ 2.00% CPI▪ 1.20% Growth▪ 1.50% Township Sealed Road Loan Borrowings
2021 General Rate Revenue	4.70% consisting of: <ul style="list-style-type: none">▪ 2.00% CPI▪ 1.20% Growth▪ 1.50% Bratten Way Rehabilitation
2022 General Rate Revenue	4.50% consisting of: <ul style="list-style-type: none">▪ 2.00% CPI▪ 1.20% Growth▪ 1.30% Bratten Way Rehabilitation
2023 - 2028 General Rate Revenue	3.20% consisting of: <ul style="list-style-type: none">▪ 2.00% CPI▪ 1.20% Growth
• Income and Expenditure	2.00% in line with CPI
• Finance Costs	4.50% being the cost of borrowing from the Local Government Finance Authority
• Interest Received	2.50%
• CWMS Service Levy	2.00%

The demands of road sealing in built up areas to cope with increased population levels, and subsequent increases in traffic movements are considered to warrant an increased investment in road works by Council. It is considered that the community would support this additional level of rate payments to achieve a large program of sealed roads capital works.

The Bratten Way Rehabilitation works has been a key consideration in the review and development of this Long Term Financial Plan. It is envisaged that to ensure Council's continued financial sustainability that additional rate increases totalling 2.80% over 2 years will be required to fund loan repayments associated with the Bratten Way Rehabilitation project.

The plan has been developed based on Council being successful with Special Local Roads funding applications. In addition Council will be pursuing other funding opportunities for Bratten Way works with the State and Federal Governments.

The Capital Works Program is as developed by the Council as part of the Strategic Plan, while operational costs are in line with historical budgets, unless Council has resolved as part of its Strategic Planning to amend expenditure in various areas.

With the inclusion of the Bratten Way Rehabilitation Works the sealing of Farm Beach Road as a Special Local Roads Project in years 2021 and 2022 has been removed.

2. BUSINESS ACTIVITIES

2 (a) Port Lincoln Airport

The Port Lincoln Airport will remain in debt for the life of the plan. While existing debt will be almost entirely repaid by 30 June 2026 the plan has been developed based on Council extending the main runway in 2026/27, with this \$7.62m project funded by new loan borrowings.

Annual passenger numbers have been set at 170,000 passenger movements per year with no growth incorporated given recent decline in passenger numbers. This is down 5,000 movements annually from the previous plan. A 16 percent increase in the passenger levy over the ten year period has been included along with capital works expenditure totalling \$10.5m.

The airport shows an operating profit average of \$54,000 per year over the ten years which is considered reasonable for the overall sustainability of airport operations and renewal of assets as required.

2 (b) Coffin Bay Caravan Park

The Caravan Park will operate with a cash deficit until 2022/23 being a legacy of not borrowing for overheads apportioned to the Caravan Park in the building of ablution blocks, but will have a cash surplus of \$504,800 at the completion of the ten year plan.

The practise of apportioning 10 percent of lease income to tourism development ceased in 2017/18 following repayment in full of the tourism debt related to the Coffin Bay Foreshore redevelopment, to assist in returning caravan park cash flow to a surplus position.

Commencing in 2018/19 and similar to the Port Lincoln Airport 6 percent or \$7,300 per annum of the Caravan Parks annual operating income will be paid to Council as a return on investment to Council ratepayers for its management of a Caravan Park.

Major expenditure is confined to the following 3 projects which will be funded through loan borrowings:

- | | | |
|--------------------------------|----|---------|
| • Cottage Ensuite Construction | \$ | 66,000 |
| • Extending of Power Mains | \$ | 66,000 |
| • Sealing of Roads | \$ | 110,000 |

Caravan Park operating profit averages \$40,500 per year over the ten years which is a good result.

2 (c) Cummins Homes

Occupancy rates at the Cummins Homes have improved in recent years, to the extent that the plan has been put together based on approximately 85% occupancy per year. The increased occupancy relates to a combination of more pro active management of the facility, increased demand for such accommodation and significant capital renewal works that have modernised the facilities.

The Cummins Homes will operate with a cash deficit until 2024/25 as it pays off debt of \$170,500 which is the result of the programmed bathroom upgrades and the development of the two bedroom unit.

As an action flowing from Councils 'Health & Ageing in the Community Project the Council have resolved that the Cummins Homes does not have to pay interest to Council on this accumulated debt.

The C17 and C18 actions in the Strategic Plan relating to review of support services and accommodation needs of the elderly will be a guide towards setting future direction for the Cummins Homes. It may be that Council pursue external funding to develop additional rental accommodation for the elderly on the Cummins Homes site.

Cummins Homes shows an operating loss averaging \$21,200 per year over the ten years which is of some concern for the overall longevity of the Cummins Homes. However it should be noted that the Cummins Homes are not funding the significant cost associated with kitchen refurbishment, with this cost being funded by Council General Rate Revenue. In effect it could reasonably be said that this decision of Council means that the Cummins Homes are not required to fund full depreciation of the facility.

2 (d) Community Waste Water Management Schemes

The CWMS cash flow is projected to decrease to a negative \$356,000 position in the 2022 financial year following significant capital works on all schemes along with the routine desludging requirements. The CWMS returns to surplus in 2026 with an overall closing cash balance of \$400,000 at the end of the plan while providing for capital renewals of the schemes with the following capital works projected:

- | | | |
|-----------------|----|-----------|
| • Cummins | \$ | 1,567,633 |
| • Coffin Bay | \$ | 553,894 |
| • North Shields | \$ | 266,979 |
| • Tulka | \$ | 136,700 |

The CWMS' show an overall operating loss average of \$44,300 over the ten years of the plan which includes an average service charge increase of 2.00 percent per annum.

SUSTAINABILITY RATIOS

3 (a) Operating Surplus Ratio

The operating surplus ratio averages 6.70% over the ten years of the plan, and ranges from a surplus ratio of 1.70% in 2018/19 to 9.66% in 2021/22.

A small surplus is considered sound for Local Government, and on that basis the surplus is considered to be appropriate.

3 (b) Net Financial Liabilities Ratio

The net financial liabilities ratio relates to net Council debt as a percentage of operating income. Over the ten year plan this ratio declines from a maximum 76% in 2018/19 to -14% in 2025/26, reflecting a build up of cash reserves by the Council in excess of the debt held. The ratio increases to 1% in 2027/28 due to the extension of the main runway.

The significant swing in Council's net financial liabilities ratio is attributed to the following:

- A build up in Council's reserve funds with a total of \$8.86m in cash reserves at the end of the ten year plan.
- Repayment of \$1.2m of fixed term debt relating to the construction of the new Port Lincoln Airport Terminal.

3 (c) Asset Sustainability Ratio

The Asset Sustainability Ratio reflects that on average Council is expending 89 percent of annual depreciation each year on the renewal of assets.

Council aims to achieve an asset renewal target of 90% of Council's annual infrastructure and building depreciation and 100% of annual plant depreciation. The plan achieves this target through the annual expenditure on asset renewals along with the accumulation of cash in the asset sustainability reserve which is to be utilised for future asset renewal works and has a closing cash balance of \$3.76m as at 30 June 2028. Additionally 20% of loan principal repayments for infrastructure assets are included in the asset sustainability model.. This picks up the funding that Council would have cash banked for a particular piece of infrastructure if the loan payment was not required.

The 90% of Council's infrastructure and building depreciation target is based on the fact that it is not uncommon to find that asset life for these assets is slightly longer than is reflected in valuation figures, and that non rate revenue can assist with the replacement of significant assets, an example being Roads to Recovery grants.

The amalgamation of direct cash funding of replaced assets, principal on loan repayments for infrastructure assets and cash retained for future asset replacements results in this plan achieving its asset sustainability target of 90% of Council's annual infrastructure and building depreciation and 100% of annual plant depreciation over the term of the plan.

3. COUNCIL DEBT

Council has historically kept loan repayments excluding business activities (eg Port Lincoln Airport) or self funding loans (eg loans to community groups) to no more than 15 percent of general rate revenue.

Over the 10 years of the Long Term Financial Plan these repayments amount to an average of 13.28% of general rate revenue, although this peaks at 14.86% in the 2025/26 financial year.

Total Council debt (excluding business activities and self funding loans) decreases from \$5.30m in 2018/19 to \$3.38m in 2027/28 of which \$1.56m relates to the Bratten Way Rehabilitation works.

New Capital Works have been funded entirely by loan borrowings, with repayments of such loans factored into subsequent year cash flows. This methodology is considered to be sound, and allows routine cash flow streams to be used to replace and manage existing infrastructure.

The total debt level, and repayments as a percentage of general rate revenue are considered to be at a sustainable level.

4. BRATTEN WAY

The 2019 – 2028 LTFP has been based solely around the capital works program identified in the 2016-2025 Strategic Plan, however an issue that Council faces is the prospect of rebuilding significant portions of the Bratten Way.

This plan includes \$17.62m of works for repairing and upgrading of the Bratten Way. The plan has been developed based on Council receiving two thirds of the funding through the Special Local Roads Program or \$11.75m of the project cost. The remaining \$5.87m of the Bratten Way project is to be funded through a \$150,000 per annum reduction in Council's rubble road resheeting program, a \$35,000 reduction in its annual sealed road maintenance program plus \$2.50m in new loan borrowings.

It is anticipated that the additional \$2.50m of loan borrowings and associated annual loan repayments will need to be funded through additional general rate increases totalling 2.80% over a 2 year period being 1.50% in 2020/21 and 1.30% in 2021/22.

5. RATE CAPPING

As part of the recent state election the Liberal Party has advised of their intention to implement rate capping for South Australian Councils, effectively reducing a Council's ability to raise rates above CPI. Under the proposal rate capping would be introduced in the 2019/20 financial year, however uncertainty exists as to whether this legislation will pass through the Legislative Council. Should rate capping be implemented it is envisaged that any rate increases above a prescribed level will need to be approved by the Essential Services Commission of South Australia.

Council considered the impact that the implementation of rate capping would have on its ability to renew and maintain its assets at a standard requested by the community. As part of its 2018/19 Budget and Annual Business Plan Council increased rates by 3.00% to ensure it was able to fund its asset sustainability target.

6. CONCLUSION

The Strategic Plan and associated Long Term Financial Plan have been thoroughly researched by elected members and staff.

The additional general rate revenue increases above that of CPI and Growth has been considered and determined by elected members and staff as required for council to be sustainable into the future and have been set at a level that would be acceptable to the community given the significant investment in new infrastructure across the district.

Rodney Pearson
Chief Executive Officer
District Council of Lower Eyre Peninsula

REVENUE

General Rates

General rate revenue has been increased by 7.75 percent for the first year, 4.70 percent for 2019/20 and 2020/21, 4.50 percent for 2021/22 and then 3.20 percent for the remainder of the plan.

The general rate increases consist of:

- Consumer Price Index 2.00%
- Growth in the rate base 1.20%
- Township Sealed Road Loan Borrowings 1.50% (Year 2020)
- Bratten Way Rehabilitation 1.50% (Year 2021)
- Bratten Way Rehabilitation 1.30% (Year 2022)

The table below outlines the assumptions used in the formulation of the Long Term Financial Plan: -

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
CONSUMER PRICE INDEX (%)	2.30%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
WAGES INDEXATION (%)	2.30%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
RATE GENERAL (%)	7.65%	4.70%	4.70%	4.50%	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
CWMS SERVICE CHARGE (%)	3.55%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Statutory charges, User Charges, Re-imbusement and Other Revenue

Effluent Service Charge

The Effluent Service Charge has been indexed in line with the movements in the Consumer Price Index.

Operating Grants

The current Roads to Recovery program runs to the end of 2018/19 with the programs future currently unknown. The plan has been developed based on the grant funding being indexed by 10 percent in 2019/20 and again by 10% in 2024/25 effectively reflecting CPI growth.

Both the General Purpose and Road Grant components of Financial Assistance Grants which had their annual indexing frozen for the past three years are now being indexed at 2 percent per annum. Additionally Council received an additional \$210,300 in 2018/19 from the reinstatement of the Supplementary Local Road Funding.

This plan has been built on the assumption that supplementary roads funding or a similar program will be retained in future to reflect South Australia receiving a fair level of Commonwealth road funding.

Investment Income

Interest earned on investment has been calculated at an interest rate of 2.5 percent per annum on average Council deposits in any financial year.

EXPENDITURE

Operating Expenditure

Operating expenditure has been linked to CPI growth of two percent per annum. However it is recognized that over a ten year period estimates of increases in employee costs, contractual charges and other expenses are indicative only.

Finance Charges

Finance Charges have been estimated based on a borrowing rate from the LGFA of 4.50 percent per annum.

Depreciation

Depreciation has been calculated using the 'Straight Line Method' based on the Current Replacement Cost (CRC) of an asset and its expected life. The depreciation amount has been indexed by two percent per annum to reflect movement in the Consumer price index.

CAPITAL RENEWAL & NEW CAPITAL WORKS

As part of the 2016-2025 Strategic Plan review a new capital works program was formulated.

The capital works program has been used in the formulation of this plan and shows the amounts and timing of all capital works (excluding business activities) to be completed over the next ten years excluding the sealing of Farm Beach Road due to the Bratten Way Rehabilitation Works taking priority for Special Local Road Program Funding.

SELF FUNDED ACTIVITIES

Worksheets setting out the anticipated income and expenditure for each of the Council's business activities, reserves and the Community Waste-water Management Schemes have been included in the LTFP document as Appendix 1.

These worksheets calculate the cash surplus on hand and also the operating result over the ten year period for each of the business activities.

LOAN BORROWING

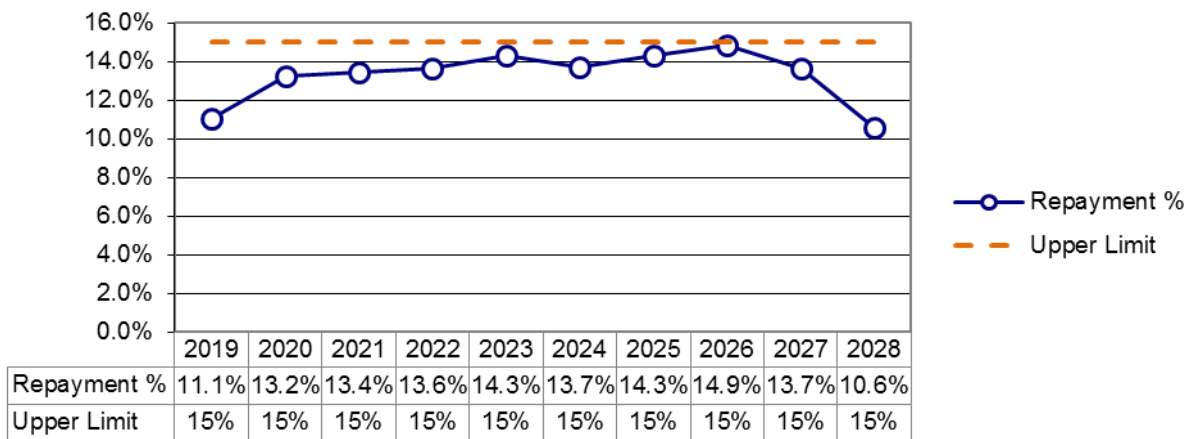
Council’s policy on loan borrowings reflects that Council will maintain its annual debt servicing commitment in relation to loans serviced by general rate income at less than a 15 percent average of the general rate revenue in most years.

Loan borrowing interest rates have been estimated at 4.50 percent per annum for the purpose of this plan as outlined above under Finance Charges.

The borrowings identified in this plan result in peak annual debt servicing as a percentage of general rate revenue of 14.86 percent in the 2025/26 financial year.

The following graph details the levels for each financial year:-

2019 - 2028 Loan Repayments as a Percentage of Rate Revenue



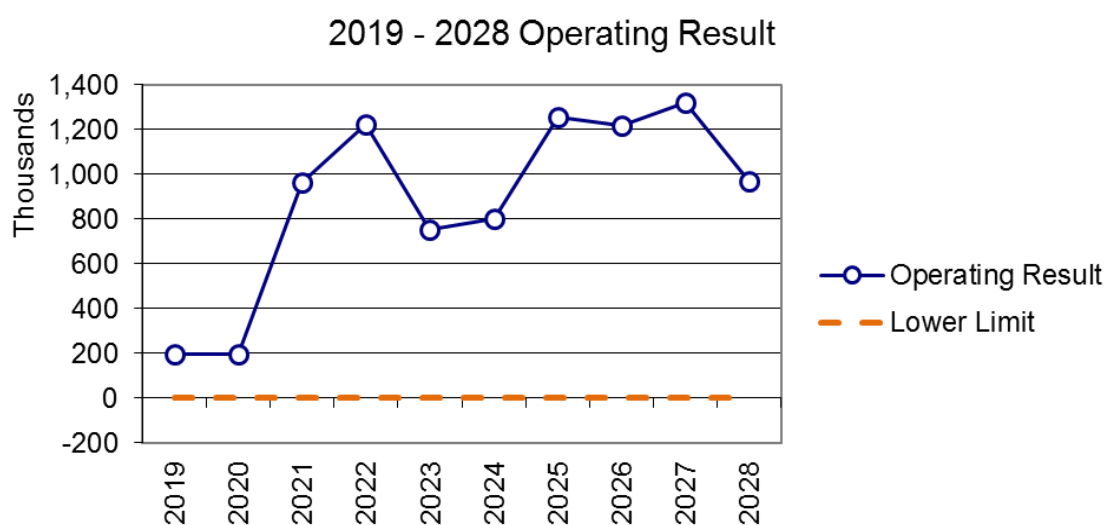
RATIOS

The following ratios are provided by the LGA and are the Key Performance Indicators Councils use as a guide to monitoring performance. An explanation of each ratio is provided with a graph showing the target set and the actual result for each financial year.

Operating Surplus

This is the difference between operating income and operating expenses over a financial year, with the result being an operating surplus or (deficit). Councils should aim to achieve a surplus greater than zero to be sustainable over the long term.

It is noted that all business activities and reserve operations contribute to the annual surplus shown in the overall Council result



RATIOS

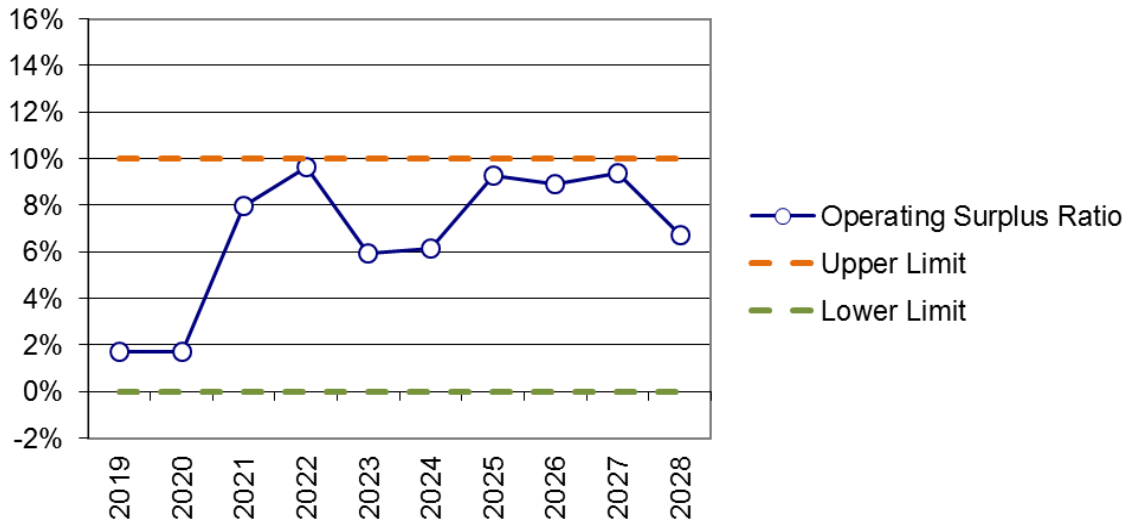
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Operating Surplus Ratio

This is the operating surplus expressed as a percentage of rate revenue (less NRM levy raised). The LGA suggest Councils should be achieving a result between 0 – 10%.

The operating surplus ratio averages 6.70 percent over the period of the plan.

2019 - 2028 Operating Surplus Ratio



RATIOS

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Net Financial Liabilities Ratio

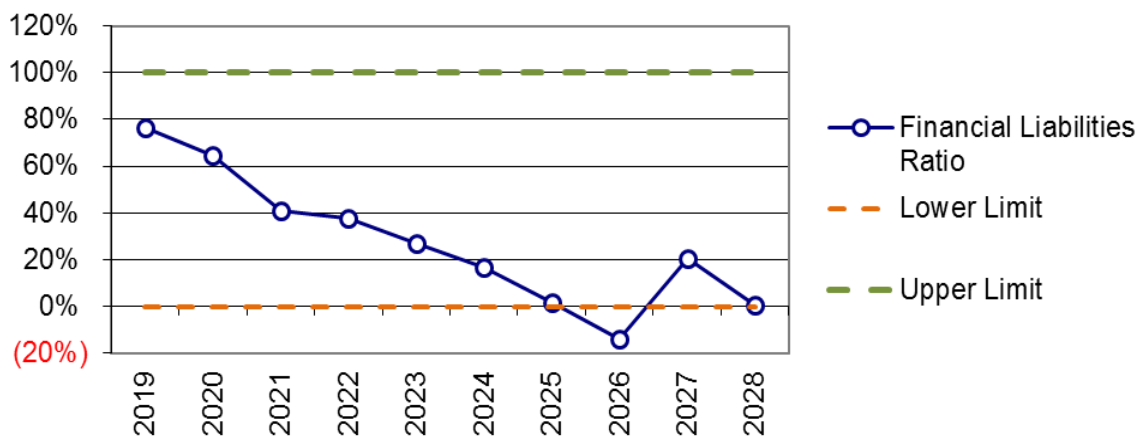
The net financial liabilities ratio is calculated by expressing net financial liabilities for the year as a percentage of operating revenue.

The LGA suggests a Councils net financial liabilities ratio be greater than zero but not more than 100 percent.

It is noted that a major reason for the high ratio result at the beginning of the plan is due to borrowings required for the Port Lincoln Airport upgrade which are gradually being repaid until the 2026/27 year whereby a further \$7.05m is borrowed for the Port Lincoln Airport runway upgrade and extension.

The improved net financial liabilities ratio also reflects that Council are building cash reserves over the period of the plan as a result of deferral in the renewal of existing assets.

2019 - 2028 Financial Liabilities Ratio



RATIOS

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Asset Sustainability Ratio

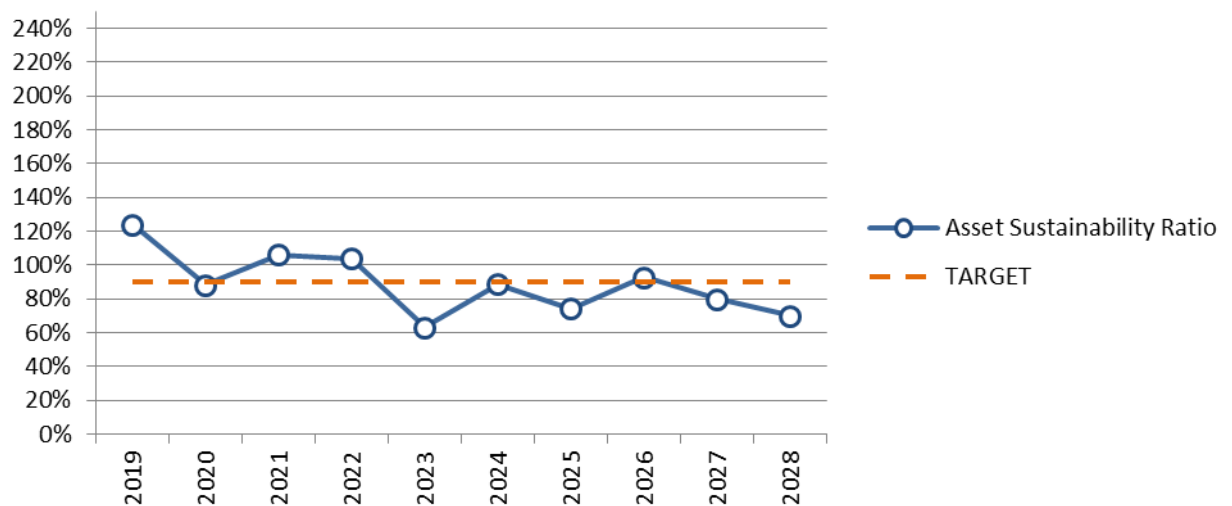
The asset sustainability ratio is calculated by measuring capital expenditure on renewal or replacement of assets, divided by the level of spend specified in the Asset and Infrastructure Management Plan (annual depreciation has been used in this plan).

The LGA suggest Councils should be aiming for a result between 90-100 percent.

The plan has been made to achieve an asset renewal target of 90% of Council's annual infrastructure and building depreciation and 100% of annual plant depreciation with the view that assets have historically displayed longer useful lives than previously calculated for depreciation purposes. Additionally the receipt of capital grants periodically increases the capital renewal capacity of Council.

Should Council in any given year not undertake the required level of expenditure as determined by its asset sustainability target then Council will deposit cash into an Asset Sustainability reserve to be utilised for future asset replacement.

2019 - 2028 Asset Sustainability Ratio



ANALYSIS OF LONG TERM FINANCIAL PLAN

The cash flow statement indicates that Council has (including reserves) \$1.51m of cash on hand at 30 June 2019 and \$10.76m on hand at 30 June 2028 being an increase of \$9.25m. This increase includes the Council's business activities which recorded an increase in cash on hand over the period of the plan.

The Long Term Financial Plan provides for an average operating surplus ratio of 6.70% which is considered a sound position. Combined with Council's asset replacement strategy this represents a sound financial position for Council.

Council debt levels increase from \$9.61m in 2018/19 to \$10.23m in 2027/28. However a large portion of this debt relates to business activities, in particular the debt taken to upgrade the Port Lincoln Airport. After removal of business activity debt, the remaining general rate funded debt decreases from \$5.30m in 2018/19 to \$3.38m in 2027/28.

The general rate increase as identified in the *General Rates* section is considered to be sustainable, and at a level that would be acceptable to the community given the significant investment in infrastructure across the district during the 10 year period of the Strategic Plan.



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DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET BALANCE SHEET & EQUITY


	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
ASSETS										
Current Assets										
Cash and cash equivalents	1,511,359	1,524,525	2,594,945	3,050,260	4,351,332	4,877,352	6,006,995	7,337,025	8,926,772	10,756,487
Trade & other receivables	1,251,090	1,276,112	1,301,634	1,327,667	1,354,220	1,381,305	1,408,931	1,437,110	1,465,852	1,465,852
Other financial assets	-	-	-	-	-	-	-	-	-	-
Inventories	111,938	111,938	111,938	111,938	111,938	111,938	111,938	111,938	111,938	111,938
TOTAL CURRENT ASSETS	2,874,388	2,912,575	4,008,518	4,489,865	5,817,491	6,370,595	7,527,864	8,886,073	10,504,562	12,334,277
Non-current Assets										
Financial Assets	20,031	631	(9,369)	(14,369)	(14,369)	(14,369)	(14,369)	(14,369)	(14,369)	(14,369)
Equity in Council Business	-	-	-	-	-	-	-	-	-	-
Infrastructure Property, Plant and Equipment	164,869,014	173,418,641	181,614,232	191,424,703	199,857,840	208,826,756	217,788,469	226,909,567	243,255,495	247,252,499
Less Accumulated Depreciation	(55,565,739)	(59,219,160)	(62,949,173)	(66,790,402)	(70,752,037)	(74,807,604)	(78,951,097)	(83,185,214)	(87,511,769)	(91,932,610)
TOTAL NON-CURRENT ASSETS	109,323,306	114,200,112	118,655,689	124,619,932	129,091,434	134,004,784	138,823,003	143,709,983	155,729,357	155,305,519
TOTAL ASSETS	112,197,694	117,112,687	122,664,207	129,109,797	134,908,924	140,375,379	146,350,867	152,596,056	166,233,919	167,639,796
LIABILITIES										
Current Liabilities										
Trade & Other Payables	795,363	811,270	827,496	844,045	860,926	878,145	895,708	913,622	931,894	931,894
Borrowings	1,653,708	2,002,646	1,183,148	1,368,954	1,488,606	1,581,610	1,023,323	994,847	1,241,619	-
Provisions	880,574	898,185	916,149	934,472	953,161	972,225	991,669	1,011,502	1,031,732	1,031,732
TOTAL CURRENT LIABILITIES	3,329,645	3,712,102	2,926,792	3,147,472	3,302,694	3,431,980	2,910,700	2,919,971	3,205,246	1,963,627
NON-CURRENT LIABILITIES										
Long-term Borrowings	7,959,695	6,508,988	5,830,145	5,935,963	5,706,179	4,919,821	4,627,702	3,899,502	9,969,767	10,226,316
Long-term Provisions	68,271	69,636	71,029	72,450	73,899	75,377	76,884	78,422	79,990	79,990
TOTAL NON-CURRENT LIABILITIES	8,027,966	6,578,625	5,901,174	6,008,413	5,780,078	4,995,198	4,704,586	3,977,924	10,049,758	10,306,307
TOTAL LIABILITIES	11,357,611	10,290,727	8,827,966	9,155,885	9,082,772	8,427,177	7,615,286	6,897,895	13,255,004	12,269,934
NET ASSETS	100,840,083	106,821,961	113,836,241	119,953,913	125,826,152	131,948,201	138,735,581	145,698,161	152,978,915	155,369,862
EQUITY										
Accumulated Surplus	34,434,130	36,684,107	40,463,137	43,101,233	43,692,135	45,351,072	46,887,732	49,191,961	51,065,704	52,134,598
Asset Revaluation Reserve	61,806,560	65,103,940	68,572,313	72,204,598	76,033,092	80,030,249	84,206,784	88,562,553	93,100,745	93,100,745
Business Activities at Beginning of Year	5,458,448	4,599,393	5,033,913	4,800,791	4,648,082	6,100,925	6,566,881	7,641,066	7,943,646	8,812,466
Transfers to Business Activities	(859,055)	434,520	(233,122)	(152,709)	1,452,843	465,956	1,074,185	302,581	868,819	1,322,054
Transfers from Business Activities	-	-	-	-	-	-	-	-	-	-
Business Activities at End of Year	4,599,393	5,033,913	4,800,791	4,648,082	6,100,925	6,566,881	7,641,066	7,943,646	8,812,466	10,134,520
TOTAL EQUITY	100,840,083	106,821,961	113,836,241	119,953,913	125,826,152	131,948,201	138,735,581	145,698,161	152,978,915	155,369,862



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DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET STATEMENT OF COMPREHENSIVE INCOME


	2019 BUDGET	2020 LTFP	2021 LTFP	2022 LTFP	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP
REVENUE										
Rates	7,430,000	7,749,151	8,082,701	8,417,465	8,672,647	8,935,711	9,206,903	9,486,479	9,774,701	9,774,701
Statutory charges	163,250	166,515	169,845	173,242	176,707	180,241	183,846	187,523	191,273	191,273
User charges	2,317,500	2,339,888	2,395,024	2,450,412	2,463,558	2,519,468	2,575,645	2,589,596	2,646,326	2,646,326
Grants, subsidies and contributions	1,487,100	1,499,348	1,522,888	1,841,898	1,571,388	1,596,369	1,803,936	1,679,925	1,706,435	1,706,435
Investment Income	63,800	62,400	61,500	61,100	61,000	61,000	61,000	61,000	61,000	61,000
Reimbursements	76,800	71,136	72,295	73,477	74,682	75,912	77,166	78,445	79,750	79,750
Other income	109,000	92,500	92,500	18,500	18,500	18,500	18,500	18,500	18,500	439,515
Net gain - joint ventures & associates										
TOTAL INCOME	11,647,450	11,980,938	12,396,752	13,036,094	13,038,483	13,387,200	13,926,996	14,101,469	14,477,985	14,899,000
EXPENSES										
Employee Costs	2,575,146	2,915,815	2,974,948	2,944,655	3,054,868	3,147,002	3,181,546	3,344,491	3,414,798	3,414,798
Materials, contracts & other expenses	4,976,898	4,820,030	4,394,099	4,729,535	4,975,320	5,092,674	5,083,946	5,063,180	5,067,599	5,745,943
Finance Costs	332,000	392,508	337,116	296,957	294,580	289,734	261,834	240,203	347,803	347,803
Depreciation, amortisation & impairment	3,568,000	3,653,421	3,730,014	3,841,228	3,961,636	4,055,566	4,143,493	4,234,118	4,326,555	4,420,841
Net loss - joint ventures & associates										
TOTAL EXPENSES	11,452,044	11,781,774	11,436,177	11,812,374	12,286,404	12,584,975	12,670,818	12,881,991	13,156,755	13,929,385
OPERATING SURPLUS/(DEFICIT)	195,406	199,164	960,575	1,223,720	752,079	802,225	1,256,178	1,219,477	1,321,230	969,614
Asset disposal & fair value adjustments	195,500	1,432,000	1,432,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000
Amounts specifically for new or upgraded assets	1,163,150	1,053,333	1,153,333	1,115,667	1,145,667	1,176,667	1,208,667	1,241,333	1,275,333	1,275,333
Physical resources received free of charge										
NET SURPLUS/(DEFICIT)	1,554,056	2,684,497	3,545,908	2,485,387	2,043,746	2,124,892	2,610,845	2,606,810	2,742,563	2,390,947



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**DISTRICT COUNCIL OF LOWER EYRE PENINSULA
BUDGET CASH FLOW STATEMENT**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	BUDGET	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP	LTFP
CASHFLOWS FROM OPERATING ACTIVITIES										
RECEIPTS										
Rates	7,430,000	7,749,151	8,082,701	8,417,465	8,672,647	8,935,711	9,206,903	9,486,479	9,774,701	9,774,701
Statutory charges	163,250	166,515	169,845	173,242	176,707	180,241	183,846	187,523	191,273	191,273
User charges	2,317,500	2,339,888	2,395,024	2,450,412	2,463,558	2,519,468	2,575,645	2,589,596	2,646,326	2,646,326
Grants, subsidies and contributions	1,487,100	1,499,348	1,522,888	1,841,898	1,571,388	1,596,369	1,803,936	1,679,925	1,706,435	1,706,435
Investment Income	63,800	62,400	61,500	61,100	61,000	61,000	61,000	61,000	61,000	61,000
Reimbursements	76,800	71,136	72,295	73,477	74,682	75,912	77,166	78,445	79,750	79,750
Other Income	84,469	67,478	66,978	(7,533)	(8,053)	(8,584)	(9,126)	(9,679)	(10,242)	439,515
TOTAL RECEIPTS	11,622,919	11,955,916	12,371,230	13,010,062	13,011,930	13,360,116	13,899,370	14,073,290	14,449,243	14,899,000
PAYMENTS										
Employee costs	2,556,541	2,896,838	2,955,591	2,924,911	3,034,730	3,126,460	3,160,594	3,323,120	3,392,999	3,414,798
Materials, contracts & other services	4,961,303	4,804,123	4,377,874	4,712,985	4,958,439	5,075,455	5,066,383	5,045,266	5,049,327	5,745,943
Finance costs	332,000	392,508	337,116	296,957	294,580	289,734	261,834	240,203	347,803	347,803
TOTAL PAYMENTS	7,849,844	8,093,469	7,670,582	7,934,853	8,287,749	8,491,649	8,488,811	8,608,588	8,790,129	9,508,544
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	3,773,075	3,862,447	4,700,648	5,075,209	4,724,181	4,868,467	5,410,560	5,464,702	5,659,113	5,390,456
CASH FLOWS FROM INVESTING ACTIVITIES										
RECEIPTS										
Grants specifically for new or upgraded assets	1,163,150	1,053,333	1,153,333	1,115,667	1,145,667	1,176,667	1,208,667	1,241,333	1,275,333	1,275,333
Sale of replaced assets	210,000	147,500	286,000	175,000	20,000	302,000	120,500	155,000	284,000	150,000
Sale of surplus assets	300,000	1,520,000	1,520,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Distributions received from associated entities										
Repayments of loans by community groups	32,400	19,400	10,000	5,000	-	-	-	-	-	-
TOTAL RECEIPTS	1,705,550	2,740,233	2,969,333	1,455,667	1,325,667	1,638,667	1,489,167	1,556,333	1,719,333	1,585,333
PAYMENTS										
Expenditure on renewal/replacement of assets	4,427,055	3,218,900	3,963,136	3,993,937	2,508,792	3,589,611	3,069,308	3,931,537	3,457,736	3,098,787
Expenditure on new/upgraded assets	4,674,701	2,268,846	1,138,082	2,373,249	2,129,850	1,698,149	1,850,370	1,002,791	8,648,001	1,062,217
Loans made to community groups										
TOTAL PAYMENTS	9,101,756	5,487,746	5,101,218	6,367,187	4,638,643	5,287,760	4,919,677	4,934,328	12,105,737	4,161,004
NET CASH USED IN INVESTMENT ACTIVITIES	(7,396,206)	(2,747,513)	(2,131,885)	(4,911,520)	(3,312,976)	(3,649,093)	(3,430,510)	(3,377,995)	(10,386,404)	(2,575,671)
CASH FLOWS FROM FINANCING ACTIVITIES										
RECEIPTS										
Proceeds from Borrowings	3,462,650	551,940	504,304	1,474,773	1,258,822	795,252	731,204	266,647	7,311,884	256,549
PAYMENTS										
Repayments of Borrowings	921,100	1,653,708	2,002,646	1,183,148	1,368,954	1,488,606	1,581,610	1,023,323	994,847	1,241,619
NET CASH FROM FINANCING ACTIVITIES	2,541,550	(1,101,768)	(1,498,342)	291,625	(110,132)	(693,354)	(850,406)	(756,676)	6,317,037	(985,070)
NET INCREASE (DECREASE) IN CASH HELD	(1,081,581)	13,166	1,070,421	455,314	1,301,072	526,020	1,129,643	1,330,031	1,589,747	1,829,715
CASH AT BEGINNING OF YEAR	2,592,940	1,511,359	1,524,525	2,594,945	3,050,260	4,351,332	4,877,352	6,006,995	7,337,025	8,926,772
PROJECTED CASH AT END OF YEAR	1,511,359	1,524,525	2,594,945	3,050,260	4,351,332	4,877,352	6,006,995	7,337,025	8,926,772	10,756,487



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DISTRICT COUNCIL OF LOWER EYRE PENINSULA
PROJECTED UNIFORM PRESENTATION OF FINANCES

	2019 BUDGET	2020 LTFP	2021 LTFP	2022 LTFP	2023 LTFP	2024 LTFP	2025 LTFP	2026 LTFP	2027 LTFP	2028 LTFP
Operating Revenues	11,647,450	11,980,938	12,396,752	13,036,094	13,038,483	13,387,200	13,926,996	14,101,469	14,477,985	14,899,000
less Operating Expenses	(11,452,044)	(11,781,774)	(11,436,177)	(11,812,374)	(12,286,404)	(12,584,975)	(12,670,818)	(12,881,991)	(13,156,755)	(13,929,385)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	195,406	199,164	960,575	1,223,720	752,079	802,225	1,256,178	1,219,477	1,321,230	969,614
less Net Outlays on Existing Assets										
Capital Expenditure on renewal and replacement of Existing Assets	4,427,055	3,218,900	3,963,136	3,993,937	2,508,792	3,589,611	3,069,308	3,931,537	3,457,736	3,098,787
less Depreciation, Amortisation and Impairment	(3,568,000)	(3,653,421)	(3,730,014)	(3,841,228)	(3,961,636)	(4,055,566)	(4,143,493)	(4,234,118)	(4,326,555)	(4,420,841)
less Proceeds from Sale of Replaced Assets	(210,000)	(147,500)	(286,000)	(175,000)	(20,000)	(302,000)	(120,500)	(155,000)	(284,000)	(150,000)
	649,055	(582,020)	(52,878)	(22,291)	(1,472,843)	(767,956)	(1,194,685)	(457,581)	(1,152,819)	(1,472,054)
less Net Outlays on New and Upgraded Assets										
Capital Expenditure on New and Upgraded Assets	4,674,701	2,268,846	1,138,082	2,373,249	2,129,850	1,698,149	1,850,370	1,002,791	8,648,001	1,062,217
less Grants and Contributions specifically for New and Upgraded Assets	(1,163,150)	(1,053,333)	(1,153,333)	(1,115,667)	(1,145,667)	(1,176,667)	(1,208,667)	(1,241,333)	(1,275,333)	(1,275,333)
less Proceeds from Sale of Surplus Assets	(300,000)	(1,520,000)	(1,520,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)	(160,000)
less net movements in inventories										
	3,211,551	(304,487)	(1,535,251)	1,097,582	824,183	361,482	481,703	(398,542)	7,212,668	(373,116)
Net Lending / (Borrowing) for Financial Year	(3,665,200)	1,085,672	2,548,703	148,429	1,400,739	1,208,699	1,969,160	2,075,600	(4,738,619)	2,814,785