



# **Warren Shire Council**

## **Long Term Financial Plan**

**2015/16 – 2024/25**



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# INTRODUCTION

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

These documents give consideration of the capacity of Warren Shire Council to deliver on items identified in the “Warren Shire 2022” Community Strategic Plan and to prioritise items into the four year Delivery Program and the one year Operational Plan.

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

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

The LTFP will be subject to continuous review and adjustment as circumstances and priorities change as driven by the “Warren Shire 2022” Community Strategic Plan and other factors which impact upon Council’s resourcing plans.

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

This LTFP covers the 10 year planning period from 2015/16 to 2024/25.

## Integrated Planning & Reporting Framework



## **OBJECTIVES OF THE LONG TERM FINANCIAL PLAN**

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

The LTFP has taken into considered areas of priority that are consistent with the “Warren Shire 2022” Community Strategic Plan and Asset Management Plans with identified service level objectives.

The LTFP sets the basis of resourcing Council’s activities that are included in Council’s Delivery Program 2013/14 to 2016/17. The Delivery Program sets the program of actions for Council over that period. The Operational Plan is be prepared based on Council’s known resourcing strategy that defines the limits of Council’s capacity to deliver services and renew and provide infrastructure.

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

## **FINANCIAL SUSTAINABILITY**

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

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

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

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

- cost shifting from other levels of Government, with local government being forced to take on increased responsibilities without being provided appropriate funding to meet these additional responsibilities,
- increase in regulatory compliance and reporting (red tape),

## **Cost Shifting**

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

There have been a number of enquiries and surveys of cost shifting over the years with the latest LGNSW survey for 2011/12 confirming that cost shifting continues to place significant burden on Council's financial situation. That survey estimates that cost shifting for Rural NSW Councils amounts to 3.95% of total operating income, in Warren Shire Council case this amounted to \$501,823. LGNSW are currently undertaking another survey based on 2013/14 financial year.

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

## **Cost Increases**

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

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

## ***Infrastructure Renewals and Backlog***

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

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

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

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

## **PLANNING ASSUMPTIONS**

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

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

### **Rate Pegging Increases in Rates**

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

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

The rate peg announced by IPART on 2<sup>nd</sup> December 2014 for 2015/16 is 2.4%. A forecast rate peg limit of 3.0% has been used for 2016/17 to 2024/25.

### **Interest on Investments**

Forecast investment returns have been averaged at 2.25% in Scenario 1 (Planned Forecast), 7.0% in Scenario 2 (Optimistic Forecast) and 1.0% in Scenario 3 (Conservative Forecast) per annum per year over the life of the plan.

### **Inflation *Consumer Price Index (CPI)***

Forecast CPI at a rate of 2% in Scenario 1 (Planned Forecast), 1% in Scenario 2 (Optimistic Forecast) and 5.0% in Scenario 3 (Conservative Forecast) per annum over the 10 year period is utilised as the inflator for items of operating revenue and expenditure.

## **REVENUE FORECASTS**

### **Rates & Annual Charges**

In preparing this LTFP, a number of scenarios were modelled to identify possible strategies to address the financial challenges facing Warren Shire Council. Scenario 1 (Planned) was developed on the average increase of 3% in rates and annual charges from 2016/17 onwards. Scenario 2 (Optimistic) was developed on an average increase of 8% in rates and annual charges from 2016/17 onwards. Scenario 3 (Conservative) was developed with 1% increase in rates and annual charges from 2016/17 onwards.

### **User Charges and Fees**

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

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

Given that User Charges and Fees represent around between 9% of total revenues the potential error margin of this assumption, and resultant impact on financial position, is not considered material to Council's operations.

### **Interest**

Interest income has been calculated by multiplying an interest rate of 2.25% in Scenario 1 (Planned Forecast), 7.0% in Scenario 2 (Optimistic Forecast) and 1.0% in Scenario 3 (Conservative Forecast) by the previous year's projected total cash in the Balance Sheet.

### **Operating Grants & Contributions**

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

### **Capital Grants & Contributions**

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



## **EXPENDITURE FORECASTS**

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

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

### **Employee Costs**

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

Salaries and wages make up the majority of employee cost and combined with employee leave entitlements represent 82% of this expenditure item.

As part of its financial strategy, Council sets aside a reserve to enable any 'spikes' in employee leave entitlements, particularly resulting from the retirement or resignation of long serving employees, to be funded. The reserve currently represents 24% of total employee entitlement provisions and is forecast to remain at this percentage for the 10 year plan.

### **Borrowing Costs**

The LTFP does not include any new borrowings for the life of the plan however Council does have the ability if it chooses to borrow money for projects in any given year. Warren Shire Council current Debt Service Ratio is 1.06%, the FFTF Benchmark is greater than 0% and less than 20%. Interestingly in TCorp's Financial & Sustainability Assessment in 2013 it stated Council could borrow up to \$8.9M in 2013.

### **Materials, Contracts and Other Operating Costs**

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

### **Capital Works – Asset Acquisitions/Renewals**

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

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

## **SENSITIVITY ANALYSIS**

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

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

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

### **Rate Pegging**

The impact of a 1% reduction in rate pegging each year from Scenario 1 (Planned Forecast) was modelled the analysis indicated that the rates & annual charges would be reduced by \$484,000 at the end of 10 years.

### **Investment Returns**

The impact of a reduction in investment returns of 1% was modelled and the analysis indicated that the investment revenue would reduce by \$65,000 at the end of 10 years.

### **Inflation**

The impact of a 1% increase in inflation over the estimate each year resulted in materials, contracts and other expenses compounding to an extra \$1,713,000 (or an average of \$190,333 each year) for the last 9 years of the plan.

## **FINANCIAL STRATEGIES UNDERPINNING THE LTFP**

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

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

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

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

### **Identifying Budget Expenditure Reductions**

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

### **Productivity Improvements & Initiatives**

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

## **FINANCIAL MODELLING SCENARIOS**

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

The three (3) scenarios are:

### ***Scenario 1 – (Planned Forecast)***

This scenario is based upon a 2.4% general rate revenue increase in 2015/16 then a 3% increase in all rates and annual charges each year after.

Interest on investments has been estimated at 2.25% in 2015/16, 2.5% in 2016/17, 2.8% in 2017/18 then 3% for the life of the plan.

Inflation estimated at 2% in 2015/16 then 3% for the life of the plan.

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

### ***Scenario 2 – (Optimistic Forecast)***

This scenario is based upon a 2.4% general rate revenue increase in 2015/16 then an increase of 8% in all rates and annual charges each year after.

Interest on investments has been estimated at 2.25%, then 8% for the life of the plan.

Inflation estimated at 2% for the life of the plan.

The trend of this scenario would see General Fund having a cash balance of \$30.159M by the end of the plan.

### ***Scenario 3 – (Conservative Forecast)***

This scenario is based upon a 2.4% general rate revenue increase in 2015/16 then a 1% increase in all rates and annual charges each year after.

Interest on investments has been estimated at 2.25% in 2015/16 then 1% for the life of the plan.

Inflation estimated at 2% in 2015/16 then 5% for the life of the plan.

The trend of this scenario would see all General Fund cash being exhausted in 2020/21 with a deficit of \$6.966M by the end of the plan.

## **SUMMARY OF THE LTFP**

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

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

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

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

## **FINANCIAL MODELLING OUTPUTS**

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

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

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

<b>WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN</b>											
<b>Consolidated (All Funds)</b>											
<b>Income Statement - 2015/16 to 2024/25</b>											
<b>Inflated \$'000s</b>											
	Anticipated 2014/15	Estimate 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>REVENUES</b>											
Rates & Annual Charges	5,200	5,350	5,510	5,675	5,845	6,020	6,201	6,387	6,578	6,775	6,978
User Charges & Fees	1,173	1,124	1,157	1,192	1,229	1,266	1,304	1,343	1,384	1,426	1,469
Interest	320	236	202	198	159	123	130	137	143	151	174
Other Revenues	263	270	288	296	303	313	321	330	340	351	361
Operating Grants & Contributions	4,921	5,503	5,208	5,364	5,523	5,688	5,858	6,033	6,214	6,400	6,593
Capital Grants & Contributions	0	1,566	400	450	400	0	0	0	0	0	0
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures Gain	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>11,877</b>	<b>14,049</b>	<b>12,765</b>	<b>13,175</b>	<b>13,459</b>	<b>13,410</b>	<b>13,814</b>	<b>14,230</b>	<b>14,660</b>	<b>15,103</b>	<b>15,575</b>
<b>EXPENSES</b>											
Employee Benefits & Costs	4,517	5,182	5,088	5,241	5,398	5,561	5,728	5,900	6,076	6,259	6,447
Borrowing Costs	29	25	22	18	13	9	4	0	0	0	0
Materials & Contracts	2,808	2,192	2,258	2,325	2,394	2,466	2,541	2,617	2,695	2,776	2,859
Depreciation	3,965	4,032	4,054	4,080	4,103	4,144	4,185	4,226	4,268	4,310	4,352
Other Expenses	1,112	1,102	1,013	1,044	1,075	1,108	1,141	1,176	1,211	1,248	1,285
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures Loss	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>12,431</b>	<b>12,533</b>	<b>12,435</b>	<b>12,708</b>	<b>12,983</b>	<b>13,288</b>	<b>13,599</b>	<b>13,919</b>	<b>14,251</b>	<b>14,592</b>	<b>14,943</b>
<b>Operating Result</b>	<b>(554)</b>	<b>1,516</b>	<b>330</b>	<b>467</b>	<b>476</b>	<b>122</b>	<b>215</b>	<b>311</b>	<b>409</b>	<b>511</b>	<b>632</b>
<b>Op Result less Capital Grants</b>	<b>(554)</b>	<b>(50)</b>	<b>(70)</b>	<b>17</b>	<b>76</b>	<b>122</b>	<b>215</b>	<b>311</b>	<b>409</b>	<b>511</b>	<b>632</b>
<b>Rate Pegging Limit</b>	<b>2.3%</b>	<b>2.4%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Annual Garbage Charge Increase</b>	<b>4.5%</b>	<b>4.3%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Water Annual Charge Increase</b>	<b>2.9%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Water User Charge Increase</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Sewerage Annual Charge Increase</b>	<b>0.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Sewerage User Charge Increase</b>	<b>0.0%</b>	<b>0.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Investment Interest Rates</b>	<b>3.0%</b>	<b>2.25%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Inflation Percentages Used</b>	<b>2.9%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>
<b>Loan Borrowing Interest Rates</b>	<b>6.0%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>

The above Income Statement is consistent with the normal ongoing operations of Warren Shire Council, it provides for existing levels of service in all operations of Council, the forecast indicates a downward trend in the Operating Deficit until an Operating Surplus in 2017/18.

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

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

## WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

### Consolidated (All Funds)

### Statement of Cash Flows - 2015/16 TO 2024/25

Inflated \$'000s

	Anticipated 2014/15	Estimate 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Rates & Annual Charges	5,217	5,350	5,510	5,675	5,845	6,020	6,201	6,387	6,577	6,775	6,978
User Charges & Fees	1,311	1,124	1,157	1,192	1,229	1,266	1,304	1,343	1,384	1,426	1,469
Interest Earned	320	236	202	198	159	123	130	137	143	151	174
Grants	4,921	7,069	5,608	5,814	5,923	5,688	5,858	6,033	6,214	6,400	6,593
Other Revenues	263	270	288	296	303	313	321	330	340	351	361
<b>Receipts from Operations</b>	<b>12,032</b>	<b>14,049</b>	<b>12,765</b>	<b>13,175</b>	<b>13,459</b>	<b>13,410</b>	<b>13,814</b>	<b>14,230</b>	<b>14,659</b>	<b>15,103</b>	<b>15,575</b>
<b><u>Payments</u></b>											
Employee Benefits & Costs	4,404	5,180	5,086	5,239	5,396	5,558	5,727	5,898	6,134	6,258	6,458
Materials & Contracts	2,806	2,192	2,258	2,325	2,394	2,466	2,541	2,617	2,695	2,776	2,859
Borrowing Costs	29	25	22	18	13	9	4	0	0	0	0
Other Expenses	1,112	1,102	1,013	1,044	1,075	1,108	1,141	1,176	1,211	1,248	1,285
<b>Payments from Operations</b>	<b>8,351</b>	<b>8,499</b>	<b>8,379</b>	<b>8,626</b>	<b>8,878</b>	<b>9,141</b>	<b>9,413</b>	<b>9,691</b>	<b>10,041</b>	<b>10,281</b>	<b>10,602</b>
<b>Net Cash from Operations</b>	<b>3,681</b>	<b>5,550</b>	<b>4,386</b>	<b>4,549</b>	<b>4,581</b>	<b>4,269</b>	<b>4,401</b>	<b>4,539</b>	<b>4,618</b>	<b>4,822</b>	<b>4,973</b>
<b><u>CASH FLOWS FROM CAPITAL ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Sale of Assets	275	209	260	410	340	351	361	372	383	395	406
<b>Receipts from Capital Activity</b>	<b>275</b>	<b>209</b>	<b>260</b>	<b>410</b>	<b>340</b>	<b>351</b>	<b>361</b>	<b>372</b>	<b>383</b>	<b>395</b>	<b>406</b>
<b><u>Payments</u></b>											
<b><u>Acquisition/Renewal of Fixed Assets</u></b>											
Infrastructure - General Fund	2,994	3,882	3,435	3,773	3,436	3,089	3,181	3,277	3,375	3,476	3,580
Infrastructure - Water Supply Fund	105	1,362	56	48	60	75	43	42	31	20	37
Infrastructure - Sewerage Services Fund	226	524	845	976	914	63	89	92	80	84	78
Plant, Property & Equipment	967	1,300	1,083	2,002	1,616	1,032	1,142	1,302	1,213	840	1,323
Other Assets	13	0	8	8	9	9	9	10	10	10	10
<b>Payments from Capital Activity</b>	<b>4,305</b>	<b>7,068</b>	<b>5,427</b>	<b>6,807</b>	<b>6,035</b>	<b>4,268</b>	<b>4,464</b>	<b>4,723</b>	<b>4,709</b>	<b>4,430</b>	<b>5,028</b>
<b>Net Cash from Capital Activity</b>	<b>(4,030)</b>	<b>(6,859)</b>	<b>(5,167)</b>	<b>(6,397)</b>	<b>(5,695)</b>	<b>(3,917)</b>	<b>(4,103)</b>	<b>(4,351)</b>	<b>(4,326)</b>	<b>(4,035)</b>	<b>(4,622)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Total Loans Required	0	0	0	0	0	0	0	0	0	0	0
<b>Receipts from Finance Activity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Payments</u></b>											
Repayment of Loans	74	75	79	83	87	92	96	0	0	0	0
<b>Payments from Finance Activity</b>	<b>74</b>	<b>75</b>	<b>79</b>	<b>83</b>	<b>87</b>	<b>92</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash from Financing</b>	<b>(74)</b>	<b>(75)</b>	<b>(79)</b>	<b>(83)</b>	<b>(87)</b>	<b>(92)</b>	<b>(96)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE CASH &amp; INVESTMENTS</b>	<b>(423)</b>	<b>(1,384)</b>	<b>(860)</b>	<b>(1,931)</b>	<b>(1,201)</b>	<b>260</b>	<b>202</b>	<b>188</b>	<b>292</b>	<b>787</b>	<b>351</b>
<b>Current Year Cash</b>	<b>(423)</b>	<b>(1,384)</b>	<b>(860)</b>	<b>(1,931)</b>	<b>(1,201)</b>	<b>260</b>	<b>202</b>	<b>188</b>	<b>292</b>	<b>787</b>	<b>351</b>
<b>Cash at Start of Year</b>	<b>9,888</b>	<b>9,465</b>	<b>8,081</b>	<b>7,221</b>	<b>5,290</b>	<b>4,089</b>	<b>4,349</b>	<b>4,551</b>	<b>4,739</b>	<b>5,031</b>	<b>5,817</b>
<b>Cash at End of Year</b>	<b>9,465</b>	<b>8,081</b>	<b>7,221</b>	<b>5,290</b>	<b>4,089</b>	<b>4,349</b>	<b>4,551</b>	<b>4,739</b>	<b>5,031</b>	<b>5,817</b>	<b>6,168</b>

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

<b>WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN</b>											
<b>Consolidated (All Funds)</b>											
<b>Statement of Financial Position - 2015/16 to 2024/25</b>											
<b><u>Inflated \$'000s</u></b>											
	<b>Anticipated 2014/15</b>	<b>Estimate 2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b><u>ASSETS</u></b>											
Cash and Investments	9,465	8,081	7,221	5,290	4,089	4,349	4,551	4,739	5,031	5,817	6,168
Receivables - Rates & Charges	110	110	110	110	110	110	110	110	111	111	111
Receivables - Other	300	300	300	300	300	300	300	300	300	300	300
Inventories	630	630	630	630	630	630	630	630	630	630	630
Other	105	105	105	105	105	105	105	105	105	105	105
Infrastructure, Property, Plant & Equipment	153,964	157,371	158,539	160,911	162,558	162,886	162,859	163,039	163,152	163,432	163,757
Joint Ventures	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>164,574</b>	<b>166,597</b>	<b>166,905</b>	<b>167,346</b>	<b>167,792</b>	<b>168,380</b>	<b>168,555</b>	<b>168,923</b>	<b>169,329</b>	<b>170,395</b>	<b>171,071</b>
<b><u>LIABILITIES</u></b>											
Creditors	285	285	285	285	285	285	285	285	294	294	294
Borrowings	397	322	243	160	73	0	0	0	0	0	0
Provisions	1,516	1,518	1,520	1,522	1,524	1,525	1,528	1,530	1,592	1,594	1,568
<b>Total Liabilities</b>	<b>2,198</b>	<b>2,125</b>	<b>2,048</b>	<b>1,967</b>	<b>1,882</b>	<b>1,810</b>	<b>1,813</b>	<b>1,815</b>	<b>1,886</b>	<b>1,888</b>	<b>1,862</b>
<b>Net Assets</b>	<b>162,376</b>	<b>164,472</b>	<b>164,857</b>	<b>165,379</b>	<b>165,910</b>	<b>166,570</b>	<b>166,742</b>	<b>167,108</b>	<b>167,443</b>	<b>168,507</b>	<b>169,209</b>
<b><u>EQUITY</u></b>											
Accumulated Surplus	89,614	91,130	91,460	91,927	92,403	92,508	92,625	92,936	93,216	93,725	94,372
Asset Revaluation Reserve	72,762	73,342	73,397	73,452	73,507	74,062	74,117	74,172	74,227	74,782	74,837
<b>Total Equity</b>	<b>162,376</b>	<b>164,472</b>	<b>164,857</b>	<b>165,379</b>	<b>165,910</b>	<b>166,570</b>	<b>166,742</b>	<b>167,108</b>	<b>167,443</b>	<b>168,507</b>	<b>169,209</b>
<b><u>Note : Cash &amp; Investments is comprised of :</u></b>											
General Fund Cash & Investme	500	500	500	500	500	500	500	500	500	500	500
External Restrictions	250	250	250	250	250	250	250	250	250	250	100
Water Supply	440	439	524	623	718	805	928	1,059	1,210	1,379	1,540
Sewerage Services	2,139	1,892	1,494	1,010	527	481	406	327	257	182	98
Domestic Waste Management	173	135	135	135	135	135	135	135	135	135	110
Internal Restrictions	5,963	4,865	4,318	2,772	1,959	2,178	2,332	2,468	2,679	3,372	3,821
<b>Cash and Investments</b>	<b>9,465</b>	<b>8,081</b>	<b>7,221</b>	<b>5,290</b>	<b>4,089</b>	<b>4,349</b>	<b>4,551</b>	<b>4,739</b>	<b>5,031</b>	<b>5,817</b>	<b>6,168</b>



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

<b>WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN</b>											
<b>Consolidated (All Funds)</b>											
<b>Income Statement - 2015/16 to 2024/25</b>											
<b>Inflated \$'000s</b>											
	Anticipated 2014/15	Estimate 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b><u>REVENUES</u></b>											
Rates & Annual Charges	5,200	5,350	5,778	6,240	6,740	7,279	7,861	8,490	9,168	9,900	10,693
User Charges & Fees	1,173	1,124	1,214	1,311	1,416	1,529	1,651	1,783	1,926	2,080	2,246
Interest	320	236	646	645	592	636	838	1,098	1,424	1,837	2,380
Other Revenues	263	270	285	290	295	302	307	313	319	325	332
Operating Grants & Contributions	4,921	5,503	5,153	5,256	5,360	5,467	5,576	5,687	5,800	5,916	6,034
Capital Grants & Contributions	0	1,566	400	450	400	0	0	0	0	0	0
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures Gain	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>11,877</b>	<b>14,049</b>	<b>13,476</b>	<b>14,192</b>	<b>14,803</b>	<b>15,213</b>	<b>16,233</b>	<b>17,371</b>	<b>18,637</b>	<b>20,059</b>	<b>21,685</b>
<b><u>EXPENSES</u></b>											
Employee Benefits & Costs	4,517	5,182	5,036	5,136	5,238	5,343	5,450	5,559	5,671	5,785	5,900
Borrowing Costs	29	25	22	18	13	9	4	0	0	0	0
Materials & Contracts	2,808	2,192	2,235	2,279	2,325	2,372	2,419	2,467	2,516	2,567	2,619
Depreciation	3,965	4,032	4,054	4,080	4,103	4,144	4,185	4,226	4,268	4,310	4,352
Other Expenses	1,112	1,102	1,003	1,024	1,044	1,066	1,087	1,109	1,131	1,154	1,177
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures Loss	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>12,431</b>	<b>12,533</b>	<b>12,350</b>	<b>12,537</b>	<b>12,723</b>	<b>12,934</b>	<b>13,145</b>	<b>13,361</b>	<b>13,586</b>	<b>13,815</b>	<b>14,048</b>
<b>Operating Result</b>	<b>(554)</b>	<b>1,516</b>	<b>1,126</b>	<b>1,655</b>	<b>2,080</b>	<b>2,279</b>	<b>3,088</b>	<b>4,010</b>	<b>5,051</b>	<b>6,243</b>	<b>7,637</b>
<b>Op Result less Capital Grants</b>	<b>(554)</b>	<b>(50)</b>	<b>726</b>	<b>1,205</b>	<b>1,680</b>	<b>2,279</b>	<b>3,088</b>	<b>4,010</b>	<b>5,051</b>	<b>6,243</b>	<b>7,637</b>
<b>Rate Pegging Limit</b>	<b>2.3%</b>	<b>2.4%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Annual Garbage Charge Increase</b>	<b>4.5%</b>	<b>4.3%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Water Annual Charge Increase</b>	<b>2.9%</b>	<b>3.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Water User Charge Increase</b>	<b>3.0%</b>	<b>3.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Sewerage Annual Charge Increase</b>	<b>0.0%</b>	<b>3.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Sewerage User Charge Increase</b>	<b>0.0%</b>	<b>0.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Investment Interest Rates</b>	<b>3.0%</b>	<b>2.25%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Inflation Percentages Used</b>	<b>2.9%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
<b>Loan Borrowing Interest Rates</b>	<b>6.0%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>

The above income statement has been forecast to increase general rates, garbage, water and sewerage annual charges by 8% for the last 9 years of the plan, as can be seen the operating result would turn into large surpluses over the years that could potentially enable a vast increase in the levels of service in all operations of Council. This would however result in a rate account of \$1,000.00 in 2015/16 being a rate account of \$2,045.00 in 2024/25 over a 100% increase.

Investment interest of 8% and inflation of 2% per year is also unrealistic.

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

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN											
Consolidated (All Funds)											
Statement of Cash Flows - 2015/16 TO 2024/25											
Inflated \$'000s											
	Anticipated 2014/15	Estimate 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Rates & Annual Charges	5,217	5,350	5,778	6,240	6,740	7,279	7,861	8,490	9,167	9,900	10,693
User Charges & Fees	1,311	1,124	1,214	1,311	1,416	1,529	1,651	1,783	1,926	2,080	2,246
Interest Earned	320	236	646	645	592	636	838	1,098	1,424	1,837	2,380
Grants	4,921	7,069	5,553	5,706	5,760	5,467	5,576	5,687	5,800	5,916	6,034
Other Revenues	263	270	285	290	295	302	307	313	319	325	332
<b>Receipts from Operations</b>	<b>12,032</b>	<b>14,049</b>	<b>13,476</b>	<b>14,192</b>	<b>14,803</b>	<b>15,213</b>	<b>16,233</b>	<b>17,371</b>	<b>18,636</b>	<b>20,059</b>	<b>21,685</b>
<b><u>Payments</u></b>											
Employee Benefits & Costs	4,404	5,180	5,034	5,134	5,236	5,340	5,449	5,557	5,729	5,784	5,911
Materials & Contracts	2,806	2,192	2,235	2,279	2,325	2,372	2,419	2,467	2,516	2,567	2,619
Borrowing Costs	29	25	22	18	13	9	4	0	0	0	0
Other Expenses	1,112	1,102	1,003	1,024	1,044	1,066	1,087	1,109	1,131	1,154	1,177
<b>Payments from Operations</b>	<b>8,351</b>	<b>8,499</b>	<b>8,294</b>	<b>8,455</b>	<b>8,618</b>	<b>8,787</b>	<b>8,959</b>	<b>9,133</b>	<b>9,376</b>	<b>9,504</b>	<b>9,707</b>
<b>Net Cash from Operations</b>	<b>3,681</b>	<b>5,550</b>	<b>5,182</b>	<b>5,737</b>	<b>6,185</b>	<b>6,426</b>	<b>7,274</b>	<b>8,238</b>	<b>9,260</b>	<b>10,554</b>	<b>11,978</b>
<b><u>CASH FLOWS FROM CAPITAL ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Sale of Assets	275	209	260	410	340	351	361	372	379	387	395
<b>Receipts from Capital Activity</b>	<b>275</b>	<b>209</b>	<b>260</b>	<b>410</b>	<b>340</b>	<b>351</b>	<b>361</b>	<b>372</b>	<b>379</b>	<b>387</b>	<b>395</b>
<b><u>Payments</u></b>											
<b><u>Acquisition/Renewal of Fixed Assets</u></b>											
Infrastructure - General Fund	2,994	3,882	3,401	3,700	3,337	2,970	3,030	3,090	3,152	3,215	3,279
Infrastructure - Water Supply Fund	105	1,362	55	47	58	73	41	40	29	18	34
Infrastructure - Sewerage Services Fund	226	524	836	957	887	61	85	87	75	77	72
Plant, Property & Equipment	967	1,300	1,083	2,002	1,616	1,032	1,142	1,302	1,209	832	1,312
Other Assets	13	0	8	8	8	9	9	9	9	9	10
<b>Payments from Capital Activity</b>	<b>4,305</b>	<b>7,068</b>	<b>5,383</b>	<b>6,714</b>	<b>5,906</b>	<b>4,145</b>	<b>4,307</b>	<b>4,528</b>	<b>4,474</b>	<b>4,151</b>	<b>4,707</b>
<b>Net Cash from Capital Activity</b>	<b>(4,030)</b>	<b>(6,859)</b>	<b>(5,123)</b>	<b>(6,304)</b>	<b>(5,566)</b>	<b>(3,794)</b>	<b>(3,946)</b>	<b>(4,156)</b>	<b>(4,095)</b>	<b>(3,764)</b>	<b>(4,312)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Total Loans Required	0	0	0	0	0	0	0	0	0	0	0
<b>Receipts from Finance Activity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Payments</u></b>											
Repayment of Loans	74	75	79	83	87	92	96	0	0	0	0
<b>Payments from Finance Activity</b>	<b>74</b>	<b>75</b>	<b>79</b>	<b>83</b>	<b>87</b>	<b>92</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash from Financing</b>	<b>(74)</b>	<b>(75)</b>	<b>(79)</b>	<b>(83)</b>	<b>(87)</b>	<b>(92)</b>	<b>(96)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE CASH &amp; INVESTMENTS</b>	<b>(423)</b>	<b>(1,384)</b>	<b>(20)</b>	<b>(650)</b>	<b>532</b>	<b>2,540</b>	<b>3,232</b>	<b>4,082</b>	<b>5,165</b>	<b>6,790</b>	<b>7,666</b>
<b>Current Year Cash</b>	<b>(423)</b>	<b>(1,384)</b>	<b>(20)</b>	<b>(650)</b>	<b>532</b>	<b>2,540</b>	<b>3,232</b>	<b>4,082</b>	<b>5,165</b>	<b>6,790</b>	<b>7,666</b>
<b>Cash at Start of Year</b>	<b>9,888</b>	<b>9,465</b>	<b>8,081</b>	<b>8,061</b>	<b>7,411</b>	<b>7,943</b>	<b>10,483</b>	<b>13,715</b>	<b>17,797</b>	<b>22,962</b>	<b>29,753</b>
<b>Cash at End of Year</b>	<b>9,465</b>	<b>8,081</b>	<b>8,061</b>	<b>7,411</b>	<b>7,943</b>	<b>10,483</b>	<b>13,715</b>	<b>17,797</b>	<b>22,962</b>	<b>29,753</b>	<b>37,419</b>

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

<b>WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN</b>											
<b>Consolidated (All Funds)</b>											
<b>Statement of Financial Position - 2015/16 to 2024/25</b>											
<b>Inflated \$'000s</b>											
	<b>Anticipated 2014/15</b>	<b>Estimate 2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b><u>ASSETS</u></b>											
Cash and Investments	9,465	8,081	8,061	7,411	7,943	10,483	13,715	17,797	22,962	29,753	37,419
Receivables - Rates & Charges	110	110	110	110	110	110	110	110	111	111	111
Receivables - Other	300	300	300	300	300	300	300	300	300	300	300
Inventories	630	630	630	630	630	630	630	630	630	630	630
Other	105	105	105	105	105	105	105	105	105	105	105
Infrastructure, Property, Plant & Equipment	153,964	157,371	158,495	160,774	162,292	162,497	162,313	162,298	162,180	162,189	162,204
Joint Ventures	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>164,574</b>	<b>166,597</b>	<b>167,701</b>	<b>169,330</b>	<b>171,380</b>	<b>174,125</b>	<b>177,173</b>	<b>181,240</b>	<b>186,288</b>	<b>193,088</b>	<b>200,769</b>
<b><u>LIABILITIES</u></b>											
Creditors	285	285	285	285	285	285	285	285	294	294	294
Borrowings	397	322	243	160	73	0	0	0	0	0	0
Provisions	1,516	1,518	1,520	1,522	1,524	1,525	1,528	1,530	1,592	1,594	1,568
<b>Total Liabilities</b>	<b>2,198</b>	<b>2,125</b>	<b>2,048</b>	<b>1,967</b>	<b>1,882</b>	<b>1,810</b>	<b>1,813</b>	<b>1,815</b>	<b>1,886</b>	<b>1,888</b>	<b>1,862</b>
<b>Net Assets</b>	<b>162,376</b>	<b>164,472</b>	<b>165,653</b>	<b>167,363</b>	<b>169,498</b>	<b>172,315</b>	<b>175,360</b>	<b>179,425</b>	<b>184,402</b>	<b>191,200</b>	<b>198,907</b>
<b><u>EQUITY</u></b>											
Accumulated Surplus	89,614	91,130	92,256	93,911	95,991	98,253	101,243	105,253	110,175	116,418	124,070
Asset Revaluation Reserve	72,762	73,342	73,397	73,452	73,507	74,062	74,117	74,172	74,227	74,782	74,837
<b>Total Equity</b>	<b>162,376</b>	<b>164,472</b>	<b>165,653</b>	<b>167,363</b>	<b>169,498</b>	<b>172,315</b>	<b>175,360</b>	<b>179,425</b>	<b>184,402</b>	<b>191,200</b>	<b>198,907</b>
<b><u>Note : Cash &amp; Investments is comprised of :</u></b>											
General Fund Cash & Investme	500	500	500	500	500	500	500	500	500	500	500
External Restrictions	250	250	250	250	250	250	250	250	250	250	100
Water Supply	440	439	584	790	1,044	1,352	1,769	2,278	2,902	3,654	4,525
Sewerage Services	2,139	1,892	1,635	1,318	1,027	1,176	1,351	1,583	1,891	2,273	2,735
Domestic Waste Management	173	135	135	135	135	135	135	135	135	135	110
Internal Restrictions	5,963	4,865	4,957	4,418	4,987	7,070	9,710	13,051	17,284	22,941	29,449
<b>Cash and Investments</b>	<b>9,465</b>	<b>8,081</b>	<b>8,061</b>	<b>7,411</b>	<b>7,943</b>	<b>10,483</b>	<b>13,715</b>	<b>17,797</b>	<b>22,962</b>	<b>29,753</b>	<b>37,419</b>

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

<b>WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN</b>											
<b>Consolidated (All Funds)</b>											
<b>Income Statement - 2015/16 to 2024/25</b>											
<b>Inflated \$'000s</b>											
	Anticipated 2014/15	Estimate 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>REVENUES</b>											
Rates & Annual Charges	5,200	5,350	5,403	5,457	5,511	5,565	5,620	5,675	5,731	5,787	5,844
User Charges & Fees	1,173	1,124	1,135	1,146	1,157	1,168	1,179	1,190	1,202	1,214	1,226
Interest	320	236	81	68	41	21	11	5	5	4	4
Other Revenues	263	270	293	307	321	337	352	369	388	407	428
Operating Grants & Contributions	4,921	5,503	5,317	5,582	5,859	6,151	6,458	6,780	7,118	7,474	7,847
Capital Grants & Contributions	0	1,566	400	450	400	0	0	0	0	0	0
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures Gain	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>11,877</b>	<b>14,049</b>	<b>12,629</b>	<b>13,010</b>	<b>13,289</b>	<b>13,242</b>	<b>13,620</b>	<b>14,019</b>	<b>14,444</b>	<b>14,886</b>	<b>15,349</b>
<b>EXPENSES</b>											
Employee Benefits & Costs	4,517	5,182	5,192	5,452	5,724	6,010	6,311	6,627	6,958	7,306	7,672
Borrowing Costs	29	25	22	18	13	9	4	0	0	0	0
Materials & Contracts	2,808	2,192	2,302	2,417	2,538	2,665	2,798	2,938	3,084	3,239	3,401
Depreciation	3,965	4,032	4,054	4,080	4,103	4,144	4,185	4,226	4,268	4,310	4,352
Other Expenses	1,112	1,102	1,032	1,084	1,137	1,194	1,253	1,316	1,382	1,451	1,523
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0	0
Joint Ventures Loss	0	0	0	0	0	0	0	0	0	0	0
<b>Total Expenses</b>	<b>12,431</b>	<b>12,533</b>	<b>12,602</b>	<b>13,051</b>	<b>13,515</b>	<b>14,022</b>	<b>14,551</b>	<b>15,107</b>	<b>15,692</b>	<b>16,306</b>	<b>16,949</b>
<b>Operating Result</b>	<b>(554)</b>	<b>1,516</b>	<b>27</b>	<b>(41)</b>	<b>(226)</b>	<b>(780)</b>	<b>(931)</b>	<b>(1,088)</b>	<b>(1,248)</b>	<b>(1,420)</b>	<b>(1,600)</b>
<b>Op Result less Capital Grants</b>	<b>(554)</b>	<b>(50)</b>	<b>(373)</b>	<b>(491)</b>	<b>(626)</b>	<b>(780)</b>	<b>(931)</b>	<b>(1,088)</b>	<b>(1,248)</b>	<b>(1,420)</b>	<b>(1,600)</b>
<b>Rate Pegging Limit</b>	<b>2.3%</b>	<b>2.4%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Annual Garbage Charge Increase</b>	<b>4.5%</b>	<b>4.3%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Water Annual Charge Increase</b>	<b>2.9%</b>	<b>3.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Water User Charge Increase</b>	<b>3.0%</b>	<b>3.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Sewerage Annual Charge Increase</b>	<b>0.0%</b>	<b>3.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Sewerage User Charge Increase</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Investment Interest Rates</b>	<b>3.0%</b>	<b>2.25%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>1.0%</b>
<b>Inflation Percentages Used</b>	<b>2.9%</b>	<b>2.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
<b>Loan Borrowing Interest Rates</b>	<b>6.0%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>

The above conservative income statement with increases in rates and annual charges of 1% and inflation at 5% for the term of the plan shows that Council would be operating massive deficits each year which is not sustainable and would have no cash by the year ending 2020/21. The only way Council could survive under this scenario would be dramatically cut staff and therefore levels of service in all operations of Council.

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

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

<b>WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN</b>											
<b>Consolidated (All Funds)</b>											
<b>Statement of Cash Flows - 2015/16 TO 2024/25</b>											
<b>Inflated \$'000s</b>											
	<b>Anticipated 2014/15</b>	<b>Estimate 2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Rates & Annual Charges	5,217	5,350	5,403	5,457	5,511	5,565	5,620	5,675	5,730	5,787	5,844
User Charges & Fees	1,311	1,124	1,135	1,146	1,157	1,168	1,179	1,190	1,202	1,214	1,226
Interest Earned	320	236	81	68	41	21	11	5	5	4	4
Grants	4,921	7,069	5,717	6,032	6,259	6,151	6,458	6,780	7,118	7,474	7,847
Other Revenues	263	270	293	307	321	337	352	369	388	407	428
<b>Receipts from Operations</b>	<b>12,032</b>	<b>14,049</b>	<b>12,629</b>	<b>13,010</b>	<b>13,289</b>	<b>13,242</b>	<b>13,620</b>	<b>14,019</b>	<b>14,443</b>	<b>14,886</b>	<b>15,349</b>
<b><u>Payments</u></b>											
Employee Benefits & Costs	4,404	5,180	5,190	5,450	5,722	6,007	6,310	6,625	7,016	7,305	7,683
Materials & Contracts	2,806	2,192	2,302	2,417	2,538	2,665	2,798	2,938	3,084	3,239	3,401
Borrowing Costs	29	25	22	18	13	9	4	0	0	0	0
Other Expenses	1,112	1,102	1,032	1,084	1,137	1,194	1,253	1,316	1,382	1,451	1,523
<b>Payments from Operations</b>	<b>8,351</b>	<b>8,499</b>	<b>8,546</b>	<b>8,969</b>	<b>9,410</b>	<b>9,875</b>	<b>10,365</b>	<b>10,879</b>	<b>11,482</b>	<b>11,995</b>	<b>12,608</b>
<b>Net Cash from Operations</b>	<b>3,681</b>	<b>5,550</b>	<b>4,083</b>	<b>4,041</b>	<b>3,879</b>	<b>3,367</b>	<b>3,255</b>	<b>3,140</b>	<b>2,961</b>	<b>2,891</b>	<b>2,741</b>
<b><u>CASH FLOWS FROM CAPITAL ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Sale of Assets	275	209	260	410	340	351	361	372	391	410	431
<b>Receipts from Capital Activity</b>	<b>275</b>	<b>209</b>	<b>260</b>	<b>410</b>	<b>340</b>	<b>351</b>	<b>361</b>	<b>372</b>	<b>391</b>	<b>410</b>	<b>431</b>
<b><u>Payments</u></b>											
<b><u>Acquisition/Renewal of Fixed Assets</u></b>											
Infrastructure - General Fund	2,994	3,882	3,501	3,921	3,640	3,335	3,502	3,677	3,861	4,054	4,257
Infrastructure - Water Supply Fund	105	1,362	57	50	64	81	47	48	36	23	44
Infrastructure - Sewerage Services Fund	226	524	861	1,014	968	68	98	103	91	98	93
Plant, Property & Equipment	967	1,300	1,083	2,002	1,616	1,032	1,142	1,302	1,221	855	1,348
Other Assets	13	0	8	9	9	10	10	11	11	12	12
<b>Payments from Capital Activity</b>	<b>4,305</b>	<b>7,068</b>	<b>5,510</b>	<b>6,996</b>	<b>6,297</b>	<b>4,526</b>	<b>4,799</b>	<b>5,141</b>	<b>5,220</b>	<b>5,042</b>	<b>5,754</b>
<b>Net Cash from Capital Activity</b>	<b>(4,030)</b>	<b>(6,859)</b>	<b>(5,250)</b>	<b>(6,586)</b>	<b>(5,957)</b>	<b>(4,175)</b>	<b>(4,438)</b>	<b>(4,769)</b>	<b>(4,829)</b>	<b>(4,632)</b>	<b>(5,323)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>											
<b><u>Receipts</u></b>											
Total Loans Required	0	0	0	0	0	0	0	0	0	0	0
<b>Receipts from Finance Activity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Payments</u></b>											
Repayment of Loans	74	75	79	83	87	92	96	0	0	0	0
<b>Payments from Finance Activity</b>	<b>74</b>	<b>75</b>	<b>79</b>	<b>83</b>	<b>87</b>	<b>92</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Cash from Financing</b>	<b>(74)</b>	<b>(75)</b>	<b>(79)</b>	<b>(83)</b>	<b>(87)</b>	<b>(92)</b>	<b>(96)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE CASH &amp; INVESTMENTS</b>	<b>(423)</b>	<b>(1,384)</b>	<b>(1,246)</b>	<b>(2,628)</b>	<b>(2,165)</b>	<b>(900)</b>	<b>(1,279)</b>	<b>(1,629)</b>	<b>(1,868)</b>	<b>(1,741)</b>	<b>(2,582)</b>
<b>Current Year Cash</b>	<b>(423)</b>	<b>(1,384)</b>	<b>(1,246)</b>	<b>(2,628)</b>	<b>(2,165)</b>	<b>(900)</b>	<b>(1,279)</b>	<b>(1,629)</b>	<b>(1,868)</b>	<b>(1,741)</b>	<b>(2,582)</b>
<b>Cash at Start of Year</b>	<b>9,888</b>	<b>9,465</b>	<b>8,081</b>	<b>6,835</b>	<b>4,207</b>	<b>2,042</b>	<b>1,142</b>	<b>(137)</b>	<b>(1,766)</b>	<b>(3,634)</b>	<b>(5,375)</b>
<b>Cash at End of Year</b>	<b>9,465</b>	<b>8,081</b>	<b>6,835</b>	<b>4,207</b>	<b>2,042</b>	<b>1,142</b>	<b>(137)</b>	<b>(1,766)</b>	<b>(3,634)</b>	<b>(5,375)</b>	<b>(7,957)</b>

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

<b>WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN</b>											
<b>Consolidated (All Funds)</b>											
<b>Statement of Financial Position - 2015/16 to 2024/25</b>											
<b>Inflated \$'000s</b>											
	<b>Anticipated 2014/15</b>	<b>Estimate 2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>ASSETS</b>											
Cash and Investments	9,465	8,081	6,835	4,207	2,042	1,142	(137)	(1,766)	(3,634)	(5,375)	(7,957)
Receivables - Rates & Charges	110	110	110	110	110	110	110	110	111	111	111
Receivables - Other	300	300	300	300	300	300	300	300	300	300	300
Inventories	630	630	630	630	630	630	630	630	630	630	630
Other	105	105	105	105	105	105	105	105	105	105	105
Infrastructure, Property, Plant & Equipment	153,964	157,371	158,622	161,183	163,092	163,678	163,986	164,584	165,200	166,077	167,103
Joint Ventures	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>164,574</b>	<b>166,597</b>	<b>166,602</b>	<b>166,535</b>	<b>166,279</b>	<b>165,965</b>	<b>164,994</b>	<b>163,963</b>	<b>162,712</b>	<b>161,848</b>	<b>160,292</b>
<b>LIABILITIES</b>											
Creditors	285	285	285	285	285	285	285	285	294	294	294
Borrowings	397	322	243	160	73	0	0	0	0	0	0
Provisions	1,516	1,518	1,520	1,522	1,524	1,525	1,528	1,530	1,592	1,594	1,568
<b>Total Liabilities</b>	<b>2,198</b>	<b>2,125</b>	<b>2,048</b>	<b>1,967</b>	<b>1,882</b>	<b>1,810</b>	<b>1,813</b>	<b>1,815</b>	<b>1,886</b>	<b>1,888</b>	<b>1,862</b>
<b>Net Assets</b>	<b>162,376</b>	<b>164,472</b>	<b>164,554</b>	<b>164,568</b>	<b>164,397</b>	<b>164,155</b>	<b>163,181</b>	<b>162,148</b>	<b>160,826</b>	<b>159,960</b>	<b>158,430</b>
<b>EQUITY</b>											
Accumulated Surplus	89,614	91,130	91,157	91,116	90,890	90,093	89,064	87,976	86,599	85,178	83,593
Asset Revaluation Reserve	72,762	73,342	73,397	73,452	73,507	74,062	74,117	74,172	74,227	74,782	74,837
<b>Total Equity</b>	<b>162,376</b>	<b>164,472</b>	<b>164,554</b>	<b>164,568</b>	<b>164,397</b>	<b>164,155</b>	<b>163,181</b>	<b>162,148</b>	<b>160,826</b>	<b>159,960</b>	<b>158,430</b>
<b>Note : Cash &amp; Investments is comprised of :</b>											
General Fund Cash & Investme	500	500	500	500	500	500	(906)	(2,259)	(3,823)	(5,210)	(7,176)
External Restrictions	250	250	250	250	250	250	250	250	250	250	100
Water Supply	440	439	496	542	553	528	513	472	419	351	233
Sewerage Services	2,139	1,892	1,431	843	223	75	(129)	(364)	(615)	(901)	(1,225)
Domestic Waste Management	173	135	135	135	135	135	135	135	135	135	110
Internal Restrictions	5,963	4,865	4,023	1,937	381	0	0	0	0	0	0
<b>Cash and Investments</b>	<b>9,465</b>	<b>8,081</b>	<b>6,835</b>	<b>4,207</b>	<b>2,042</b>	<b>1,142</b>	<b>(137)</b>	<b>(1,766)</b>	<b>(3,634)</b>	<b>(5,375)</b>	<b>(7,957)</b>

As can be seen in the above conservative balance sheet forecast the general fund of Council would be in overdraft by the end of the 2020/21 financial year.

## FINANCIAL INDICATORS

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

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

Local Government Benchmark:

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

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

FFTF Benchmark:

Greater than 0% and Less than 20%

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

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

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

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

FFTF Benchmark is 100% or greater.

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

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

## FINANCIAL INDICATORS – SCENARIO 1 – (Planned Forecast)

<b>Warren Shire Council - (Consolidated Funds) - Financial Indicators</b>											
	Anticipated 2014/15	Estimate 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Unrestricted Current Ratio</b>											
Current Assets less External Restrictions	7,022	5,886	5,339	3,793	2,980	3,199	3,353	3,489	3,701	4,394	4,818
Current Liabilities	725	701	676	649	621	597	598	599	622	623	614
<b>Ratio to 1</b>	<b>9.69</b>	<b>8.40</b>	<b>7.90</b>	<b>5.84</b>	<b>4.80</b>	<b>5.36</b>	<b>5.61</b>	<b>5.82</b>	<b>5.95</b>	<b>7.05</b>	<b>7.85</b>
<b>Debt Service Ratio</b>											
Debt Service Cost	103	100	101	101	100	101	100	0	0	0	0
Income from Continuing Operations less Specific Purpose Grants	9,707	11,297	10,308	10,562	10,687	10,473	10,707	10,948	11,196	11,454	11,733
<b>Percentage</b>	<b>1.06%</b>	<b>0.89%</b>	<b>0.98%</b>	<b>0.96%</b>	<b>0.94%</b>	<b>0.96%</b>	<b>0.93%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Rates &amp; Annual Charges Coverage Ratio</b>											
Rates & Annual Charges	5,200	5,350	5,510	5,675	5,845	6,020	6,201	6,387	6,578	6,775	6,978
Income from Continuing Operations	11,877	14,049	12,765	13,175	13,459	13,410	13,814	14,230	14,660	15,103	15,575
<b>Percentage</b>	<b>43.78%</b>	<b>38.08%</b>	<b>43.16%</b>	<b>43.07%</b>	<b>43.43%</b>	<b>44.89%</b>	<b>44.89%</b>	<b>44.88%</b>	<b>44.87%</b>	<b>44.86%</b>	<b>44.80%</b>
<b>Rates &amp; Annual Charges Outstanding Percentage</b>											
Outstanding Rates & Annual Charges	110	110	110	110	110	110	110	110	111	111	111
Collectable Rates & Annual Charges	5,217	5,350	5,510	5,675	5,845	6,020	6,201	6,387	6,577	6,775	6,978
<b>Percentage</b>	<b>2.11%</b>	<b>2.06%</b>	<b>2.00%</b>	<b>1.94%</b>	<b>1.88%</b>	<b>1.83%</b>	<b>1.77%</b>	<b>1.72%</b>	<b>1.69%</b>	<b>1.64%</b>	<b>1.59%</b>
<b>Asset Renewal Ratio</b>											
Asset Renewals	3,325	5,768	4,336	4,797	4,410	3,227	3,313	3,411	3,486	3,580	3,695
Depreciation	3,065	3,132	3,154	3,180	3,203	3,244	3,285	3,326	3,368	3,410	3,452
<b>Percentage</b>	<b>108.48%</b>	<b>184.16%</b>	<b>137.48%</b>	<b>150.85%</b>	<b>137.68%</b>	<b>99.48%</b>	<b>100.85%</b>	<b>102.56%</b>	<b>103.50%</b>	<b>104.99%</b>	<b>107.04%</b>



## FINANCIAL INDICATORS – SCENARIO 2 – (Optimistic Forecast)

<b>Warren Shire Council - (Consolidated Funds) - Financial Indicators</b>											
	<b>Anticipated 2014/15</b>	<b>Estimate 2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Unrestricted Current Ratio</b>											
Current Assets less External Restrictions	7,022	5,886	5,978	5,439	6,008	8,091	10,731	14,072	18,306	23,963	30,446
Current Liabilities	725	701	676	649	621	597	598	599	622	623	614
<b>Ratio to 1</b>	<b>9.69</b>	<b>8.40</b>	<b>8.84</b>	<b>8.38</b>	<b>9.67</b>	<b>13.55</b>	<b>17.94</b>	<b>23.49</b>	<b>29.43</b>	<b>38.46</b>	<b>49.59</b>
<b>Debt Service Ratio</b>											
Debt Service Cost	103	100	101	101	100	101	100	0	0	0	0
Income from Continuing Operations less Specific Purpose Grants	9,707	11,297	11,074	11,687	12,194	12,497	13,408	14,435	15,588	16,893	18,402
<b>Percentage</b>	<b>1.06%</b>	<b>0.89%</b>	<b>0.91%</b>	<b>0.86%</b>	<b>0.82%</b>	<b>0.81%</b>	<b>0.75%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Rates &amp; Annual Charges Coverage Ratio</b>											
Rates & Annual Charges	5,200	5,350	5,778	6,240	6,740	7,279	7,861	8,490	9,168	9,900	10,693
Income from Continuing Operations	11,877	14,049	13,476	14,192	14,803	15,213	16,233	17,371	18,637	20,059	21,685
<b>Percentage</b>	<b>43.78%</b>	<b>38.08%</b>	<b>42.88%</b>	<b>43.97%</b>	<b>45.53%</b>	<b>47.85%</b>	<b>48.43%</b>	<b>48.87%</b>	<b>49.19%</b>	<b>49.35%</b>	<b>49.31%</b>
<b>Rates &amp; Annual Charges Outstanding Percentage</b>											
Outstanding Rates & Annual Charges	110	110	110	110	110	110	110	110	111	111	111
Collectable Rates & Annual Charges	5,217	5,350	5,778	6,240	6,740	7,279	7,861	8,490	9,167	9,900	10,693
<b>Percentage</b>	<b>2.11%</b>	<b>2.06%</b>	<b>1.90%</b>	<b>1.76%</b>	<b>1.63%</b>	<b>1.51%</b>	<b>1.40%</b>	<b>1.30%</b>	<b>1.21%</b>	<b>1.12%</b>	<b>1.04%</b>
<b>Asset Renewal Ratio</b>											
Asset Renewals	3,325	5,768	4,292	4,704	4,282	3,104	3,156	3,217	3,256	3,310	3,385
Depreciation	3,065	3,132	3,154	3,180	3,203	3,244	3,285	3,326	3,368	3,410	3,452
<b>Percentage</b>	<b>108.48%</b>	<b>184.16%</b>	<b>136.08%</b>	<b>147.92%</b>	<b>133.69%</b>	<b>95.68%</b>	<b>96.07%</b>	<b>96.72%</b>	<b>96.67%</b>	<b>97.07%</b>	<b>98.06%</b>

## FINANCIAL INDICATORS – SCENARIO 3 – (Conservative Forecast)

<b>Warren Shire Council - (Consolidated Funds) - Financial Indicators</b>											
	<b>Anticipated 2014/15</b>	<b>Estimate 2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Unrestricted Current Ratio</b>											
Current Assets less External Restrictions	7,022	5,886	5,044	2,958	1,402	675	(385)	(1,738)	(3,301)	(4,688)	(6,679)
Current Liabilities	725	701	676	649	621	597	598	599	622	623	614
<b>Ratio to 1</b>	<b>9.69</b>	<b>8.40</b>	<b>7.46</b>	<b>4.56</b>	<b>2.26</b>	<b>1.13</b>	<b>(0.64)</b>	<b>(2.90)</b>	<b>(5.31)</b>	<b>(7.53)</b>	<b>(10.88)</b>
<b>Debt Service Ratio</b>											
Debt Service Cost	103	100	101	101	100	101	100	0	0	0	0
Income from Continuing Operations less Specific Purpose Grants	9,707	11,297	10,063	10,179	10,181	9,842	9,913	9,990	10,077	10,163	10,253
<b>Percentage</b>	<b>1.06%</b>	<b>0.89%</b>	<b>1.00%</b>	<b>0.99%</b>	<b>0.98%</b>	<b>1.03%</b>	<b>1.01%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Rates &amp; Annual Charges Coverage Ratio</b>											
Rates & Annual Charges	5,200	5,350	5,403	5,457	5,511	5,565	5,620	5,675	5,731	5,787	5,844
Income from Continuing Operations	11,877	14,049	12,629	13,010	13,289	13,242	13,620	14,019	14,444	14,886	15,349
<b>Percentage</b>	<b>43.78%</b>	<b>38.08%</b>	<b>42.78%</b>	<b>41.94%</b>	<b>41.47%</b>	<b>42.03%</b>	<b>41.26%</b>	<b>40.48%</b>	<b>39.68%</b>	<b>38.88%</b>	<b>38.07%</b>
<b>Rates &amp; Annual Charges Outstanding Percentage</b>											
Outstanding Rates & Annual Charges	110	110	110	110	110	110	110	110	111	111	111
Collectable Rates & Annual Charges	5,217	5,350	5,403	5,457	5,511	5,565	5,620	5,675	5,730	5,787	5,844
<b>Percentage</b>	<b>2.11%</b>	<b>2.06%</b>	<b>2.04%</b>	<b>2.02%</b>	<b>2.00%</b>	<b>1.98%</b>	<b>1.96%</b>	<b>1.94%</b>	<b>1.94%</b>	<b>1.92%</b>	<b>1.90%</b>
<b>Asset Renewal Ratio</b>											
Asset Renewals	3,325	5,768	4,419	4,985	4,672	3,484	3,647	3,828	3,988	4,175	4,394
Depreciation	3,065	3,132	3,154	3,180	3,203	3,244	3,285	3,326	3,368	3,410	3,452
<b>Percentage</b>	<b>108.48%</b>	<b>184.16%</b>	<b>140.11%</b>	<b>156.76%</b>	<b>145.86%</b>	<b>107.40%</b>	<b>111.02%</b>	<b>115.09%</b>	<b>118.41%</b>	<b>122.43%</b>	<b>127.29%</b>