

Shire of Kojonup Long Term Financial Plan

2015 – 2030



Status

Adopted 19 May 2015

Shire of Kojonup

If you seek further information or have any questions relating to this Plan please contact:

The Shire of Kojonup
PO Box 163
KOJONUP WA 6395
Ph: 08 9831 2400
Fax: 08 9831 1566
Email: council@kojonup.wa.gov.au
www.kojonup.wa.gov.au



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Shire President

I am very pleased to present to the Community the Shire of Kojonup Long Term Financial Plan for the period 2015-2030.



The plan is part of the Shire's ongoing commitment to an integrated approach to respecting the past and planning and promoting today and for tomorrow. It provides the Council and the Community with a picture of the Shire's long term financial circumstances and assists us to meet our strategic objectives and outcomes.

The Shire will encounter many challenges and opportunities over the next 15 years. Changes in population levels and demographics bring with them changing community needs and expectations. The Council will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

The Council welcomes community participation as we plan for a promising future for our District. I invite members of the Community to contact the Shire staff or a Councillor if they have any questions.

Regards

Ronnie Fleay
Shire President

Chief Executive Officer

The Shire of Kojonup's Long Term Financial Plan is an important financial tool as we strive to achieve the strategies set out in the Shire's Strategic Community Plan.



The plan will be used with our Corporate Business Plan, Asset Management Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of 'Prosperity and happiness through opportunity and commitment, in a safe and well governed community'.

The Shire has recently devoted significant resources into improving its strategic planning in line with the State reform agenda for Local Government. We have also investigated ways to improve services to the Community by resource sharing and collaboration with neighbouring local governments. This work continues as we constantly seek to improve our systems and service delivery.

The staff have worked closely with the Council to prepare this plan and to highlight the financial issues that will require decisions in the future. I thank the staff for their effort in producing this comprehensive document.

Best Wishes

Rick Mitchell-Collins
Chief Executive Officer

Planning for a Sustainable Future

The Shire of Kojonup is planning for a positive and sustainable future. The Shire seeks to maintain, and where possible, improve service levels into the future while maintaining a healthy financial position.

Assumptions

The plan has been prepared based on the following broad assumptions:

- The Shire population is forecast to remain stable;
- The Shire will maintain its current service levels, where financially prudent the Shire will seek to increase service levels;
- The level of grants and contributions for capital projects is forecast to decrease over the term of the plan; and
- The Local and State economy will remain stable.

Assets are expected to be adequately maintained and continue to provide existing levels of service.

Financial Summary

Operations

The plan predicts a positive net result from operations for the term of the plan.

Rates

Annual rates have been based on an increase of 2% above inflation to allow for an increased level of services in the first five years of the plan and then reduced to the inflation rate of 3% for the remaining years of the plan.

Grants

Grants and contributions for operations are expected to be \$2.56m in year one and thereafter increase by 3% per annum. Capital Grants and contributions are forecast to be \$0.96m in year one and are expected to increase to \$1.27m in year three for the upgrade at the Sports Centre carpark and synthetic court, and decrease for the remainder of the plan.

Financing

Cash backed reserves are forecast to increase from \$2.46m to \$7.58m over the 15 years while borrowings will reduce from \$370,000 to \$40,000 by June 2030. This will place the Shire in a strong financial position.

Strategic Financial Issues

The Shire has responsibility for the maintenance of a large asset base including a significant road network. To assist with this task, the Shire receives external grants from the Federal and State Government. Without this external source of revenue the Shire would face the prospect of requiring a substantial rate increase to maintain its current service levels.

Major Projects

Capital works are based on the Shire's asset management planning. Capital expenditure is reliant on the receipt of funding and is expected to continue to maintain current service levels.

Significant building projects within the plan are Kodja Place, Staff Housing, Memorial/Lesser Hall as well as work on the Sports Centre and funding for general building renewals.

Planning Framework

This Long Term Financial Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Development of the plan has also been influenced by the Department of Local Government and Communities Framework and Guidelines for Long Term Financial Planning.

Community

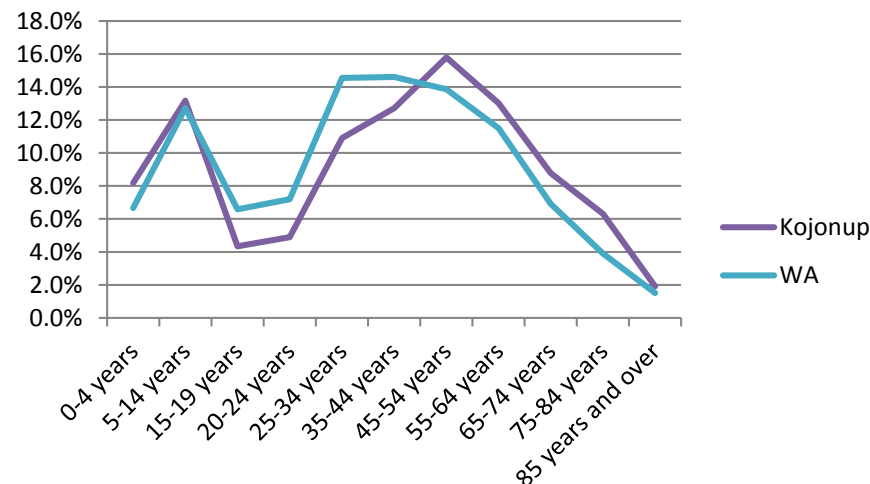
The Shire of Kojonup covers an area of 2,937 sq km in the Great Southern Region of Western Australia. Located on Highway 30, the direct route that runs South East from Perth to Albany, Kojonup is a junction town at the very heart of the rich southern corner of Western Australia.

Compared to the State population average, the Shire has a lower proportion of people aged 15-45 but a higher percentage of people aged over 45. A tourism ‘must see’ is Kodja Place, unique in the Great Southern Region. Kodja Place tells the inside story of Australian country life in ways that will move and delight visitors.

Key Statistics: Shire of Kojonup 2014

Number of Elected Members	8
Number of Staff	53
Annual revenue ¹	\$8,339,965
Rates revenue ¹	\$3,297,416
Number of Electors ²	1,343
Number of Dwellings	820
Distance from Perth (km)	255
Area (sq. km)	2,937
Population (Est.) ³	1,982

Graph 1 Shire of Kojonup Resident Population by Age Group



1 WALGA – WA Local Government Directory 2015
2 West Australian Electoral Commission, 2015

3 Australian Bureau of Statistics, 2011 Census Data (LGA54550), 2012

Linkage With Other Plans

The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed in response to the Department of Local Government and Communities Integrated Planning and Reporting Framework.

This plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Community Strategic Plan. The plan links to other Strategic documents as set out below.

Strategic Community Plan

The Council's current Strategic Community Plan was adopted by Council at its March 2013 meeting.

The Strategic Community Plan has been prepared to cover at least the next 10 years and sets out the community's vision, aspirations and values. To achieve this vision a series of outcomes and strategies were developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective as represented in the diagram to follow.

Strategic Community Plan structure



The individual strategies all require actions that may require additional human and physical resources. In addition, achieving these strategies may require a series of actions over time as they may not be able to be achieved concurrently taking into account limited financial resources.

To achieve the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four years basis.

Corporate Business Plan

The Corporate Business Plan contains details of the actions and resources (human and financial) to achieve each strategy. It is a four year plan which acts as an organisational guide to the Council and management.

The financial capacity to undertake these tasks is evidenced in the Long Term Financial Plan for the period. This long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next four years and highlights the long term consequences of the application of human and financial resource to undertaking various projects.

Asset Management Planning

The Shire of Kojonup has a formal asset management plan covering Infrastructure, Drainage, Buildings and Parks and Reserves.

The plan was developed to ensure compliance with the Asset Management Framework and Guidelines for Western Australian Local Governments.

Recommendations within the Asset Management Plan would generally influence the Shire's Capital Works Plan which in turn is used as a basis for forecasting future capital expenditure within the Long Term Financial Plan.

Scenario Modelling

Scenarios were developed to test the financial impact of various capital spend options for the renewal of facilities within the district in the first two years of the Plan. Scenario modeling was undertaken to consider the estimated surplus arising from the lower levels of capital expenditure and lower levels of service.

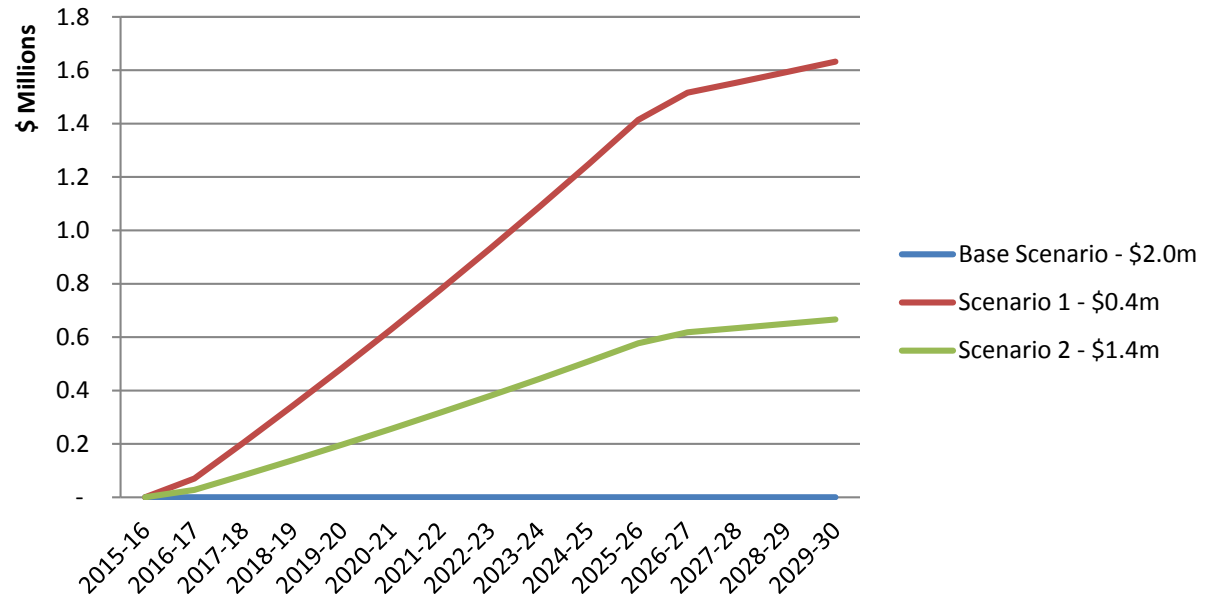
To ascertain the impact, levels of capital expenditure and associated borrowings were reduced for two alternative capital renewal options. All other assumptions remained the same across the three scenarios.

Over the 15 years of the Plan the variation in estimated Surplus/Deficit carried forward as a consequence of the funding level is shown in Graph 2.

The Base Scenario was selected as the most appropriate with a building renewal of \$2.0m in the first two years and has been used for the remainder of the Plan. The Base scenario includes funding to ensure the current levels of service are maintained.

The adjacent table reflects the impact of a change in funding levels (other assumptions remaining the same).

Graph 2 Scenario Comparison – Estimated Surplus C/Fwd June 30



Estimated Surplus/Deficit June 30 Carried Forward		
Funding Level	Variance from Base Level In Year 15	Average Variance Per Annum
Scenario 1 – \$0.4m	\$1,632,364	\$963,754
Scenario 2 – \$1.4M	\$666,161	\$392,875

Risk Management

The Shire provides a diverse range of services and facilities to the general public which exposes it to risks. As part of the implementation of Integrated Planning and Reporting the Shire intends to formalise its risk based management practices to improve the management of identified risks.

The Shire has a practice of conducting a regular review of insurance levels of its assets by the Chief Executive and Managers to ensure the level is adequate to protect the Shire's assets. The Shire's insurer is LGIS.

Recent amendments to applicable Financial Management Regulations requires the investment of surplus funds (including cash reserves) to be in Term Deposits held by Authorised Deposit taking Institutions or Treasury Bonds.

The Shire seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment to ensure they are able to undertake their roles with minimal risk to the Community and the Shire.



Certainty of Assumptions

Included in the following pages is a detailed analysis of the assumptions used in the preparation of this plan and the level of risk associated with each assumption.

The impact of the assumptions on issues identified as carrying a high risk have been separately disclosed as has the sensitivity of movements in these assumptions on the financial forecasts set out in this plan.

Sensitivity Analysis

Where it has been assessed a high level of uncertainty applies to the assumption outcomes, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

Those assumptions with a high level of uncertainty and a higher dollar value present the greatest risk a movement will result in unexpected and detrimental consequences. The details of this analysis are shown adjacent to each assumption on the following pages.

Assumptions, Risk, Uncertainty and Sensitivity

Revenue – Assumptions, Risks, Uncertainties and Sensitivity.

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
District Growth in Population: The number of residents in the Shire is expected to remain stable.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase of 2% above inflation to allow for an increased level of services in the first five years of the plan and then reduced to a rate of 3% for the remaining years of the plan in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increase annually by forecast inflation.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet future service levels.	Medium	±\$477,820 to the value of operating grants and contributions per 1% movement in the value over the life of the Plan.
Non-Operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The Capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$118,914 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increased in line with forecast inflation after the first year.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

Assumptions, Risk, Uncertainty and Sensitivity

Revenue – Assumptions, Risks, Uncertainties and Sensitivity. (Continued)

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Interest Earnings: Interest earning at an average rate of 3% per annum on end of year cash balances.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increase annually by forecast inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a mis-allocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

Assumptions, Risk, Uncertainty and Sensitivity

Expenditure – Assumptions, Risks, Uncertainties and Sensitivity.

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Employee Costs: Increase annually by inflation plus the inclusion of recommendations from the Workforce Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Slight increase in year one of 1%, then an increase of 5% in year two and thereafter increase annually by inflation of 3%.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet future service levels.	Medium	Not assessed as high level of uncertainty.
Utilities: Increase annually by forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Depreciation: Depreciation has been calculated using an average depreciation rate based on historical depreciation rates.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Increase annually by forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Increase annually by forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a mis-allocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no loss on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

Assumptions, Risk, Uncertainty and Sensitivity

Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Revaluations: Increase annually by forecast inflation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$575,431 to the value of property plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,152,377 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure is in accordance with the Asset Management Plan renewal schedule and management's forecast of required asset renewal expenditure.	High	The Capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$118,913 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property Plant and Equipment: Building renewal expenditure is based on Council's forecast of required building renewals with expenditure for other asset classes in accordance with the Asset Management Plan (AMP) renewal schedule	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

Assumptions, Risk, Uncertainty and Sensitivity

Liabilities – Assumptions, Risks, Uncertainties and Sensitivity.

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Borrowings: New borrowings to be considered for capital works where required.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	± \$575,431 to the value of property plant and equipment per 1% movement in the value over the life of the Plan. ± \$1,152,377 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

Assumptions, Risk, Uncertainty and Sensitivity

Other - Assumptions, Risks, Uncertainties and Sensitivity.

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Ownership of Strategic Assets: The Shire does not intend for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and depending on the circumstance be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 3% per annum.	Medium	Not assessed as high financial risk.	High	±\$1,408,223 to operating revenue per 1% movement in the inflators over the life of the Plan. ±\$1,419,783 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as High level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry and demand for minerals, this is forecast to continue.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on agriculture, forestry and fishing. This remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

Monitoring

The plan will be subject to an annual review to take into account changing circumstances.

Monitoring of the Shire's financial rigidity and financial position is undertaken by preparing and reviewing various ratios.

Performance Assessment

A series of performance indicators in the form of financial ratios are utilised to assess the financial performance of the Shire.

To maintain comparability across the Industry these ratios and their respective target ranges have been derived from the Department of Local Government and Communities Model Long Term Financial Plan, Guideline on Financial Ratios⁴ and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's future.

Ratio Targets

The Department of Local Government and Communities Advisory Standard⁵ provides target levels for each of the ratios. These target levels are represented on the ratio graphs as a red or green line. The red line represents the level at which a 'basic standard' is met, the green line representing the level at which an 'advanced standard' is met.



⁴ Department of Local Government and Communities, Operational Guideline Number 18 – Financial Ratios, June 2013

⁵ Department of Local Government and Communities, Integrated Planning and Reporting, Advisory Standard, 2012

Monitoring and Performance

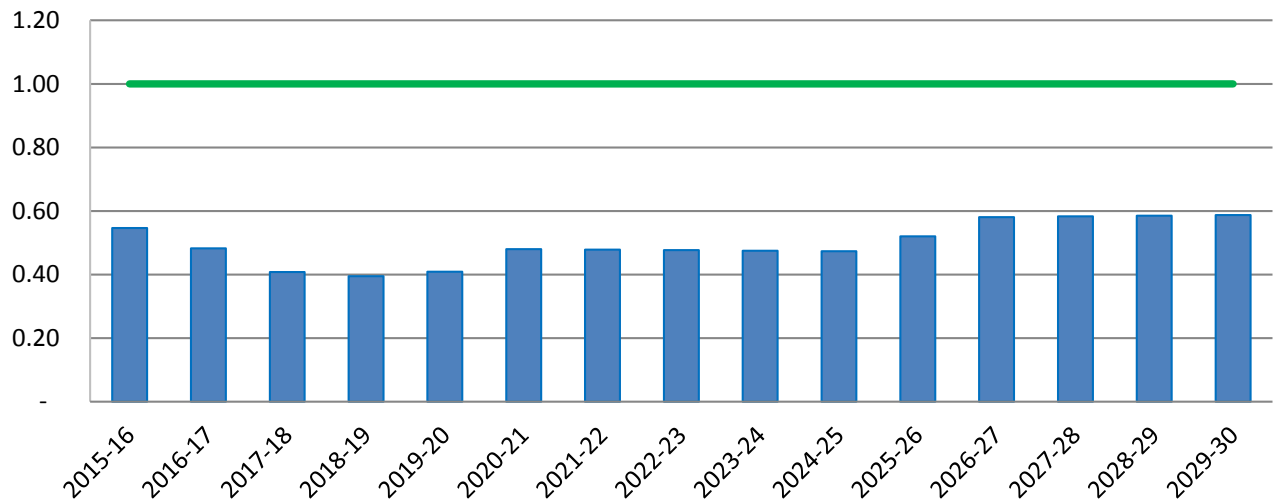
Current Ratio

$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$$

Indication: A measure of the Shire’s immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.

Commentary: As expected for a local government with a forecast balanced position the current ratio is below 1.00 and does not indicate a threat to the long term financial position of the Shire.

Graph 1 Forecast Ratio Analysis – Current Ratio



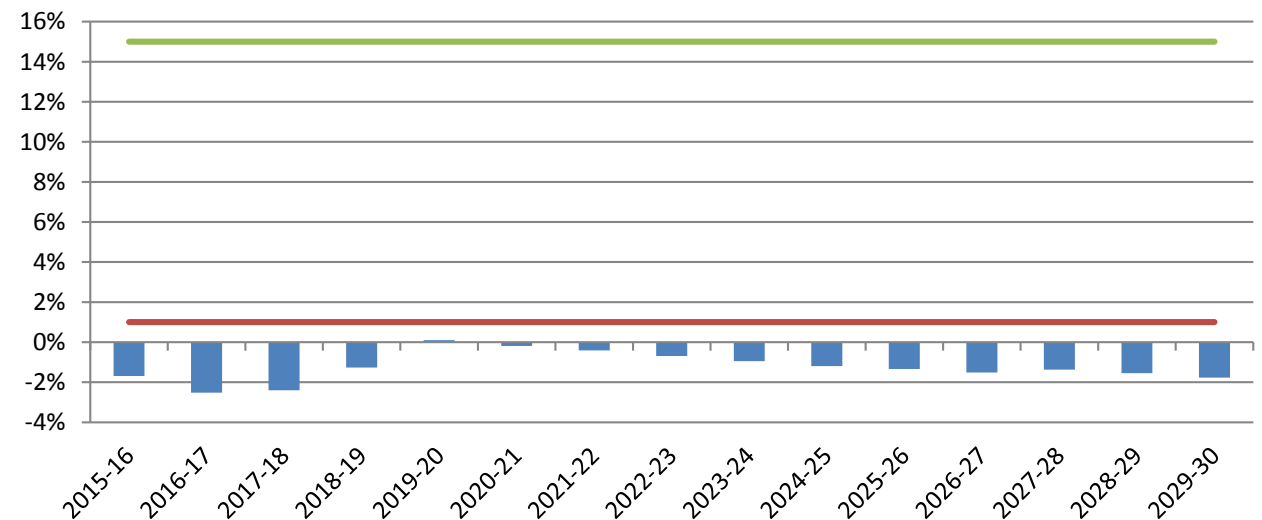
Operating Surplus Ratio

$$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$$

Indication: A measure of the extent to which own source revenues raised cover operational expenses.

Commentary: While the ratio is below the target throughout the term of the Plan, the ratio is not considered to indicate a threat to the Shire’s long term financial position but does indicate the impact of depreciation on the operating result.

Graph 2 Forecast Ratio Analysis – Operating Surplus Ratio



Monitoring and Performance

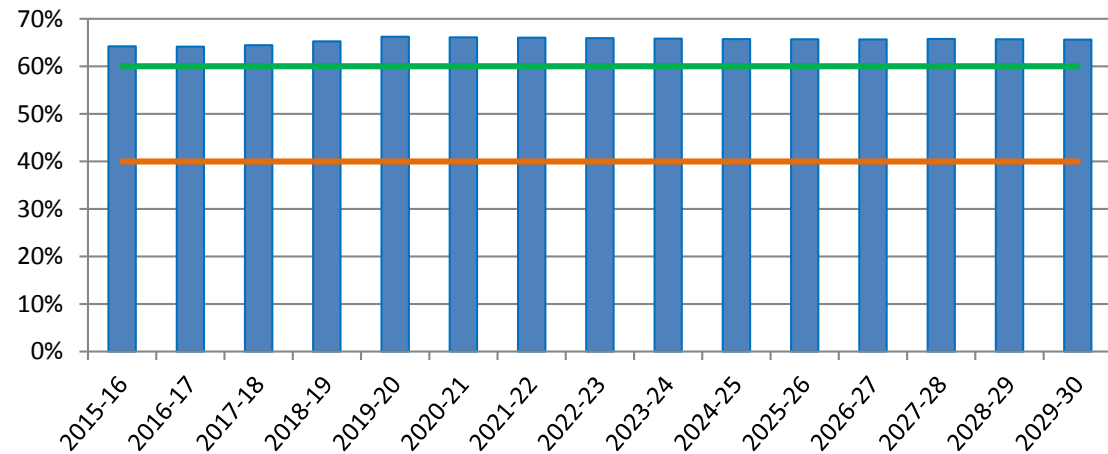
Own Source Revenue Coverage Ratio

$$\frac{\text{own source operating revenue}}{\text{operating expense}}$$

Indication: A measure of the extent of the Shire’s ability to cover costs using only discretionary revenue.

Commentary: The ratio indicates the Shire’s ability to fund its operating expenditure from discretionary revenue with a limited reliance on external funding and is above the acceptable range.

Graph 3 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



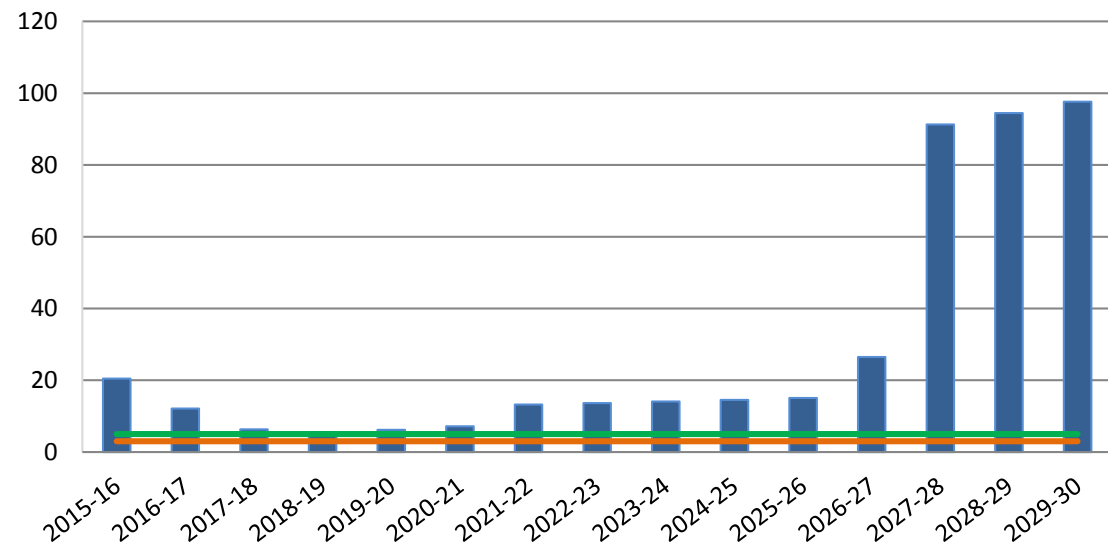
Debt Service Coverage Ratio

$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

Indication: A measure of the extent of the Shire’s capacity to generate sufficient cash to cover debt payments.

Commentary: The ratio is above the target range and continues to improve over time as existing borrowings are paid off.

Graph 4 Forecast Ratio Analysis – Debt Service Coverage Ratio



Monitoring and Performance

Asset Consumption Ratio

$$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable assets}}$$

Indication: A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

Commentary: The ratio is within the acceptable range, limited reliance should be placed on the ratio due to possible changes to the estimated replacement cost of assets with the introduction of fair value for all asset classes.

Graph 5 Forecast Ratio Analysis – Asset Consumption Ratio



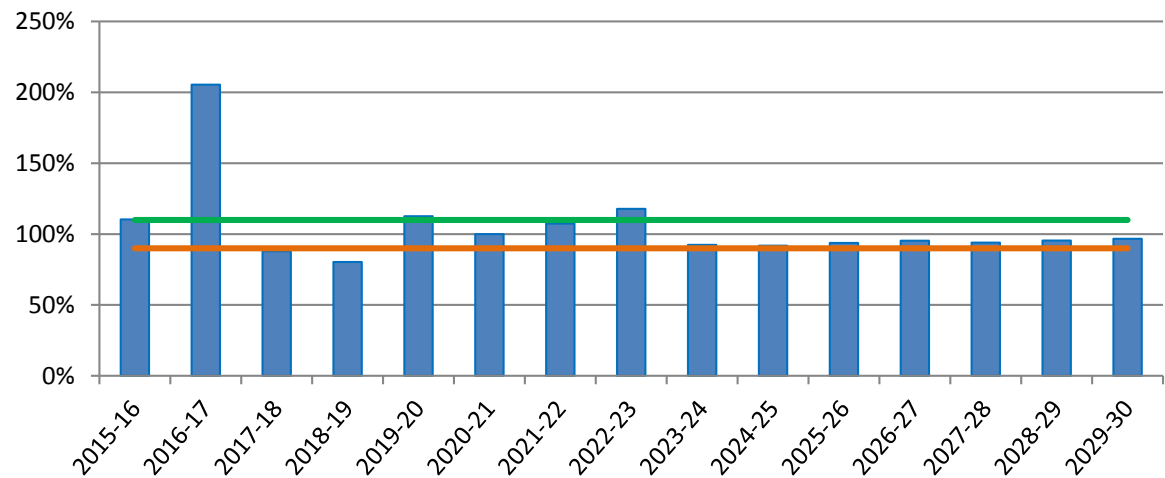
Asset Sustainability Ratio

$$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$$

Indication: A measure of the aged condition of the Shire’s physical assets.

Commentary: Whilst the ratio is above the ideal range for most of the plan, this is reliant upon the Shire receiving the forecast level of Capital grants to fund renewal expenditure.

Graph 6 Forecast Ratio Analysis – Asset Sustainability Ratio



Asset Renewal Funding Ratio

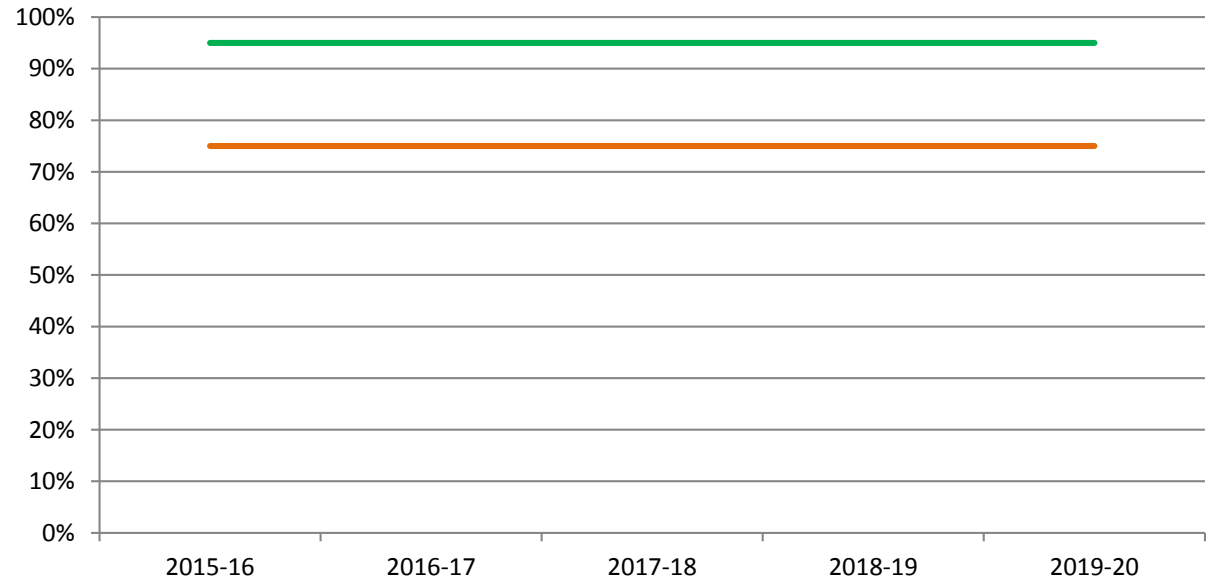
NPV of planned capital renewals over 10 years

NPV of required capital expenditure over 10 years

Indication: The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).

Commentary: Adequate Asset Management Plan information was not available to enable calculation of the ratio.

Graph 7 Forecast Ratio Analysis – Asset Renewal Funding Ratio



Workforce Planning

The Shire currently employs 53 Full Time Equivalent (FTE) employees to deliver a range of services to the community and to maintain existing assets.

The Shire has developed a Workforce Plan that sets out the level of human resources required to achieve the strategies contained within the Strategic Community Plan.

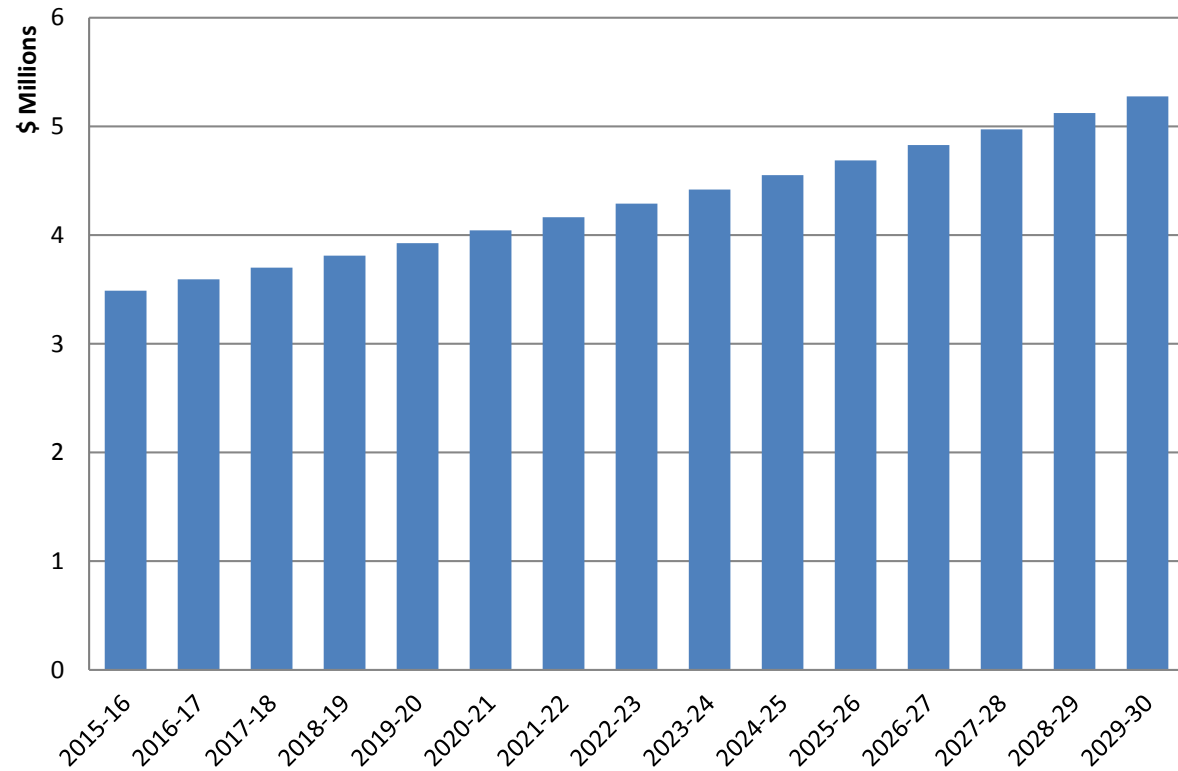
No additional staffing resources have been modelled in the Long Term Financial Plan.

Council encourages a work life balance, multi skilling, flexibility and effective application of staff capability.

Change in Employee Costs

Employee costs are forecast to increase in line with inflation at a rate of 3%.

Graph 8 Total Employee Costs



Operations

The graph adjacent plots the operating revenues and expenses over the periods as columns and the net result (revenues less expenses excluding asset revaluation changes) as a line.

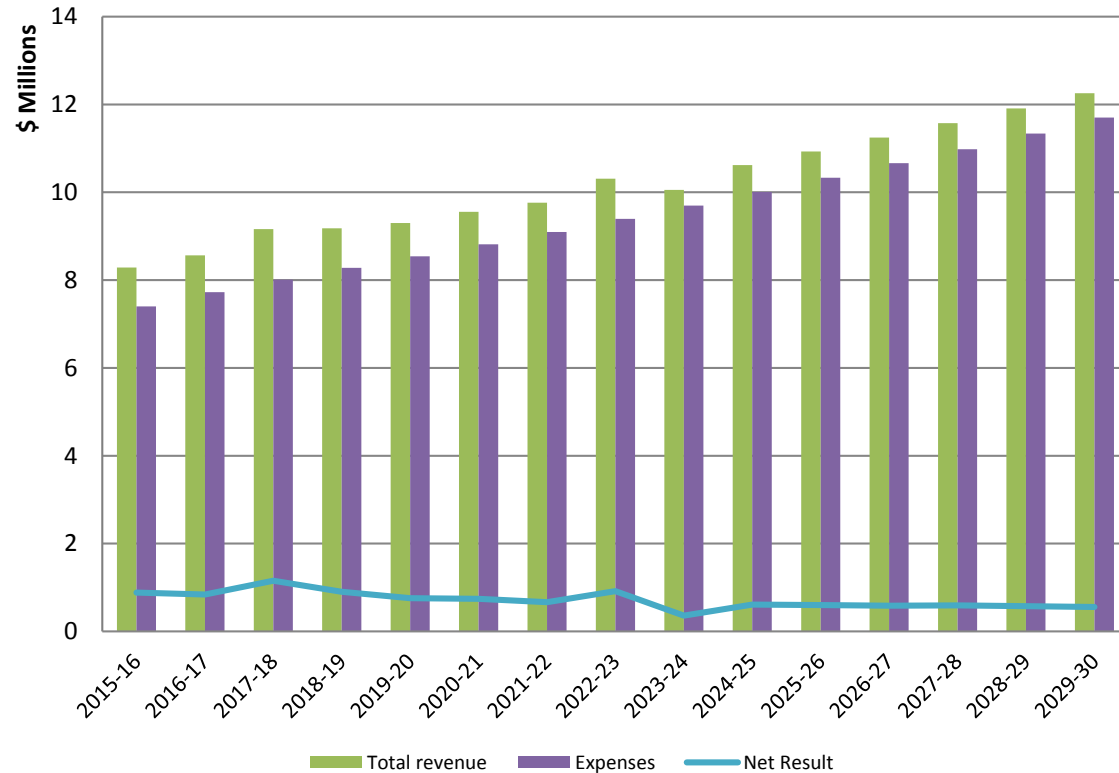
The Shire expects the operating net result to remain stable over the life of the plan with an average net result of approximately \$0.72m totaling \$10.74m for the 15 years. Recording a positive result over the period suggests the Shire is able to maintain its asset base.

While projecting a steady increase in operating expenses over the period, the level of grants and contributions for capital projects results in variations in the net result particularly in 2023-24 of the plan where the amount received for grants and contributions reduces and then is forecast to remain stable for the remainder of the plan.

It should be noted, without the grants and contributions for capital projects the Shire would record a negative operating result over the life of the plan.

The Shire is also heavily reliant on receiving \$47.78m over the 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services.

Graph 9 Forecast Revenue, Expenses and Net Result



Rates Revenue

Rates Revenue has been based on an increase of 2% above inflation (3%) to allow for an increased level of services in the first five years of the plan and then reduced to a rate of 3% for the remaining years of the plan in line with inflation.

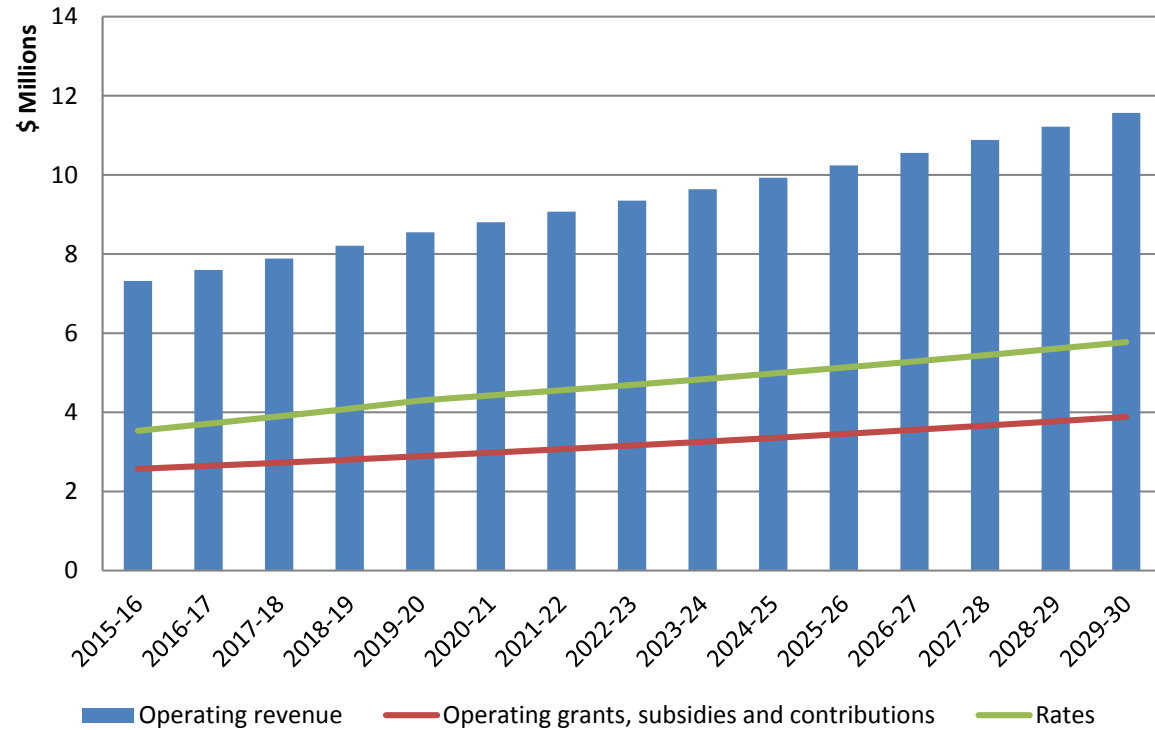
Operating Grants

Grants and contributions for operating purposes are planned to increase from \$2.57m in 2015-16 to \$3.88m in 2029-30. The assumption is for a 3% inflationary increase annually over the period. There is a high level of uncertainty surrounding this forecast as the actual level of grants allocation has not been determined and is subject to the amount of Federal funds allocated to W.A. and the allocation methodology adopted by the WA Local Government Grants Commission.

Capital grants

Grants and contributions for specific capital projects are expected to be high in the second year of the plan due to contributions for the upgrade of the Sports Centre car park and synthetic turf. In all other years capital grants are forecast to drop to around \$0.7m per year.

Graph 10 Forecast Revenue



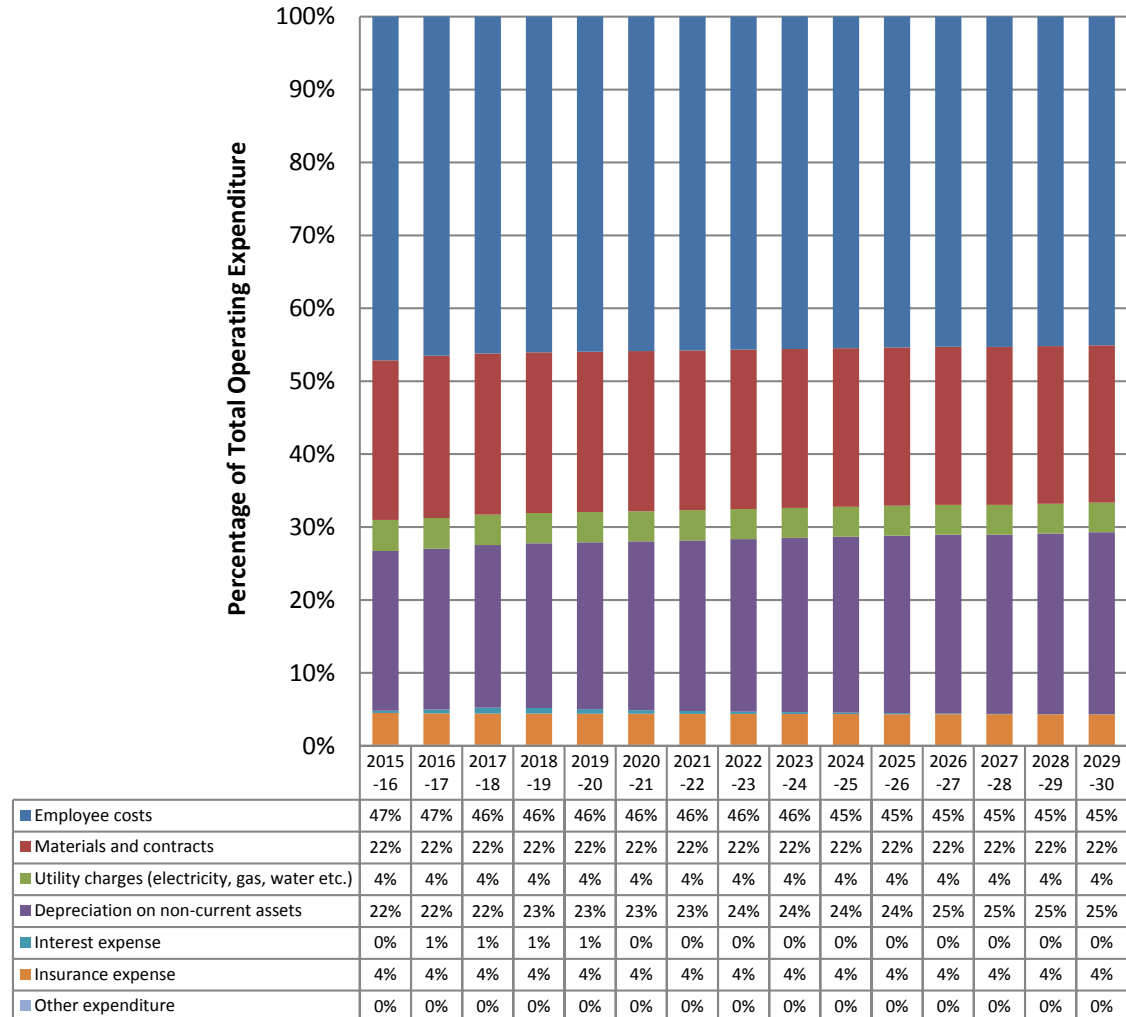
Expenses Proportions

The graph adjacent shows the change in the proportion of operating expenditure items over the term of the plan.

Employee costs are expected to decrease marginally as a percentage of total costs over time from 47% to 45% of forecast operating expenditure. Depreciation on non-current assets are expected to increase from 22% to 25% of forecast operating expenditure. Other components of operating expenditure are expected to remain relatively stable over the period.

Employee costs remain the dominant operating expenditure component making up just over 45% of the costs in the last year of the plan.

Graph 11 Forecast Operating Expenditure



Asset Management Planning

The Shire of Kojonup has formal asset management plans for the following asset classes:

- Infrastructure (including Roads, Footpaths, Kerbing and Signs);
- Drainage;
- Buildings; and
- Parks and Reserves

The plan sets service standards for assets, and contains work schedules applying financial resources to the renewal of assets over the next 10 years commencing in 2013/14.

These renewal schedules inform the Shire's Long Term Financial Plan and Corporate Business Plan and are used as a basis for forecasting capital expenditure.

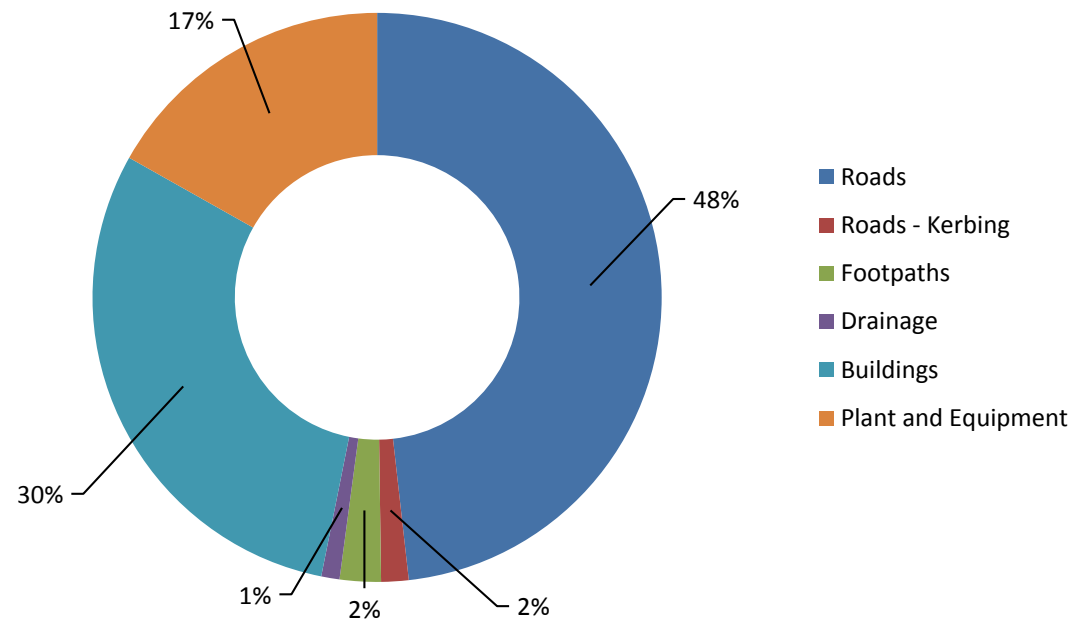
Capital Works

The majority of the capital expenditure during the forecast period is expended on roads infrastructure.

This proportion of expenditure demonstrates the clear priority the Shire has for maintaining its most substantial assets, the road asset network, plant & equipment and buildings. Over the 15 year period the Shire will spend \$39.20m on assets with \$18.90m of this being on Roads and \$11.76m on Buildings.

The table to the right details the forecast spend on each class of assets.

Graph 12 Total Capital Works Expenditure



Asset Class	Total Expenditure
Roads	\$18,902,540
Roads – Kerbing	\$609,705
Footpaths	\$914,560
Drainage	\$406,469
Buildings	\$11,764,474
Plant and Equipment	\$6,600,000
Total	\$39,197,748

Capital Trends

Asset Renewal

In the first years of the plan there is a mix of capital renewal and new assets. This mix changes to be dominated by renewal of assets at the end of the plan.

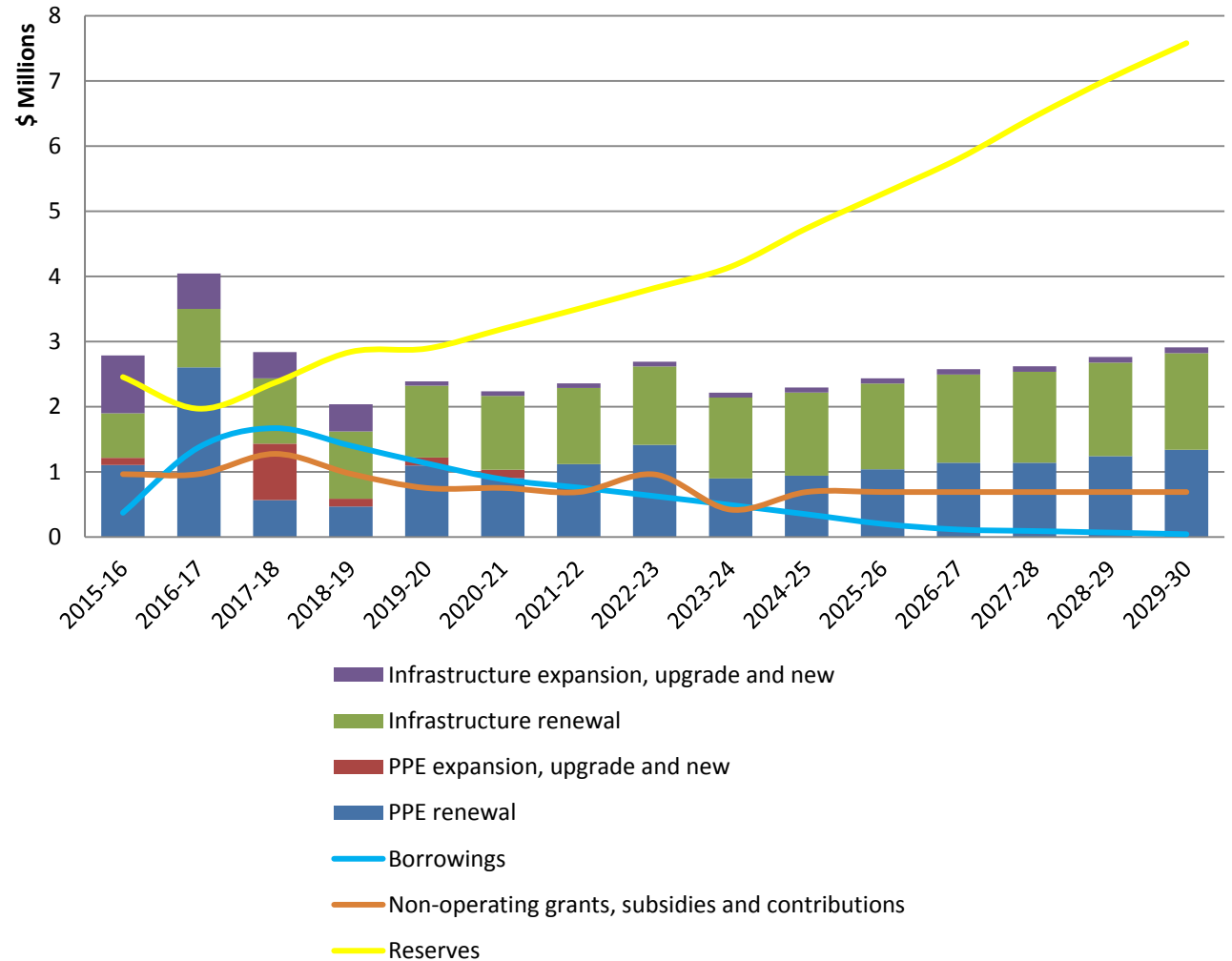
As asset management planning is further developed the exact asset renewal requirements will become more apparent.

New or Expanded Assets

The Shire is planning for construction at Kodja Place and at the Sports Oval, funded from a mix of capital grants, and general revenue. These projects are represented in the graph under the headings of 'Infrastructure' and 'PPE', 'expansion, upgrade and new'. The peak in the level of non-operating grants is due to these projects.

This capital expenditure occurs against a backdrop of reducing borrowings and increasing cash reserve balances. This provides the Shire with the capacity to borrow or use reserves in the future for unplanned major capital projects.

Graph 13 Forecast Capital Expenditure



Financing

In general, the finances of the Shire are expected to improve over the term with a reduction in the level of borrowings and an increase in cash savings in the form of reserves as represented in Graph 14 adjacent.

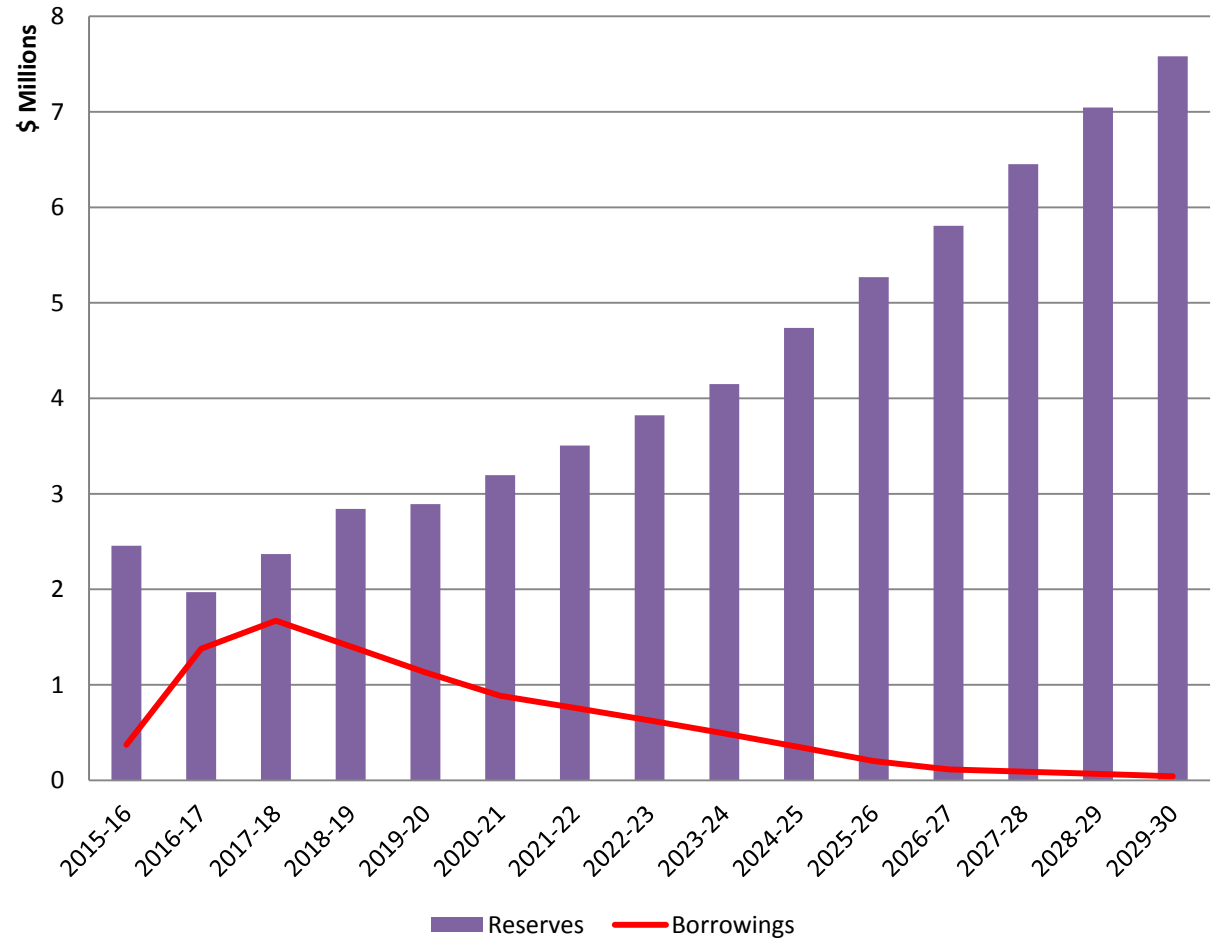
Borrowings

Outstanding principal increases to \$1.67m in 2017-18 before reducing over the remainder of the plan. As existing loans come to an end, no new borrowings has been specifically identified. This provides the Shire with increasing capacity to borrow in response to unplanned events or urgent issues over the life of the plan.

Cash Reserves

The balance of cash reserves are forecast to increase over the term of the plan as the Shire saves for renewal of assets in the years beyond the term of the plan.

Graph 14 Forecast Borrowings and Reserves



Forecast Capital Projects

Capital Projects

The table below sets out the capital projects included within the plan.

Asset class	Project	2015-16 \$	2016-17 \$	2017-18 \$	2018-19 \$	2019-20 \$	2020-21 \$	2021-22 \$	2022-23 \$	2023-24 \$	2024-25 \$	2025-26 \$	2026-27 \$	2027-28 \$	2028-29 \$	2029-30 \$
Buildings	Kodja Place	109,273	112,551													
	Staff Housing	546,364				614,937			671,958							
	Memorial/Lesser Hall		112,551	115,927												
	Pool Renewal		16,883		17,911											
	Kodja Place – Rammed Earth Wall Renewal Provision	10,000	10,000	10,000	10,000	10,000										
	Kodja Place – Precinct Upgrade, Carpark and Multimedia			115,927	119,405	122,987	126,677									
	Sport Centre – Carpark / Synthetic Court provision			750,000												
	Building Renewal – Concept and Design	109,273														
	Building Renewal		1,913,365			32,211	465,435	679,484	302,059	459,926	500,000	600,000	700,000	700,000	800,000	900,000
Buildings Total		774,910	2,165,350	991,854	147,316	780,135	592,112	679,484	974,017	459,296	500,000	600,000	700,000	700,000	800,000	900,000
Footpaths	Footpath Renewal	12,020	12,381	12,752	13,135	13,529	13,934	14,353	14,783	15,227	15,683	16,154	16,638	17,138	17,652	18,181
	Footpath Expansion	37,153	38,267	39,415	40,598	41,816	43,070	44,362	45,693	47,064	48,476	49,930	51,428	52,971	54,560	56,197
Footpaths Total		49,173	50,648	52,167	53,733	55,345	57,004	58,715	60,476	62,291	64,159	66,084	68,066	70,109	72,212	74,378
Plant and Equipment	Plant Replacement Program	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000
Drainage	Drainage Renewal	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057
Roads	Gravel Re-sheeting Program	273,182	303,887	313,004	358,216	368,962	380,031	391,432	403,175	415,270	427,728	440,560	453,777	467,390	481,412	495,854
	Gravel Re-sheeting Segments			69,556	35,822	73,792	76,006	78,286	80,635	83,054	85,546	88,112	90,755	93,478	96,282	99,171
	Bitumen Reseal Townsite	76,491	84,413	92,742	95,524	98,390	101,342	104,382	107,513	110,739	114,061	117,483	121,007	124,637	128,377	132,228
	Bitumen Reseal Rural	120,200	151,944	162,298	167,167	172,182	177,348	182,668	188,148	193,793	199,607	205,595	211,763	218,115	224,659	231,399
	Bitumen Reseal Category 5	131,127	270,122	287,226	286,573	295,170	304,025	313,146	322,540	332,216	342,183	352,448	363,022	373,912	385,130	396,683
	Road Reconstruction	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159	20,764	21,386	22,028	22,689	23,370	24,071	24,793
	Rural Road Widening	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057
	Widening – Kojonup Darkan Rd	147,518	151,944													
	Widening – Kojonup Frankland Rd	321,262	330,900	340,827	351,051											
Widening – Broomehill Kojonup Rd	360,600															
Roads Total		1,468,626	1,332,603	1,297,227	1,336,145	1,051,541	1,083,089	1,115,581	1,149,048	1,183,521	1,219,026	1,255,597	1,293,265	1,332,061	1,372,025	1,413,185
Roads – Kerbing		32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739	48,141	49,585
Grand Total		2,787,346	4,044,876	2,839,211	2,036,897	2,388,514	2,235,543	2,359,018	2,690,736	2,214,320	2,294,473	2,435,108	2,576,961	2,620,068	2,764,472	2,910,205

Vision, Objectives and Services

Vision

The Shires strategic vision adopted in the Strategic Community Plan 2013 is:

“Prosperity and happiness through opportunity and commitment, in a safe and well governed community.”

Objectives

The following key objectives are captured in the Shires’ Strategic Community plan and considered within the Long Term Financial Plan.

BEING WELL GOVERNED – To revitalize our relationship with our local government.

FEELING GOOD ABOUT LIVING IN KOJONUP – Maintain local culture: good people, good climate and access to good facilities.

CREATING OPPORTUNITIES FOR YOUTH – Maintaining the quality of education and retaining youth in Kojonup.

LIVING IN A SAFE COMMUNITY – Road safety is a prominent concern which requires attention.

STAYING ACTIVE AND ENTERTAINED – Providing quality sporting and recreation facilities.

BEING HEALTHY – Maintaining the health and aged care facilities.

SUPPORTING MAIN STREET – Enhancing the appeal of Albany Highway and supporting local business.

BUILDING PROSPERITY – Building local economic capacity to generate wealth and provide a variety of local employment opportunities.



Vision, Objectives and Services

Service Programs

The Shire provides a wide variety of services to the community in order to achieve its vision and objectives. The following service program descriptions are used in the Plan to represent these services.

Objectives	Services
Governance	Members of council Governance — general
General purpose funding	Rates Other general purpose funding
Law, order, public safety	Fire prevention Animal control Other law, order, public safety
Health	Maternal and infant health Preventive services — Immunisation — Meat inspection — Administration and inspection — Pest control — Other Other health
Education and Welfare	Pre-school Other education Care of families and children Aged and disabled — Senior citizens centres — Meals on wheels Other welfare
Housing	Staff housing Other housing
Community amenities	Sanitation — Household refuse — Other Sewerage Urban stormwater drainage Protection of environment Town planning and regional development Other community amenities

Objectives	Services
Recreation and culture	Public halls, Civic Centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
Transport	Streets, roads, bridges, depots — Construction (not capitalised) — Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
Economic services	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
Other property and services	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes

Financial Statements

The following forecast financial statements have been prepared and are included at the end of the Plan.

These forecast statements have been prepared within a framework which accords with the Australia Accounting Standards.

Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified by two methods (by Program and Nature or Type) to disclose a net result.

Statement of Financial Position

More commonly referred to as the Balance Sheet, this statement discloses the forecast changes in the balance of assets and liability accounts over the periods.

Statement of Changes in Equity

This statement discloses the changes in equity over the forecast period. It shows the impact of operations on net assets and the movement in cash backed and revaluation reserves.

Statement of Cash flows

Represents the forecast cash inflows and outflows and discloses the changes to the balance of cash over the period.

Statement of Funding

A statement combining operating and capital revenues and expenses and discloses the opening and closing net current budget surplus (deficit) funding position for each year.

Statement of Net Current Asset Composition

A statement combining Statement showing how the closing estimated surplus/deficit has been calculated.

Statement of fixed asset movements

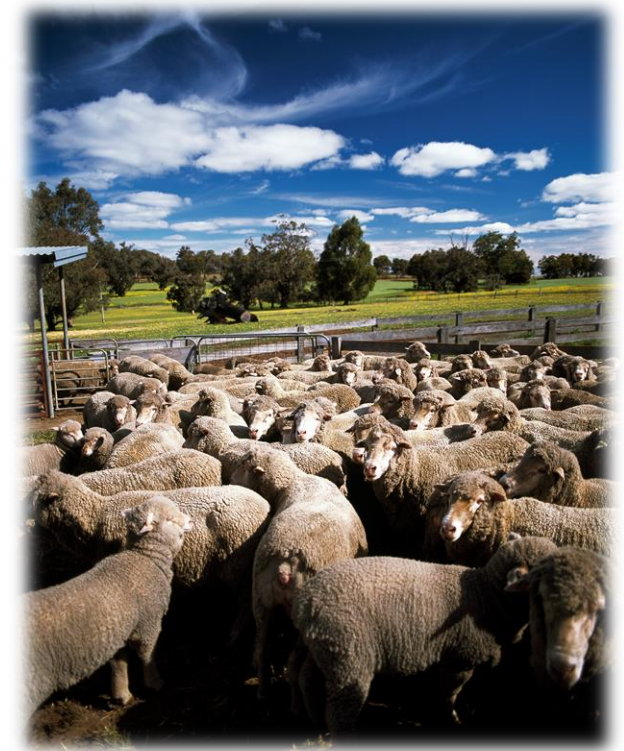
A summary of the impact of the plan on the value of fixed assets over the period. It discloses the movements in the net value of property, plant, and equipment and infrastructure.

Statement of fixed asset funding

A summary of the capital expenditure by asset class and the source of funding for each class.

Forecast Ratios

The forecast ratios required by the regulations and discussed earlier under monitoring and performance.



Forecast Significant Accounting Policies 2015-2030

Significant Accounting Policies

Basis of Preparation

The significant accounting policies which have been adopted in the preparation of these forecast financial statements are:

The forecast financial statements have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of forecast financial statements in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and forecasts.

The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the forecast financial statements.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the forecast financial statements.

Goods and Services Tax

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Forecast Significant Accounting Policies 2015-2030

Land held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Finance Costs and holding charges incurred after development is completed are expensed.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intention to release for sale.



Fixed Assets

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirements to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- a) For the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- b) For the financial year ending on 30 June 2014, the fair value of all of the assets of the local government –
 - (i) That are plant and equipment; and
 - (ii) That are –
 - (I) Land and buildings; or
 - (II) Infrastructure; and
- c) For a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Therefore in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded as cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

Forecast Significant Accounting Policies 2015-2030

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate portion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Revaluated assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 input in the fair value hierarchy).

For infrastructure and other asset classes fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy.)

Increase in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decrease that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit and loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried as a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from the determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value imposes a fair minimum of 3 years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every 3 years.

Forecast Significant Accounting Policies 2015-2030

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilizing both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.



Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using an effective average rate.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The forecast financial statements assume an appropriate depreciation rate is being charged. On the basis of an appropriate depreciation rate being charged no material gains or losses on disposal of assets are forecast to occur.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

They are initially recognised at cost and have an indefinite useful life.

Forecast Significant Accounting Policies 2015-2030

Financial Instruments

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value and transaction costs are expensed in the forecast statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the forecast statement of comprehensive income as gains and losses from investment securities.

Forecast Significant Accounting Policies 2015-2030

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the forecast statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the forecast statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

Forecast Significant Accounting Policies 2015-2030

Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Trade and Other Payables

Trade payables and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Borrowings Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.



Provisions

Provisions are recognised when:

- a) The Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.



Forecast Significant Accounting Policies 2015-2030

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

Investments in Associates

Associates are entitled in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associated entity. In addition, the Council's share of the profit or loss of the associate entity is included in the Council's profit and loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit and loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

Joint Venture

The Shires interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the statement of financial position and operating statement of comprehensive financial position income.

The Council's interests in joint venture entities are recorded using the equity method of accounting in the financial report.

Where the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Council's share of the joint venture shall be recognised. The Council recognise the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

Forecast Significant Accounting Policies 2015-2030

Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, those conditions are forecast to be discharged as at the reporting date.

Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

Rounding Off Figures

All figures shown in this forecast financial statements, are rounded to the nearest dollar.

Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

New Accounting Standards and Interpretations for application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the forecast annual reporting periods.

The Council assessments of these new/amended standards and interpretations have been considered and are not considered to have any material effect, or impact on Council with the exception of the introduction of AASB13.

AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements.

AASB 13 requires:

- Inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- Enhanced disclosures regarding all assets and liabilities (including, but not limited to financial assets and financial liabilities) measured at fair value.

AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards.

Amendments to the legislation requires the phasing in of fair value over the next three years, it is not possible to estimate the likely amount of the revaluations.

Reliance

The professional advice and opinion in this report has been prepared for the exclusive use of the Shire of Kojonup and for the purposes specified in our letter of engagement. This report is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the Shire of Kojonup. We accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the Shire of Kojonup.

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Chartered Accountants
ABN 71 026 896 609



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Statement 1 - Forecast Statement of Comprehensive Income 2015-2030

	2012-13	2013-14	Base	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																		
Rates	3,138,007	3,261,667	3,366,738	3,535,089	3,711,860	3,897,470	4,092,361	4,296,997	4,425,907	4,558,684	4,695,445	4,836,309	4,981,398	5,130,839	5,284,764	5,443,307	5,606,607	5,774,804
Operating grants, subsidies and contributions	3,833,076	2,353,971	2,494,251	2,569,079	2,646,150	2,725,533	2,807,298	2,891,517	2,978,262	3,067,609	3,159,637	3,254,426	3,352,060	3,452,621	3,556,200	3,662,886	3,772,774	3,885,957
Fees and charges	883,424	917,107	923,977	951,697	980,252	1,009,660	1,039,950	1,071,149	1,103,287	1,136,388	1,170,482	1,205,594	1,241,763	1,279,014	1,317,385	1,356,907	1,397,611	1,439,541
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	154,455	157,379	160,095	74,698	64,722	52,572	62,560	74,378	75,652	83,210	90,960	98,898	107,041	121,766	135,029	148,479	164,647	179,447
Other revenue	160,703	678,298	184,460	189,995	195,694	201,566	207,612	213,842	220,256	226,866	233,672	240,682	247,905	255,343	263,003	270,892	279,015	287,386
	8,169,665	7,368,422	7,129,521	7,320,558	7,598,678	7,886,801	8,209,781	8,547,883	8,803,364	9,072,757	9,350,196	9,635,909	9,930,167	10,239,583	10,556,381	10,882,471	11,220,654	11,567,135
Expenses																		
Employee costs	(2,790,519)	(3,341,385)	(3,386,158)	(3,487,745)	(3,592,384)	(3,700,154)	(3,811,162)	(3,925,503)	(4,043,268)	(4,164,566)	(4,289,508)	(4,418,191)	(4,550,741)	(4,687,261)	(4,827,883)	(4,972,725)	(5,121,901)	(5,275,566)
Materials and contracts	(3,273,767)	(2,795,411)	(2,261,124)	(2,281,178)	(2,398,839)	(2,470,811)	(2,544,940)	(2,621,296)	(2,699,944)	(2,780,947)	(2,864,379)	(2,950,308)	(3,038,819)	(3,129,978)	(3,223,889)	(3,320,611)	(3,420,218)	(3,522,829)
Utility charges (electricity, gas, water etc.)	(284,088)	(299,697)	(305,857)	(315,033)	(324,484)	(334,222)	(344,247)	(354,581)	(365,220)	(376,183)	(387,466)	(399,090)	(411,060)	(423,388)	(436,090)	(449,174)	(462,646)	(476,522)
Depreciation on non-current assets	(1,939,605)	(1,799,980)	(1,960,486)	(1,621,173)	(1,704,223)	(1,786,466)	(1,869,609)	(1,953,967)	(2,040,495)	(2,129,795)	(2,222,352)	(2,316,691)	(2,413,943)	(2,514,314)	(2,617,898)	(2,698,467)	(2,805,488)	(2,918,218)
Interest expense	(30,530)	(27,832)	(24,967)	(22,149)	(39,817)	(65,068)	(64,739)	(54,165)	(43,571)	(35,538)	(30,498)	(25,255)	(19,801)	(14,126)	(8,222)	(5,902)	(4,770)	(3,582)
Insurance expense	(241,202)	(303,867)	(314,690)	(324,133)	(333,854)	(343,872)	(354,183)	(364,810)	(375,750)	(387,024)	(398,633)	(410,590)	(422,912)	(435,595)	(448,665)	(462,122)	(475,982)	(490,265)
Other expenditure	(8,363)	599,811	631,511	650,451	669,959	(690,050)	710,747	732,062	754,028	776,645	799,940	823,942	848,655	874,120	900,336	927,345	955,181	983,835
	(8,568,074)	(7,968,361)	(7,621,771)	(7,400,960)	(7,723,642)	(8,010,543)	(8,278,133)	(8,542,260)	(8,814,220)	(9,097,408)	(9,392,896)	(9,696,183)	(10,008,621)	(10,330,542)	(10,662,311)	(10,981,656)	(11,335,824)	(11,703,147)
	(398,409)	(599,939)	(492,250)	(80,402)	(124,964)	(123,742)	(68,352)	5,623	(10,856)	(24,651)	(42,700)	(60,274)	(78,454)	(90,959)	(105,930)	(99,185)	(115,170)	(136,012)
Non-operating grants, subsidies and contributions	940,956	1,034,885	2,984,800	964,637	966,276	1,275,928	969,703	751,494	753,339	690,000	960,000	420,000	690,000	690,000	690,000	690,000	690,000	690,000
Profit on disposal of assets	10,156	221,790	10,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(103,099)	(76,505)	(135,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	449,604	580,231	2,367,800	884,235	841,312	1,152,186	901,351	757,117	742,483	665,349	917,300	359,726	611,546	599,041	584,070	590,815	574,830	553,988
Other Comprehensive Income	266,912	13,725,531	0	3,113,000	3,241,376	3,408,837	3,542,684	3,653,985	3,776,639	3,895,790	4,019,541	4,154,179	4,275,733	4,400,421	4,531,392	4,684,089	4,822,908	4,966,966
TOTAL COMPREHENSIVE INCOME	716,516	14,305,762	2,367,800	3,997,235	4,082,688	4,561,023	4,444,035	4,411,102	4,519,122	4,561,139	4,936,841	4,513,905	4,887,279	4,999,462	5,115,462	5,274,904	5,397,738	5,520,954

Statement 2 - Forecast Statement of Comprehensive Income 2015-2030 – By Program

	2012-13	2013-14	Base	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																		
Governance	54,046	577,707	78,812	81,177	83,612	86,122	88,707	91,368	94,109	96,932	99,840	102,835	105,921	109,098	112,371	115,741	119,213	122,789
General purpose funding	4,532,676	4,112,206	5,117,385	5,248,056	5,464,000	5,688,081	5,945,100	6,215,260	6,400,761	6,598,071	6,801,268	7,010,515	7,226,006	7,454,298	7,687,537	7,927,562	8,177,103	8,432,276
Law, order, public safety	53,519	101,009	98,300	101,250	104,288	107,417	110,639	113,958	117,377	120,899	124,525	128,261	132,109	136,071	140,152	144,357	148,687	153,149
Health	19,816	20,763	24,012	24,732	25,474	26,237	27,024	27,835	28,669	29,530	30,416	31,328	32,268	33,236	34,233	35,260	36,318	37,408
Education and welfare	405	1,411	406	418	430	443	456	469	484	499	514	529	545	561	577	595	613	631
Housing	1,267,257	1,334,019	1,342,500	1,382,775	1,424,258	1,466,986	1,510,995	1,556,325	1,603,015	1,651,106	1,700,640	1,751,659	1,804,210	1,858,338	1,914,088	1,971,512	2,030,657	2,091,576
Community amenities	226,089	225,270	225,575	232,342	239,311	246,491	253,885	261,503	269,348	277,430	285,752	294,324	303,155	312,249	321,617	331,265	341,203	351,441
Recreation and culture	50,471	37,830	64,586	66,525	68,522	70,578	72,696	74,878	77,124	79,438	81,823	84,278	86,807	89,411	92,094	94,856	97,701	100,631
Transport	1,744,428	819,389	50,500	52,015	53,576	55,184	56,839	58,544	60,300	62,110	63,974	65,893	67,869	69,906	72,003	74,163	76,388	78,679
Economic services	63,317	49,360	50,344	51,854	53,410	55,012	56,663	58,363	60,115	61,917	63,774	65,687	67,659	69,688	71,780	73,933	76,149	78,434
Other property and services	157,642	89,511	77,101	79,414	81,797	84,250	86,777	89,380	92,062	94,825	97,670	100,600	103,618	106,727	109,929	113,227	116,622	120,121
	8,169,666	7,368,475	7,129,521	7,320,558	7,598,678	7,886,801	8,209,781	8,547,883	8,803,364	9,072,757	9,350,196	9,635,909	9,930,167	10,239,583	10,556,381	10,882,471	11,220,654	11,567,135
Expenses Excluding Finance Costs																		
Governance	(484,418)	(598,725)	(718,571)	(724,835)	(747,905)	(771,539)	(795,817)	(820,777)	(846,471)	(872,942)	(900,233)	(928,302)	(957,218)	(987,007)	(1,017,703)	(1,048,308)	(1,080,754)	(1,114,278)
General purpose funding	(68,171)	(119,371)	(164,777)	(121,938)	(174,813)	(180,057)	(185,460)	(191,023)	(196,754)	(202,656)	(208,735)	(214,996)	(221,446)	(228,090)	(234,931)	(241,980)	(249,238)	(256,717)
Law, order, public safety	(332,040)	(360,552)	(387,614)	(389,222)	(401,767)	(414,605)	(427,787)	(441,335)	(455,282)	(469,654)	(484,465)	(499,696)	(515,385)	(531,552)	(548,211)	(564,712)	(582,307)	(600,492)
Health	(85,002)	(66,810)	(90,194)	(92,068)	(94,900)	(97,813)	(100,809)	(103,894)	(107,070)	(110,342)	(113,712)	(117,181)	(120,754)	(124,434)	(128,227)	(132,079)	(136,095)	(140,238)
Education and welfare	(15,191)	(15,045)	(20,400)	(20,871)	(21,510)	(22,167)	(22,842)	(23,540)	(24,256)	(24,995)	(25,756)	(26,537)	(27,345)	(28,173)	(29,032)	(29,903)	(30,808)	(31,742)
Housing	(1,532,402)	(1,675,122)	(1,611,616)	(1,637,808)	(1,688,858)	(1,741,262)	(1,795,141)	(1,850,568)	(1,907,637)	(1,966,435)	(2,027,021)	(2,089,371)	(2,153,598)	(2,219,762)	(2,287,920)	(2,356,670)	(2,428,814)	(2,503,267)
Community amenities	(498,258)	(547,919)	(617,149)	(631,031)	(650,367)	(670,242)	(690,698)	(711,753)	(733,438)	(755,769)	(778,780)	(802,464)	(826,862)	(851,986)	(877,881)	(904,244)	(931,670)	(959,953)
Recreation and culture	(813,289)	(835,010)	(998,451)	(985,359)	(1,018,638)	(1,052,563)	(1,087,333)	(1,123,019)	(1,159,718)	(1,197,553)	(1,236,578)	(1,276,666)	(1,317,977)	(1,360,525)	(1,404,387)	(1,446,734)	(1,492,942)	(1,540,822)
Transport	(4,428,895)	(3,498,286)	(2,827,495)	(2,624,968)	(2,728,559)	(2,832,877)	(2,939,197)	(3,047,780)	(3,159,355)	(3,274,405)	(3,393,327)	(3,515,097)	(3,640,579)	(3,769,973)	(3,903,398)	(4,021,973)	(4,161,442)	(4,306,902)
Economic services	(367,907)	(362,889)	(425,389)	(425,671)	(439,522)	(453,684)	(468,218)	(483,153)	(498,522)	(514,358)	(530,687)	(547,474)	(564,769)	(582,587)	(600,947)	(619,039)	(638,426)	(658,479)
Other property and services	88,028	139,147	264,852	274,960	283,014	291,334	299,908	308,747	317,854	327,239	336,896	346,856	357,113	367,673	378,548	389,888	401,442	413,325
	(8,537,545)	(7,940,582)	(7,596,804)	(7,378,811)	(7,683,825)	(7,945,475)	(8,213,394)	(8,488,095)	(8,770,649)	(9,061,870)	(9,362,398)	(9,670,928)	(9,988,820)	(10,316,416)	(10,654,089)	(10,975,754)	(11,331,054)	(11,699,565)
Finance Costs																		
Governance	0	0	(23,925)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General purpose funding	0	0	(1,042)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	0	0	0	0	(20,900)	(39,177)	(35,569)	(31,821)	(27,930)	(23,890)	(19,695)	(15,339)	(10,816)	(6,119)	(1,242)	0	0	0
Housing	(6,036)	(5,130)	0	(3,081)	(2,017)	(889)	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	(20,170)	(19,241)	0	(15,935)	(15,304)	(24,143)	(28,792)	(22,344)	(15,641)	(11,648)	(10,803)	(9,916)	(8,985)	(8,007)	(6,980)	(5,902)	(4,770)	(3,582)
Economic services	(4,324)	(3,461)	0	(1,402)	(287)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	0	0	(1,731)	(1,309)	(859)	(378)	0	0	0	0	0	0	0	0	0	0	0
	(30,530)	(27,832)	(24,967)	(22,149)	(39,817)	(65,068)	(64,739)	(54,165)	(43,571)	(35,538)	(30,498)	(25,255)	(19,801)	(14,126)	(8,222)	(5,902)	(4,770)	(3,582)
Non Operating Grants, Subsidies and Contributions																		
General purpose funding	0	0	1,712,148	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education and welfare	0	0	200,00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	0	15,215	0	0	0	0	0	0	0	270,000	0	0	0	0	0	0	0	0
Community amenities	0	0	0	54,637	0	57,964	59,703	61,494	63,339	0	0	0	0	0	0	0	0	0
Recreation and culture	19,318	0	15,000	0	56,276	307,964	0	0	0	0	0	0	0	0	0	0	0	0
Transport	921,638	1,019,670	1,057,652	910,000	910,000	910,000	910,000	690,000	690,000	690,000	690,000	420,000	690,000	690,000	690,000	690,000	690,000	690,000
	940,956	1,034,885	2,984,800	964,637	966,276	1,275,928	969,703	751,494	753,339	690,000	960,000	420,000	690,000	690,000	690,000	690,000	690,000	690,000
Profit/(Loss) on Disposal of Assets																		
Governance	(56,803)	0	(37,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	(3,799)	191,409	(1,500)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	(2,765)	3,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(11,084)	27,181	(85,750)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	(18,492)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	(76,505)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(92,943)	145,285	(124,750)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	449,604	580,231	2,367,800	884,235	841,312	1,152,186	901,351	757,117	742,483	665,349	917,300	359,726	611,546	599,041	584,070	590,815	574,830	553,988
Other Comprehensive Income	266,912	13,725,531	0	3,113,000	3,241,376	3,408,837	3,542,684	3,653,985	3,776,639	3,895,790	4,019,541	4,154,179	4,275,733	4,400,421	4,531,392	4,684,089	4,822,908	4,966,966
TOTAL COMPREHENSIVE INCOME	716,516	14,305,762	2,367,800	3,997,235	4,082,688	4,561,023	4,444,035	4,411,102	4,519,122	4,561,139	4,936,841	4,513,905	4,887,279	4,999,462	5,115,462	5,274,904	5,397,738	5,520,954

Statement 3 - Forecast Statement of Financial Position 2015-2030

	2014	2015	Base	30 June 16	30 June 17	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																		
Unrestricted Cash and Equivalents	3,840,667	(788,738)	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302
Restricted Cash and Cash Equivalent	0	3,726,944	2,785,258	2,455,619	1,969,606	2,369,063	2,841,797	2,892,842	3,195,161	3,505,038	3,822,665	4,148,230	4,737,260	5,267,846	5,805,913	6,452,492	7,044,571	7,581,617
Trade and Other Receivables	637,403	1,175,425	70,933	71,355	71,805	72,285	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444
Inventories	109,929	156,976	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030
TOTAL CURRENT ASSETS	4,587,999	4,270,607	3,127,523	2,798,306	2,312,743	2,712,680	3,177,573	3,228,618	3,530,937	3,840,814	4,158,441	4,484,006	5,073,036	5,603,622	6,141,689	6,788,268	7,380,347	7,917,393
NON-CURRENT ASSETS																		
Other Receivables	83,421	286,052	279,960	273,049	265,688	257,847	257,847	257,847	257,847	257,847	257,847	257,847	257,847	257,847	257,847	257,847	257,847	257,847
Inventories	306,283	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Property Plant and Equipment	12,632,513	26,625,593	31,044,272	32,726,932	35,808,487	37,767,994	38,901,166	40,658,119	42,235,798	43,902,732	45,866,824	47,327,313	48,823,007	50,412,580	52,098,460	53,824,731	55,650,397	57,574,310
Infrastructure	74,835,090	75,270,799	75,695,541	78,292,054	80,792,528	83,294,603	85,871,403	88,202,982	90,596,990	93,055,069	95,578,902	98,170,221	100,830,790	103,562,432	106,367,007	109,246,426	112,202,652	115,237,692
TOTAL NON-CURRENT ASSETS	87,857,307	102,312,444	107,149,773	111,422,035	116,996,703	121,450,444	125,160,416	129,248,948	133,220,635	137,345,648	141,833,573	145,885,381	150,041,644	154,362,859	158,853,314	163,459,004	168,240,896	173,199,849
TOTAL ASSETS	92,445,306	106,583,051	110,277,296	114,220,341	119,309,446	124,163,124	128,337,989	132,477,566	136,751,572	141,186,462	145,992,014	150,369,387	155,114,680	159,966,481	164,995,003	170,247,272	175,621,243	181,117,242
CURRENT LIABILITIES																		
Trade and Other Payables	876,441	926,407	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776	335,776
Current Portion of Long-term Liabilities	47,534	50,398	76,339	40,947	127,532	261,329	271,525	245,116	126,249	131,289	136,532	141,986	147,661	86,940	22,635	23,767	24,955	26,203
Provisions	413,999	319,072	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340	349,340
TOTAL CURRENT LIABILITIES	1,337,974	1,295,877	761,455	726,063	812,648	946,445	956,641	930,232	811,365	816,405	821,648	827,102	832,777	772,056	707,751	708,883	710,071	711,319
NON-CURRENT LIABILITIES																		
Long-term Borrowings	537,882	425,783	349,442	330,644	1,250,476	1,409,334	1,129,968	884,852	758,603	627,314	490,782	348,796	201,135	114,195	91,560	67,793	42,838	16,635
Provisions	45,535	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720	31,720
TOTAL NON-CURRENT LIABILITIES	583,417	457,503	381,162	362,364	1,282,196	1,441,054	1,161,688	916,572	790,323	659,034	522,502	380,516	232,855	145,915	123,280	99,513	74,558	48,355
TOTAL LIABILITIES	1,921,391	1,753,380	1,142,617	1,088,427	2,094,844	2,387,499	2,118,329	1,846,804	1,601,688	1,475,439	1,344,150	1,207,618	1,065,632	917,971	831,031	808,396	784,629	759,674
NET ASSETS	90,523,915	104,829,671	109,134,679	113,131,914	117,214,602	121,775,625	126,219,660	130,630,762	135,149,884	139,711,023	144,647,864	149,161,769	154,049,048	159,048,510	164,163,972	169,438,876	174,836,614	180,357,568
EQUITY																		
Retained Surplus	62,213,452	62,006,713	66,851,447	68,065,321	69,392,646	70,145,375	70,573,992	71,280,064	71,720,228	72,075,700	72,675,373	72,709,534	72,732,050	72,800,505	72,846,508	72,790,744	72,773,495	72,790,437
Reserves - Cash Backed	2,538,020	3,324,984	2,785,258	2,455,619	1,969,606	2,369,063	2,841,797	2,892,842	3,195,161	3,505,038	3,822,665	4,148,230	4,737,260	5,267,846	5,805,913	6,452,492	7,044,571	7,581,617
Reserves - Revaluation	25,772,443	39,497,974	39,497,974	42,610,974	45,852,350	49,261,187	52,803,871	56,457,856	60,234,495	64,130,285	68,149,826	72,304,005	76,579,738	80,980,159	85,511,551	90,195,640	95,018,548	99,985,514
TOTAL EQUITY	90,523,915	104,829,671	109,134,679	113,131,914	117,214,602	121,775,625	126,219,660	130,630,762	135,149,884	139,711,023	144,647,864	149,161,769	154,049,048	159,048,510	164,163,972	169,438,876	174,836,614	180,357,568

Statement 4 - Forecast Statement of Changes in Equity 2015-2030

	2014	2015	Base	30 June 16	30 June 17	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																		
Opening Balance	62,414,367	62,213,446	63,943,921	66,851,447	68,065,321	69,392,646	70,145,375	70,573,992	71,280,064	71,720,228	72,075,700	72,675,373	72,709,534	72,732,050	72,800,505	72,846,508	72,790,744	72,773,495
Net Result	449,604	580,231	2,367,800	884,235	841,312	1,152,186	901,351	757,117	742,483	665,349	917,300	359,726	611,546	599,041	584,070	590,815	574,830	553,988
Amount transferred (to)/from Reserves	(650,519)	(786,964)	539,726	329,639	486,013	(399,457)	(472,734)	(51,045)	(302,319)	(309,877)	(317,627)	(325,565)	(589,030)	(530,586)	(538,067)	(646,579)	(592,079)	(537,046)
Closing Balance	62,213,452	62,006,713	66,851,447	68,065,321	69,392,646	70,145,375	70,573,992	71,280,064	71,720,228	72,075,700	72,675,373	72,709,534	72,732,050	72,800,505	72,846,508	72,790,744	72,773,495	72,790,437
RESERVES - CASH/INVESTMENT BACKED																		
Opening Balance	1,887,501	2,538,020	3,324,984	2,785,258	2,455,619	1,969,606	2,369,063	2,841,797	2,892,842	3,195,161	3,505,038	3,822,665	4,148,230	4,737,260	5,267,846	5,805,913	6,452,492	7,044,571
Amount transferred to/(from) Retained Surplus	650,519	786,964	(539,726)	(329,639)	(486,013)	399,457	472,734	51,045	302,319	309,877	317,627	325,565	589,030	530,586	538,067	646,579	592,079	537,046
Closing Balance	2,538,020	3,324,984	2,785,258	2,455,619	1,969,606	2,369,063	2,841,797	2,892,842	3,195,161	3,505,038	3,822,665	4,148,230	4,737,260	5,267,846	5,805,913	6,452,492	7,044,571	7,581,617
ASSET REVALUATION RESERVES																		
Opening Balance	25,505,531	25,772,443	39,497,974	39,497,974	42,610,974	45,852,350	49,261,187	52,803,871	56,457,856	60,234,495	64,130,285	68,149,826	72,304,005	76,579,738	80,980,159	85,511,551	90,195,640	95,018,548
Total Other Comprehensive Income	266,912	13,725,531	0	3,113,000	3,241,376	3,408,837	3,542,684	3,653,985	3,776,639	3,895,790	4,019,541	4,154,179	4,275,733	4,400,421	4,531,392	4,684,089	4,822,908	4,966,966
Closing Balance	25,772,443	39,497,974	39,497,974	42,610,974	45,852,350	49,261,187	52,803,871	56,457,856	60,234,495	64,130,285	68,149,826	72,304,005	76,579,738	80,980,159	85,511,551	90,195,640	95,018,548	99,985,514
TOTAL EQUITY	90,523,915	104,829,671	109,134,679	113,131,914	117,214,602	121,775,625	126,219,660	130,630,762	135,149,884	139,711,023	144,647,864	149,161,769	154,049,048	159,048,510	164,163,972	169,438,876	174,836,614	180,357,568

Statement 5 - Forecast Statement of Cashflows 2015-2030

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities															
Receipts															
Rates	3,535,089	3,711,860	3,897,470	4,092,361	4,296,997	4,425,907	4,558,684	4,695,445	4,836,309	4,981,398	5,130,839	5,284,764	5,443,307	5,606,607	5,774,804
Operating grants, subsidies and contributions	2,569,079	2,646,150	2,725,533	2,807,298	2,891,517	2,978,262	3,067,609	3,159,637	3,254,426	3,352,060	3,452,621	3,556,200	3,662,886	3,772,774	3,885,957
Fees and charges	951,697	980,252	1,009,660	1,039,950	1,071,149	1,103,287	1,136,388	1,170,482	1,205,594	1,241,763	1,279,014	1,317,385	1,356,907	1,397,611	1,439,541
Interest earnings	74,698	64,722	52,572	62,560	74,378	75,652	83,210	90,960	98,898	107,041	121,766	135,029	148,479	164,647	179,447
Other revenue	189,995	195,694	201,566	207,612	213,842	220,256	226,866	233,672	240,682	247,905	255,343	263,003	270,892	279,015	287,386
	7,320,558	7,598,678	7,886,801	8,209,781	8,547,883	8,803,364	9,072,757	9,350,196	9,635,909	9,930,167	10,239,583	10,556,381	10,882,471	11,220,654	11,567,135
Payments															
Employee costs	(3,487,745)	(3,592,384)	(3,700,154)	(3,811,162)	(3,925,503)	(4,043,268)	(4,164,566)	(4,289,508)	(4,418,191)	(4,550,741)	(4,687,261)	(4,827,883)	(4,972,725)	(5,121,901)	(5,275,566)
Materials and contracts	(2,281,178)	(2,398,839)	(2,470,811)	(2,544,940)	(2,621,296)	(2,699,944)	(2,780,947)	(2,864,379)	(2,950,308)	(3,038,819)	(3,129,978)	(3,223,889)	(3,320,611)	(3,420,218)	(3,522,829)
Utility charges	(315,033)	(324,484)	(334,222)	(344,247)	(354,581)	(365,220)	(376,183)	(387,466)	(399,090)	(411,060)	(423,388)	(436,090)	(449,174)	(462,646)	(476,522)
Insurance expenses	(22,149)	(39,817)	(65,068)	(64,739)	(54,165)	(43,571)	(35,538)	(30,498)	(25,255)	(19,801)	(14,126)	(8,222)	(5,902)	(4,770)	(3,582)
Interest expenses	(324,133)	(333,854)	(343,872)	(354,183)	(364,810)	(375,750)	(387,024)	(398,633)	(410,590)	(422,912)	(435,595)	(448,665)	(462,122)	(475,982)	(490,265)
Other expenditure	650,451	669,959	690,050	710,747	732,062	754,028	776,645	799,940	823,942	848,655	874,120	900,336	927,345	955,181	983,835
	(5,779,787)	(6,019,419)	(6,224,077)	(6,408,524)	(6,588,293)	(6,773,725)	(6,967,613)	(7,170,544)	(7,379,492)	(7,594,678)	(7,816,228)	(8,044,413)	(8,283,189)	(8,530,336)	(8,784,929)
Net Cash Provided By (Used In) Operating Activities	1,540,771	1,579,259	1,662,724	1,801,257	1,959,590	2,029,639	2,105,144	2,179,652	2,256,417	2,335,489	2,423,355	2,511,968	2,599,282	2,690,318	2,782,206
Cash Flows from Investing Activities															
Payments for purchase of property, plant & equipment	(1,214,910)	(2,605,350)	(1,431,854)	(587,316)	(1,220,135)	(1,032,112)	(1,119,484)	(1,414,017)	(899,296)	(940,000)	(1,040,000)	(1,140,000)	(1,140,000)	(1,240,000)	(1,340,000)
Payments for construction of infrastructure	(1,572,436)	(1,439,526)	(1,407,357)	(1,449,581)	(1,168,379)	(1,203,431)	(1,239,534)	(1,276,719)	(1,315,024)	(1,354,473)	(1,395,108)	(1,436,961)	(1,480,068)	(1,524,472)	(1,570,205)
Non-operating grants, subsidies and contributions	964,637	966,276	1,275,928	969,703	751,494	753,339	690,000	960,000	420,000	690,000	690,000	690,000	690,000	690,000	690,000
Net Cash Provided By (Used In) Investing Activities	(1,822,709)	(3,078,600)	(1,563,283)	(1,067,194)	(1,637,020)	(1,482,204)	(1,669,018)	(1,730,736)	(1,794,320)	(1,604,473)	(1,745,108)	(1,886,961)	(1,930,068)	(2,074,472)	(2,220,205)
Cash Flows from Financing Activities															
Repayment of debentures	(54,190)	(93,583)	(207,345)	(269,170)	(271,525)	(245,116)	(126,249)	(131,289)	(136,532)	(141,986)	(147,661)	(86,940)	(22,635)	(23,767)	(24,955)
Proceeds from self supporting loans	6,489	6,911	7,361	7,841	0	0	0	0	0	0	0	0	0	0	0
Proceeds from new debentures	0	1,100,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Provided By (Used In) Financing Activities	(47,701)	1,013,328	300,016	(261,329)	(271,525)	(245,116)	(126,249)	(131,289)	(136,532)	(141,986)	(147,661)	(86,940)	(22,635)	(23,767)	(24,955)
Net Increase (Decrease) in Cash Held	(329,639)	(486,013)	399,457	472,734	51,045	302,319	309,877	317,627	325,565	589,030	530,586	538,067	646,579	592,079	537,046
Cash at beginning of year	2,918,560	2,588,921	2,102,908	2,502,365	2,975,099	3,026,144	3,328,463	3,638,340	3,955,967	4,281,532	4,870,562	5,401,148	5,939,215	6,585,794	7,177,873
Cash and Cash Equivalents at the End of Year	2,588,921	2,102,908	2,502,365	2,975,099	3,026,144	3,328,463	3,638,340	3,955,967	4,281,532	4,870,562	5,401,148	5,939,215	6,585,794	7,177,873	7,714,919
Reconciliation of Net Cash Provided By Operating Activities to Net Result															
Net Result	884,235	841,312	1,152,186	901,351	757,117	742,483	665,349	917,300	359,726	611,546	599,041	584,070	590,815	574,830	553,988
Depreciation	1,621,173	1,704,223	1,786,466	1,869,609	1,953,967	2,040,495	2,129,795	2,222,352	2,316,691	2,413,943	2,514,314	2,617,898	2,698,467	2,805,488	2,918,218
Grants/Contributions for the development of assets	(964,637)	(966,276)	(1,275,928)	(969,703)	(751,494)	(753,339)	(690,000)	(960,000)	(420,000)	(690,000)	(690,000)	(690,000)	(690,000)	(690,000)	(690,000)
Net Cash from Operating Activities	1,540,771	1,579,259	1,662,724	1,801,257	1,959,590	2,029,639	2,105,144	2,179,652	2,256,417	2,335,489	2,423,355	2,511,968	2,599,282	2,690,318	2,782,206

Statement 6 - Forecast Statement of Funding 2015-2030

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	3,535,089	3,711,860	3,897,470	4,092,361	4,296,997	4,425,907	4,558,684	4,695,445	4,836,309	4,981,398	5,130,839	5,284,764	5,443,307	5,606,607	5,774,804
Operating grants, subsidies and contributions	2,569,079	2,646,150	2,725,533	2,807,298	2,891,517	2,978,262	3,067,609	3,159,637	3,254,426	3,352,060	3,452,621	3,556,200	3,662,886	3,772,774	3,885,957
Fees and charges	951,697	980,252	1,009,660	1,039,950	1,071,149	1,103,287	1,136,388	1,170,482	1,205,594	1,241,763	1,279,014	1,317,385	1,356,907	1,397,611	1,439,541
Interest earnings	74,698	64,722	52,572	62,560	74,378	75,652	83,210	90,960	98,898	107,041	121,766	135,029	148,479	164,647	179,447
Other revenue	189,995	195,694	201,566	207,612	213,842	220,256	226,866	233,672	240,682	247,905	255,343	263,003	270,892	279,015	287,386
	<u>7,320,558</u>	<u>7,598,678</u>	<u>7,886,801</u>	<u>8,209,781</u>	<u>8,547,883</u>	<u>8,803,364</u>	<u>9,072,757</u>	<u>9,350,196</u>	<u>9,635,909</u>	<u>9,930,167</u>	<u>10,239,583</u>	<u>10,556,381</u>	<u>10,882,471</u>	<u>11,220,654</u>	<u>11,567,135</u>
Expenses															
Employee costs	(3,487,745)	(3,592,384)	(3,700,154)	(3,811,162)	(3,925,503)	(4,043,268)	(4,164,566)	(4,289,508)	(4,418,191)	(4,550,741)	(4,687,261)	(4,827,883)	(4,972,725)	(5,121,901)	(5,275,566)
Materials and contracts	(2,281,178)	(2,398,839)	(2,470,811)	(2,544,940)	(2,621,296)	(2,699,944)	(2,780,947)	(2,864,379)	(2,950,308)	(3,038,819)	(3,129,978)	(3,223,889)	(3,320,611)	(3,420,218)	(3,522,829)
Utility charges (electricity, gas, water etc.)	(315,033)	(324,484)	(334,222)	(344,247)	(354,581)	(365,220)	(376,183)	(387,466)	(399,090)	(411,060)	(423,388)	(436,090)	(449,174)	(462,646)	(476,522)
Depreciation on non-current assets	(1,621,173)	(1,704,223)	(1,786,466)	(1,869,609)	(1,953,967)	(2,040,495)	(2,129,795)	(2,222,352)	(2,316,691)	(2,413,943)	(2,514,314)	(2,617,898)	(2,698,467)	(2,805,488)	(2,918,218)
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	(22,149)	(39,817)	(65,068)	(64,739)	(54,165)	(43,571)	(35,538)	(30,498)	(25,255)	(19,801)	(14,126)	(8,222)	(5,902)	(4,770)	(3,582)
Insurance expense	(324,133)	(333,854)	(343,872)	(354,183)	(364,810)	(375,750)	(387,024)	(398,633)	(410,590)	(422,912)	(435,595)	(448,665)	(462,122)	(475,982)	(490,265)
Other expenditure	650,451	669,959	690,050	710,747	732,062	754,028	776,645	799,940	823,942	848,655	874,120	900,336	927,345	955,181	983,835
	<u>(7,400,960)</u>	<u>(7,723,642)</u>	<u>(8,010,543)</u>	<u>(8,278,133)</u>	<u>(8,542,260)</u>	<u>(8,814,220)</u>	<u>(9,097,408)</u>	<u>(9,392,896)</u>	<u>(9,696,183)</u>	<u>(10,008,621)</u>	<u>(10,330,542)</u>	<u>(10,662,311)</u>	<u>(10,981,656)</u>	<u>(11,335,824)</u>	<u>(11,703,147)</u>
	<u>(80,402)</u>	<u>(124,964)</u>	<u>(123,742)</u>	<u>(68,352)</u>	<u>5,623</u>	<u>(10,856)</u>	<u>(24,651)</u>	<u>(42,700)</u>	<u>(60,274)</u>	<u>(78,454)</u>	<u>(90,959)</u>	<u>(105,930)</u>	<u>(99,185)</u>	<u>(115,170)</u>	<u>(136,012)</u>
Funding Position Adjustments															
Depreciation on non-current assets	1,621,173	1,704,223	1,786,466	1,869,609	1,953,967	2,040,495	2,129,795	2,222,352	2,316,691	2,413,943	2,514,314	2,617,898	2,698,467	2,805,488	2,918,218
Net Funding From Operational Activities	<u>1,540,771</u>	<u>1,579,259</u>	<u>1,662,724</u>	<u>1,801,257</u>	<u>1,959,590</u>	<u>2,029,639</u>	<u>2,105,144</u>	<u>2,179,652</u>	<u>2,256,417</u>	<u>2,335,489</u>	<u>2,423,355</u>	<u>2,511,968</u>	<u>2,599,282</u>	<u>2,690,318</u>	<u>2,782,206</u>
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Non-operating grants, subsidies and contributions	964,637	966,276	1,275,928	969,703	751,494	753,339	690,000	960,000	420,000	690,000	690,000	690,000	690,000	690,000	690,000
Outflows															
Purchase of property plant and equipment	(1,214,910)	(2,605,350)	(1,431,854)	(587,316)	(1,220,135)	(1,032,112)	(1,119,484)	(1,414,017)	(899,296)	(940,000)	(1,040,000)	(1,140,000)	(1,140,000)	(1,240,000)	(1,340,000)
Purchase of infrastructure	(1,572,436)	(1,439,526)	(1,407,357)	(1,449,581)	(1,168,379)	(1,203,431)	(1,239,534)	(1,276,719)	(1,315,024)	(1,354,473)	(1,395,108)	(1,436,961)	(1,480,068)	(1,524,472)	(1,570,205)
Net Funding From Capital Activities	<u>(1,822,709)</u>	<u>(3,078,600)</u>	<u>(1,563,283)</u>	<u>(1,067,194)</u>	<u>(1,637,020)</u>	<u>(1,482,204)</u>	<u>(1,669,018)</u>	<u>(1,730,736)</u>	<u>(1,794,320)</u>	<u>(1,604,473)</u>	<u>(1,745,108)</u>	<u>(1,886,961)</u>	<u>(1,930,068)</u>	<u>(2,074,472)</u>	<u>(2,220,205)</u>
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	629,273	810,000	0	0	250,000	0	0	0	0	0	0	0	0	0	0
New borrowings	0	1,100,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Self supporting loan	6,489	6,911	7,361	7,841	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(299,634)	(323,987)	(399,457)	(472,734)	(301,045)	(302,319)	(309,877)	(317,627)	(325,565)	(589,030)	(530,586)	(538,067)	(646,579)	(592,079)	(537,046)
Advances to community groups	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of past borrowings	(54,190)	(93,583)	(207,345)	(269,170)	(271,525)	(245,116)	(126,249)	(131,289)	(136,532)	(141,986)	(147,661)	(86,940)	(22,635)	(23,767)	(24,955)
Net Funding From Financing Activities	<u>281,938</u>	<u>1,499,341</u>	<u>(99,441)</u>	<u>(734,063)</u>	<u>(322,570)</u>	<u>(547,435)</u>	<u>(436,126)</u>	<u>(448,916)</u>	<u>(462,097)</u>	<u>(731,016)</u>	<u>(678,247)</u>	<u>(625,007)</u>	<u>(669,214)</u>	<u>(615,846)</u>	<u>(562,001)</u>
Estimated Surplus/Deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Statement 7 - Forecast Statement of Net Current Asset Composition 2015-2030

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302	133,302
Restricted Cash and Cash Equivalent	2,455,619	1,969,606	2,369,063	2,841,797	2,892,842	3,195,161	3,505,038	3,822,665	4,148,230	4,737,260	5,267,846	5,805,913	6,452,492	7,044,571	7,581,617
Non-Cash Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and Other Receivables	71,355	71,805	72,285	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444	64,444
Inventories	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030	138,030
CURRENT LIABILITIES															
Trade and Other Payables	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)	(335,776)
Reserves	(2,455,619)	(1,969,606)	(2,369,063)	(2,841,797)	(2,892,842)	(3,195,161)	(3,505,038)	(3,822,665)	(4,148,230)	(4,737,260)	(5,267,846)	(5,805,913)	(6,452,492)	(7,044,571)	(7,581,617)
Current Self Supporting Loans Receivable	(6,911)	(7,361)	(7,841)	0	0	0	0	0	0	0	0	0	0	0	0
Movement in Accrued Salaries and Wages	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Statement 8- Forecast Statement of Fixed Asset Movements 2015-2030

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Roads	1,468,626	1,332,603	1,297,227	1,336,145	1,051,541	1,083,089	1,115,581	1,149,048	1,183,521	1,219,026	1,255,597	1,293,265	1,332,061	1,372,025	1,413,185
Roads – Kerbing	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739	48,141	49,585
Footpaths	49,173	50,648	52,167	53,733	55,345	57,004	58,715	60,476	62,291	64,159	66,084	68,066	70,109	72,212	74,378
Drainage	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057
Total Capital Works - Infrastructure	1,572,436	1,439,526	1,407,357	1,449,581	1,168,379	1,203,431	1,239,534	1,276,719	1,315,024	1,354,473	1,395,108	1,436,961	1,480,068	1,524,472	1,570,205
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	888,388	543,621	403,427	415,530	66,413	68,405	70,457	72,571	74,749	76,991	79,301	81,680	84,130	86,654	89,254
Additions - Renewal	684,048	895,905	1,003,930	1,034,051	1,101,966	1,135,026	1,169,077	1,204,148	1,240,275	1,277,482	1,315,807	1,355,281	1,395,938	1,437,818	1,480,951
Total Capital Works - Infrastructure	1,572,436	1,439,526	1,407,357	1,449,581	1,168,379	1,203,431	1,239,534	1,276,719	1,315,024	1,354,473	1,395,108	1,436,961	1,480,068	1,524,472	1,570,205
Asset Movement Reconciliation															
Total Capital Works Infrastructure	1,572,436	1,439,526	1,407,357	1,449,581	1,168,379	1,203,431	1,239,534	1,276,719	1,315,024	1,354,473	1,395,108	1,436,961	1,480,068	1,524,472	1,570,205
Depreciation Infrastructure	(1,246,789)	(1,287,814)	(1,329,058)	(1,371,618)	(1,412,942)	(1,455,512)	(1,499,365)	(1,544,538)	(1,591,073)	(1,639,009)	(1,688,390)	(1,739,259)	(1,791,660)	(1,845,640)	(1,901,246)
Net Book Value of disposed/Written Off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of Infrastructure assets (Inflation)	2,270,866	2,348,762	2,423,776	2,498,837	2,576,142	2,646,089	2,717,910	2,791,652	2,867,368	2,945,105	3,024,924	3,106,873	3,191,011	3,277,394	3,366,081
Net Movement in Infrastructure Assets	2,596,513	2,500,474	2,502,075	2,576,800	2,331,579	2,394,008	2,458,079	2,523,833	2,591,319	2,660,569	2,731,642	2,804,575	2,879,419	2,956,226	3,035,040
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	774,910	2,165,350	991,854	147,316	780,135	592,112	679,484	974,017	459,296	500,000	600,000	700,000	700,000	800,000	900,000
Plant and Equipment	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000
Total Capital Works Property, Plant and Equipment	1,214,910	2,605,350	1,431,854	587,316	1,220,135	1,032,112	1,119,484	1,414,017	899,296	940,000	1,040,000	1,140,000	1,140,000	1,240,000	1,340,000
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	109,273	0	865,927	119,405	122,987	126,677	0	0	0	0	0	0	0	0	0
Additions - Renewal	1,105,637	2,605,350	565,927	467,911	1,097,148	905,435	1,119,484	1,414,017	899,296	940,000	1,040,000	1,140,000	1,140,000	1,240,000	1,340,000
Total Capital Works Property, Plant and Equipment	1,214,910	2,605,350	1,431,854	587,316	1,220,135	1,032,112	1,119,484	1,414,017	899,296	940,000	1,040,000	1,140,000	1,140,000	1,240,000	1,340,000
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	1,214,910	2,605,350	1,431,854	587,316	1,220,135	1,032,112	1,119,484	1,414,017	899,296	940,000	1,040,000	1,140,000	1,140,000	1,240,000	1,340,000
Depreciation Property, Plant and Equipment	(374,384)	(416,409)	(457,408)	(497,991)	(541,025)	(584,983)	(630,430)	(677,814)	(725,618)	(774,934)	(825,924)	(878,639)	(906,807)	(959,848)	(1,016,972)
Net Book Value of disposed/Written Off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of Property, Plant and Equipment (Inflation)	842,134	892,614	985,061	1,043,847	1,077,843	1,130,550	1,177,880	1,227,889	1,286,811	1,330,628	1,375,497	1,424,519	1,493,078	1,545,514	1,600,885
Net Movement in Property, Plant and Equipment	1,682,660	3,081,555	1,959,507	1,133,172	1,756,953	1,577,679	1,666,934	1,964,092	1,460,489	1,495,694	1,589,573	1,685,880	1,726,271	1,825,666	1,923,913
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	1,572,436	1,439,526	1,407,357	1,449,581	1,168,379	1,203,431	1,239,534	1,276,719	1,315,024	1,354,473	1,395,108	1,436,961	1,480,068	1,524,472	1,570,205
Total Capital Works Property, Plant and Equipment	1,214,910	2,605,350	1,431,854	587,316	1,220,135	1,032,112	1,119,484	1,414,017	899,296	940,000	1,040,000	1,140,000	1,140,000	1,240,000	1,340,000
Total Capital Works	2,787,346	4,044,876	2,839,211	2,036,897	2,388,514	2,235,543	2,359,018	2,690,736	2,214,320	2,294,473	2,435,108	2,576,961	2,620,068	2,764,472	2,910,205
Fixed Asset Movement															
Net Movement in Infrastructure Assets	2,596,513	2,500,474	2,502,075	2,576,800	2,331,579	2,394,008	2,458,079	2,523,833	2,591,319	2,660,569	2,731,642	2,804,575	2,879,419	2,956,226	3,035,040
Net Movement in Property, Plant and Equipment	1,682,660	3,081,555	1,959,507	1,133,172	1,756,953	1,577,679	1,666,934	1,964,092	1,460,489	1,495,694	1,589,573	1,685,880	1,726,271	1,825,666	1,923,913
Net Movement in Fixed Assets	4,279,173	5,582,029	4,461,582	3,709,972	4,088,532	3,971,687	4,125,013	4,487,925	4,051,808	4,156,263	4,321,215	4,490,455	4,605,690	4,781,892	4,958,953

Statement 9- Forecast Statement of Fixed Asset Funding 2015-2030

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Roads	1,468,626	1,332,603	1,297,227	1,336,145	1,051,541	1,083,089	1,115,581	1,149,048	1,183,521	1,219,026	1,255,597	1,293,265	1,332,061	1,372,025	1,413,185
Roads – Kerbing	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739	48,141	49,585
Footpaths	49,173	50,648	52,167	53,733	55,345	57,004	58,715	60,476	62,291	64,159	66,084	68,066	70,109	72,212	74,378
Drainage	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057
Buildings	774,910	2,165,350	991,854	147,316	780,135	592,112	679,484	974,017	459,296	500,000	600,000	700,000	700,000	800,000	900,000
Plant and Equipment	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000
Total - Capital Expenditure	2,787,346	4,044,876	2,839,211	2,036,897	2,388,514	2,235,543	2,359,018	2,690,736	2,214,320	2,294,473	2,435,108	2,576,961	2,620,068	2,764,472	2,910,205
Funded By:															
Capital Grants & Contributions															
Roads	910,000	910,000	910,000	910,000	690,000	690,000	690,000	690,000	420,000	690,000	690,000	690,000	690,000	690,000	690,000
Buildings	54,637	56,276	365,928	59,703	61,494	63,339	0	270,000	0	0	0	0	0	0	0
Total - Capital Grants & Contributions	964,637	966,276	1,275,928	969,703	751,494	753,339	690,000	960,000	420,000	690,000	690,000	690,000	690,000	690,000	690,000
Own Source Funding															
Roads	558,626	422,603	387,227	426,145	361,541	393,089	425,581	459,048	763,521	529,026	565,597	603,265	642,061	682,025	723,185
Roads – Kerbing	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773	44,056	45,378	46,739	48,141	49,585
Footpaths	49,173	50,648	52,167	53,733	55,345	57,004	58,715	60,476	62,291	64,159	66,084	68,066	70,109	72,212	74,378
Drainage	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057
Buildings	720,273	1,009,074	125,926	87,613	718,641	528,773	679,484	704,017	459,296	500,000	600,000	700,000	700,000	800,000	900,000
Plant and Equipment	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000
Total - Own Source Funding	1,822,709	1,978,600	1,063,283	1,067,194	1,637,020	1,482,204	1,669,018	1,730,736	1,794,320	1,604,473	1,745,108	1,886,961	1,930,068	2,074,472	2,220,205
Borrowings															
Buildings	0	1,100,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Total - Borrowings	0	1,100,000	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Funding	2,787,346	4,044,876	2,839,211	2,036,897	2,388,514	2,235,543	2,359,018	2,690,736	2,214,320	2,294,473	2,435,108	2,576,961	2,620,068	2,764,472	2,910,205

Statement 10- Forecast Ratios 2015-2030

	Target Range		Average	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
LIQUIDITY RATIOS																		
Current Ratio	> 1.00	> 1.20	0.50	0.55	0.48	0.41	0.39	0.41	0.48	0.48	0.48	0.48	0.47	0.52	0.58	0.58	0.59	0.59
OPERATING RATIOS																		
Operating Surplus Ratio	> 1.00%	> 15.00%	(1.25%)	(1.69%)	(2.52%)	(2.40%)	(1.27%)	0.10%	(0.19%)	(0.41%)	(0.69%)	(0.94%)	(1.19%)	(1.34%)	(1.51%)	(1.37%)	(1.55%)	(1.77%)
Own Source Revenue Coverage Ratio	> 40.00%	> 60.00%	65.48%	64.20%	64.12%	64.43%	65.26%	66.22%	66.09%	66.01%	65.91%	65.81%	65.72%	65.70%	65.65%	65.74%	65.70%	65.63%
BORROWINGS RATIOS																		
Debt Service Cover Ratio	> 3	> 5	29.22	20.47	12.14	6.34	5.59	6.18	7.18	13.23	13.66	14.10	14.56	15.07	26.48	91.29	94.44	97.62
FIXED ASSET RATIOS																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	105.41%	110.39%	205.45%	87.88%	80.34%	112.55%	100.00%	107.45%	117.81%	92.35%	91.86%	93.70%	95.32%	93.98%	95.45%	96.67%
Asset Consumption Ratio	> 50.00%	> 60.00%	55.19%	56.02%	56.28%	56.27%	56.08%	55.94%	55.74%	55.55%	55.40%	55.14%	54.87%	54.61%	54.36%	54.10%	53.85%	53.61%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A