



Long Term Financial Plan

2021/22 – 2030/31

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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 2027" Community Strategic Plan and to prioritise items into the four year Delivery Program and the one year Operational Plan.

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

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

The LTFP will be subject to continuous review and adjustment as circumstances and priorities change as driven by the "Warren Shire 2027" 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 2021/22 to 2030/31.

Integrated Planning & Reporting Framework



OBJECTIVES OF THE LONG TERM FINANCIAL PLAN

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

The LTFP has taken into considered areas of priority that are consistent with the “Warren Shire 2027” Community Strategic Plan and Asset Management Plans with identified service level objectives.

The LTFP sets the basis of resourcing Council’s activities that are included in Council’s Delivery Program 2017/18 to 2020/21 (extended by 1 year to incorporate 2021/22 due to the postponement of the Local Government Elections as a result of Covid-19). The Delivery Program sets the program of actions for Council over that period. The Operational Plan is be prepared based on Council’s known resourcing strategy that defines the limits of Council’s capacity to deliver services and renew and provide infrastructure.

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

FINANCIAL SUSTAINABILITY

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

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

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

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

- cost shifting from other levels of Government, with local government being forced to take on increased responsibilities without being provided appropriate funding to meet these additional responsibilities,
- increase in regulatory compliance and reporting (red tape),
- freezing of the Financial Assistance Grant for 3 years – 2014/15 to 2016/17 this has a multiplier effect each year i.e.: the gap is increasing each year and will never be caught up.

Cost Shifting

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

There have been several enquiries and surveys of cost shifting over the years with the latest LGNSW survey for 2015/16 confirming that cost shifting continues to place significant burden on Council's financial situation. Warren Shire Council's estimated cost amounted to \$581,045 or 4.17% of total operating income.

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

Cost Increases

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

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

Infrastructure Renewals and Backlog

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

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

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

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

PLANNING ASSUMPTIONS

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

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

Rate Pegging Increases in Rates

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

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

The rate peg announced by IPART on 8th September 2020 for 2021/22 is 2.0%.

Interest on Investments

Forecast investment returns of 0.3% in 2021/22, then 0.3% in Scenario 1 (Planned Forecast), 5.0% in Scenario 2 (Optimistic Forecast) and 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 1.0% in Scenario 1 (Planned Forecast), 0% 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 2.5% in rates and 5% in annual charges from 2021/22 onwards. Scenario 2 (Optimistic) was developed on an average increase of 8% in rates and annual charges from 2022/23 onwards. Scenario 3 (Conservative) was developed with 1% increase in rates and annual charges from 2022/23 onwards.

User Charges and Fees

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

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

Given that User Charges and Fees represent around between 6.2% 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 0.3% in 2021/22, then 0.3% for the life of the plan in Scenario 1 (Planned Forecast), 5.0% in Scenario 2 (Optimistic Forecast) and 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 87% 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 25.95% of total employee entitlement provisions and is forecast to remain at this percentage for the 10 year plan.

Borrowing Costs

The LTFP does not include any anticipated loans for the duration of the plan.

Materials, Contracts and Other Operating Costs

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

Capital Works – Asset Acquisitions/Renewals

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

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

SENSITIVITY ANALYSIS

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

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

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

Rate Pegging

The impact of a 1% reduction in rate pegging each year from Scenario 1 (Planned Forecast) was modelled the analysis indicated that general fund rates would be reduced by a total of \$2,533,000 over the last nine years of the plan.

Inflation

The impact of a 1% increase in inflation over the estimate each year resulted in materials, contracts and other expenses compounding to an extra \$1,690,000 (or an average of \$187,777 each year) for the last nine years of the plan.

FINANCIAL STRATEGIES UNDERPINNING THE LTFP

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

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

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

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

Identifying Budget Expenditure Reductions

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

Productivity Improvements & Initiatives

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

FINANCIAL MODELLING SCENARIOS

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

The three (3) scenarios are:

Scenario 1 – (Planned Forecast)

This scenario is based upon a 2.0% general rate revenue increase in 2021/22 then a 2.5% increase in general rates each year, a 5% increase in domestic waste charges in 2021/22 then a 5% increase in each year and an 5% increase water charges, 5% in sewerage charges in 2021/22 and 5% each year after.

Interest on investments has been estimated at 0.3% in 2021/22, then 1.0% for the life of the plan.

Inflation estimated at 1.0% in 2021/22 then 2.0% 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 2.0% general rate revenue increase in 2021/22 then an increase of 8% in all rates and annual charges each year after.

Interest on investments has been estimated at 0.3% in 2021/22, then 5% for the life of the plan.

Inflation estimated at 1.0% in 2021/22 then 0% for the life of the plan.

The trend of this scenario would see General Fund having a cash balance of \$36,029,000 by the end of the plan.

Scenario 3 – (Conservative Forecast)

This scenario is based upon a 2.0% general rate revenue increase in 2021/22 then a 1.0% increase in all rates and annual charges each year after.

Interest on investments has been estimated at 0.3% in 2021/22 then 0% for the life of the plan.

Inflation estimated at 1.0% in 2021/22 then 5% for the life of the plan.

The trend of this scenario would see all General Fund cash being exhausted in 2028/29 with a deficit of \$7,622,000 by the end of the plan.

SUMMARY OF THE LTFP

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

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

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

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

FINANCIAL MODELLING OUTPUTS

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

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

INCOME STATEMENT - SCENARIO No. 1 - (Planned Forecast)
WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN
Consolidated (All Funds)

Income Statement - 2021/22 to 2030/31

	<u>Inflated \$'000s</u>									
	Estimate									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
REVENUES										
Rates & Annual Charges	6,338	6,530	6,729	6,934	7,147	7,364	7,589	7,823	8,063	8,312
User Charges & Fees	996	1,025	1,056	1,089	1,123	1,152	1,183	1,215	1,248	1,282
Other Revenues	268	274	280	286	292	298	304	310	316	322
Operating Grants & Contributions	8,292	6,194	5,910	6,424	6,144	6,597	6,399	6,857	6,664	6,467
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	34	39	111	104	105	104	104	95	91	83
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Joint Ventures Gain	0	0	0	0	0	0	0	0	0	0
Total Revenues	15,928	14,062	14,086	14,837	14,811	15,515	15,579	16,300	16,382	16,466
EXPENSES										
Employee Benefits & Costs	6,445	6,618	6,779	6,944	7,112	7,254	7,399	7,547	7,697	7,851
Borrowing Costs	159	154	148	143	136	129	123	116	108	101
Materials & Contracts	4,201	3,989	4,127	4,271	4,419	4,507	4,597	4,689	4,783	4,879
Depreciation	4,037	4,118	4,201	4,285	4,372	4,459	4,548	4,639	4,732	4,827
Other Expenses	225	229	235	241	248	253	258	263	268	273
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Joint Ventures Loss	0	0	0	0	0	0	0	0	0	0
Total Expenses	15,067	15,108	15,490	15,884	16,287	16,602	16,925	17,254	17,588	17,931
Operating Result - Surplus / (Deficit)	861	(1,046)	(1,404)	(1,047)	(1,476)	(1,087)	(1,346)	(954)	(1,206)	(1,465)
Op Result less Capital Grants	861	(1,046)	(1,404)	(1,047)	(1,476)	(1,087)	(1,346)	(954)	(1,206)	(1,465)
Rate Pegging Limit	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Annual Garbage Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water Annual Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Water User Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewerage Annual Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Sewerage User Charge Increase	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Investment Interest Rates	0.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Inflation Percentages Used	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Loan Borrowing Interest Rates	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

The above Income Statement is consistent with the normal ongoing operations of Warren Shire Council, it provides for existing levels of service in all operations of Council.

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

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2021/22 TO 2030/31

Inflated \$'000s

	Estimate 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	6,418	6,580	6,729	6,934	7,147	7,364	7,588	7,823	8,063	8,361
User Charges & Fees	2,336	1,025	1,056	1,089	1,123	1,152	1,183	1,215	1,248	1,444
Interest Earned	34	39	111	104	105	104	104	95	91	83
Grants	8,292	6,194	5,910	6,424	6,144	6,597	6,399	6,857	6,664	6,467
Other Revenues	268	274	280	286	292	298	304	310	316	322
Receipts from Operations	17,348	14,112	14,086	14,837	14,811	15,515	15,578	16,300	16,382	16,677
Payments										
Employee Benefits & Costs	6,443	6,676	6,778	6,966	7,111	7,254	7,399	7,546	7,697	7,851
Materials & Contracts	4,201	3,989	4,127	4,271	4,419	4,507	4,597	4,689	4,783	4,879
Borrowing Costs	159	154	148	143	136	129	123	116	108	101
Other Expenses	225	229	235	241	248	253	258	263	268	273
Payments from Operations	11,028	11,048	11,288	11,621	11,914	12,143	12,377	12,614	12,856	13,104
Net Cash from Operations	6,320	3,064	2,798	3,216	2,897	3,372	3,201	3,686	3,526	3,573
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	363	370	377	385	393	401	409	417	425	434
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	363	370	377	385	393	401	409	417	425	434
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	4,111	2,079	2,115	2,151	2,797	2,852	2,908	2,966	3,024	3,013
Infrastructure - Water Supply Fund	0	82	118	154	196	155	259	149	269	60
Infrastructure - Sewerage Services Fund	200	0	0	0	0	263	262	267	272	87
Plant, Property & Equipment	1,013	1,033	1,054	1,075	1,096	1,118	1,141	1,164	1,187	1,211
Other Assets	41	23	49	30	56	32	32	58	59	60
Payments from Capital Activity	5,365	3,217	3,336	3,410	4,145	4,420	4,602	4,604	4,811	4,431
Net Cash from Capital Activity	(5,002)	(2,847)	(2,959)	(3,025)	(3,752)	(4,019)	(4,193)	(4,187)	(4,386)	(3,997)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	0	0	0	0	0	0	0	0	0	0
Payments										
Repayment of Loans	134	139	144	150	156	162	170	176	183	189
Payments from Finance Activity	134	139	144	150	156	162	170	176	183	189
Net Cash from Financing	(134)	(139)	(144)	(150)	(156)	(162)	(170)	(176)	(183)	(189)
NET CHANGE CASH & INVESTMENTS	1,184	78	(305)	41	(1,011)	(809)	(1,162)	(677)	(1,043)	(613)
Current Year Cash	1,184	78	(305)	41	(1,011)	(809)	(1,162)	(677)	(1,043)	(613)
Cash at Start of Year	11,730	12,914	12,992	12,688	12,729	11,718	10,909	9,748	9,071	8,028
Cash at End of Year	12,914	12,992	12,688	12,729	11,718	10,909	9,748	9,071	8,028	7,415

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2021/22 to 2030/31

Inflated \$'000s

	Estimate									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ASSETS										
Cash and Investments	12,914	12,992	12,688	12,729	11,718	10,909	9,748	9,071	8,028	7,415
Receivables - Rates & Charges	210	160	160	160	160	160	161	161	161	112
Receivables - Other	460	460	460	460	460	460	460	460	460	298
Inventories	800	800	800	800	800	800	800	800	800	630
Other	20	20	20	20	20	20	20	20	20	105
Infrastructure, Property, Plant & Equipment	187,292	186,076	184,889	183,684	183,119	182,734	182,434	182,037	181,746	180,971
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	201,696	200,508	199,017	197,853	196,277	195,083	193,623	192,549	191,215	189,531
LIABILITIES										
Creditors	1,209	1,144	1,079	1,014	949	884	819	754	689	624
Borrowings	3,866	3,727	3,583	3,433	3,277	3,115	2,945	2,769	2,586	1,946
Provisions	1,501	1,563	1,565	1,568	1,569	1,570	1,570	1,571	1,572	1,572
Total Liabilities	6,576	6,434	6,227	6,015	5,795	5,569	5,334	5,094	4,847	4,142
Net Assets	195,120	194,074	192,790	191,838	190,482	189,514	188,289	187,455	186,368	185,389
EQUITY										
Accumulated Surplus	108,868	107,767	106,428	105,421	104,010	102,987	101,707	100,818	99,676	98,642
Asset Revaluation Reserve	86,252	86,307	86,362	86,417	86,472	86,527	86,582	86,637	86,692	86,747
Total Equity	195,120	194,074	192,790	191,838	190,482	189,514	188,289	187,455	186,368	185,389

Note : Cash & Investments is comprised of :

General Fund Cash & Investments	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,000	2,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	100
Water Supply	715	728	733	726	709	768	764	911	980	1,333
Sewerage Services	2,122	2,070	2,037	1,999	2,006	1,773	1,566	1,385	1,226	1,284
Domestic Waste Management	150	135	135	110	110	110	110	110	110	110
Internal Restrictions	6,427	7,059	8,282	8,394	7,393	6,758	5,807	5,165	4,212	4,088
Cash and Investments	12,914	12,992	12,688	12,729	11,718	10,909	9,748	9,071	8,028	7,415

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2021/22 to 2030/31

Inflated \$'000s

	Estimate 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
REVENUES										
Rates & Annual Charges	6,338	6,846	7,395	7,987	8,628	9,318	10,064	10,870	11,740	12,679
User Charges & Fees	996	1,079	1,171	1,272	1,379	1,489	1,609	1,738	1,877	2,027
Other Revenues	268	269	270	270	270	270	270	270	270	270
Operating Grants & Contributions	8,292	6,028	5,620	6,016	5,608	5,938	5,608	5,938	5,608	5,278
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	34	543	594	606	701	781	981	1,151	1,394	1,674
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Joint Ventures Gain	0	0	0	0	0	0	0	0	0	0
Total Revenues	15,928	14,765	15,050	16,151	16,586	17,796	18,532	19,967	20,889	21,928
EXPENSES										
Employee Benefits & Costs	6,445	6,490	6,519	6,548	6,577	6,577	6,577	6,577	6,577	6,577
Borrowing Costs	159	154	148	143	136	129	123	116	108	101
Materials & Contracts	4,201	3,904	3,962	4,024	4,087	4,087	4,087	4,087	4,087	4,087
Depreciation	4,037	4,037	4,037	4,037	4,038	4,038	4,038	4,038	4,038	4,038
Other Expenses	225	225	227	228	230	230	230	230	230	230
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Joint Ventures Loss	0	0	0	0	0	0	0	0	0	0
Total Expenses	15,067	14,810	14,893	14,980	15,068	15,061	15,055	15,048	15,040	15,033
Operating Result - Surplus / (Deficit)	861	(45)	157	1,171	1,518	2,735	3,477	4,919	5,849	6,895
Op Result less Capital Grants	861	(45)	157	1,171	1,518	2,735	3,477	4,919	5,849	6,895
Rate Pegging Limit	2.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Annual Garbage Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water Annual Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Water User Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Sewerage Annual Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Sewerage User Charge Increase	5.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Investment Interest Rates	0.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Inflation Percentages Used	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Borrowing Interest Rates	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

The above income statement 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.

Investment interest of 5% and inflation of 0% 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 - 2021/22 TO 2030/31

Inflated \$'000s

	Estimate 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	6,418	6,896	7,395	7,987	8,628	9,318	10,063	10,870	11,740	12,728
User Charges & Fees	2,336	1,079	1,171	1,272	1,379	1,489	1,609	1,738	1,877	2,189
Interest Earned	34	543	594	606	701	781	981	1,151	1,394	1,674
Grants	8,292	6,028	5,620	6,016	5,608	5,938	5,608	5,938	5,608	5,278
Other Revenues	268	269	270	270	270	270	270	270	270	270
Receipts from Operations	17,348	14,815	15,050	16,151	16,586	17,796	18,531	19,967	20,889	22,139
Payments										
Employee Benefits & Costs	6,443	6,548	6,518	6,570	6,576	6,577	6,577	6,576	6,577	6,577
Materials & Contracts	4,201	3,904	3,962	4,024	4,087	4,087	4,087	4,087	4,087	4,087
Borrowing Costs	159	154	148	143	136	129	123	116	108	101
Other Expenses	225	225	227	228	230	230	230	230	230	230
Payments from Operations	11,028	10,831	10,855	10,965	11,029	11,023	11,017	11,009	11,002	10,995
Net Cash from Operations	6,320	3,984	4,195	5,186	5,557	6,773	7,514	8,958	9,887	11,144
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	363	363	363	363	363	363	363	363	363	363
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	363	363	363	363	363	363	363	363	363	363
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	4,111	2,079	2,114	2,151	2,797	2,797	2,797	2,797	2,797	2,729
Infrastructure - Water Supply Fund	0	80	113	145	181	140	230	130	230	50
Infrastructure - Sewerage Services Fund	200	0	0	0	0	239	232	232	232	72
Plant, Property & Equipment	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013
Other Assets	41	23	48	28	53	28	28	53	53	53
Payments from Capital Activity	5,365	3,195	3,288	3,337	4,044	4,217	4,300	4,225	4,325	3,917
Net Cash from Capital Activity	(5,002)	(2,832)	(2,925)	(2,974)	(3,681)	(3,854)	(3,937)	(3,862)	(3,962)	(3,554)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	0	0	0	0	0	0	0	0	0	0
Payments										
Repayment of Loans	134	139	144	150	156	162	170	176	183	189
Payments from Finance Activity	134	139	144	150	156	162	170	176	183	189
Net Cash from Financing	(134)	(139)	(144)	(150)	(156)	(162)	(170)	(176)	(183)	(189)
NET CHANGE CASH & INVESTMENTS	1,184	1,013	1,126	2,062	1,720	2,757	3,407	4,920	5,742	7,401
Current Year Cash	1,184	1,013	1,126	2,062	1,720	2,757	3,407	4,920	5,742	7,401
Cash at Start of Year	11,730	12,914	13,927	15,054	17,116	18,836	21,593	25,000	29,921	35,663
Cash at End of Year	12,914	13,927	15,054	17,116	18,836	21,593	25,000	29,921	35,663	43,064

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2021/22 to 2030/31

Inflated \$'000s

	Estimate									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<u>ASSETS</u>										
Cash and Investments	12,914	13,927	15,054	17,116	18,836	21,593	25,000	29,921	35,663	43,064
Receivables - Rates & Charges	210	160	160	160	160	160	161	161	161	112
Receivables - Other	460	460	460	460	460	460	460	460	460	298
Inventories	800	800	800	800	800	800	800	800	800	630
Other	20	20	20	20	20	20	20	20	20	105
Infrastructure, Property, Plant & Equipment	187,292	186,142	185,085	184,077	183,775	183,646	183,600	183,479	183,458	183,029
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	201,696	201,509	201,579	202,633	204,051	206,679	210,041	214,841	220,562	227,238
<u>LIABILITIES</u>										
Creditors	1,209	1,144	1,079	1,014	949	884	819	754	689	624
Borrowings	3,866	3,727	3,583	3,433	3,277	3,115	2,945	2,769	2,586	1,946
Provisions	1,501	1,563	1,565	1,568	1,569	1,570	1,570	1,571	1,572	1,572
Total Liabilities	6,576	6,434	6,227	6,015	5,795	5,569	5,334	5,094	4,847	4,142
Net Assets	195,120	195,075	195,352	196,618	198,256	201,110	204,707	209,747	215,715	223,096
<u>EQUITY</u>										
Accumulated Surplus	108,868	108,768	108,990	110,201	111,784	114,583	118,125	123,110	129,023	136,349
Asset Revaluation Reserve	86,252	86,307	86,362	86,417	86,472	86,527	86,582	86,637	86,692	86,747
Total Equity	195,120	195,075	195,352	196,618	198,256	201,110	204,707	209,747	215,715	223,096
<u>Note : Cash & Investments is comprised of :</u>										
General Fund Cash & Investment	500	500	500	500	500	500	500	500	500	500
External Restrictions	3,000	2,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	100
Water Supply	715	796	917	1,043	1,215	1,517	1,897	2,500	3,146	4,155
Sewerage Services	2,122	2,095	2,115	2,160	2,282	2,223	2,235	2,320	2,479	2,880
Domestic Waste Management	150	135	135	110	110	110	110	110	110	110
Internal Restrictions	6,427	7,901	10,386	12,303	13,729	16,243	19,258	23,490	28,428	35,319
Cash and Investments	12,914	13,927	15,054	17,116	18,836	21,593	25,000	29,921	35,663	43,064

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Income Statement - 2021/22 to 2030/31

Inflated \$'000s

	Estimate 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
REVENUES										
Rates & Annual Charges	6,338	6,404	6,470	6,535	6,602	6,668	6,734	6,801	6,868	6,936
User Charges & Fees	996	1,009	1,024	1,040	1,056	1,066	1,076	1,086	1,097	1,108
Other Revenues	268	282	297	312	328	344	361	379	398	418
Operating Grants & Contributions	8,292	6,443	6,357	7,071	7,017	7,698	7,753	8,471	8,565	8,663
Capital Grants & Contributions	0	0	0	0	0	0	0	0	0	0
Interest	34	32	10	13	13	14	12	13	14	15
Gain on Disposal of Assets	0	0	0	0	0	0	0	0	0	0
Joint Ventures Gain	0	0	0	0	0	0	0	0	0	0
Total Revenues	15,928	14,170	14,158	14,971	15,016	15,790	15,936	16,750	16,942	17,140
EXPENSES										
Employee Benefits & Costs	6,445	6,813	7,183	7,570	7,977	8,376	8,796	9,236	9,698	10,183
Borrowing Costs	159	154	148	143	136	129	123	116	108	101
Materials & Contracts	4,201	4,114	4,378	4,660	4,956	5,204	5,464	5,737	6,024	6,325
Depreciation	4,037	4,238	4,450	4,672	4,907	5,153	5,410	5,680	5,964	6,262
Other Expenses	225	236	249	262	277	290	304	319	334	350
Loss on Asset Disposal	0	0	0	0	0	0	0	0	0	0
Joint Ventures Loss	0	0	0	0	0	0	0	0	0	0
Total Expenses	15,067	15,555	16,408	17,307	18,253	19,152	20,097	21,088	22,128	23,221
Operating Result - Surplus / (Deficit)	861	(1,385)	(2,250)	(2,336)	(3,237)	(3,362)	(4,161)	(4,338)	(5,186)	(6,081)
Op Result less Capital Grants	861	(1,385)	(2,250)	(2,336)	(3,237)	(3,362)	(4,161)	(4,338)	(5,186)	(6,081)
Rate Pegging Limit	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual Garbage Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Water Annual Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Water User Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sewerage Annual Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Sewerage User Charge Increase	5.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Investment Interest Rates	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inflation Percentages Used	1.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Loan Borrowing Interest Rates	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

The above conservative income statement with increases in rates and annual charges of 1% and inflation at 5% for the term of the plan shows that Council would be operating in deficits each year which is not sustainable and would have no cash by the year ending 2028/29. The only way Council could survive under this scenario would be dramatically cut staff and therefore levels of service in all operations of Council.

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

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Cash Flows - 2021/22 TO 2030/31

Inflated \$'000s

	Estimate 2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts										
Rates & Annual Charges	6,418	6,454	6,470	6,535	6,602	6,668	6,733	6,801	6,868	6,985
User Charges & Fees	2,336	1,009	1,024	1,040	1,056	1,066	1,076	1,086	1,097	1,270
Interest Earned	34	32	10	13	13	14	12	13	14	15
Grants	8,292	6,443	6,357	7,071	7,017	7,698	7,753	8,471	8,565	8,663
Other Revenues	268	282	297	312	328	344	361	379	398	418
Receipts from Operations	17,348	14,220	14,158	14,971	15,016	15,790	15,935	16,750	16,942	17,351
Payments										
Employee Benefits & Costs	6,443	6,871	7,182	7,592	7,976	8,376	8,796	9,235	9,698	10,183
Materials & Contracts	4,201	4,114	4,378	4,660	4,956	5,204	5,464	5,737	6,024	6,325
Borrowing Costs	159	154	148	143	136	129	123	116	108	101
Other Expenses	225	236	249	262	277	290	304	319	334	350
Payments from Operations	11,028	11,375	11,957	12,657	13,345	13,999	14,687	15,407	16,164	16,959
Net Cash from Operations	6,320	2,845	2,201	2,314	1,671	1,791	1,248	1,343	778	392
CASH FLOWS FROM CAPITAL ACTIVITIES										
Receipts										
Sale of Assets	363	381	400	420	441	463	486	510	536	563
Receipts from Deferred Debtors	0	0	0	0	0	0	0	0	0	0
Receipts from Capital Activity	363	381	400	420	441	463	486	510	536	563
Payments										
Acquisition/Renewal of Fixed Assets										
Infrastructure - General Fund	4,111	2,079	2,115	2,152	2,799	2,936	3,080	3,232	3,391	3,483
Infrastructure - Water Supply Fund	0	84	125	168	220	179	308	183	340	78
Infrastructure - Sewerage Services Fund	200	0	0	0	0	305	311	327	343	112
Plant, Property & Equipment	1,013	1,064	1,117	1,173	1,231	1,293	1,357	1,425	1,497	1,571
Other Assets	41	24	50	33	60	37	39	66	70	73
Payments from Capital Activity	5,365	3,251	3,407	3,526	4,310	4,750	5,095	5,233	5,641	5,317
Net Cash from Capital Activity	(5,002)	(2,870)	(3,007)	(3,106)	(3,869)	(4,287)	(4,609)	(4,723)	(5,105)	(4,754)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Total Loans Required	0	0	0	0	0	0	0	0	0	0
Receipts from Finance Activity	0	0	0	0	0	0	0	0	0	0
Payments										
Repayment of Loans	134	139	144	150	156	162	170	176	183	189
Payments from Finance Activity	134	139	144	150	156	162	170	176	183	189
Net Cash from Financing	(134)	(139)	(144)	(150)	(156)	(162)	(170)	(176)	(183)	(189)
NET CHANGE CASH & INVESTMENTS	1,184	(164)	(950)	(942)	(2,354)	(2,658)	(3,531)	(3,556)	(4,510)	(4,551)
Current Year Cash	1,184	(164)	(950)	(942)	(2,354)	(2,658)	(3,531)	(3,556)	(4,510)	(4,551)
Cash at Start of Year	11,730	12,914	12,750	11,801	10,859	8,505	5,847	2,317	(1,239)	(5,749)
Cash at End of Year	12,914	12,750	11,801	10,859	8,505	5,847	2,317	(1,239)	(5,749)	(10,299)

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

WARREN SHIRE COUNCIL - LONG TERM FINANCIAL PLAN

Consolidated (All Funds)

Statement of Financial Position - 2021/22 to 2030/31

Inflated \$'000s

	Estimate									
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ASSETS										
Cash and Investments	12,914	12,750	11,801	10,859	8,505	5,847	2,317	(1,239)	(5,749)	(10,299)
Receivables - Rates & Charges	210	160	160	160	160	160	161	161	161	112
Receivables - Other	460	460	460	460	460	460	460	460	460	298
Inventories	800	800	800	800	800	800	800	800	800	630
Other	20	20	20	20	20	20	20	20	20	105
Infrastructure, Property, Plant & Equipment	187,292	185,979	184,591	183,080	182,097	181,286	180,540	179,638	178,834	177,381
Joint Ventures	0	0	0	0	0	0	0	0	0	0
Total Assets	201,696	200,169	197,832	195,379	192,042	188,573	184,298	179,840	174,526	168,227
LIABILITIES										
Creditors	1,209	1,144	1,079	1,014	949	884	819	754	689	624
Borrowings	3,866	3,727	3,583	3,433	3,277	3,115	2,945	2,769	2,586	1,946
Provisions	1,501	1,563	1,565	1,568	1,569	1,570	1,570	1,571	1,572	1,572
Total Liabilities	6,576	6,434	6,227	6,015	5,795	5,569	5,334	5,094	4,847	4,142
Net Assets	195,120	193,735	191,605	189,364	186,247	183,004	178,964	174,746	169,679	164,085
EQUITY										
Accumulated Surplus	108,868	107,428	105,243	102,947	99,775	96,477	92,382	88,109	82,987	77,338
Asset Revaluation Reserve	86,252	86,307	86,362	86,417	86,472	86,527	86,582	86,637	86,692	86,747
Total Equity	195,120	193,735	191,605	189,364	186,247	183,004	178,964	174,746	169,679	164,085
Note : Cash & Investments is comprised of :										
General Fund Cash & Investments	500	500	500	500	500	500	500	(1,479)	(4,857)	(7,832)
External Restrictions	3,000	2,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	100
Water Supply	715	664	544	352	76	(194)	(633)	(987)	(1,537)	(1,837)
Sewerage Services	2,122	2,035	1,930	1,780	1,633	1,159	656	117	(465)	(841)
Domestic Waste Management	150	135	135	110	110	110	110	110	110	110
Internal Restrictions	6,427	6,916	7,691	7,117	5,186	3,272	684	0	0	0
Cash and Investments	12,914	12,750	11,801	10,859	8,505	5,847	2,317	(1,239)	(5,749)	(10,299)

As can be seen in the above conservative balance sheet forecast the Council would be in overdraft by the end of the 2028/29 financial year.

FINANCIAL INDICATORS

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

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

Local Government Benchmark:

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

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

FFTF Benchmark:

Greater than 0% and Less than 20%

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

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

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

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

FFTF Benchmark is 100% or greater.

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

Operating Performance Ratio (General Fund) – this ratio measures Councils ability to generate continuing income to meet its continuous expenses each year.

FFTF Benchmark is break even or better.

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

FINANCIAL INDICATORS – SCENARIO 1 – (Planned Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate										FFTF
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	7,893	8,460	9,683	9,770	8,769	8,134	7,184	6,542	5,589	5,084	
Current Liabilities	2,170	2,123	2,055	1,985	1,912	1,838	1,760	1,681	1,600	1,367	
Ratio to 1	3.64	3.98	4.71	4.92	4.59	4.43	4.08	3.89	3.49	3.72	>1.5x
Debt Service Ratio											
Debt Service Cost	293	293	292	293	292	291	293	292	291	290	
Income from Continuing Operations less Specific Purpose Grants	10,387	10,619	10,927	11,164	11,418	11,669	11,931	12,194	12,469	12,750	
Percentage	2.82%	2.76%	2.67%	2.62%	2.56%	2.49%	2.46%	2.39%	2.33%	2.27%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	6,338	6,530	6,729	6,934	7,147	7,364	7,589	7,823	8,063	8,312	
Income from Continuing Operations	15,928	14,062	14,086	14,837	14,811	15,515	15,579	16,300	16,382	16,466	
Percentage	39.79%	46.44%	47.77%	46.73%	48.25%	47.46%	48.71%	47.99%	49.22%	50.48%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	210	160	160	160	160	160	161	161	161	112	
Collectable Rates & Annual Charges	6,418	6,580	6,729	6,934	7,147	7,364	7,588	7,823	8,063	8,361	
Percentage	3.27%	2.43%	2.38%	2.31%	2.24%	2.17%	2.12%	2.06%	2.00%	1.34%	<10%
Asset Renewal Ratio											
Asset Renewals	4,311	2,161	2,233	2,305	2,993	3,270	3,429	3,382	3,565	3,160	
Depreciation	3,137	3,218	3,301	3,385	3,472	3,559	3,648	3,739	3,832	3,927	
Percentage	137.42%	67.15%	67.65%	68.09%	86.20%	91.88%	94.00%	90.45%	93.03%	80.47%	>=100%

FINANCIAL INDICATORS – SCENARIO 2 – (Optimistic Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate										FFTF
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	7,893	9,302	11,787	13,679	15,105	17,619	20,635	24,867	29,805	36,315	
Current Liabilities	2,170	2,123	2,055	1,985	1,912	1,838	1,760	1,681	1,600	1,367	
Ratio to 1	3.64	4.38	5.74	6.89	7.90	9.59	11.72	14.79	18.63	26.57	>1.5x
Debt Service Ratio											
Debt Service Cost	293	293	292	293	292	291	293	292	291	290	
Income from Continuing Operations less Specific Purpose Grants	10,387	11,488	12,181	12,886	13,729	14,609	15,675	16,780	18,032	19,401	
Percentage	2.82%	2.55%	2.40%	2.27%	2.13%	1.99%	1.87%	1.74%	1.61%	1.49%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	6,338	6,846	7,395	7,987	8,628	9,318	10,064	10,870	11,740	12,679	
Income from Continuing Operations	15,928	14,765	15,050	16,151	16,586	17,796	18,532	19,967	20,889	21,928	
Percentage	39.79%	46.37%	49.14%	49.45%	52.02%	52.36%	54.31%	54.44%	56.20%	57.82%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	210	160	160	160	160	160	161	161	161	112	
Collectable Rates & Annual Charges	6,418	6,896	7,395	7,987	8,628	9,318	10,063	10,870	11,740	12,728	
Percentage	3.27%	2.32%	2.16%	2.00%	1.85%	1.72%	1.60%	1.48%	1.37%	0.88%	<10%
Asset Renewal Ratio											
Asset Renewals	4,311	2,159	2,227	2,296	2,978	3,176	3,259	3,159	3,259	2,851	
Depreciation	3,137	3,137	3,137	3,137	3,138	3,138	3,138	3,138	3,138	3,138	
Percentage	137.42%	68.82%	70.99%	73.19%	94.90%	101.21%	103.86%	100.67%	103.86%	90.85%	>=100%

FINANCIAL INDICATORS – SCENARIO 3 – (Conservative Forecast)

Warren Shire Council - (Consolidated Funds) - Financial Indicators

	Estimate										FFTF
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Benchmarks
Unrestricted Current Ratio											
Current Assets less External Restrictions	7,893	8,317	9,092	8,493	6,562	4,648	2,061	(602)	(3,980)	(7,336)	
Current Liabilities	2,170	2,123	2,055	1,985	1,912	1,838	1,760	1,681	1,600	1,367	
Ratio to 1	3.64	3.92	4.42	4.28	3.43	2.53	1.17	(0.36)	(2.49)	(5.37)	>1.5x
Debt Service Ratio											
Debt Service Cost	293	293	292	293	292	291	293	292	291	290	
Income from Continuing Operations less Specific Purpose Grants	10,387	10,478	10,552	10,651	10,750	10,843	10,934	11,030	11,128	11,228	
Percentage	2.82%	2.80%	2.77%	2.75%	2.72%	2.68%	2.68%	2.65%	2.61%	2.58%	>0% & <20%
Rates & Annual Charges Coverage Ratio											
Rates & Annual Charges	6,338	6,404	6,470	6,535	6,602	6,668	6,734	6,801	6,868	6,936	
Income from Continuing Operations	15,928	14,170	14,158	14,971	15,016	15,790	15,936	16,750	16,942	17,140	
Percentage	39.79%	45.19%	45.70%	43.65%	43.97%	42.23%	42.26%	40.60%	40.54%	40.47%	
Rates & Annual Charges Outstanding Percentage											
Outstanding Rates & Annual Charges	210	160	160	160	160	160	161	161	161	112	
Collectable Rates & Annual Charges	6,418	6,454	6,470	6,535	6,602	6,668	6,733	6,801	6,868	6,985	
Percentage	3.27%	2.48%	2.47%	2.45%	2.42%	2.40%	2.39%	2.37%	2.34%	1.60%	<10%
Asset Renewal Ratio											
Asset Renewals	4,311	2,163	2,240	2,320	3,019	3,420	3,699	3,742	4,074	3,673	
Depreciation	3,137	3,338	3,550	3,772	4,007	4,253	4,510	4,780	5,064	5,362	
Percentage	137.42%	64.80%	63.10%	61.51%	75.34%	80.41%	82.02%	78.28%	80.45%	68.50%	>=100%