2024 - 2033

LONG TERM FINANCIAL PLAN

DISTRICT COUNCIL OF PETERBOROUGH

ADOPTED: 26TH July 2023
Resolution 60/07/23Sp

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1. Introduction

The purpose of this Long Term Financial Plan (“LTFP”) is to express, in financial terms, the activities that the District Council of Peterborough (“Council”) proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Strategic Management Plan.

It is a guide for future action based on the longer-term impact of revenue and expenditure proposals. The aggregation of future intended outlays and anticipated revenues enables the accumulating overall financial implications to be readily identified and if warranted, for proposed future activities to be revised.

Long-term financial plans are particularly important for local governments as they are responsible for managing a high level of long-lived assets relative to their income base. A council may have long-periods with modest levels of asset renewal requirements and then other periods when very significant outlays are necessary. All councils need to generate revenue in an equitable manner over time and ensure they have capacity to finance peaks in asset management and other outlays when, and including by way of borrowings where, necessary.

The preparation of a LTFP generates improved information to guide decisions about the mix and timing of outlays on operating activities and additional assets and the funding implications of these. Without a soundly based LTFP, an organisation with significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels and affordable asset stockholding strategies, appropriate revenue targets or optimal treasury management.

2. Relevant Legislation

Local Government Act 1999

122—Strategic management plans

(1a) A council must, in conjunction with the plans required under subsection (1), develop and adopt—

(a) a long-term financial plan for a period of at least 10 years; and

(b) an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years,

(and these plans will also be taken to form part of the council's strategic management plans).

(1b) The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.

(4) A council may review its strategic management plans under this section at any time but must—

(a) undertake a review of—

(i) its long-term financial plan; and

(ii) any other elements of its strategic management plans prescribed by the regulations for the purposes of this paragraph, on an annual basis

(4a) A council must, for the purposes of a review under subsection (4), take into account—

(a) in relation to a review under subsection (4)(a)(i)—a report from the chief executive officer on the sustainability of the council's long-term financial performance and position taking into account the provisions of the council's annual business plan and strategic management plans

3. Key assumptions

The following assumptions have been built into the forecast calculations:

- The content of the LTFP is based on real (2023-24) dollar values for all future years to facilitate comparisons between years.
- Capital renewal expenditure for road infrastructure, CWMS and buildings has been funded at the levels identified in Councils Asset Management Plan.
- Plant & Equipment replacement is based on the Councils' 10-year Plant and Equipment Replacement Program.
- Wages have been assumed to increase in line with CPI.
- A zero growth or decline in population is assumed.
- Maintenance costs are maintained at current levels.
- Service range & standards are maintained at current levels.
- A pool of funds approach to financing has been assumed. Accordingly, any accumulations of cash have been offset against any debt that may exist.
- Commonwealth Financial Assistance Grant (FAGs) & LRCIP revenue has been evened out such that the plan reflects a stable four payments across each year.
- Commonwealth Roads to Recovery funding is maintained at normal levels from the year ending 30 June 2024 onwards.

	2025 Year 2	**2026 Year 3**	**2027 Year 4**	**2028 Year 5**	**2029 Year 6**	**2030 Year 7**	**2031 Year 8**	**2032 Year 9**	**2033 Year 10**
Inflation Rate	7.0%	5.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Investment Rate	3.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
CAD / Variable Rate	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

4. Financial Strategy and Risk

4.1 Financial Strategy

The LTFP is based on Councils current operating service levels.

- General rate revenue increase by 3% plus CPI in 2024-25 & 2025-26, 2% plus CPI 2026/27 and 1% above CPI 2027/28.
- Other rate revenue increase by 3% plus CPI for each of the three years 2023-24 to 2025-26 this will ensure that:
    - Community Wastewater Management Schemes ("CWMS") service charges are set at an appropriate level to ensure whole of life costs are recovered.
    - Waste management user charges are set at an appropriate level to ensure the full cost of providing these services is recovered from those who benefit from the service.
- User Charges to increase by 2% above CPI in 2024-25 then 1% p.a. thereafter.
- Continued review, promotion and enhancement of Councils commercial activities, including the SHRC and VIC
- Council will continue to review service delivery to the community to identify any further opportunities to reduce operating costs due to increased operating efficiencies.
- Grant revenue will be targeted in a strategic manner. Meaning that grant revenue to build new assets would only be pursued and accepted if the new assets were deemed to have strategic significance, particularly, if additional funding was to be contributed by Council. Where a grant is sought and additional Council funds are required to be contributed, then careful consideration will be given to long-run benefits and costs. This will ensure activities that may better fit Council's strategic objectives are not being delayed in lieu of the activity being funded by the grant.
- The LTFP will be revised as part of the Annual Business Planning process each year.
- Council will continue to utilise Government funding programs, i.e. Roads to Recovery and Local Roads and Community Infrastructure for key asset renewal works linked to the AMP.
- Prudent monitoring and management of employee leave liabilities
- Active and prudent ongoing recovery of outstanding debtors, in particular rate arrears, in accordance with Councils Debtor Management Policy
- Asset Management Plan (AMP) to be comprehensively reviewed in conjunction with asset revaluations and linked condition assessments, service level reviews, Strategic Management Plan (SMP), LTFP, and corporate financial risks Policy and Framework.

4.2 Financial Risk

Council Risk Management Framework (RMF) defines Financial / Infrastructure Risk as:

Risk relating to the DCP's financial sustainability or ability to provide or maintain services, structures and/or facilities.

In accordance with the RMF, Council identifies, assesses and treats risk according to the following risk types:

Strategic

Risk associated with high-level strategic goals that align to DCP's Strategic Management Plan, Long Term Financial Plan, and Asset Management Plan. Strategic risks may affect the achievement of Council's corporate objectives. They are key issues for the Senior Leadership Team and may impinge on the whole business rather than a business unit. These risks can be triggered from within the business or externally. In other words, they may prevent the organisation from achieving its strategic goals.

The RMF incorporates a **Consequence Table**, with the following referencing Financial Management and Asset and Infrastructure Management, both of which integrated with Councils long term financial sustainability strategy.

	Insignificant	Minor	Moderate	Major	Catastrophic
Financial Management Overall Revenue	Low financial loss - **less than 1%** of rate revenue	Medium financial loss **1.0%** of rate revenue	High financial loss **4%** of rate revenue	Major financial loss **between 4.1% and 7.5%** of rate revenue	Huge/ catastrophic financial loss **over 7.5%** of rate revenue
Asset & Infrastructure Management (equipment & property)	Negligible damage to infrastructure. No real disruption to business.	Minor damage to infrastructure. Minor Variation to yearly Budget.	Moderate damage to infrastructure. Moderate impact to business operations.	Major damage or loss of infrastructure. Major impact on Business Operations.	Loss of significant infrastructure. Multiple Financial Year Impact.

To support the assessment of Risk, the RMF includes the following Likelihood Table:

Likelihood	Explanation	Frequency
Certain to occur	It is **expected to occur** in most circumstances, immediately or within a short period. Expected to occur in most circumstances	Likely to occur most weeks or months
Very likely	**Will probably occur** in most circumstances. Probably will occur	Several times a year
Possible	**Might occur at some time** Moderate probability of an incident	Within a 1 or 2 year period
Unlikely	**Could occur at some time** Low probability of an incident	In a 2 - 5 year time frame
Rare	**May only occur in exceptional circumstances**. Extremely low probability. Will only occur in exceptional circumstances.	Could be incurred in a 5 – 30 year time frame

To integrate the Consequence and Likelihood, the following Risk Matrix is used to formerly assess the risk.

Consequence / Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Certain to occur	Medium	High	Extreme	Extreme	Extreme
Very likely	Medium	High	High	Extreme	Extreme
Possible	Low	Medium	High	Extreme	Extreme
Unlikely	Low	Low	Medium	High	Extreme
Rare	Low	Low	Medium	High	High

Risk Assessment
The following identified risks have a potential to impact Councils financial position, sustainability and ability to provide services, with the relevant Consequence, Likelihood and overall Risk Rating applied.

Commonwealth Grant Funding Programs
Funding programs provided by the Commonwealth Government are subject to periodical review, political pressures and underlying economic factors with inflation being a contributor.

Reduction in allocation or cessation of funding levels associated with Financial Assistance Grants (42% of total revenue), Roads to Recovery Program (4.1% of total revenue and 9.5% of rate revenue), the Local Roads and Community Infrastructure Program (5.6% of total revenue and 12.7% of rate revenue), and Supplementary Road Funding that is applied to SA Councils only (4.6% of total rate revenue).

The following risk ratings are applied:

Risk	Consequence	Likelihood	Risk Rating
Reduction in Financial Assistance Grants	Catastrophic	Rare to Unlikely	**High to Extreme**
Reduction of Roads to Recovery	Major to Catastrophic	Unlikely	**High**
Removal of the Local Roads and Community Infrastructure	Catastrophic	Possible	**Extreme**
Removal of Supplementary Road Funding	Major	Possible	**Extreme**

It is noted from the assessment that the removal and/or reduction in both the Local Roads and Community Infrastructure Funding and the Supplementary Road Funding have the higher likelihood and therefore the greatest short term impact hence the extreme risk rating.

General Rate Revenue
General Rates is the main source of discretionary revenue of Council and is derived from the rating calculation factors that is applied against the valuation of each property, inclusive of the Fixed Charge, though exclusive of the Waste Charge and CWMS property charge. General Rate Revenue represents 27.9% of Councils total income and is impacted by variable factors beyond Councils control including property valuation changes, economic factors affecting the ability of ratepayers to pay, environmental factors eg drought that impacts on the ability to pay.

Risk	Consequence	Likelihood	Risk Rating
Reduction in General Rate Revenue	Moderate to Major	Possible	**High to Extreme**

Cashflow Impacts
The main factors affecting Council cashflow during any one year is the timing of grant payments both untied and tied grant funds in a timely manner and in accordance with previous timing, payment of rate revenue by the due date for each quarterly payment (. Based on current funding levels, a quarterly payment represents 7.6% of total revenue.

It should be noted that changes to the quarterly payment structure of the FAG's occurred in May 2023, which had a major impact on Councils cashflow.

Risk	Consequence	Likelihood	Risk Rating
Change in Financial Assistance Grants Quarterly payment	Major to Catastrophic	Possible	**Extreme**
Portion of Quarterly Rate Payment not received	Minor to Moderate	Possible	**Medium to High**
Payment of other untied grants	Minor to Moderate	Possible	**Medium to High**
Payment of tied grants	Moderate to Major– (depending on grant amount)	Possible	**High to Extreme**

Environmental Impacts on Infrastructure – Rain / Flood Events
The region is susceptible to storm events that delivery large amounts of rain within short periods that causes flask flooding. Council's rural unsealed road network is vulnerable in during such events, with past events causing in excess of $1m in damage, which required a claim being made for relief funding. The relief funding is sourced from the Local Government Disaster Recovery Assistance Arrangements (LGDRAA), with claims taking in the vicinity of 2 years to finalise with a proportion of the funding (59%) being made available.

Due to the need to repair road infrastructure immediately and the potential severity of such events, there is a significant financial impact on Council. At present, Council would need to utilise short term loan funds for repair work, with the amount depending on the severity and significance of the damage caused.

Risk	Consequence	Likelihood	Risk Rating
Flood damage to roads and infrastructure	Moderate to Catastrophic (depending on extent of damage)	Possible	**High to Extreme**

CWMS – Treatment Plant Rectification Works
Portion of the CWMS Treatment Plant, being the HRAP's, have been assessed as to requiring significant rectification that requires reconstruction, with the works estimated to cost $3.15m. The scope of the works is being finalised that will determine the funding claim submission to the CWMS program to fully fund the works.

Considering Councils financial position, the risk assessment has been aligned to the following potential scenarios, with strategies and actions to be determined when the risk is realised:

Risk	Consequence	Likelihood	Risk Rating
No funding received	Catastrophic	Possible	**Extreme**
Portion of Funding received	Major	Very Likely	**Extreme**
Full funding received	Insignificant to Minor	Possible	**Low to Medium**

Commercial Operations / User Charges
Council receives 6.8% of its revenue from user charges, with 82% being derived from the operations of the Steamtown Heritage Rail Centre and Visitor Information Centre as commercial activities. An interruption to the operations of the commercial activities, such as a pandemic or partial loss of the facilities, has an impact on the income generation of Council.

Though the revenue loss can be offset in part by savings in operational costs, with the further potential of accessing insurance for the loss, the direct risk rating is:

Risk	Consequence	Likelihood	Risk Rating
Reduction in Commercial / User Charges income	Minor	Possible	**Medium**

It is considered that the local economic impact is considered to be major.

Increase in Operational Costs due to Inflation
The 2022/2023 is testament to impacts associated with inflationary cost pressures that increase the costs associated with delivery of services. Considering that Council has one opportunity on an annual basis to set its rate income, and fees and charges, such cost increases have a substantial impact.

Due to the current financial position, Council has limited ability to absorb cost inflation over and above estimates embedded in its LTFP and ABP & Budget.

The following cost areas are assessed – Employee Costs represents 37.3% of total revenue, while Materials, Contractors and Other Expenses represents 36.9% of total revenue (includes utility charges, insurance).

Risk	Consequence	Likelihood	Risk Rating
Increase in Operational Costs 1% above budget	Minor to Moderate	Very Likely	**High**
Increase in Operational Costs 1% to 2% above budget	Moderate	Possible	**Medium to High**
Increase in Operational Costs 2% to 4% above budget	Moderate to Major	Unlikely	**Medium**
Increase in Operational Costs 4% or greater above budget	Catastrophic	Rare	**High**

To conclude, the Financial Risk assessment highlights the vulnerability of Council in the event of situations whereby the Councils income is adversely affected, which is further underpinned by the fact that the current cash reserves are low and debt levels, according to the Net Financial Liabilities Ratio are high.

5. Financial Sustainability – Key Indicators

The financial sustainability evaluation of a Council is undertaken with reference to a properly developed and complete LTFP. The financial plan includes the forecast achievement of projected performance against agreed financial sustainability targets. By achieving these targets Council can claim to be operating in a financially sustainable manner.

To demonstrate that the financial strategies above are being achieved, Council needs to monitor the operating surplus ratio.

Further to this, two additional ratios will be reported on to demonstrate that assets are being replaced in line with the requirements of the Councils asset data systems whilst maintaining sensible debt levels.

These ratios are:

- Net financial liabilities ratio
- Asset renewal funding ratio

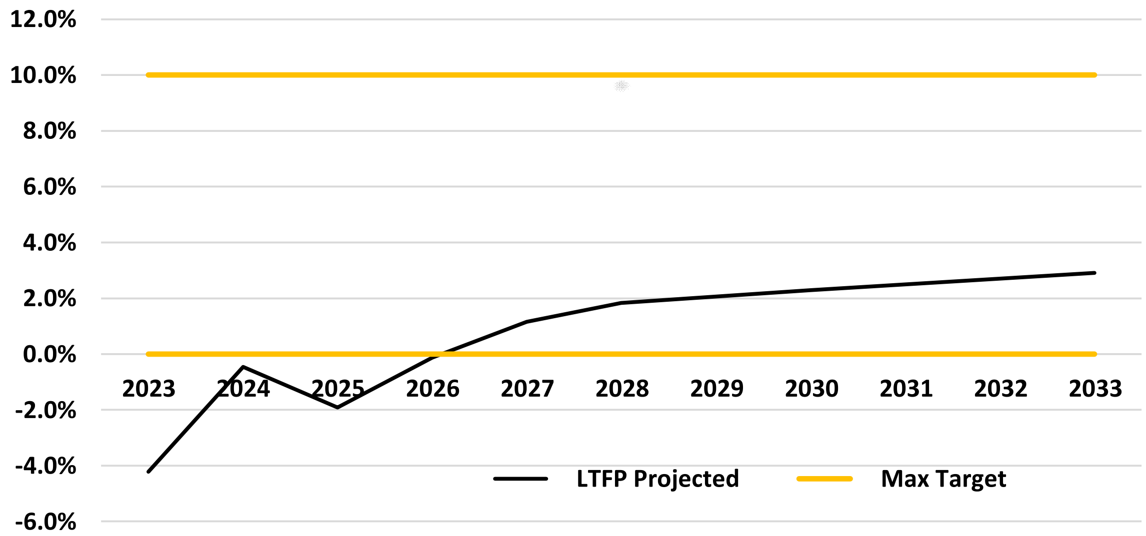
The table of ratios below has been used to populate the Key Financial Indicator Graphs that follow:

Year Ending 30 June:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000	$,000
Operating Surplus Ratio											
Operating Surplus	(228)	(28)	(118)	(9)	78	129	148	168	186	206	226
Total Operating Revenue	5,394	5,992	6,172	6,576	6,838	7,012	7,156	7,304	7,454	7,608	7,765
	-4.2%	**-0.5%**	**-1.9%**	**-0.1%**	**1.1%**	**1.8%**	**2.1%**	**2.3%**	**2.5%**	**2.7%**	**2.9%**
Net Financial Liabilities Ratio											
Net Financial Liabilities	6,289	6,177	6,043	5,688	5,216	4,675	4,107	3,511	2,888	2,237	1,556
Total Operating revenue	5,394	5,992	6,172	6,576	6,838	7,012	7,156	7,304	7,454	7,608	7,765
	117%	**103%**	**98%**	**86%**	**76%**	**67%**	**57%**	**48%**	**39%**	**29%**	**20%**
Asset Renewal Funding Ratio											
Net Asset Renewal Expenditure per LTFP	850	980	1,039	1,011	1,041	1,062	1,084	1,105	1,127	1,150	1,173
Net Asset Renewal Expenditure per AMP	850	980	1,039	1,011	1,041	1,062	1,084	1,105	1,127	1,150	1,173
	100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

5.1 Operating surplus ratio (OSR)

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of total operating revenue.

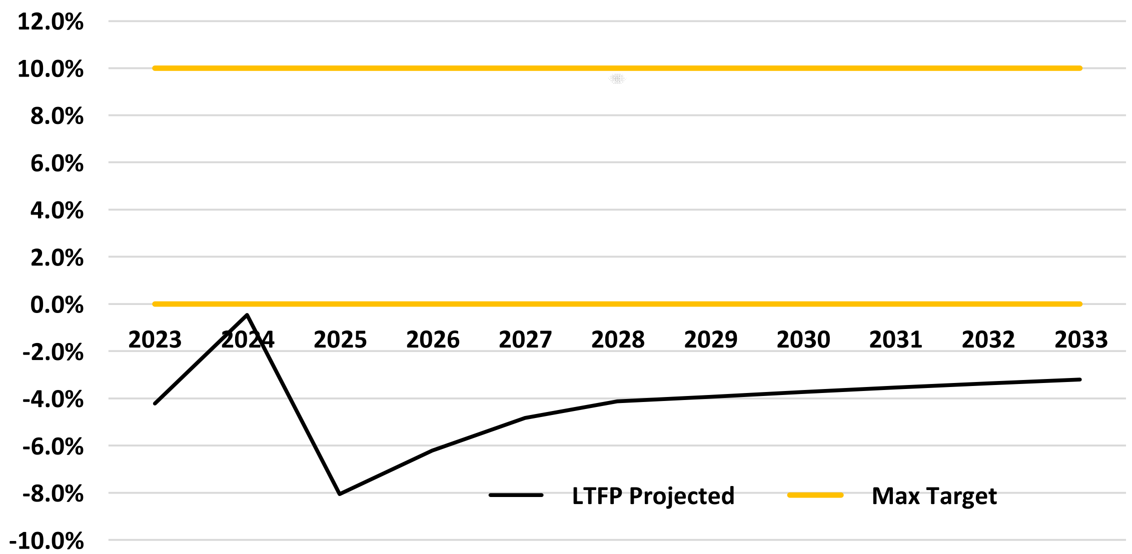
Calculated as: Operating revenue minus operating expense divided by operating revenue.



The OSR is used to confirm that Council can cover its operating expenditure and depreciation charge from its operating revenue. A negative result indicates that Council is not doing so.

The target range has been set at 0% to 10% for the duration of the plan; this is in line with LGA Financial sustainability information papers. Council is currently not forecast to achieve this until the fourth year of the plan, being 2026-27. Year 1 is very close to a breakeven result due one-off grant funding being received.

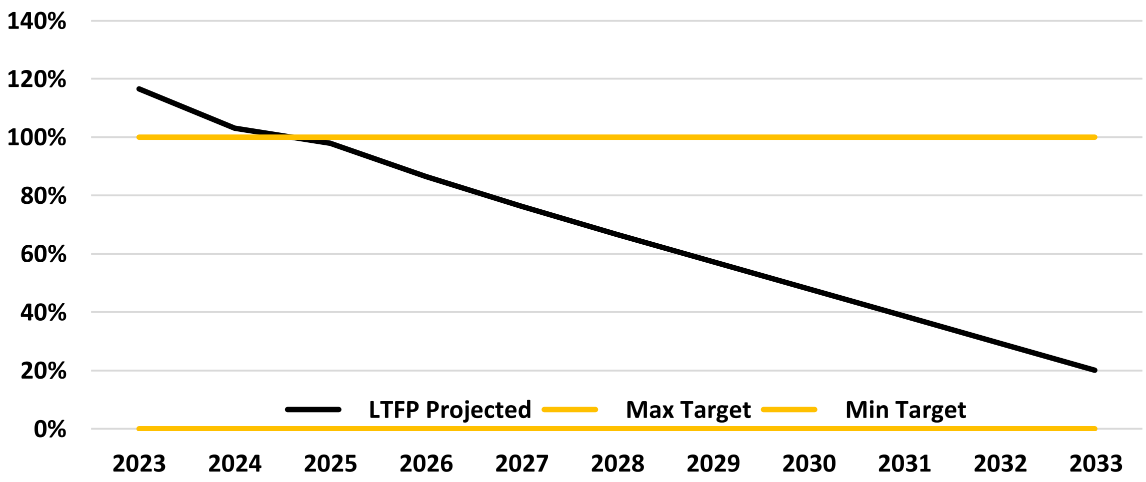
The plan includes an assumption that LRCIP grant funding of $350k will be received each financial year. Should this funding not be received as expected then the following scenario would eventuate such that Council would be in deficit. Should this occur then an alternative financial strategy would need to be developed that would move Council back into a surplus position by 2027.



5.2 Net Financial Liabilities Ratio (NFLR)

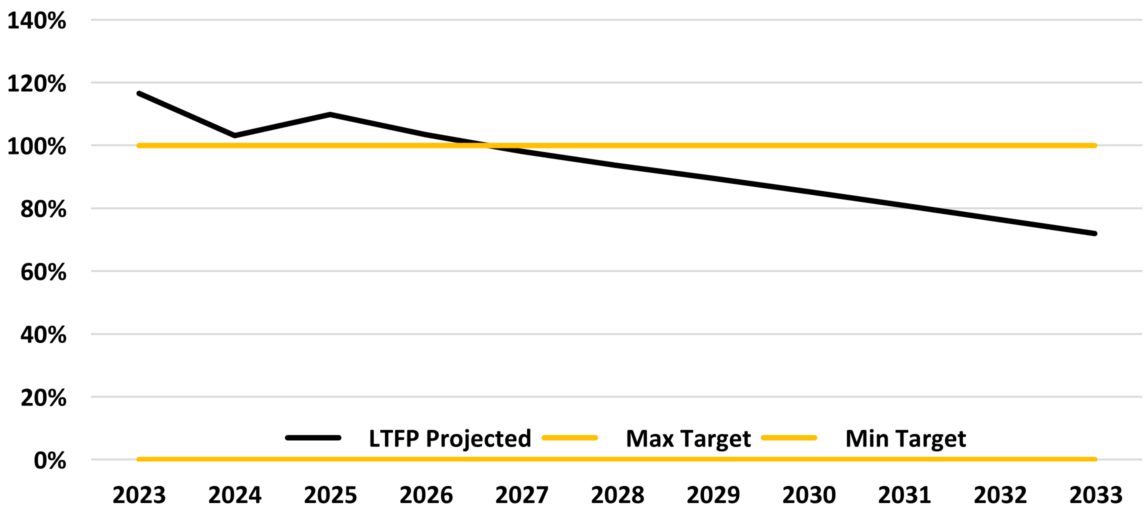
Net financial liabilities are a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically, Net Financial Liabilities equals total liabilities minus financial assets, where financial assets for this purpose includes cash, cash equivalents, trade and other receivables, and other financial assets, but excludes equity held in Council businesses, inventories and land held for resale.

The NFLR answers the question - Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves? The following graph and table demonstrate that Council can answer “Yes” to this question.



Council has set a target range of between 0% to 100% for the duration of the plan; this is in line with LGA Financial sustainability information papers. Council currently does not achieve this in the first year of the plan however from year two onwards Council is forecast to operate within the target range.

Should LRCIP funding not be received as expected then the following scenario would eventuate such that the NFLR will not drop below 100% until year 4-5. Should this occur then an alternative financial strategy would need to be developed that would move Council into a sustainable position sooner.

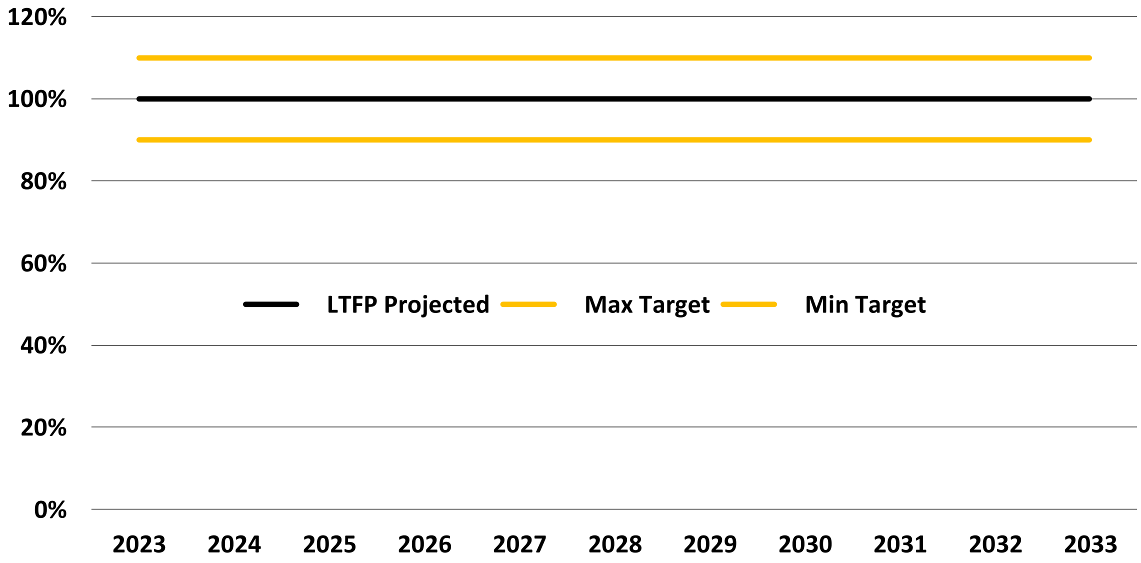


5.3 Asset Renewal Funding Ratio (ARFR)

This ratio indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure as identified by Councils' asset data systems.

If capital expenditure on renewing or replacing existing assets is at least equal to the level determined by Councils' asset data, then a Council is ensuring optimal timing of replacement of physical assets to maintain service levels. Any material underspending on renewal and replacement over the medium term is likely to adversely impact on the achievement of preferred, affordable service levels and could potentially progressively undermine a Council's financial sustainability.

Council have adopted a range that is consistent with the rest of the Local Government Sector for this ratio of between 90% to 110%.



The funding of asset renewals is the starting point used when preparing a LTFP, accordingly this ratio will usually be targeted at a consistent 100% p.a. to ensure assets are renewed at the same rate they are wearing out.

6. Chief executive officer report on the sustainability of the Council's Long Term Financial performance and position

The analysis undertaken above clearly demonstrates the importance for Council to implement a sound financial strategy to address the current position and the associated risks.

Consequently, the implementation of the proposed strategy is critical to ensure Council moves over time to operate within the target ranges set for the three Key Financial Indicators used by the sector to assess financial sustainability. Accordingly, it can be concluded that Council intends to be operating in a financially sustainable manner in the medium to long term, however in the short term Council will not be operating within the target ranges required to be able to claim it is operating in a sustainable manner.

A fundamental component of Councils Financial Strategy is the focus on asset renewal and the use of Government funding programs such as Roads to Recovery and Local Roads and Community Infrastructure. This focus and use of external funding will enable Council to reinstate its cash reserves over the medium term of the Plan, thus improving its overall financial position.

The short to medium term upgrade and replacement of Councils ageing plant and machinery will be felt with the need to utilise short term loan funds, thus managing the interest expense, which will be eased in the longer term once cash reserves are increased being associated with Council operating in a financially sustainable manner.

Year 0 of the plan represents the 2022-23 Budget Review #3 adjusted to reflect a restructuring of debt. The asset renewal allocations are consistent with Council asset data, however a significant review of the Asset Management Plan is scheduled for 2023-24 and into 2024-25. It should be noted that this review, when completed, will be integrated into an enhanced and more sophisticated LTFP and AMP. This will better inform and ensure the AMP & LTFP are consistent with the strategic goals and principal activities of Councils Strategic Management Plan, enabling the Strategic documents to better inform each other that leads to sound decisions.

To conclude, it is imperative that strong internal processes and controls are maintained over the long term that integrate with high level reporting that continues to monitor and evaluate Councils financial performance. This level of reporting will ensure that management and the elected body of Council can quickly and strategically respond to any adverse change in the financial indicators and therefore, financial position of Council.

Moreover, Council has committed to ensuring the Long Term Financial Plan is continually updated when necessary to ensure that it will always have appropriate strategies in place to ensure it is operating in a financially sustainable manner.

7. Uniform Presentation of Finances

The Uniform Presentation of Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council’s finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations.

The Uniform Presentation of Finances report highlights the operating surplus / (deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line or rather the result of this report is the movement in Net Financial Liabilities (Net Lending / Borrowing) for the year based on Council’s planned capital and operating budgets for that year.

Achieving a zero result on the net lending / (borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

7.1 Explanation / Examples of Components of Uniform Presentation of Finances

Operating Revenue and Expenditure: Represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: e.g. Roads reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: e.g. trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New & Upgraded Assets: e.g. constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for new or upgraded Assets: e.g. Capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: Proceeds from the sale of a council building that was no longer required, sale of surplus land.

Uniform Presentation of Finances	2023 Year 0 $'000	2024 Year 1 $'000	2025 Year 2 $'000	2026 Year 3 $'000	2027 Year 4 $'000	2028 Year 5 $'000	2029 Year 6 $'000	2030 Year 7 $'000	2031 Year 8 $'000	2032 Year 9 $'000	2033 Year 10 $'000
Operating Revenues	4,116	5,992	6,172	6,576	6,838	7,012	7,156	7,304	7,454	7,608	7,765
less Operating Expenses	5,622	6,020	6,290	6,585	6,759	6,883	7,008	7,136	7,268	7,402	7,539
Operating Surplus/(Deficit) before Capital Amounts	**(1,506)**	**(28)**	**(118)**	**(9)**	**78**	**129**	**148**	**168**	**186**	**206**	**226**
LESS: Net Outlays on Existing Assets											
Capital Expenditure on Renewal or Replacement of Existing Assets	923	998	1,039	1,011	1,041	1,062	1,084	1,105	1,127	1,150	1,173
less Depreciation, Amortisation & Impairment	(1,151)	(1,267)	(1,355)	(1,423)	(1,466)	(1,495)	(1,525)	(1,555)	(1,586)	(1,618)	(1,651)
less Proceeds from Sale of Replaced Assets	(73)	(18)	0	0	0	0	0	0	0	0	0
Net Outlays on Existing Assets	**(301)**	**(286)**	**(316)**	**(412)**	**(424)**	**(433)**	**(441)**	**(450)**	**(459)**	**(468)**	**(478)**
LESS: Net Outlays on New or Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	430	147	0	0	0	0	0	0	0	0	0
less Amounts Specifically for New/Upgraded Assets	0	0	0	0	0	0	0	0	0	0	0
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0
Net Outlays on New or Upgraded Assets	**430**	**147**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
EQUALS: Net Lending / (Borrowing) for Financial Year	**(1,634)**	**111**	**198**	**403**	**503**	**562**	**589**	**618**	**645**	**674**	**704**

Statement of Comprehensive Income	2023 Year 0 $,000	2024 Year 1 $,000	2025 Year 2 $,000	2026 Year 3 $,000	2027 Year 4 $,000	2028 Year 5 $,000	2029 Year 6 $,000	2030 Year 7 $,000	2031 Year 8 $,000	2032 Year 9 $,000	2033 Year 10 $,000
Income											
Rates	2,328	2,624	2,892	3,128	3,286	3,385	3,453	3,522	3,592	3,664	3,738
Statutory charges	45	43	46	48	49	50	51	52	54	55	56
User charges	401	409	447	474	488	498	508	518	528	539	549
Grants, subsidies and contributions	1,005	2,505	2,630	2,761	2,844	2,901	2,959	3,018	3,079	3,140	3,203
Investment income	15	0	5	5	6	9	14	18	23	29	34
Reimbursements	272	357	94	99	102	104	106	108	111	113	115
Other income	50	54	58	61	62	64	65	66	68	69	70
Total Operating Revenue	**4,116**	**5,992**	**6,172**	**6,576**	**6,838**	**7,012**	**7,156**	**7,304**	**7,454**	**7,608**	**7,765**
Expenses											
Employee Costs	2,312	2,226	2,367	2,486	2,560	2,611	2,664	2,717	2,771	2,827	2,883
Material, Contractors & Other	2,017	2,203	2,282	2,396	2,458	2,507	2,557	2,608	2,660	2,714	2,768
Depreciation, Amortisation & Impairment	1,151	1,267	1,355	1,423	1,466	1,495	1,525	1,555	1,586	1,618	1,651
Finance Charges	142	324	286	280	276	269	263	255	250	244	238
Total Operating Expenses	**5,622**	**6,020**	**6,290**	**6,585**	**6,759**	**6,883**	**7,008**	**7,136**	**7,268**	**7,402**	**7,539**
Operating Surplus / (Deficit)	**(1,506)**	**(28)**	**(118)**	**(9)**	**78**	**129**	**148**	**168**	**186**	**206**	**226**
Asset Disposals & Fair Value Adjustments	0	0	0	0	0	0	0	0	0	0	0
Amounts Specifically for New or Upgraded Assets	0	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income	**(1,506)**	**(28)**	**(118)**	**(9)**	**78**	**129**	**148**	**168**	**186**	**206**	**226**

Statement of Financial Position	2023 Year 0 $,000	2024 Year 1 $,000	2025 Year 2 $,000	2026 Year 3 $,000	2027 Year 4 $,000	2028 Year 5 $,000	2029 Year 6 $,000	2030 Year 7 $,000	2031 Year 8 $,000	2032 Year 9 $,000	2033 Year 10 $,000
Assets											
Current Assets											
Cash and Cash Equivalents	174	178	263	553	937	1,375	1,835	2,316	2,858	3,423	4,011
Trade & Other Receivables	447	447	479	503	518	528	539	549	560	571	583
Inventories	12	12	13	14	14	15	15	15	16	16	16
Total Current Assets	**634**	**637**	**754**	**1,069**	**1,468**	**1,918**	**2,388**	**2,881**	**3,434**	**4,010**	**4,610**
Non-Current Assets											
Infrastructure, Property, Plant & Equipment	42,766	42,627	42,311	41,899	41,475	41,042	40,601	40,151	39,692	39,224	38,746
Other Non-current Assets	7	7	8	8	9	9	9	9	9	9	10
Total Non-current Assets	**42,774**	**42,635**	**42,319**	**41,908**	**41,484**	**41,051**	**40,610**	**40,160**	**39,701**	**39,233**	**38,756**
Total Assets	**43,408**	**43,272**	**43,073**	**42,977**	**42,952**	**42,969**	**42,998**	**43,041**	**43,135**	**43,243**	**43,366**
Liabilities											
Current Liabilities											
Trade & Other Payables	950	950	1,017	1,067	1,099	1,121	1,144	1,167	1,190	1,214	1,238
Borrowings	108	113	113	119	123	130	136	104	109	115	121
Provisions	388	388	415	436	449	458	467	476	486	496	506
Total Current Liabilities	**1,446**	**1,451**	**1,545**	**1,622**	**1,672**	**1,709**	**1,747**	**1,747**	**1,785**	**1,825**	**1,865**
Non-current Liabilities											
Borrowings	5,451	5,338	5,225	5,107	4,983	4,854	4,718	4,614	4,505	4,390	4,268
Provisions	13	13	14	15	15	15	16	16	16	17	17
Total Non-Current Liabilities	**5,464**	**5,351**	**5,239**	**5,121**	**4,998**	**4,869**	**4,733**	**4,630**	**4,521**	**4,406**	**4,285**
Total Liabilities	**6,910**	**6,802**	**6,784**	**6,743**	**6,670**	**6,578**	**6,480**	**6,377**	**6,306**	**6,231**	**6,150**
Net Assets	**36,498**	**36,470**	**36,290**	**36,233**	**36,282**	**36,391**	**36,518**	**36,664**	**36,829**	**37,013**	**37,216**
Equity											
Accumulated Surplus	4,937	4,909	4,791	4,782	4,861	4,990	5,138	5,305	5,492	5,697	5,923
Asset Revaluation Reserves	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561
Adjustment to Cash & Borrowings for effects of inflation	0	0	(62)	(109)	(139)	(159)	(180)	(202)	(223)	(245)	(268)
Total Equity	**36,498**	**36,470**	**36,290**	**36,233**	**36,282**	**36,391**	**36,518**	**36,664**	**36,829**	**37,013**	**37,216**

Statement of Changes in Equity	2023 Year 0 $,000	2024 Year 1 $,000	2025 Year 2 $,000	2026 Year 3 $,000	2027 Year 4 $,000	2028 Year 5 $,000	2029 Year 6 $,000	2030 Year 7 $,000	2031 Year 8 $,000	2032 Year 9 $,000	2033 Year 10 $,000
Accumulated Surplus											
Balance at end of previous reporting period	6,443	4,937	4,909	4,791	4,782	4,861	4,990	5,138	5,305	5,492	5,697
Net Result for Year	(1,506)	(28)	(118)	(9)	78	129	148	168	186	206	226
Balance at end of period	**4,937**	**4,909**	**4,791**	**4,782**	**4,861**	**4,990**	**5,138**	**5,305**	**5,492**	**5,697**	**5,923**
Other Reserves											
Balance at end of previous reporting period	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561	31,561
Balance at end of period	**31,561**	**31,561**	**31,561**	**31,561**	**31,561**	**31,561**	**31,561**	**31,561**	**31,561**	**31,561**	**31,561**
Adjustment to Cash & Borrowings for effects of inflation	0	0	(62)	(109)	(139)	(159)	(180)	(202)	(223)	(245)	(268)
Total Equity at End of Reporting Period	**36,498**	**36,470**	**36,290**	**36,233**	**36,282**	**36,391**	**36,518**	**36,664**	**36,829**	**37,013**	**37,216**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Statement of Cash Flows	Year 0 $,000	Year 1 $,000	Year 2 $,000	Year 3 $,000	Year 4 $,000	Year 5 $,000	Year 6 $,000	Year 7 $,000	Year 8 $,000	Year 9 $,000	Year 10 $,000
Cash Flow from Operating Activities											
Receipts											
Operating Receipts	3,834	5,992	6,167	6,571	6,832	7,002	7,142	7,285	7,431	7,580	7,731
Investment Receipts	15	0	5	5	6	9	14	18	23	29	34
Payments											
Operating Payments to Suppliers & Employees	4,329	4,429	4,649	4,881	5,018	5,118	5,221	5,325	5,432	5,540	5,651
Finance Payments	142	324	286	280	276	269	263	255	250	244	238
Net Cash provided by (or used in) Operating Activities	**(622)**	**1,239**	**1,237**	**1,414**	**1,544**	**1,624**	**1,673**	**1,723**	**1,773**	**1,824**	**1,877**
Cash Flow from Investing Activities											
Receipts											
Grants specifically for new or upgraded assets	0	0	0	0	0	0	0	0	0	0	0
Sale of replaced Assets	73	18	0	0	0	0	0	0	0	0	0
Payments											
Expenditure on renewal/replaced assets	923	998	1,039	1,011	1,041	1,062	1,084	1,105	1,127	1,150	1,173
Expenditure on new/upgraded assets	430	147	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) Investing Activities	**(1,279)**	**(1,127)**	**(1,039)**	**(1,011)**	**(1,041)**	**(1,062)**	**(1,084)**	**(1,105)**	**(1,127)**	**(1,150)**	**(1,173)**
Cash Flows from Financing Activities											
Receipts											
Proceeds from Borrowings	0	0	0	0	0	0	0	0	0	0	0
Payments											
Repayment of Borrowings	75	108	113	113	119	123	130	136	104	109	115
Net Cash Provided by (used in) Financing Activities	**(75)**	**(108)**	**(113)**	**(113)**	**(119)**	**(123)**	**(130)**	**(136)**	**(104)**	**(109)**	**(115)**
Net Increase / (Decrease) in Cash	**(1,976)**	**3**	**85**	**290**	**384**	**438**	**460**	**482**	**542**	**565**	**589**
Cash and Cash Equivalents at start of reporting period	2,151	174	178	262	552	936	1,375	1,834	2,316	2,858	3,422
Cash & Cash Equivalents at the end of the reporting period	**175**	**178**	**262**	**552**	**936**	**1,375**	**1,834**	**2,316**	**2,858**	**3,422**	**4,011**

REFERENCE MATERIAL

IPWEA Practice Note 6 – Long-term Financial Planning.

LGA Information Paper 9 – Local Government Financial Indicators

LGA Information Paper 12 – Targets for Local Government Financial Indicators

South Australian Local Government Model Financial Statements

District Council of Peterborough Risk Management (Corporate/Governance) Policy

District Council of Peterborough Risk Management Framework