



SHIRE OF WILLIAMS

Draft Long Term Financial Plan

2024 – 2039

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Shire of Williams
9 Brooking Street, Williams
PO Box 96, Williams, WA, 6391
T 08 9885 1005
E shire@williams.wa.gov.au

williams.wa.gov.au

1.0 FOREWORD

We are pleased to present the Shire of Williams Draft Long Term Financial Plan 2024 – 2039.

This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the district's future. Despite the current uncertain times globally, the Plan provides the Council and the community with a picture of the Shire's long term financial management. The Plan has been developed to assist the Shire meet its strategic outcomes and objectives, both during and beyond current global uncertainties and other considerations which may impact the community.

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.

Council welcomes community participation in the planning process as we continue to follow the strategic direction for a promising future for our district. We invite members of the community to contact a Councillor or Senior Council staff member if they have any questions.

The Shire of Williams's Draft Long Term Financial Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Williams Strategic Community Plan 2022-2032.

This Plan will be used with the Corporate Business Plan to drive the Shire in achieving its vision of "Williams is an independent, growing and vibrant community, achieved by maintaining a balanced and caring approach to its people and environment".

The Shire has devoted significant resources to improving its strategic planning and implementation. This work continues as we constantly seek to improve systems and service delivery.

Jarrad Logie
President

Peter Stubbs
Chief Executive Officer

2.0 WILLIAMS

2.1 Location

Williams is a small rural community located along the western boundary of the Wheatbelt region of Western Australia. Known as the 'Gateway to the Great Southern', Williams is located approximately 160 kilometres from the capital city of Perth, and is on an important strategic freight transport route as well as tourism route for travellers looking to explore the southern region of WA.

The Shire of Williams covers a land area of approximately 2,300 square kilometres and is home to a population of 1021¹. The Shire includes the localities of Boraning, Congelin, Culbin, Dardadine, Narrakine, Quindanning and Tarwonga. The economy is largely driven by the agricultural industry, tourism and agri-business related developments.

Recent years have seen a greater diversification of the economy into increasing tourism related businesses and service industries. These exist alongside the more traditional businesses that support the agricultural endeavours of the region that includes cropping, livestock, hay processing and grain pellet production.

Williams is located on the Albany Highway, a strategic road transport link between the Perth metropolitan area and the Great Southern region of WA.

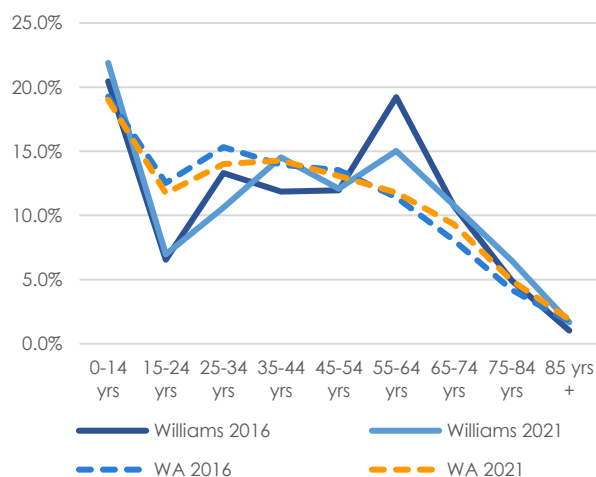
2.2 People

The following statistics reflect the Shire's population in comparison to the population of the state of Western Australia.

| Population | 2016 | | 2021 |
|------------|-------|---|-------|
| Williams | 979 | ↑ | 1,021 |
| WA | 2.47m | ↑ | 2.66m |

The Shire had an estimate resident population of 1,021 people (Australian Bureau of Statistics Census, 2021) on the night of the 2021 census.

This chart reflects the percentage of the estimated resident population within each age grouping for the Shire of Williams (blue lines) and Western Australia (orange dotted lines) on the night of the 2016 and 2021 census.



In comparison to the Western Australia demographic, the Shire has a lower proportion of residents in the 15 - 34 age ranges. The proportion of people aged from 35-39 and 60-69 years is higher than the State average.

¹ Australian Bureau of Statistics 2021 Census of Population and Housing, Williams (LGA59170)

3.0 KEY INFORMATION

VISION / STRATEGIC OBJECTIVES

Vision: Williams is an independent, growing and vibrant community, achieved by maintaining a balanced and caring approach to its people and environment

Economic: To support industry and business development through the development of sustainable infrastructure and investment opportunities

Social & Cultural: To be a safe and welcoming community where everyone is valued and has the opportunity to contribute and belong

Land Use & Environment: To have a balanced respect for our natural assets and built environment, maintaining our lifestyle, values and community spirit

Innovation, Leadership and Governance: To have a shire council that is an innovative, responsive partner to the community with strong civic leadership engaging in effective partnerships which reflect the aspirations of the community as a whole

ASSUMPTIONS



3.5%

Inflation Rate



Stable

Population



Stable

Levels of Service



Stable

Operations



Balanced

Annual Budget



5%

Rates



3.5%

Employee Costs

STATISTICS¹ | ²



7

Elected Members¹



32

Employees¹



660

Electors¹



459

Dwellings¹



161km

Distance from Perth¹



2,304km²

Area²



1,021

Population²

¹WALGA Online Local Government Directory 2022/23, Shire of Williams

²Australian Bureau of Statistics 2021 Census of Population and Housing, Williams (LGA59170)

4.0 EXECUTIVE SUMMARY

The following information provides a brief summary of the Draft Long Term Financial Plan 2024 – 2039, this should be read in conjunction with the underlying assumptions detailed in this Plan.

4.1 Planning for a Progressive and Stable Future

The Shire of Williams is planning for a positive future with strong growth in the district. The Shire seeks to where possible, improve service levels into the future while ensuring a healthy financial position.

Long term maintenance and renewal of the Shire's infrastructure remains a significant challenge and requires external funding to ensure the economic and social benefits of the Shire's infrastructure to the broader region and Western Australia are not impacted.

4.2 Significant Issues

The continued provision of community infrastructure remains one of the key priorities and major expenditure items for the Shire.

Road maintenance and renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district and broader region. Associated with the road network is the provision maintenance and renewal of drainage infrastructure.

Adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions.

Rate revenue is forecast to increase at 5% (CPI 3.5% + 1.5%) for the term of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community where possible. These increases will be reviewed annually when setting future budgets.

4.3 Forecast Capital Projects

A capital works program has been planned over the term of the Plan with a mixture of new, upgrade and assets renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the Shire.

The capital works program has been developed in response to the strategic priorities identified in the Strategic Community Plan. Funding for these projects has been sourced through general revenue, utilising reserves and external grants and contributions. External funding is required to undertake these works.

The table below shows the capital works currently planned over the period of this Plan.

4.4 Forecast Capital Projects by Asset Class

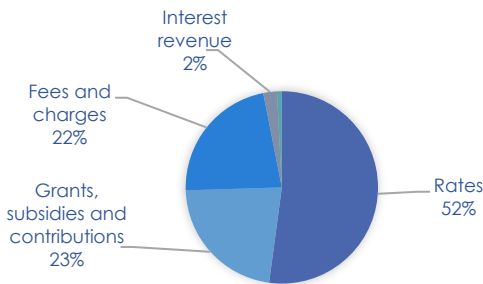
| Project by Asset Class | 2024 – 2039 Amount (\$) |
|---|-------------------------------|
| Land | |
| Industrial land development | 1,071,225 |
| Plant and Equipment | |
| Plant replacement program | 9,713,968 |
| Infrastructure - Roads | |
| Road renewals | 7,988,416 |
| Infrastructure - Parks and Ovals | |
| Swimming pool reline | 214,245 |
| Buildings | |
| Recreation centre refurbishment | 12,722,793 |
| Housing | 1,449,000 |
| Building renewals | 599,132 |
| Grand Total | 33,758,779 |

5.0 LONG TERM FINANCIAL PLANNING OVERVIEW

5.1 Forecast Revenue

Rates are expected to generate \$2.4 m in 2024-25 before increasing at 5% per annum to \$4.7m in 2038-39 and comprise 52% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$21.9m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Capital grants are expected to remain relatively stable for road renewal with additional grants required as Council seeks to increase the level of service of community infrastructure.

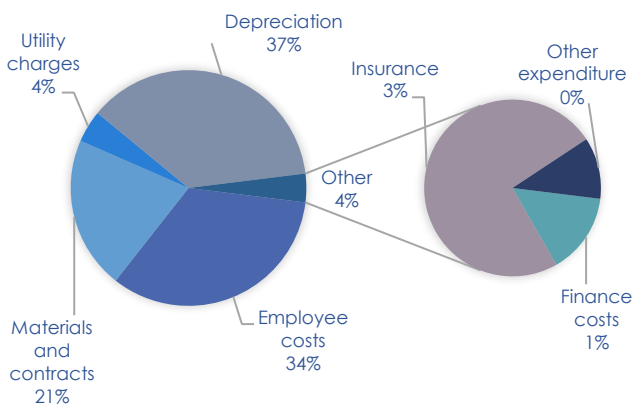
5.1.1 Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

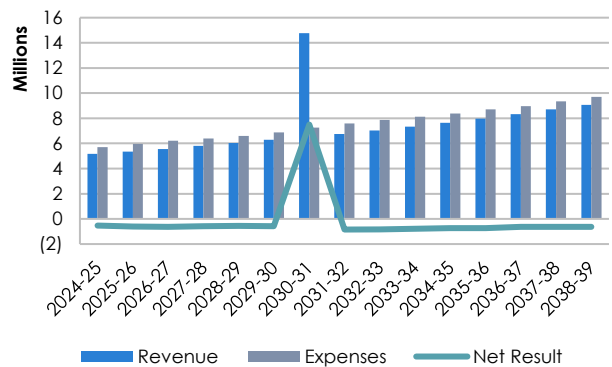
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets over the term of the Plan, materials and contracts and finance costs.

5.2.1 Expenditure Composition Year 1 to 15



5.3 Net Result

The chart below reflects in the blue columns a revenue spike in 2030-31 as capital grants are forecast to be received in this year, thereafter there is a steady increase in revenue and expenditure for the remainder of the Plan, with the green line reflecting the net result.



The negative net result over the long term is caused by decreases in forecast capital grants and highlights the need for additional funding to prevent the long term reduction in net assets.

5.4 Depreciation Expense

Ideally, the average asset renewal should be in line with depreciation expense over the long term, to ensure the value of assets is maintained. Given a number of assets have a life exceeding the term of the Plan, asset renewal and depreciation are not expected to align exactly.

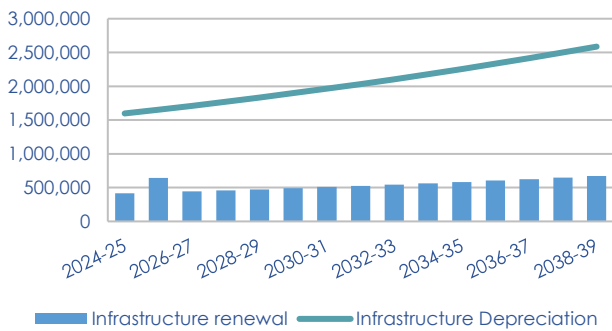
Where the planned asset renewals are higher than depreciation, the written down value of these assets will increase over time as depreciation erodes the value of the assets at a lower rate than they are renewed. Revaluation of assets in line with inflation may mask a real decrease in value where planned asset renewals are lower than depreciation.

Depreciation expense increases throughout the Plan from \$2.0m in year 1 to \$3.7m in year 15 as assets are revalued and renewed.

5.0 LONG TERM FINANCIAL PLANNING OVERVIEW (CONTINUED)

5.5 Infrastructure Depreciation Expense - V- Asset Renewal Expenditure

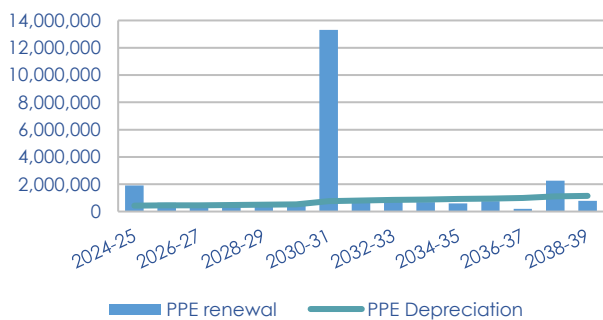
Depreciation of infrastructure over the 15 years is \$30.1m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$8.2m (reflected by the blue columns) is over the term of the Plan below the level of depreciation.



Further review of asset useful lives for infrastructure assets in future may be required as changes occur in the construction techniques of road pavements occur and traffic loads vary.

5.6 Property, Plant and Equipment Depreciation Expense -V- Asset Renewal Expenditure

Planned property, plant and equipment asset renewals of \$24.5m (reflected by the blue columns) over the 15 years is more than the depreciation expense of \$11.3m (reflected by the green line) over the same period as shown in the chart below.



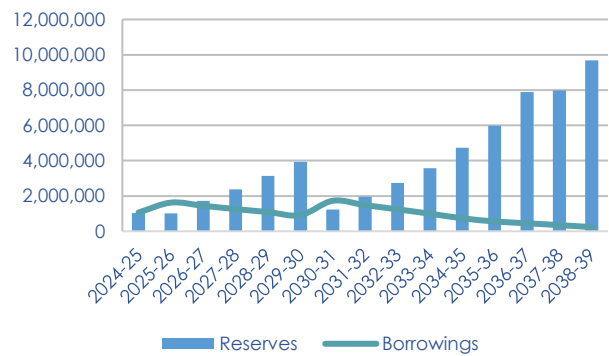
Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

5.7 Maintenance Expenditure

The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

5.8 Forecast Borrowings and Cash Reserves

In general, the finances of the Shire are expected to remain stable over the long term. Reserves will be utilised to fund asset renewals initially resulting in the decrease in reserve levels before increasing as the Shire saves for major forecast future asset renewals and in line with the priorities identified in the Strategic Community Plan, as shown in the chart below.



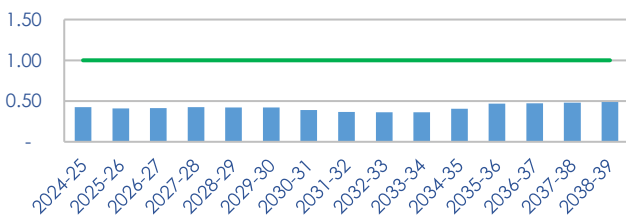
New borrowings are forecast to be taken up in 2024-25 of \$700,000 for housing increase, 2025-26 of \$700,000 for land redevelopment and in 2030-31 of \$1,000,000 for recreation centre redevelopment. Thereafter borrowings steadily reduce over the remainder of the Plan, this is part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

5.0 LONG TERM FINANCIAL PLANNING OVERVIEW (CONTINUED)

5.9 Forecast Operating Ratios 2024 – 2039

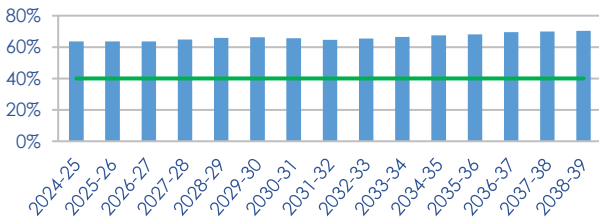
Monitoring the Shire’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level of the ratio.

5.9.1 Current Ratio



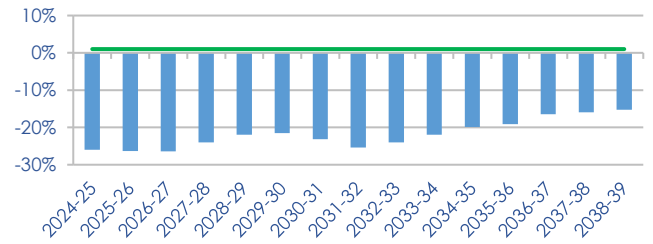
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. The ratio increase as current loan liabilities are reduced in the outer years of the Plan. The trend is not considered to indicate a threat to the Shire’s long term financial position.

5.9.2 Own Source Revenue Coverage Ratio



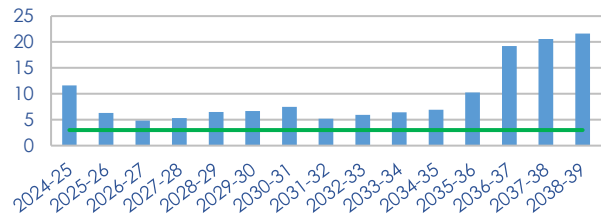
The ratio stays well above the target indicating the Shire independence from reliance on grants and contributions for operations.

5.9.3 Operating Surplus Ratio



The ratio reflects forecast depreciation is greater than forecast funding for renewal of assets. The ratio above highlights how the cumulative impact of the rates increases above inflation are needed to address the Operating Surplus Ratio.

5.9.4 Debt Service Cover Ratio



The ratio reflects how the Shire will maximise the use of borrowings to fund capital works.

An explanation of all ratios is provided at Section 10.

6.0 SCENARIO MODELLING

6.1 Scenario Modelling

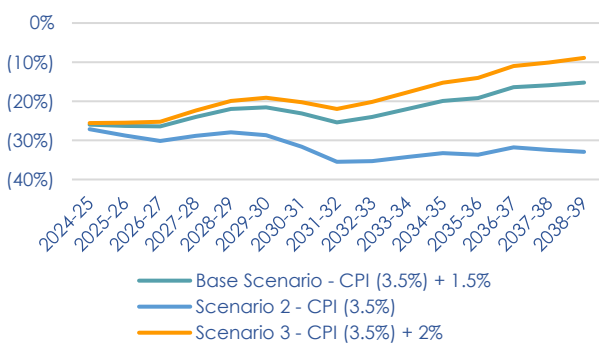
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased funding levels, modelling of various scenarios was undertaken. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with a rates yield 1.5% above inflation (3.5%) for the term of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

| Scenario | Rates Increase above CPI (3.5%) | Total Increase |
|---------------|---------------------------------|----------------|
| Base Scenario | 1.5% | 5% |
| Scenario 2 | 0% | 3.5% |
| Scenario 3 | 2% | 5.5% |

The base scenario was selected as the most appropriate and has been used for the Plan. The base scenario includes levels of rate revenue and fees and charges to ensure the current levels of service are maintained.

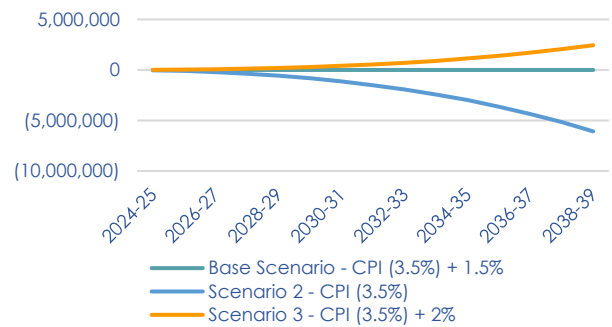
6.2 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same) The base scenario was selected as it maintains existing service levels.

The chart below reflects the impact of a change in total rates yield on the estimated surplus (deficit) at June 30 from the base scenario (other assumptions remaining the same).

6.3 Estimated Surplus (Deficit) June 30 Carried Forward



The cumulative impact of the changes in rates along with fees and charges results in the surplus (deficit) shown in the table below.

| | Estimated Surplus/(Deficit) | | |
|---------|-----------------------------|------------------------------|-------------------------------------|
| | Base Scenario | Scenario 2 CPI 3.5% \$ | Scenario 3 CPI 3.5%+ 2% \$ |
| 2024-25 | 0 | (33,682) | 11,226 |
| 2025-26 | 0 | (104,751) | 35,138 |
| 2026-27 | 0 | (217,187) | 73,326 |
| 2027-28 | 0 | (373,572) | 127,519 |
| 2028-29 | 0 | (576,239) | 199,593 |
| 2029-30 | 0 | (828,854) | 291,587 |
| 2030-31 | 0 | (1,135,315) | 405,712 |
| 2031-32 | 0 | (1,499,762) | 544,363 |
| 2032-33 | 0 | (1,926,596) | 710,133 |
| 2033-34 | 0 | (2,420,489) | 905,830 |
| 2034-35 | 0 | (2,986,403) | 1,134,493 |
| 2035-36 | 0 | (3,629,603) | 1,399,403 |
| 2036-37 | 0 | (4,355,670) | 1,704,110 |
| 2037-38 | 0 | (5,170,528) | 2,052,442 |
| 2038-39 | 0 | (6,080,460) | 2,448,526 |

7.0 STRATEGIC PLANNING AND POLICIES

7.1 Linkage with Other Plans

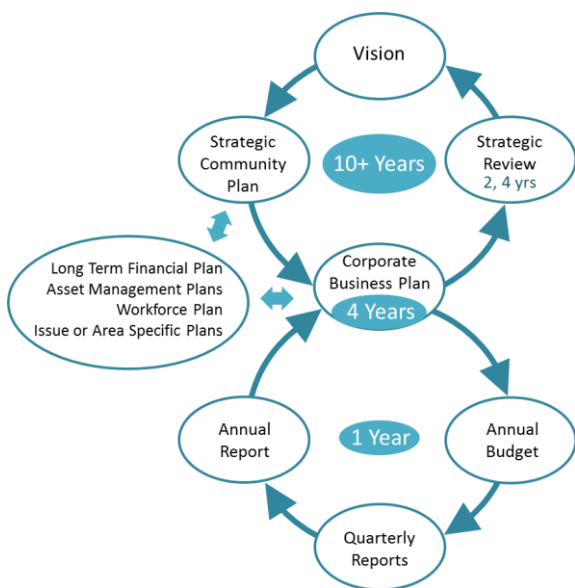
The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed. The Long Term Financial Plan considers, and influences, asset management and workforce planning along with other key strategic plans. This Long Term Financial Plan has been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Development of the Plan has also been influenced by the Department's Integrated Planning Framework and Guidelines.

7.2 Strategic Documents Linkage

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Strategic Community Plan, as illustrated in the diagram below.

7.3 Diagram: Integrated Planning and Reporting Cycle²



7.4 Strategic Community Plan

The Strategic Community Plan has been prepared to cover a minimum period of 10 years and set out the community's vision, aspirations and objectives for the Shire. To achieve the vision, a series of priorities, objectives and strategies were developed. Many strategies may be required to achieve a single objective and many objectives needed to achieve a single priority.

Individual strategies all require actions involving extra human, physical and financial resources. Achieving the Shire's strategic priorities requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

7.5 Corporate Business Plan

The Corporate Business Plan contains details of the actions and resources (human, asset and financial) to achieve each strategy and acts as an organisational guide for the Council and management.

The financial capacity and asset management practices to support the Corporate Business Plan are set out in the Long Term Financial Plan for the period. This 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 resources to undertake various projects.

7.6 Other Strategic Plans

The Asset Management Plan, Workforce Plan and other strategic plans integrate with the Long Term Financial Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. As far as possible, these requirements are met in the Plan.

² Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

8.0 RISK MANAGEMENT

8.1 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 assets by the Chief Executive Officer to ensure the level is adequate. The Shire's insurer is LGIS.

The Financial Management Regulations require 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.

8.2 Certainty of Assumptions

Included in the Plan is a detailed analysis of the assumptions used as part of the planning process and the level of risk associated with each assumption.

The impact of the assumptions applied to 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.

8.3 Sensitivity Analysis

Where an assessment has been made that a high level of uncertainty applies to the assumptions, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

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

9.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

9.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

| Disclosure/Assumption | Assessed Financial Risk | Impact of High Financial Risk Assumptions | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk |
|---|-------------------------|---|----------------------|---|
| District Growth in Population: The number of residents in the Shire is expected to remain at current levels. | 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 in the total rate yield of 5%, (1.5% + 3.5% forecast inflation). | Medium | Not assessed as high financial risk. | Medium | Not assessed as high level of uncertainty. |
| Grants, Subsidies and Contributions: Increases in line with inflation forecast. | 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 projected service levels. | High | ± \$11,325 to the value of grants, subsidies and contributions per 1% movement in the value in the first year of the Plan. |
| Capital Grants, Subsidies and Contributions: Remain in line with funding requirements identified for various capital works. | High | The forecast 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 | ± \$142,000 to the value of capital grants, subsidies and contributions per 1% movement in the value over the life of the Plan. |
| Fees and Charges: Increases in line with forecast inflation of 3.5%. | Medium | Not assessed as high financial risk. | Medium | Not assessed as high level of uncertainty. |
| Interest Earnings: Interest earning of an average rate of 2.5% per annum. | Low | Not assessed as high financial risk. | Medium | Not assessed as high level of uncertainty. |
| Other Revenue: Increases in line with 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 misallocation 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. |

9.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

9.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

| Disclosure/Assumption | Assessed Financial Risk | Impact of High Financial Risk Assumptions | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk |
|---|-------------------------|--|----------------------|---|
| Employee Costs: Increased annually by forecast inflation. | Medium | Not assessed as high financial risk. | Low | Not assessed as high level of uncertainty. |
| Materials and Contracts: Increased annually by forecast inflation. | 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 projected service levels. | High | ± \$238,129 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to costs due to the impacts the current global economic uncertainty. |
| Depreciation: Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets. | Low | Not assessed as high financial risk. | Low | Not assessed as high level of uncertainty. |
| Insurance: Base year increased in line with inflation. | Medium | Not assessed as high financial risk. | Medium | Not assessed as high level of uncertainty. |
| Other Expenditure: Base year increased in line with 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 misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan. | Low | Not assessed as high financial risk. | Low | Not assessed as high level of uncertainty. |

9.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

9.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

| Disclosure/Assumption | Assessed Financial Risk | Impact of High Financial Risk Assumptions | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk |
|---|-------------------------|---|----------------------|--|
| Revaluations: In line with annual inflation. | Low | The revaluation of assets 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 | ±\$469,229 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$831,873 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 has been based on historical levels escalated by inflation. | 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 | ±\$142,000 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 expenditure is in accordance with the Corporate Business Plan, and plant expenditure is based on the Plant Replacement Program. | 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. |

9.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

9.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

| Disclosure/Assumption | Assessed Financial Risk | Impact of High Financial Risk Assumptions | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk |
|---|-------------------------|---|----------------------|---|
| Borrowings: New borrowings to be considered for capital works where required. | High | If the Shire is not able to secure borrowings in the future, the likely impact will be the cancellation or postponement of related asset acquisitions leading to a reduction in service levels over the short to medium term. | 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. |

9.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

9.5 Equity Risks, Uncertainties and Sensitivity

| Disclosure/Assumption | Assessed Financial Risk | Impact of High Financial Risk Assumptions | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk |
|--|-------------------------|--|----------------------|--|
| 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 depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows. | High | ±\$469,229 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$831,873 to the value of infrastructure assets per 1% movement in the value over the life of the Plan. |

9.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

9.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

| Disclosure/Assumption | Assessed Financial Risk | Impact of High Financial Risk Assumptions | Level of Uncertainty | Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk |
|--|-------------------------|--|----------------------|--|
| Ownership of Strategic Assets: The Shire has not planned 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 3.5% per annum. | Medium | Not assessed as high financial risk. | High | ± \$976,101 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,136,471 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 the of the Plan. | Medium | Not assessed as high financial risk. | Medium | 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. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy. | 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 and 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. |

10.0 MONITORING AND PERFORMANCE

10.1 Monitoring

The Plan will be the subject of a desktop review each year to consider changing circumstances, with a full revision scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios.

10.2 Ratio Targets

A series of performance indicators, in the form of financial ratios set out in the table below, have been used 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's Long Term Financial Planning guidelines and *Regulation 50 of Local Government (Financial Management) Regulation 1996*.

The Department's Advisory Standard also provides target levels for each of the ratios.

| Ratio | Calculation | Indication | Minimum target |
|-----------------------------------|---|--|----------------|
| Current Ratio | $\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$ | A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets. | 1. |
| Operating Surplus Ratio | $\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$ | A measure of the extent to which own source revenues raised cover operational expenses. | 1% |
| Own Source Revenue Coverage Ratio | $\frac{\text{own source operating revenue}}{\text{operating expense}}$ | A measure of the extent of the Shire's ability to cover costs using only discretionary revenue. | 40% |
| Debt Service Coverage Ratio | $\frac{\text{Annual operating surplus before interest and depreciation}}{\text{principal and interest}}$ | A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments. | 3 |

APPENDIX A1 FORECAST FINANCIAL STATEMENTS

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 Australian Accounting Standards.

The statements have been prepared based on a number of forecasts and estimates, and readers should ensure they have read and understood the reliance section under Other Matters at the end of the document.

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 Cashflows

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

Statement of Financial Activity

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

Statement of Net Current Asset Composition

A 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.

Nature or Type

A number of statements in the Plan are disclosed using nature or type descriptors of revenue and expenditure (for example Rates and Employee Costs). This classification is in accordance with Schedule 1 of the *Local Government (Financial Management) Regulation 1996*.

APPENDIX A1 FORECAST FINANCIAL STATEMENTS (CONTINUED)

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 as per the *Local Government (Financial Management) Regulations 1996* are used in the Plan to represent these services, however not all services listed may be provided by the Shire of Williams.

| 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 |
| | Preventative 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 | |

APPENDIX A2 FORECAST STATEMENT OF COMPREHENSIVE INCOME 2024 – 2039

| | 2020-21 | 2021-22 | 2022-23 | Base | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | | | | | | | | | | | | | | | |
| Rates | 1,966,778 | 2,032,126 | 2,137,089 | 2,245,398 | 2,357,668 | 2,475,552 | 2,599,328 | 2,729,294 | 2,865,759 | 3,009,047 | 3,159,499 | 3,317,473 | 3,483,347 | 3,657,516 | 3,840,394 | 4,032,416 | 4,234,037 | 4,445,737 | 4,668,024 |
| Grants, subsidies and contributions | 750,270 | 1,290,686 | 1,461,645 | 469,870 | 1,132,591 | 1,172,232 | 1,213,261 | 1,255,725 | 1,299,677 | 1,345,166 | 1,392,247 | 1,440,975 | 1,491,408 | 1,543,607 | 1,597,633 | 1,653,551 | 1,711,424 | 1,771,323 | 1,833,318 |
| Fees and charges | 994,228 | 1,030,310 | 1,117,171 | 1,093,829 | 1,132,111 | 1,171,731 | 1,212,740 | 1,255,185 | 1,299,115 | 1,344,577 | 1,391,634 | 1,440,342 | 1,490,758 | 1,542,937 | 1,596,934 | 1,652,827 | 1,710,678 | 1,770,556 | 1,832,527 |
| Interest revenue | 16,010 | 19,743 | 75,347 | 80,500 | 98,210 | 94,602 | 93,273 | 110,103 | 125,812 | 144,083 | 163,472 | 95,279 | 112,561 | 132,216 | 153,045 | 181,941 | 213,382 | 260,737 | 263,223 |
| Other revenue | 65,153 | 62,565 | 526,949 | 39,775 | 41,170 | 42,610 | 44,100 | 45,642 | 47,238 | 48,893 | 50,605 | 52,377 | 54,210 | 56,109 | 58,072 | 60,105 | 62,208 | 64,384 | 66,638 |
| | 3,792,439 | 4,435,430 | 5,318,201 | 3,929,372 | 4,761,750 | 4,956,727 | 5,162,702 | 5,395,949 | 5,637,601 | 5,891,766 | 6,157,457 | 6,346,446 | 6,632,284 | 6,932,385 | 7,246,078 | 7,580,840 | 7,931,729 | 8,312,737 | 8,663,730 |
| Expenses | | | | | | | | | | | | | | | | | | | |
| Employee costs | (1,654,940) | (1,751,190) | (1,655,549) | (1,914,704) | (1,981,735) | (2,051,092) | (2,122,868) | (2,197,169) | (2,274,065) | (2,353,647) | (2,436,030) | (2,521,290) | (2,609,535) | (2,700,864) | (2,795,394) | (2,893,228) | (2,994,489) | (3,099,291) | (3,207,759) |
| Materials and contracts | (620,087) | (628,910) | (1,465,289) | (1,387,703) | (1,219,636) | (1,279,470) | (1,345,780) | (1,368,630) | (1,398,058) | (1,504,145) | (1,496,932) | (1,566,473) | (1,642,828) | (1,676,081) | (1,716,276) | (1,833,500) | (1,837,817) | (1,919,284) | (2,008,002) |
| Utility charges | (223,364) | (180,331) | (231,292) | (251,190) | (259,987) | (269,086) | (278,498) | (288,243) | (298,329) | (308,771) | (319,578) | (330,765) | (342,339) | (354,322) | (366,723) | (379,561) | (392,844) | (406,595) | (420,827) |
| Depreciation | (1,275,304) | (1,275,694) | (1,341,349) | (1,953,426) | (2,029,111) | (2,103,958) | (2,177,599) | (2,253,815) | (2,338,388) | (2,423,507) | (2,725,879) | (2,849,418) | (2,950,589) | (3,062,204) | (3,172,910) | (3,291,848) | (3,407,062) | (3,603,062) | (3,733,991) |
| Finance costs | (28,031) | (31,938) | (20,543) | (19,189) | (16,774) | (45,123) | (70,814) | (62,926) | (54,885) | (47,099) | (38,943) | (74,868) | (63,973) | (53,201) | (41,940) | (31,153) | (23,864) | (19,250) | (14,424) |
| Insurance | (124,159) | (137,719) | (149,873) | (165,012) | (170,790) | (176,766) | (182,953) | (189,356) | (195,982) | (202,841) | (209,940) | (217,287) | (224,894) | (232,764) | (240,910) | (249,343) | (258,069) | (267,103) | (276,450) |
| Other expenditure | (21,898) | (17,571) | (4,917) | (25,100) | (25,979) | (26,889) | (27,830) | (28,804) | (29,812) | (30,855) | (31,934) | (33,052) | (34,209) | (35,406) | (36,645) | (37,927) | (39,254) | (40,628) | (42,050) |
| | (3,947,783) | (4,023,353) | (4,868,812) | (5,716,324) | (5,704,012) | (5,952,384) | (6,206,342) | (6,388,943) | (6,589,519) | (6,870,865) | (7,259,236) | (7,593,153) | (7,868,367) | (8,114,842) | (8,370,798) | (8,716,560) | (8,953,399) | (9,355,213) | (9,703,503) |
| | (155,344) | 412,077 | 449,389 | (1,786,952) | (942,262) | (995,657) | (1,043,640) | (992,994) | (951,918) | (979,099) | (1,101,779) | (1,246,707) | (1,236,083) | (1,182,457) | (1,124,720) | (1,135,720) | (1,021,670) | (1,042,476) | (1,039,773) |
| Capital grants, subsidies and contributions | 706,323 | 1,087,775 | 1,369,792 | 723,437 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 8,600,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Fair value adjustments to financial assets at fair value through profit or loss | 1,940 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit on asset disposals | 17,273 | 100,262 | 54,720 | 6,814 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loss on asset disposal | (2,000) | 0 | 0 | (9,782) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET RESULT | 568,192 | 1,600,114 | 1,873,901 | (1,066,483) | (542,262) | (595,657) | (643,640) | (592,994) | (551,918) | (579,099) | 7,498,221 | (846,707) | (836,083) | (782,457) | (724,720) | (735,720) | (621,670) | (642,476) | (639,773) |
| Other comprehensive income | 0 | 2,498,994 | 0 | 0 | 2,979,852 | 3,049,723 | 3,106,418 | 3,168,245 | 3,231,051 | 3,293,277 | 3,805,305 | 3,880,231 | 3,954,517 | 4,031,621 | 4,101,729 | 4,173,321 | 4,231,816 | 4,357,107 | 4,428,534 |
| TOTAL COMPREHENSIVE INCOME | 568,192 | 4,099,108 | 1,873,901 | (1,066,483) | 2,437,590 | 2,454,066 | 2,462,778 | 2,575,251 | 2,679,133 | 2,714,178 | 11,303,526 | 3,033,524 | 3,118,434 | 3,249,164 | 3,377,009 | 3,437,601 | 3,610,146 | 3,714,631 | 3,788,761 |

APPENDIX A3 FORECAST STATEMENT OF FINANCIAL POSITION 2024 – 2039

| | 2021 | 2022 | 2023 | Base | 30June25 | 30June26 | 30June27 | 30June28 | 30June29 | 30June30 | 30June31 | 30June32 | 30June33 | 30June34 | 30June35 | 30June36 | 30June37 | 30June38 | 30 June 39 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | | | | | | | | | | | | | | | | |
| Unrestricted cash and cash equivalents | 718,646 | 1,179,278 | 1,670,328 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 |
| Restricted cash and cash equivalent | 890,863 | 1,804,128 | 1,719,674 | 1,160,674 | 1,041,470 | 1,014,203 | 1,714,273 | 2,370,396 | 3,129,839 | 3,935,162 | 1,238,128 | 1,953,087 | 2,739,203 | 3,572,461 | 4,728,250 | 5,985,866 | 7,880,039 | 7,979,573 | 9,676,263 |
| Financial assets | 107,023 | 17,106 | 22,693 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Trade and other receivables | 189,674 | 171,250 | 138,172 | 138,172 | 138,799 | 139,448 | 140,118 | 140,811 | 141,529 | 142,270 | 143,038 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 |
| Inventories | 22,190 | 26,515 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 |
| TOTAL CURRENT ASSETS | 1,928,396 | 3,198,277 | 3,571,935 | 1,474,318 | 1,355,741 | 1,329,123 | 2,029,863 | 2,686,679 | 3,446,840 | 4,252,904 | 1,556,638 | 2,248,432 | 3,034,548 | 3,867,806 | 5,023,595 | 6,281,211 | 8,175,384 | 8,274,918 | 9,971,608 |
| NON-CURRENT ASSETS | | | | | | | | | | | | | | | | | | | |
| Financial assets | 55,356 | 241,246 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 | 268,817 |
| Other receivables | 0 | 0 | 0 | 0 | (18,926) | (38,501) | (58,746) | (79,684) | (101,340) | (123,737) | (146,902) | (146,902) | (146,902) | (146,902) | (146,902) | (146,902) | (146,902) | (146,902) | (146,902) |
| Property plant and equipment | 17,239,394 | 16,988,722 | 17,295,266 | 18,310,877 | 20,353,234 | 22,040,194 | 22,483,535 | 23,079,345 | 23,700,685 | 24,310,792 | 38,013,742 | 38,980,280 | 39,962,952 | 41,033,389 | 41,915,238 | 42,852,685 | 43,429,167 | 45,925,682 | 46,922,923 |
| Infrastructure | 62,658,116 | 65,748,314 | 66,457,279 | 66,396,816 | 67,551,150 | 68,926,697 | 70,086,276 | 71,242,589 | 72,393,989 | 73,538,717 | 74,674,893 | 75,800,515 | 76,913,453 | 78,011,442 | 79,092,071 | 80,152,778 | 81,190,849 | 82,203,396 | 83,187,366 |
| TOTAL NON-CURRENT ASSETS | 79,952,866 | 82,978,282 | 84,021,362 | 84,976,510 | 88,154,275 | 91,197,207 | 92,779,882 | 94,511,067 | 96,262,151 | 97,994,589 | 112,810,550 | 114,902,710 | 116,998,320 | 119,166,746 | 121,129,224 | 123,127,378 | 124,741,931 | 128,250,993 | 130,232,204 |
| TOTAL ASSETS | 81,881,262 | 86,176,559 | 87,593,297 | 86,450,828 | 89,510,016 | 92,526,330 | 94,809,745 | 97,197,746 | 99,708,991 | 102,247,493 | 114,367,188 | 117,151,142 | 120,032,868 | 123,034,552 | 126,152,819 | 129,408,589 | 132,917,315 | 136,525,911 | 140,203,812 |
| CURRENT LIABILITIES | | | | | | | | | | | | | | | | | | | |
| Trade and other payables | 261,121 | 160,444 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 | 290,345 |
| Contract liabilities | 122,634 | 560,413 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Current portion of long-term liabilities | 195,514 | 73,675 | 75,989 | 78,402 | 137,752 | 179,363 | 187,250 | 167,888 | 175,676 | 183,831 | 249,570 | 236,708 | 247,480 | 258,742 | 181,831 | 101,420 | 106,035 | 110,860 | 115,905 |
| Provisions | 341,041 | 319,749 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 | 354,567 |
| TOTAL CURRENT LIABILITIES | 920,310 | 1,114,281 | 725,901 | 728,314 | 787,664 | 829,275 | 837,162 | 817,800 | 825,588 | 833,743 | 899,482 | 886,620 | 897,392 | 908,654 | 831,743 | 751,332 | 755,947 | 760,772 | 765,817 |
| NON-CURRENT LIABILITIES | | | | | | | | | | | | | | | | | | | |
| Long-term borrowings | 504,908 | 515,879 | 439,891 | 361,489 | 923,737 | 1,444,374 | 1,257,124 | 1,089,236 | 913,560 | 729,729 | 1,480,159 | 1,243,451 | 995,971 | 737,229 | 555,398 | 453,978 | 347,943 | 237,083 | 121,178 |
| Provisions | 16,306 | 7,552 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 | 14,757 |
| TOTAL NON-CURRENT LIABILITIES | 521,214 | 523,431 | 454,648 | 376,246 | 938,494 | 1,459,131 | 1,271,881 | 1,103,993 | 928,317 | 744,486 | 1,494,916 | 1,258,208 | 1,010,728 | 751,986 | 570,155 | 468,735 | 362,700 | 251,840 | 135,935 |
| TOTAL LIABILITIES | 1,441,524 | 1,637,712 | 1,180,549 | 1,104,560 | 1,726,158 | 2,288,406 | 2,109,043 | 1,921,793 | 1,753,905 | 1,578,229 | 2,394,398 | 2,144,828 | 1,908,120 | 1,660,640 | 1,401,898 | 1,220,067 | 1,118,647 | 1,012,612 | 901,752 |
| NET ASSETS | 80,439,738 | 84,538,847 | 86,412,748 | 85,346,268 | 87,783,858 | 90,237,924 | 92,700,702 | 95,275,953 | 97,955,086 | 100,669,264 | 111,972,790 | 115,006,314 | 118,124,748 | 121,373,912 | 124,750,921 | 128,188,522 | 131,798,668 | 135,513,299 | 139,302,060 |
| EQUITY | | | | | | | | | | | | | | | | | | | |
| Retained surplus | 21,110,977 | 22,214,490 | 23,612,432 | 23,104,952 | 22,681,894 | 22,113,504 | 20,769,794 | 19,520,677 | 18,209,316 | 16,824,894 | 27,020,149 | 25,458,483 | 23,836,284 | 22,220,569 | 20,340,060 | 18,346,724 | 15,830,881 | 15,088,871 | 12,752,408 |
| Reserves - cash backed | 747,113 | 1,243,715 | 1,719,674 | 1,160,674 | 1,041,470 | 1,014,203 | 1,714,273 | 2,370,396 | 3,129,839 | 3,935,162 | 1,238,128 | 1,953,087 | 2,739,203 | 3,572,461 | 4,728,250 | 5,985,866 | 7,880,039 | 7,979,573 | 9,676,263 |
| Asset revaluation surplus | 58,581,648 | 61,080,642 | 61,080,642 | 61,080,642 | 64,060,494 | 67,110,217 | 70,216,635 | 73,384,880 | 76,615,931 | 79,909,208 | 83,714,513 | 87,594,744 | 91,549,261 | 95,580,882 | 99,682,611 | 103,855,932 | 108,087,748 | 112,444,855 | 116,873,389 |
| TOTAL EQUITY | 80,439,738 | 84,538,847 | 86,412,748 | 85,346,268 | 87,783,858 | 90,237,924 | 92,700,702 | 95,275,953 | 97,955,086 | 100,669,264 | 111,972,790 | 115,006,314 | 118,124,748 | 121,373,912 | 124,750,921 | 128,188,522 | 131,798,668 | 135,513,299 | 139,302,060 |

APPENDIX A4 FORECAST STATEMENT OF CHANGES IN EQUITY 2024 – 2039

| | 2021 | 2022 | 2023 | Base | 30 June 25 | 30 June 26 | 30 June 27 | 30 June 28 | 30 June 29 | 30 June 30 | 30 June 31 | 30 June 32 | 30 June 33 | 30 June 34 | 30 June 35 | 30 June 36 | 30 June 37 | 30 June 38 | 30 June 39 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| RETAINED SURPLUS | | | | | | | | | | | | | | | | | | | |
| Opening balance | 20,542,785 | 21,110,978 | 22,214,490 | 23,612,435 | 23,104,952 | 22,681,894 | 22,113,504 | 20,769,794 | 19,520,677 | 18,209,316 | 16,824,894 | 27,020,149 | 25,458,483 | 23,836,284 | 22,220,569 | 20,340,060 | 18,346,724 | 15,830,881 | 15,088,871 |
| Net result | 568,192 | 1,600,114 | 1,873,901 | (1,066,483) | (542,262) | (595,657) | (643,640) | (592,994) | (551,918) | (579,099) | 7,498,221 | (846,707) | (836,083) | (782,457) | (724,720) | (735,720) | (621,670) | (642,476) | (639,773) |
| Amount transferred (to)/from reserves | | (496,602) | (475,959) | 559,000 | 119,204 | 27,267 | (700,070) | (656,123) | (759,443) | (805,323) | 2,697,034 | (714,959) | (786,116) | (833,258) | (1,155,789) | (1,257,616) | (1,894,173) | (99,534) | (1,696,690) |
| Closing balance | 21,110,977 | 22,214,490 | 23,612,432 | 23,104,952 | 22,681,894 | 22,113,504 | 20,769,794 | 19,520,677 | 18,209,316 | 16,824,894 | 27,020,149 | 25,458,483 | 23,836,284 | 22,220,569 | 20,340,060 | 18,346,724 | 15,830,881 | 15,088,871 | 12,752,408 |
| RESERVES - CASH/INVESTMENT BACKED | | | | | | | | | | | | | | | | | | | |
| Opening balance | 747,113 | 747,113 | 1,243,715 | 1,719,674 | 1,160,674 | 1,041,470 | 1,014,203 | 1,714,273 | 2,370,396 | 3,129,839 | 3,935,162 | 1,238,128 | 1,953,087 | 2,739,203 | 3,572,461 | 4,728,250 | 5,985,866 | 7,880,039 | 7,979,573 |
| Amount transferred to/(from) retained surplus | 0 | 496,602 | 475,959 | (559,000) | (119,204) | (27,267) | 700,070 | 656,123 | 759,443 | 805,323 | (2,697,034) | 714,959 | 786,116 | 833,258 | 1,155,789 | 1,257,616 | 1,894,173 | 99,534 | 1,696,690 |
| Closing balance | 747,113 | 1,243,715 | 1,719,674 | 1,160,674 | 1,041,470 | 1,014,203 | 1,714,273 | 2,370,396 | 3,129,839 | 3,935,162 | 1,238,128 | 1,953,087 | 2,739,203 | 3,572,461 | 4,728,250 | 5,985,866 | 7,880,039 | 7,979,573 | 9,676,263 |
| ASSET REVALUATION SURPLUS | | | | | | | | | | | | | | | | | | | |
| Opening balance | 58,581,648 | 58,581,648 | 61,080,642 | 61,080,642 | 61,080,642 | 64,060,494 | 67,110,217 | 70,216,635 | 73,384,880 | 76,615,931 | 79,909,208 | 83,714,513 | 87,594,744 | 91,549,261 | 95,580,882 | 99,682,611 | 103,855,932 | 108,087,748 | 112,444,855 |
| Total other comprehensive income | 0 | 2,498,994 | 0 | 0 | 2,979,852 | 3,049,723 | 3,106,418 | 3,168,245 | 3,231,051 | 3,293,277 | 3,805,305 | 3,880,231 | 3,954,517 | 4,031,621 | 4,101,729 | 4,173,321 | 4,231,816 | 4,357,107 | 4,428,534 |
| Closing balance | 58,581,648 | 61,080,642 | 61,080,642 | 61,080,642 | 64,060,494 | 67,110,217 | 70,216,635 | 73,384,880 | 76,615,931 | 79,909,208 | 83,714,513 | 87,594,744 | 91,549,261 | 95,580,882 | 99,682,611 | 103,855,932 | 108,087,748 | 112,444,855 | 116,873,389 |
| TOTAL EQUITY | 80,439,738 | 84,538,847 | 86,412,748 | 85,346,268 | 87,783,858 | 90,237,924 | 92,700,702 | 95,275,953 | 97,955,086 | 100,669,264 | 111,972,790 | 115,006,314 | 118,124,748 | 121,373,912 | 124,750,921 | 128,188,522 | 131,798,668 | 135,513,299 | 139,302,060 |

APPENDIX A5 FORECAST STATEMENT OF CASHFLOWS 2024 – 2039

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | | | | |
| Rates | 2,357,668 | 2,475,552 | 2,599,328 | 2,729,294 | 2,865,759 | 3,009,047 | 3,159,499 | 3,317,473 | 3,483,347 | 3,657,516 | 3,840,394 | 4,032,416 | 4,234,037 | 4,445,737 | 4,668,024 |
| Grants, subsidies and contributions | 1,132,591 | 1,172,232 | 1,213,261 | 1,255,725 | 1,299,677 | 1,345,166 | 1,392,247 | 1,440,975 | 1,491,408 | 1,543,607 | 1,597,633 | 1,653,551 | 1,711,424 | 1,771,323 | 1,833,318 |
| Fees and charges | 1,132,111 | 1,171,731 | 1,212,740 | 1,255,185 | 1,299,115 | 1,344,577 | 1,391,634 | 1,440,342 | 1,490,758 | 1,542,937 | 1,596,934 | 1,652,827 | 1,710,678 | 1,770,556 | 1,832,527 |
| Interest revenue | 98,210 | 94,602 | 93,273 | 110,103 | 125,812 | 144,083 | 163,472 | 95,279 | 112,561 | 132,216 | 153,045 | 181,941 | 213,382 | 260,737 | 263,223 |
| Other revenue | 41,170 | 42,610 | 44,100 | 45,642 | 47,238 | 48,893 | 50,605 | 52,377 | 54,210 | 56,109 | 58,072 | 60,105 | 62,208 | 64,384 | 66,638 |
| | 4,761,750 | 4,956,727 | 5,162,702 | 5,395,949 | 5,637,601 | 5,891,766 | 6,157,457 | 6,346,446 | 6,632,284 | 6,932,385 | 7,246,078 | 7,580,840 | 7,931,729 | 8,312,737 | 8,663,730 |
| Payments | | | | | | | | | | | | | | | |
| Employee costs | (1,981,735) | (2,051,092) | (2,122,868) | (2,197,169) | (2,274,065) | (2,353,647) | (2,436,030) | (2,521,290) | (2,609,535) | (2,700,864) | (2,795,394) | (2,893,228) | (2,994,489) | (3,099,291) | (3,207,759) |
| Materials and contracts | (1,219,636) | (1,279,470) | (1,345,780) | (1,368,630) | (1,398,058) | (1,504,145) | (1,496,932) | (1,566,473) | (1,642,828) | (1,676,081) | (1,716,276) | (1,833,500) | (1,837,817) | (1,919,284) | (2,008,002) |
| Utility charges | (259,987) | (269,086) | (278,498) | (288,243) | (298,329) | (308,771) | (319,578) | (330,765) | (342,339) | (354,322) | (366,723) | (379,561) | (392,844) | (406,595) | (420,827) |
| Finance costs | (16,774) | (45,123) | (70,814) | (62,926) | (54,885) | (47,099) | (38,943) | (74,868) | (63,973) | (53,201) | (41,940) | (31,153) | (23,864) | (19,250) | (14,424) |
| Insurance | (170,790) | (176,766) | (182,953) | (189,356) | (195,982) | (202,841) | (209,940) | (217,287) | (224,894) | (232,764) | (240,910) | (249,343) | (258,069) | (267,103) | (276,450) |
| Other expenditure | (25,979) | (26,889) | (27,830) | (28,804) | (29,812) | (30,855) | (31,934) | (33,052) | (34,209) | (35,406) | (36,645) | (37,927) | (39,254) | (40,628) | (42,050) |
| | (3,674,901) | (3,848,426) | (4,028,743) | (4,135,128) | (4,251,131) | (4,447,358) | (4,533,357) | (4,743,735) | (4,917,778) | (5,052,638) | (5,197,888) | (5,424,712) | (5,546,337) | (5,752,151) | (5,969,512) |
| Net cash provided by (used in) operating activities | 1,086,849 | 1,108,301 | 1,133,959 | 1,260,821 | 1,386,470 | 1,444,408 | 1,624,100 | 1,602,711 | 1,714,506 | 1,879,747 | 2,048,190 | 2,156,128 | 2,385,392 | 2,560,586 | 2,694,218 |
| Cash flows from investing activities | | | | | | | | | | | | | | | |
| Payments for purchase of property, plant & equipment | (1,918,890) | (1,709,675) | (280,506) | (441,797) | (565,339) | (517,517) | (13,308,041) | (833,540) | (705,981) | (684,140) | (594,208) | (763,090) | (187,675) | (2,251,604) | (794,115) |
| Payments for construction of infrastructure | (414,000) | (642,736) | (443,487) | (459,009) | (475,075) | (491,703) | (508,912) | (526,724) | (545,159) | (564,240) | (583,988) | (604,428) | (625,583) | (647,477) | (670,140) |
| Proceeds from capital grants, subsidies and contributions | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 8,600,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Proceeds from self supporting loans | 18,299 | 18,926 | 19,575 | 20,245 | 20,938 | 21,656 | 22,397 | 23,165 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds from sale of plant & equipment | 86,940 | 235,669 | 49,892 | 63,113 | 160,337 | 124,155 | 57,253 | 298,917 | 159,458 | 49,371 | 144,537 | 250,837 | 23,459 | 144,064 | 177,587 |
| Net cash provided by (used in) investing activities | (1,827,651) | (1,697,816) | (254,526) | (417,448) | (459,139) | (463,409) | (5,137,303) | (638,182) | (691,682) | (799,009) | (633,659) | (716,681) | (389,799) | (2,355,017) | (886,668) |
| Cash flows from financing activities | | | | | | | | | | | | | | | |
| Repayment of debentures | (78,402) | (137,752) | (179,363) | (187,250) | (167,888) | (175,676) | (183,831) | (249,570) | (236,708) | (247,480) | (258,742) | (181,831) | (101,420) | (106,035) | (110,860) |
| Proceeds from new debentures | 700,000 | 700,000 | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net cash provided by (used in) financing activities | 621,598 | 562,248 | (179,363) | (187,250) | (167,888) | (175,676) | 816,169 | (249,570) | (236,708) | (247,480) | (258,742) | (181,831) | (101,420) | (106,035) | (110,860) |
| Net increase (decrease) in cash held | (119,204) | (27,267) | 700,070 | 656,123 | 759,443 | 805,323 | (2,697,034) | 714,959 | 786,116 | 833,258 | 1,155,789 | 1,257,616 | 1,894,173 | 99,534 | 1,696,690 |
| Cash at beginning of year | 1,310,078 | 1,190,874 | 1,163,607 | 1,863,677 | 2,519,800 | 3,279,243 | 4,084,566 | 1,387,532 | 2,102,491 | 2,888,607 | 3,721,865 | 4,877,654 | 6,135,270 | 8,029,443 | 8,128,977 |
| Cash and cash equivalents at the end of year | 1,190,874 | 1,163,607 | 1,863,677 | 2,519,800 | 3,279,243 | 4,084,566 | 1,387,532 | 2,102,491 | 2,888,607 | 3,721,865 | 4,877,654 | 6,135,270 | 8,029,443 | 8,128,977 | 9,825,667 |
| Reconciliation of net cash provided by operating activities to net result | | | | | | | | | | | | | | | |
| Net result | (542,262) | (595,657) | (643,640) | (592,994) | (551,918) | (579,099) | 7,498,221 | (846,707) | (836,083) | (782,457) | (724,720) | (735,720) | (621,670) | (642,476) | (639,773) |
| Depreciation | 2,029,111 | 2,103,958 | 2,177,599 | 2,253,815 | 2,338,388 | 2,423,507 | 2,725,879 | 2,849,418 | 2,950,589 | 3,062,204 | 3,172,910 | 3,291,848 | 3,407,062 | 3,603,062 | 3,733,991 |
| Grants/contributions for the development of assets | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (8,600,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) |
| Net cash from operating activities | 1,086,849 | 1,108,301 | 1,133,959 | 1,260,821 | 1,386,470 | 1,444,408 | 1,624,100 | 1,602,711 | 1,714,506 | 1,879,747 | 2,048,190 | 2,156,128 | 2,385,392 | 2,560,586 | 2,694,218 |

APPENDIX A6 FORECAST STATEMENT OF FINANCIAL ACTIVITY 2024 – 2039

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| FUNDING FROM OPERATIONAL ACTIVITIES | | | | | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | | | | | |
| Rates | 2,357,668 | 2,475,552 | 2,599,328 | 2,729,294 | 2,865,759 | 3,009,047 | 3,159,499 | 3,317,473 | 3,483,347 | 3,657,516 | 3,840,394 | 4,032,416 | 4,234,037 | 4,445,737 | 4,668,024 | |
| Grants, subsidies and contributions | 1,132,591 | 1,172,232 | 1,213,261 | 1,255,725 | 1,299,677 | 1,345,166 | 1,392,247 | 1,440,975 | 1,491,408 | 1,543,607 | 1,597,633 | 1,653,551 | 1,711,424 | 1,771,323 | 1,833,318 | |
| Fees and charges | 1,132,111 | 1,171,731 | 1,212,740 | 1,255,185 | 1,299,115 | 1,344,577 | 1,391,634 | 1,440,342 | 1,490,758 | 1,542,937 | 1,596,934 | 1,652,827 | 1,710,678 | 1,770,556 | 1,832,527 | |
| Interest revenue | 98,210 | 94,602 | 93,273 | 110,103 | 125,812 | 144,083 | 163,472 | 95,279 | 112,561 | 132,216 | 153,045 | 181,941 | 213,382 | 260,737 | 263,223 | |
| Other revenue | 41,170 | 42,610 | 44,100 | 45,642 | 47,238 | 48,893 | 50,605 | 52,377 | 54,210 | 56,109 | 58,072 | 60,105 | 62,208 | 64,384 | 66,638 | |
| | 4,761,750 | 4,956,727 | 5,162,702 | 5,395,949 | 5,637,601 | 5,891,766 | 6,157,457 | 6,346,446 | 6,632,284 | 6,932,385 | 7,246,078 | 7,580,840 | 7,931,729 | 8,312,737 | 8,663,730 | |
| Expenses | | | | | | | | | | | | | | | | |
| Employee costs | (1,981,735) | (2,051,092) | (2,122,868) | (2,197,169) | (2,274,065) | (2,353,647) | (2,436,030) | (2,521,290) | (2,609,535) | (2,700,864) | (2,795,394) | (2,893,228) | (2,994,489) | (3,099,291) | (3,207,759) | |
| Materials and contracts | (1,219,636) | (1,279,470) | (1,345,780) | (1,368,630) | (1,398,058) | (1,504,145) | (1,496,932) | (1,566,473) | (1,642,828) | (1,676,081) | (1,716,276) | (1,833,500) | (1,837,817) | (1,919,284) | (2,008,002) | |
| Utility charges (electricity, gas, water etc.) | (259,987) | (269,086) | (278,498) | (288,243) | (298,329) | (308,771) | (319,578) | (330,765) | (342,339) | (354,322) | (366,723) | (379,561) | (392,844) | (406,595) | (420,827) | |
| Depreciation | (2,029,111) | (2,103,958) | (2,177,599) | (2,253,815) | (2,338,388) | (2,423,507) | (2,725,879) | (2,849,418) | (2,950,589) | (3,062,204) | (3,172,910) | (3,291,848) | (3,407,062) | (3,603,062) | (3,733,991) | |
| Finance costs | (16,774) | (45,123) | (70,814) | (62,926) | (54,885) | (47,099) | (38,943) | (74,868) | (63,973) | (53,201) | (41,940) | (31,153) | (23,864) | (19,250) | (14,424) | |
| Insurance | (170,790) | (176,766) | (182,953) | (189,356) | (195,982) | (202,841) | (209,940) | (217,287) | (224,894) | (232,764) | (240,910) | (249,343) | (258,069) | (267,103) | (276,450) | |
| Other expenditure | (25,979) | (26,889) | (27,830) | (28,804) | (29,812) | (30,855) | (31,934) | (33,052) | (34,209) | (35,406) | (36,645) | (37,927) | (39,254) | (40,628) | (42,050) | |
| | (5,704,012) | (5,952,384) | (6,206,342) | (6,388,943) | (6,589,519) | (6,870,865) | (7,259,236) | (7,593,153) | (7,868,367) | (8,114,842) | (8,370,798) | (8,716,560) | (8,953,399) | (9,355,213) | (9,703,503) | |
| | (942,262) | (995,657) | (1,043,640) | (992,994) | (951,918) | (979,099) | (1,101,779) | (1,246,707) | (1,236,083) | (1,182,457) | (1,124,720) | (1,135,720) | (1,021,670) | (1,042,476) | (1,039,773) | |
| Funding position adjustments | | | | | | | | | | | | | | | | |
| Depreciation | 2,029,111 | 2,103,958 | 2,177,599 | 2,253,815 | 2,338,388 | 2,423,507 | 2,725,879 | 2,849,418 | 2,950,589 | 3,062,204 | 3,172,910 | 3,291,848 | 3,407,062 | 3,603,062 | 3,733,991 | |
| Net funding from operational activities | 1,086,849 | 1,108,301 | 1,133,959 | 1,260,821 | 1,386,470 | 1,444,408 | 1,624,100 | 1,602,711 | 1,714,506 | 1,879,747 | 2,048,190 | 2,156,128 | 2,385,392 | 2,560,586 | 2,694,218 | |
| FUNDING FROM CAPITAL ACTIVITIES | | | | | | | | | | | | | | | | |
| Inflows | | | | | | | | | | | | | | | | |
| Proceeds on disposal | 86,940 | 235,669 | 49,892 | 63,113 | 160,337 | 124,155 | 57,253 | 298,917 | 159,458 | 49,371 | 144,537 | 250,837 | 23,459 | 144,064 | 177,587 | |
| Capital grants, subsidies and contributions | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 8,600,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | |
| Outflows | | | | | | | | | | | | | | | | |
| Purchase of property plant and equipment | (1,918,890) | (1,709,675) | (280,506) | (441,797) | (565,339) | (517,517) | (13,308,041) | (833,540) | (705,981) | (684,140) | (594,208) | (763,090) | (187,675) | (2,251,604) | (794,115) | |
| Purchase of infrastructure | (414,000) | (642,736) | (443,487) | (459,009) | (475,075) | (491,703) | (508,912) | (526,724) | (545,159) | (564,240) | (583,988) | (604,428) | (625,583) | (647,477) | (670,140) | |
| Net funding from capital activities | (1,845,950) | (1,716,742) | (274,101) | (437,693) | (480,077) | (485,065) | (5,159,700) | (661,347) | (691,682) | (799,009) | (633,659) | (716,681) | (389,799) | (2,355,017) | (886,668) | |
| FUNDING FROM FINANCING ACTIVITIES | | | | | | | | | | | | | | | | |
| Inflows | | | | | | | | | | | | | | | | |
| Transfer from reserves | 511,900 | 490,644 | 197,352 | 344,258 | 369,371 | 356,484 | 2,889,827 | 495,119 | 505,636 | 592,451 | 405,872 | 466,921 | 117,297 | 2,058,979 | 566,268 | |
| New borrowings | 700,000 | 700,000 | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Self supporting loan | 18,299 | 18,926 | 19,575 | 20,245 | 20,938 | 21,656 | 22,397 | 23,165 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Outflows | | | | | | | | | | | | | | | | |
| Transfer to reserves | (392,696) | (463,377) | (897,422) | (1,000,381) | (1,128,814) | (1,161,807) | (192,793) | (1,210,078) | (1,291,752) | (1,425,709) | (1,561,661) | (1,724,537) | (2,011,470) | (2,158,513) | (2,262,958) | |
| Repayment of past borrowings | (78,402) | (137,752) | (179,363) | (187,250) | (167,888) | (175,676) | (183,831) | (249,570) | (236,708) | (247,480) | (258,742) | (181,831) | (101,420) | (106,035) | (110,860) | |
| Net funding from financing activities | 759,101 | 608,441 | (859,858) | (823,128) | (906,393) | (959,343) | 3,535,600 | (941,364) | (1,022,824) | (1,080,738) | (1,414,531) | (1,439,447) | (1,995,593) | (205,569) | (1,807,550) | |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

APPENDIX A7 FORECAST STATEMENT OF NET CURRENT ASSET COMPOSITION 2024 – 2039

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 | 149,404 |
| Restricted cash and cash equivalent | 1,041,470 | 1,014,203 | 1,714,273 | 2,370,396 | 3,129,839 | 3,935,162 | 1,238,128 | 1,953,087 | 2,739,203 | 3,572,461 | 4,728,250 | 5,985,866 | 7,880,039 | 7,979,573 | 9,676,263 |
| Financial assets | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Trade and other receivables | 138,799 | 139,448 | 140,118 | 140,811 | 141,529 | 142,270 | 143,038 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 | 119,873 |
| Inventories | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 | 21,068 |
| Contract assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CURRENT LIABILITIES | | | | | | | | | | | | | | | |
| Trade and other payables | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) | (290,345) |
| Contract liabilities | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) | (5,000) |
| Reserves | (1,041,470) | (1,014,203) | (1,714,273) | (2,370,396) | (3,129,839) | (3,935,162) | (1,238,128) | (1,953,087) | (2,739,203) | (3,572,461) | (4,728,250) | (5,985,866) | (7,880,039) | (7,979,573) | (9,676,263) |
| Current self supporting loans receivable | (18,926) | (19,575) | (20,245) | (20,938) | (21,656) | (22,397) | (23,165) | 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 |

APPENDIX A8 FORECAST STATEMENT OF FIXED ASSET MOVEMENTS 2024 – 2039

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| CAPITAL WORKS - INFRASTRUCTURE | | | | | | | | | | | | | | | |
| Infrastructure - roads | 414,000 | 428,491 | 443,487 | 459,009 | 475,075 | 491,703 | 508,912 | 526,724 | 545,159 | 564,240 | 583,988 | 604,428 | 625,583 | 647,477 | 670,140 |
| Infrastructure - parks and ovals | 0 | 214,245 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total capital works - infrastructure | 414,000 | 642,736 | 443,487 | 459,009 | 475,075 | 491,703 | 508,912 | 526,724 | 545,159 | 564,240 | 583,988 | 604,428 | 625,583 | 647,477 | 670,140 |
| Represented by: | | | | | | | | | | | | | | | |
| Additions - renewal | 414,000 | 642,736 | 443,487 | 459,009 | 475,075 | 491,703 | 508,912 | 526,724 | 545,159 | 564,240 | 583,988 | 604,428 | 625,583 | 647,477 | 670,140 |
| Total Capital Works - Infrastructure | 414,000 | 642,736 | 443,487 | 459,009 | 475,075 | 491,703 | 508,912 | 526,724 | 545,159 | 564,240 | 583,988 | 604,428 | 625,583 | 647,477 | 670,140 |
| Asset movement reconciliation | | | | | | | | | | | | | | | |
| Total capital works infrastructure | 414,000 | 642,736 | 443,487 | 459,009 | 475,075 | 491,703 | 508,912 | 526,724 | 545,159 | 564,240 | 583,988 | 604,428 | 625,583 | 647,477 | 670,140 |
| Depreciation infrastructure | (1,598,044) | (1,653,975) | (1,711,865) | (1,771,781) | (1,833,793) | (1,897,976) | (1,964,404) | (2,033,158) | (2,104,319) | (2,177,970) | (2,254,199) | (2,333,097) | (2,414,755) | (2,499,271) | (2,586,745) |
| Revaluation of infrastructure assets (inflation) | 2,338,378 | 2,386,786 | 2,427,957 | 2,469,085 | 2,510,118 | 2,551,001 | 2,591,668 | 2,632,056 | 2,672,098 | 2,711,719 | 2,750,840 | 2,789,376 | 2,827,243 | 2,864,341 | 2,900,575 |
| Net movement in infrastructure assets | 1,154,334 | 1,375,547 | 1,159,579 | 1,156,313 | 1,151,400 | 1,144,728 | 1,136,176 | 1,125,622 | 1,112,938 | 1,097,989 | 1,080,629 | 1,060,707 | 1,038,071 | 1,012,547 | 983,970 |
| CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT | | | | | | | | | | | | | | | |
| Land - vested in and under the control of Council | 0 | 1,071,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buildings - non-specialised | 1,480,050 | 32,137 | 33,262 | 34,426 | 35,631 | 36,878 | 38,168 | 39,504 | 40,887 | 42,318 | 43,799 | 45,332 | 46,919 | 48,561 | 50,260 |
| Buildings - specialised | 0 | 0 | 0 | 0 | 0 | 0 | 12,722,793 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and equipment | 438,840 | 606,313 | 247,244 | 407,371 | 529,708 | 480,639 | 547,080 | 794,036 | 665,094 | 641,822 | 550,409 | 717,758 | 140,756 | 2,203,043 | 743,855 |
| Total capital works property, plant and equipment | 1,918,890 | 1,709,675 | 280,506 | 441,797 | 565,339 | 517,517 | 13,308,041 | 833,540 | 705,981 | 684,140 | 594,208 | 763,090 | 187,675 | 2,251,604 | 794,115 |
| Represented by: | | | | | | | | | | | | | | | |
| Additions - expansion, upgrades and new | 0 | 1,071,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions - renewal | 1,918,890 | 638,450 | 280,506 | 441,797 | 565,339 | 517,517 | 13,308,041 | 833,540 | 705,981 | 684,140 | 594,208 | 763,090 | 187,675 | 2,251,604 | 794,115 |
| Total capital works property, plant and equipment | 1,918,890 | 1,709,675 | 280,506 | 441,797 | 565,339 | 517,517 | 13,308,041 | 833,540 | 705,981 | 684,140 | 594,208 | 763,090 | 187,675 | 2,251,604 | 794,115 |
| Asset movement reconciliation | | | | | | | | | | | | | | | |
| Total capital works property, plant and equipment | 1,918,890 | 1,709,675 | 280,506 | 441,797 | 565,339 | 517,517 | 13,308,041 | 833,540 | 705,981 | 684,140 | 594,208 | 763,090 | 187,675 | 2,251,604 | 794,115 |
| Depreciation property, plant and equipment | (431,067) | (449,983) | (465,734) | (482,034) | (504,595) | (525,531) | (761,475) | (816,260) | (846,270) | (884,234) | (918,711) | (958,751) | (992,307) | (1,103,791) | (1,147,246) |
| Net book value of disposed/written off assets | (86,940) | (235,669) | (49,892) | (63,113) | (160,337) | (124,155) | (57,253) | (298,917) | (159,458) | (49,371) | (144,537) | (250,837) | (23,459) | (144,064) | (177,587) |
| Revaluation of property, plant and equipment (inflation) | 641,474 | 662,937 | 678,461 | 699,160 | 720,933 | 742,276 | 1,213,637 | 1,248,175 | 1,282,419 | 1,319,902 | 1,350,889 | 1,383,945 | 1,404,573 | 1,492,766 | 1,527,959 |
| Net movement in property, plant and equipment | 2,042,357 | 1,686,960 | 443,341 | 595,810 | 621,340 | 610,107 | 13,702,950 | 966,538 | 982,672 | 1,070,437 | 881,849 | 937,447 | 576,482 | 2,496,515 | 997,241 |
| CAPITAL WORKS - TOTALS | | | | | | | | | | | | | | | |
| Capital works | | | | | | | | | | | | | | | |
| Total capital works infrastructure | 414,000 | 642,736 | 443,487 | 459,009 | 475,075 | 491,703 | 508,912 | 526,724 | 545,159 | 564,240 | 583,988 | 604,428 | 625,583 | 647,477 | 670,140 |
| Total capital works property, plant and equipment | 1,918,890 | 1,709,675 | 280,506 | 441,797 | 565,339 | 517,517 | 13,308,041 | 833,540 | 705,981 | 684,140 | 594,208 | 763,090 | 187,675 | 2,251,604 | 794,115 |
| Total capital works | 2,332,890 | 2,352,411 | 723,993 | 900,806 | 1,040,414 | 1,009,220 | 13,816,953 | 1,360,264 | 1,251,140 | 1,248,380 | 1,178,196 | 1,367,518 | 813,258 | 2,899,081 | 1,464,255 |
| Fixed asset movement | | | | | | | | | | | | | | | |
| Net movement in infrastructure assets | 1,154,334 | 1,375,547 | 1,159,579 | 1,156,313 | 1,151,400 | 1,144,728 | 1,136,176 | 1,125,622 | 1,112,938 | 1,097,989 | 1,080,629 | 1,060,707 | 1,038,071 | 1,012,547 | 983,970 |
| Net movement in property, plant and equipment | 2,042,357 | 1,686,960 | 443,341 | 595,810 | 621,340 | 610,107 | 13,702,950 | 966,538 | 982,672 | 1,070,437 | 881,849 | 937,447 | 576,482 | 2,496,515 | 997,241 |
| Net movement in fixed assets | 3,196,691 | 3,062,507 | 1,602,920 | 1,752,123 | 1,772,740 | 1,754,835 | 14,839,126 | 2,092,160 | 2,095,610 | 2,168,426 | 1,962,478 | 1,998,154 | 1,614,553 | 3,509,062 | 1,981,211 |

APPENDIX A9 FORECAST STATEMENT OF CAPITAL FUNDING 2024 – 2039

| | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 |
|---|------------------|------------------|----------------|----------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Capital expenditure | | | | | | | | | | | | | | | |
| Infrastructure - roads | 414,000 | 428,491 | 443,487 | 459,009 | 475,075 | 491,703 | 508,912 | 526,724 | 545,159 | 564,240 | 583,988 | 604,428 | 625,583 | 647,477 | 670,140 |
| Infrastructure - parks and ovals | 0 | 214,245 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land - vested in and under the control of Council | 0 | 1,071,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buildings - non-specialised | 1,480,050 | 32,137 | 33,262 | 34,426 | 35,631 | 36,878 | 38,168 | 39,504 | 40,887 | 42,318 | 43,799 | 45,332 | 46,919 | 48,561 | 50,260 |
| Buildings - specialised | 0 | 0 | 0 | 0 | 0 | 0 | 12,722,793 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and equipment | 438,840 | 606,313 | 247,244 | 407,371 | 529,708 | 480,639 | 547,080 | 794,036 | 665,094 | 641,822 | 550,409 | 717,758 | 140,756 | 2,203,043 | 743,855 |
| Total - Capital expenditure | 2,332,890 | 2,352,411 | 723,993 | 900,806 | 1,040,414 | 1,009,220 | 13,816,953 | 1,360,264 | 1,251,140 | 1,248,380 | 1,178,196 | 1,367,518 | 813,258 | 2,899,081 | 1,464,255 |
| Funded by: | | | | | | | | | | | | | | | |
| Capital grants & contributions | | | | | | | | | | | | | | | |
| Infrastructure - roads | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Buildings - specialised | 0 | 0 | 0 | 0 | 0 | 0 | 8,200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total - Capital grants & contributions | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 8,600,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Own source funding | | | | | | | | | | | | | | | |
| Infrastructure - roads | 14,000 | 28,491 | 43,487 | 59,009 | 75,075 | 91,703 | 108,912 | 126,724 | 145,159 | 164,240 | 183,988 | 204,428 | 225,583 | 247,477 | 270,140 |
| Infrastructure - parks and ovals | 0 | 214,245 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Land - vested in and under the control of Council | 0 | 371,225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buildings - non-specialised | 780,050 | 32,137 | 33,262 | 34,426 | 35,631 | 36,878 | 38,168 | 39,504 | 40,887 | 42,318 | 43,799 | 45,332 | 46,919 | 48,561 | 50,260 |
| Buildings - specialised | 0 | 0 | 0 | 0 | 0 | 0 | 3,522,793 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and equipment | 351,900 | 370,644 | 197,352 | 344,258 | 369,371 | 356,484 | 489,827 | 495,119 | 505,636 | 592,451 | 405,872 | 466,921 | 117,297 | 2,058,979 | 566,268 |
| Total - Own source funding | 1,145,950 | 1,016,742 | 274,101 | 437,693 | 480,077 | 485,065 | 4,159,700 | 661,347 | 691,682 | 799,009 | 633,659 | 716,681 | 389,799 | 2,355,017 | 886,668 |
| Borrowings | | | | | | | | | | | | | | | |
| Land - vested in and under the control of Council | 0 | 700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buildings - non-specialised | 700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Buildings - specialised | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total - Borrowings | 700,000 | 700,000 | 0 | 0 | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other (disposals & C/Fwd) | | | | | | | | | | | | | | | |
| Plant and equipment | 86,940 | 235,669 | 49,892 | 63,113 | 160,337 | 124,155 | 57,253 | 298,917 | 159,458 | 49,371 | 144,537 | 250,837 | 23,459 | 144,064 | 177,587 |
| Total - Other (disposals & C/Fwd) | 86,940 | 235,669 | 49,892 | 63,113 | 160,337 | 124,155 | 57,253 | 298,917 | 159,458 | 49,371 | 144,537 | 250,837 | 23,459 | 144,064 | 177,587 |
| Total Capital Funding | 2,332,890 | 2,352,411 | 723,993 | 900,806 | 1,040,414 | 1,009,220 | 13,816,953 | 1,360,264 | 1,251,140 | 1,248,380 | 1,178,196 | 1,367,518 | 813,258 | 2,899,081 | 1,464,255 |

APPENDIX A10 FORECAST RATIOS 2024 – 2039

| | Target Range | | Average | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 |
|--|--------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| LIQUIDITY RATIOS | | | | | | | | | | | | | | | | | | |
| Current ratio | > 1.00 | > 1.20 | 0.42 | 0.42 | 0.41 | 0.41 | 0.42 | 0.42 | 0.42 | 0.39 | 0.37 | 0.36 | 0.36 | 0.41 | 0.47 | 0.47 | 0.48 | 0.49 |
| OPERATING RATIOS | | | | | | | | | | | | | | | | | | |
| Operating surplus ratio | > 1.00% | > 15.00% | (21.82%) | (25.96%) | (26.31%) | (26.43%) | (23.98%) | (21.94%) | (21.53%) | (23.12%) | (25.41%) | (24.04%) | (21.94%) | (19.91%) | (19.16%) | (16.42%) | (15.94%) | (15.22%) |
| Own source revenue coverage ratio | > 40.00% | > 60.00% | 66.33% | 63.62% | 63.58% | 63.64% | 64.80% | 65.83% | 66.17% | 65.64% | 64.60% | 65.34% | 66.41% | 67.48% | 68.00% | 69.47% | 69.92% | 70.39% |
| BORROWINGS RATIOS | | | | | | | | | | | | | | | | | | |
| Debt service cover ratio | > 3 | > 5 | 9.65 | 11.60 | 6.31 | 4.82 | 5.29 | 6.47 | 6.70 | 7.47 | 5.17 | 5.91 | 6.43 | 6.95 | 10.27 | 19.23 | 20.59 | 21.62 |
| FIXED ASSET RATIOS | | | | | | | | | | | | | | | | | | |
| Asset sustainability ratio | > 90.00% | > 110.00% | 79.68% | 114.97% | 60.89% | 33.25% | 39.97% | 44.49% | 41.64% | 506.88% | 47.74% | 42.40% | 40.77% | 37.13% | 41.54% | 23.87% | 80.46% | 39.21% |
| Asset consumption ratio | > 50.00% | > 60.00% | 62.34% | 67.03% | 66.50% | 65.43% | 64.46% | 63.45% | 62.44% | 64.93% | 63.77% | 62.76% | 61.76% | 60.64% | 59.53% | 58.30% | 57.62% | 56.54% |
| 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 |

APPENDIX A11 FORECAST SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Long Term Financial Plan (the Plan) comprises forecast financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and *the Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this Plan have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has 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.

Judgements, Estimates and Assumptions

The preparation of the Plan in conformity with Australian Accounting Standards requires management to make judgements, 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 judgements about future carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Local Government Reporting Entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of the Plan.

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.

Base Year Balances

Balances shown in the Plan as Base Year are as forecast at the time of preparation of the Plan and are based on the current budget and prior year annual financial reporting and may be subject to variation.

Rounding Off Figures

All figures shown in the Plan are rounded to the nearest dollar.

Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation.

APPENDIX A11 FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Forecast Fair Value Adjustments

All fair value adjustments relating to re-measurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and not able to be reliably estimated at the time preparation.

Fair value adjustments relating to the re-measurement of financial assets at fair value through profit or loss will be assessed at the time they occur and have not been estimated within the Plan.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and as such have been estimated as an inflation adjustment to Other Comprehensive Income, based on the value of the non-current assets forecasted to be held by the Shire.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. 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.

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

APPENDIX A11 FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

General

Inventories are measured 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.

Land held for resale

Land purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale 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 within either property, plant and equipment or infrastructure, is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Revaluation

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

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

An effective average depreciation rate for each class of asset has been utilised to estimate the forecast depreciation expense for each year. These are provided in the table on the right.

| Asset Class | Effective average depreciation rates |
|----------------------------------|--------------------------------------|
| Buildings - non-specialised | 0.57% |
| Buildings - specialised | 1.84% |
| Furniture and equipment | 7.26% |
| Plant and equipment | 6.18% |
| Infrastructure - roads | 1.54% |
| Infrastructure - footpaths | 1.51% |
| Infrastructure - drainage | 0.64% |
| Infrastructure - parks and ovals | 4.07% |
| Infrastructure - bridges | 0.96% |

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and Losses on Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

APPENDIX A11 FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee Benefits

The Shire's obligations for employees' annual leave, long service leave and isolation leave entitlements are recognised as provisions in the statement of financial position.

Short-Term Employee Benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other Long-Term Employee Benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months

after the end of the reporting period, in which case the obligations are presented as current provisions.

Borrowing 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 until such time as the asset is substantially ready for its intended use or sale.

Trade and Other Payables

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

Provisions

Provisions are recognised when the Shire has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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.

Current and Non-Current Classification

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire 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 or non-current based on the Shire's intentions to release for sale.

OTHER MATTERS

Preparation

This Plan was prepared in collaboration with the Shire of Williams by Moore Australia (WA) Pty Ltd.

Reliance

This Plan has been prepared for the exclusive use of the Shire of Williams and for the purposes specified in our letter of engagement and is not to be used for any other purpose or distributed to any other party without Moore Australia WA's prior consent. This Plan 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 Williams. 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 Williams.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Shire of Williams and the environment in which it operates ('Forward Looking Statements').

None of these Forward Looking Statements are or will be representations as to future matters. The Forward Looking Statements are, and will be, based on a large number of assumptions and are, and will be, subject to significant uncertainties and contingencies, many, if not all, of which are outside the control of the Shire of Williams. Actual future events may vary significantly from the Forward Looking Statements. Recipients should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies which may affect the Shire of Williams and the impact that a variation in future outcomes may have on the Plan and the Shire of Williams.

Please refer to the attached compilation report.

Document Management

| | |
|---------|------------------|
| Version | 2024 – 2039 V1 |
| Status | Draft |
| Date | 1 March 2024 |

References

Reference to the following documents or sources were made during the preparation of the Draft Long Term Financial Plan.

- Shire of Williams Strategic Community Plan 2022-2032;
- Shire of Williams Corporate Business Plan 2021-2025;
- Shire of Williams Annual Financial Report 2021-22;
- Shire of Williams Annual Financial Report 2020-21;
- Shire of Williams Draft Annual Budget 2023-24;
- Australian Bureau of Statistics 2021 Census of Population and Housing, Williams (LGA59170);
- WALGA Online Local Government Directory 2022/23, Shire of Williams; and
- Council website: www.williams.wa.gov.au

Disclaimer

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1 March 2024

Peter Stubbs
Chief Executive Officer
Shire of Williams
9 Brooking Street
WILLIAMS WA 6391

Dear Peter

COMPILATION REPORT TO SHIRE OF WILLIAMS

We have compiled the accompanying Shire of Williams Draft Long Term Financial Plan 2024-2039 based on information you have provided.

THE RESPONSIBILITY OF SHIRE OF WILLIAMS

The Chief Executive Officer of the Shire of Williams is solely responsible for the information contained in the Draft Long Term Financial Plan 2024-2039, the reliability, accuracy and completeness of the information and for the determination that the statutory financial reporting framework used is appropriate to meet their needs and for the purpose that the forward looking financial statements were prepared.

This Draft Long Term Financial Plan 2024-2039 and the reliability, accuracy and completeness of the information used to compile it are your responsibility.

OUR RESPONSIBILITY

On the basis of information provided by the Shire of Williams we have compiled the accompanying special purpose financial statements in accordance with the statutory *financial reporting framework* and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to assist management in the preparation and presentation of these forward looking financial statements on the basis of accounting described in Appendix A11 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

ASSURANCE DISCLAIMER

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information you provided to us to compile the Schedule. Accordingly, we do not express an audit opinion or a review conclusion on whether the Draft Long Term Financial Plan 2024-2039 is prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

As stated in Appendix A11, the Draft Long Term Financial Plan 2024-2039 is prepared and presented on the basis prescribed by *Local Government Act 1995* and accompanying regulations in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), for the purpose of Shire of Williams's compliance with the *Local Government Act 1995* and accompanying regulations. Accordingly, Draft Long Term Financial Plan 2024-2039 is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use of Shire of Williams and should not be distributed to parties other than Shire of Williams without our prior written consent.

Russell Barnes
Director
[Moore Australia \(WA\) Pty Ltd](http://www.moore-australia.com.au)