

Shire of Menzies Long Term Financial Plan

2014 - 2029





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Shire of Menzies

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Shire President

I am very pleased to present to the Community the Shire of Menzies Long Term Financial Plan for the period 2014-2029.

The Plan is part of the Shire's ongoing commitment to an integrated approach to Planning for the District's future. It provides the Council and the community with a picture of the Shire's long term financial circumstances and assists us to meet our strategic outcomes and objectives.

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

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

Regards

Greg Dwyer
Shire President



Chief Executive Officer

The Shire of Menzies's Long Term Financial Plan is an important financial tool as we strive to achieve the strategies set out in the Council's Strategic Community Plan 2013 – 2023.

The Plan will be used with the Corporate Business Plan, Asset Management Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision, "To be a prosperous, sustainable and dedicated community in which all residents are able to participate in decision making and benefit from the Shire's many opportunities and resources".

The Shire has recently devoted significant resources into improving its strategic planning in line with the State reform agenda for local government. We have also investigated ways to improve services to the Community by resource sharing and collaboration with neighboring local governments.

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

Best Wishes

Peter Crawford
Chief Executive Officer

Planning for a Sustainable Future

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

Assumptions

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

- *The Shire will maintain its current service levels and, where financially prudent, increase services.*
- *The level of grants and contributions for capital projects and operations will remain relatively stable over the term.*
- *The District and State economy will remain stable.*

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

Financial Summary

Operations

The Plan predicts an overall positive net result over the term of the Plan. This is achieved with the inclusion of external grants and contributions for specific capital projects. This source of funds is vital, without them the Shire would record a negative net result in each of the fifteen years of the Plan.

Rates

General rates revenue is forecast to increase at 3.7% per annum. The rate revenue increase comprises forecast inflation of 2.7% plus an additional 1.0% for changes in level of service. An additional 10% has been included in 2014-15.

Grants

Grants and contributions for operations are expected to be \$4.05m in year one increasing to \$5.87m in the final year. Capital grants are forecast to be \$1.53m in the first year, dropping to \$0.64m in year eleven and then increasing to \$1.02m for the last year of the Plan.

Financing

Reserves are forecast to increase from \$2.18m in year one to \$1.77m in year four, then increase steadily to \$2.33m in year 15 of the Plan. Council currently has no borrowings with no new borrowings throughout the term of the Plan. This will place the Shire in a strong financial position at the end of the forecast period.

Strategic Financial Issues

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

Major Projects

Council is not planning for an extensive capital expansion program with resources being utilised primarily for the maintenance and renewal of existing assets.

The construction of 2 new houses, a Water Park and Main Street Development in 2014-15 have been included as the principal projects over the term. Renewals of plant, buildings and roads as outlined in the Asset Management Plans are also provided for within the Plan.

Planning Framework

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

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

Community

The Town of Menzies is a mining and pastoral town in the Eastern Goldfields, 730 kilometres East of Perth, approximately 8 hours drive from Perth via Kalgoorlie.

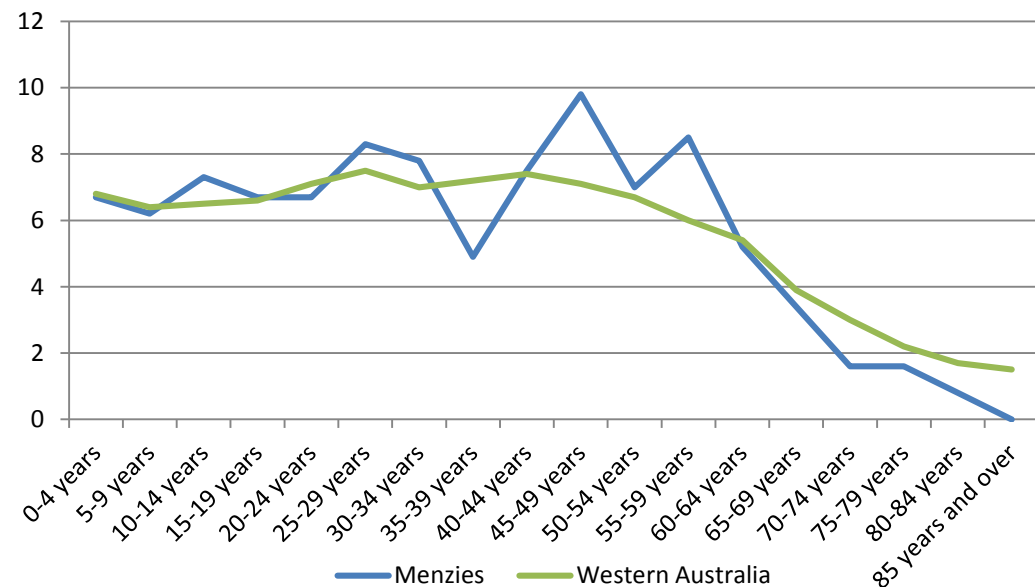
Menzies was born and boomed during the gold rush days of the 1890's and now has a population of 353 with approximately 150 people living in the Tjuntjuntjara Community near the South Australian border.

Key Statistics: Shire of Menzies

(Western Australian Local Government Directory 2014)

Number of Elected Members	7
Number of Staff	22
Annual revenue	\$6,798,641
Rates revenue	\$2,203,767
Number of Electors	278
Number of Dwellings	96
Distance from Perth (km)	730
Area (sq. km)	128,353
Population (Est.)	353 ¹

Graph 1 Shire of Menzies Resident Population by Age Group



¹ Australian Bureau of Statistics, 2011 Census Data (LGA57420),2012

Linkage With Other Plans

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

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

Strategic Community Plan

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

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

Strategic Community Plan structure



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

To achieve the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling 4 years basis.

Corporate Business Plan

The Corporate Business Plan contains details of the actions and resources (human and financial) to achieve each strategy. It is a 4 year Plan which acts as an organisational guide to the Council and management.

The financial capacity to undertake these tasks is evidenced in the long term financial Plan for the period. This long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resourced over the next 4 years and highlight the long term consequences of the application of human and financial resource to undertaking various projects.

Asset Management Plans

The Shire has developed an asset management plan including 10 year allocations of financial and physical resources required to ensure operational performance of the Shire's assets. The asset management plan incorporates expenditure estimates for the main asset classes and is an information source for the capital program as set out in this Plan.

Scenario Modelling

Scenarios were developed to test the financial impact of reduced levels of funding for both operations and capital. Scenario modelling was undertaken to consider the net result and level of asset renewal capability of the Shire under various scenarios of funding.

To ascertain the effect of various funding levels through scenario modelling, operational funding was adjusted in year 1 of the Plan by the percentage shown and all capital funding was adjusted by the percentage shown through the term of the Plan.

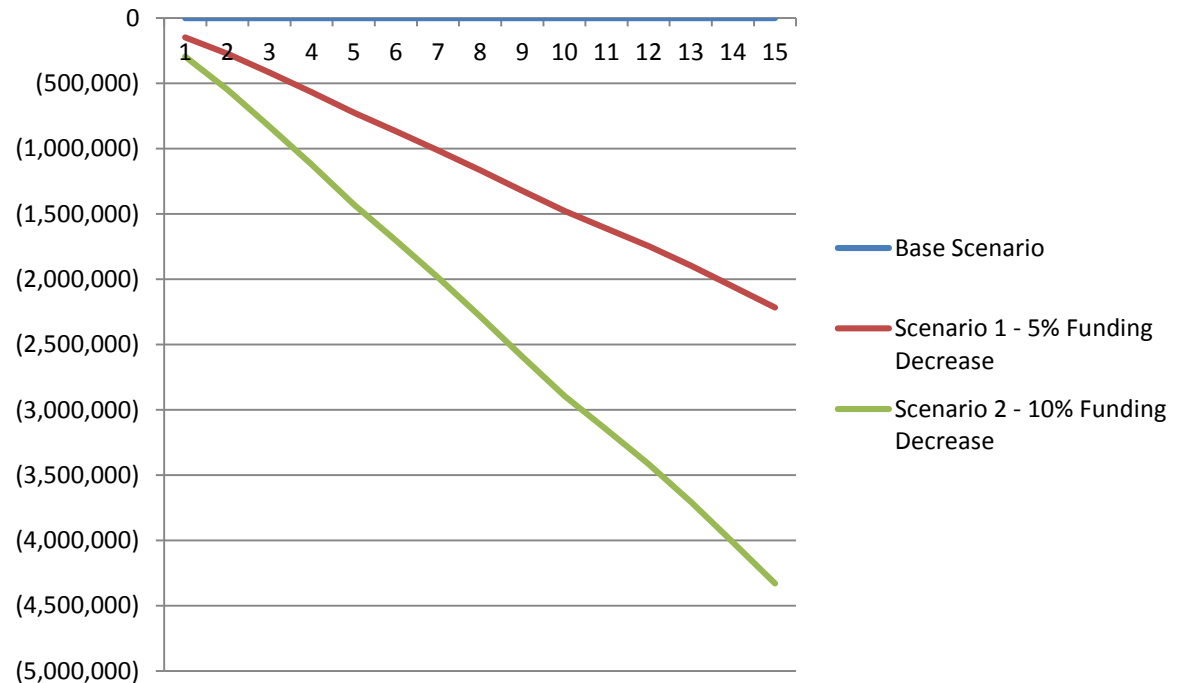
All other assumptions remained the same across the three scenarios.

Over the 15 years of the Plan the variation in estimated Surplus/Deficit C/Fwd as a consequence of the funding level is shown in graph 2.

The Base Scenario was selected as the most appropriate and has been used for the remainder of the Plan. The Base scenario includes levels of funding to ensure the current levels of service are maintained.

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

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



Estimated Surplus/Deficit June 30 Carried Forward

Funding Level	Variance from Base Level In Year 15	Average Variance Per Annum
Scenario 1 – 5% Decrease in Funding	(\$2,216,989)	(\$147,799)
Scenario 2 – 10% Decrease in Funding	(\$4,329,670)	(\$288,645)

Risk Management

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

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

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

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



Certainty of Assumptions

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

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

Sensitivity Analysis

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

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

Assumptions, Risk, Uncertainty and Sensitivity

Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
District Growth in Population: The number of residents in the Shire is expected to remain stable over the life of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on increases in line with the forecast inflation rate of 2.7% plus an additional 1.0% for changes to service levels. An additional rate of 10.0% has been included in 2014/15.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increase in line with forecast inflation. Additional funding of \$2,028,865 is included in 2014/15 for the Flood Damage works.	High	The road maintenance program and general operations of the Shire are dependent on maintaining levels of Federal Financial Assistance Grants. Changes in the levels of these grants will impact directly on the Shire's projected service levels.	Medium	± \$ 396,534 to the value of operating grants and contributions per 1% movement in the value over the life of the Plan.
Non-Operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The Capital works program is highly dependent on Government grants and contributions. A reduction in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	Medium	± \$ 163,508 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases of 2.7% are based on inflation. This level will be reviewed annually.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

Assumptions, Risk, Uncertainty and Sensitivity

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

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Interest Earnings: Interest earnings of an average rate of 2.5% per annum on year end balances.	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 mis-allocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk	Low	Not assessed as high level of uncertainty.

Assumptions, Risk, Uncertainty and Sensitivity

Expenditure – Assumptions, Risks, Uncertainties and Sensitivity (Continued)

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Employee Costs: Increased annually by 2.7% based on forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by 2.7% based on forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$ 273,215 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Utilities: Increased annually by 2.7% based on forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Depreciation: Depreciation has been calculated using an average depreciation rate based on historical depreciation rates.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Increased annually by 2.7% based on forecast inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Increased by inflation after the first year.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a mis-allocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate 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.

Assumptions, Risk, Uncertainty and Sensitivity

Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Revaluations: In line with annual inflation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	± \$ 85,762 to the value of property plant and equipment per 1% movement in the value over the life of the Plan. ± \$ 1,120,412 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 the existing Long Term Financial Plan.	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	± \$ 145,199 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property Plant and Equipment: Expenditure has been based on the existing Long Term Financial Plan.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

Assumptions, Risk, Uncertainty and Sensitivity

Liabilities – Assumptions, Risks, Uncertainties and Sensitivity.

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

Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk	Medium	Not assessed as high level of uncertainty
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	± \$ 85,762 to the value of property Plant and equipment per 1% movement in the value over the life of the Plan. ± \$ 1,120,412 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

Assumptions, Risk, Uncertainty and Sensitivity

Other - Assumptions, Risks, Uncertainties and Sensitivity.

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Ownership of Strategic Assets: The Shire 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 2.7% per annum.	Medium	Not assessed as high financial risk.	High	± \$ 982,551 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$ 1,113,750 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as High level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry and demand for minerals this is forecast to continue.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty

Assumptions, Risk, Uncertainty and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
<p>General Economic Forecasts for Region: Historically, the region’s economy is heavily dependent on the mining and pastoral industries and this remains the assumption for the term of this Plan.</p> <p>The Shire of Menzies covers an area of 128,353 square kilometres and is located in the Eastern Goldfields, 730 kilometres east of Perth.</p> <p>The main industries within the Shire are mining and pastoral.</p>	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty

Monitoring

The Plan will be the subject of a desktop review each year to take into account changing circumstances and a full revision is scheduled every two years in line with the review of the Strategic Community Plan.

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

Performance Assessment

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

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

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

Ratio Targets

The Department of Local Government and Communities Advisory Standard² provides target levels for each of the ratios. These target levels are represented on the ratio graphs as a red or green line. The red line represents the level at which a 'basic standard' is met, the green line representing the level at which an 'advanced standard' is met.



² Department of Local Government, *Integrated Planning and Reporting, Advisory Standard, 2012*

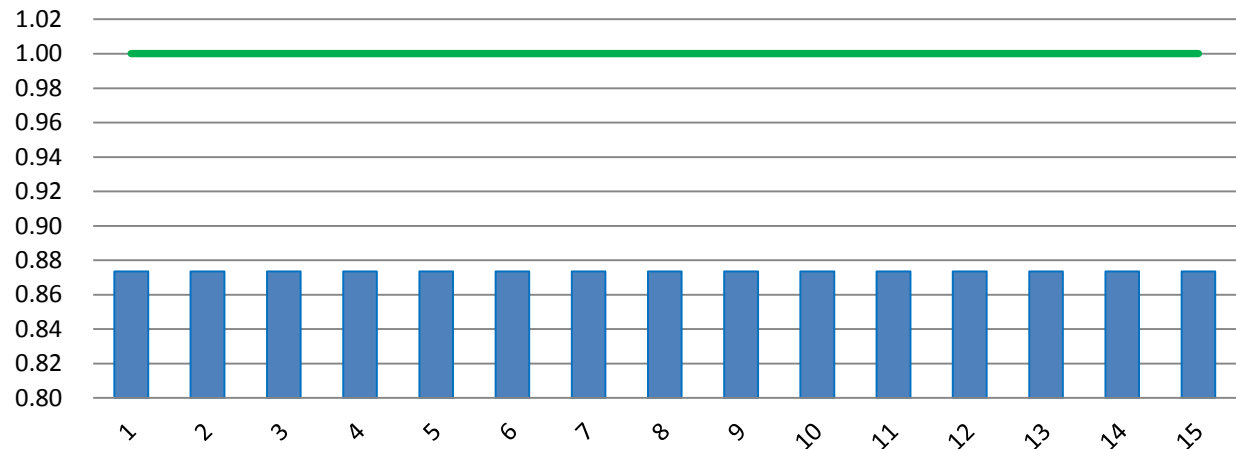
Current Ratio

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

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

Commentary: As expected for a Shire with a forecast balanced funding surplus position the ratio is less than 1.0. The ratio below the target is not considered to indicate a threat to the Shire’s long term financial position.

Graph 3 Forecast Ratio Analysis – Current Ratio



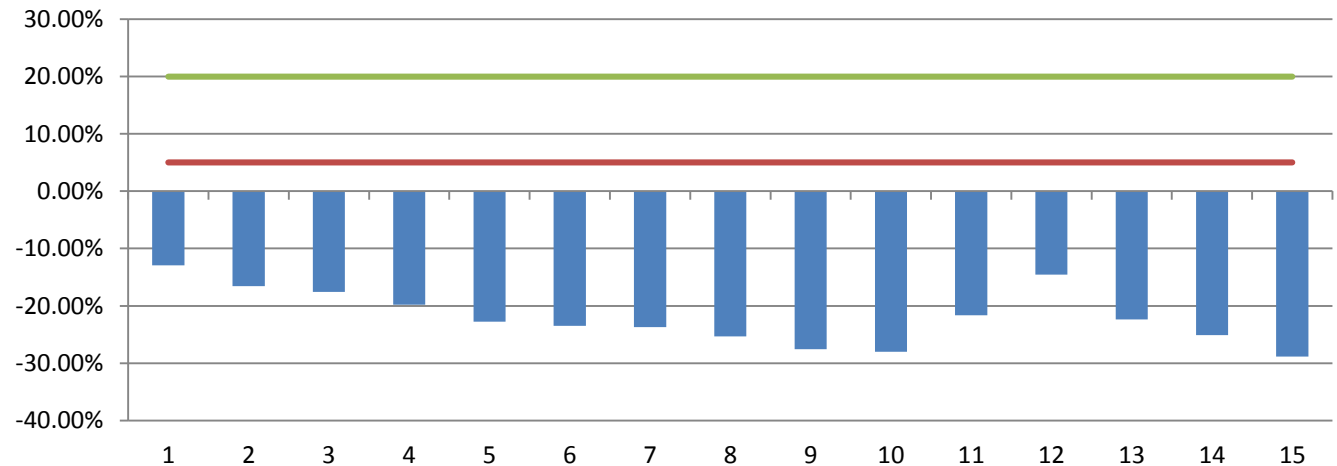
Operating Surplus Ratio

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

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

Commentary: The ratio is below the target throughout the term of the Plan. The ratio is not considered to indicate a threat to the Shire’s long term financial position but does indicate the Shire’s reliance on external capital grants.

Graph 4 Forecast Ratio Analysis – Operating Surplus Ratio



Own Source Revenue Coverage Ratio

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

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

Commentary: The ratio within the acceptable range in all years of the plan excepting year one.

(Note: no defined standard provided by DLG)

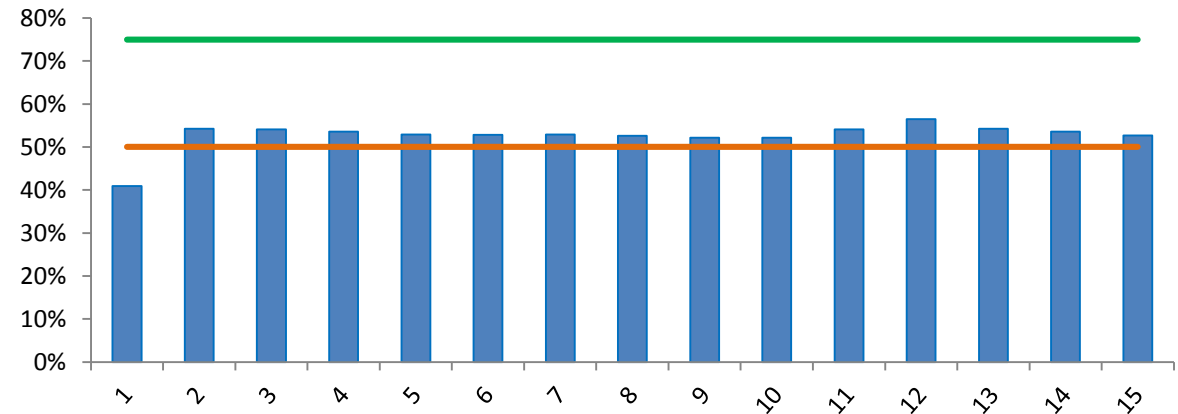
Debt Service Coverage Ratio

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

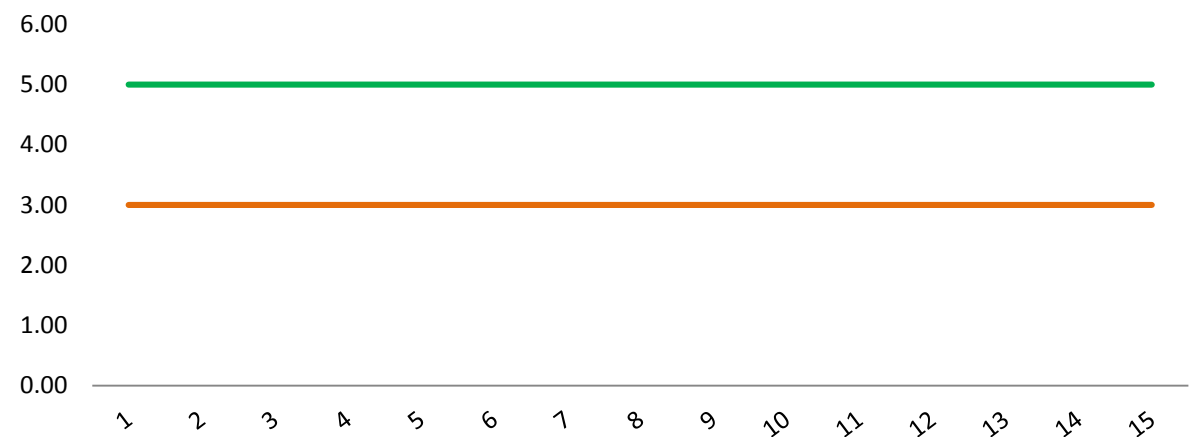
Indication: A measure of the extent of the Shire’s capacity to generate sufficient cash to cover debt payments.

Commentary: The Shire of Menzies currently has no borrowings and has no intention to borrow during the term of the Plan.

Graph 5 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



Graph 6 Forecast Ratio Analysis – Debt Service Coverage Ratio



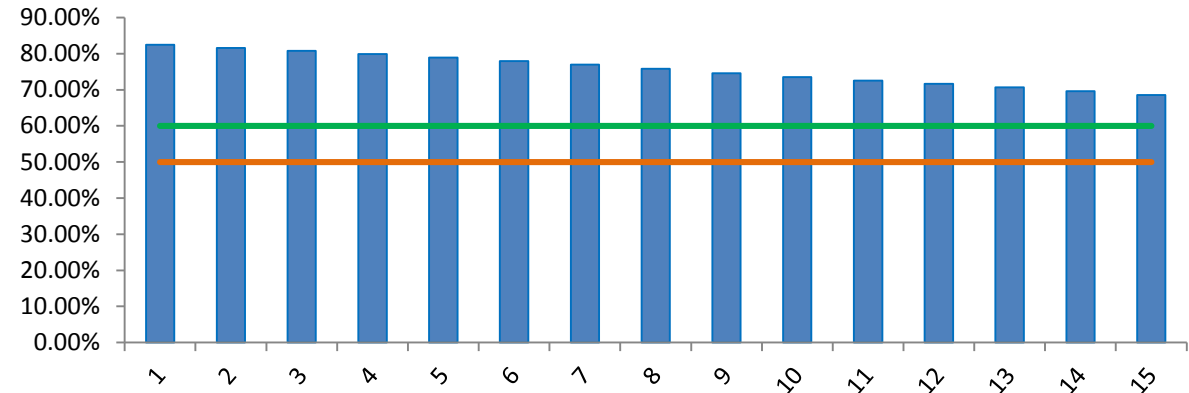
Asset Consumption Ratio

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

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

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

Graph 7 Forecast Ratio Analysis – Asset Consumption Ratio



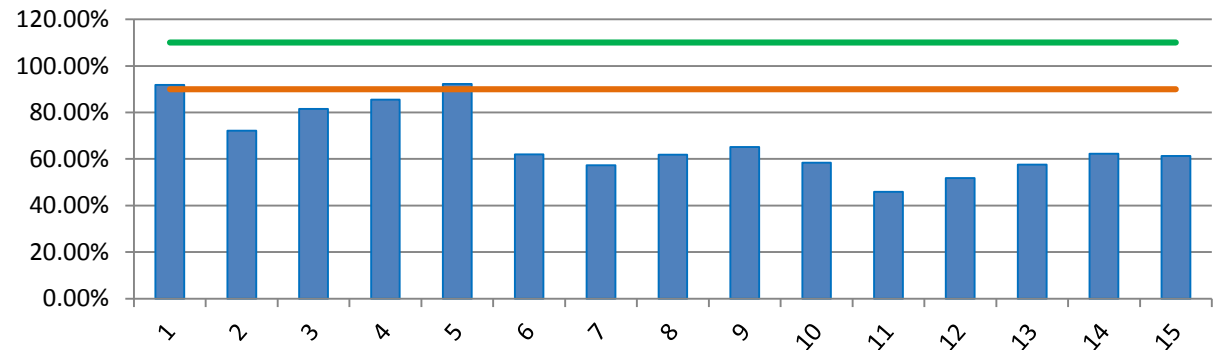
Asset Sustainability Ratio

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

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

Commentary: The ratio fluctuates over the term of the plan but suggests a need to increase capital renewal in the future.

Graph 8 Forecast Ratio Analysis – Asset Sustainability Ratio



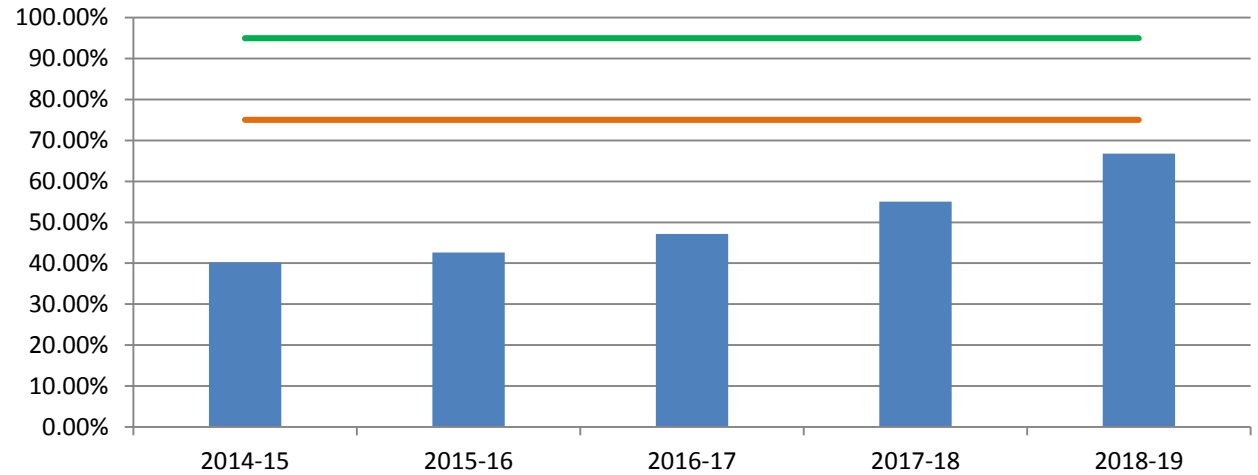
Asset Renewal Funding Ratio

$$\frac{\text{NPV of Planned capital renewals over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$$

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

Commentary: The ratio is below the ideal range indicating asset renewals included in the Plan are insufficient of the renewals required by the asset management Plans over the next 15 years.

Graph 9 Forecast Ratio Analysis – Asset Renewal Funding Ratio



Workforce Planning

The Shire currently employs 22 Full Time Equivalent (FTE) employees to deliver a range of services to the community and to maintain existing assets.

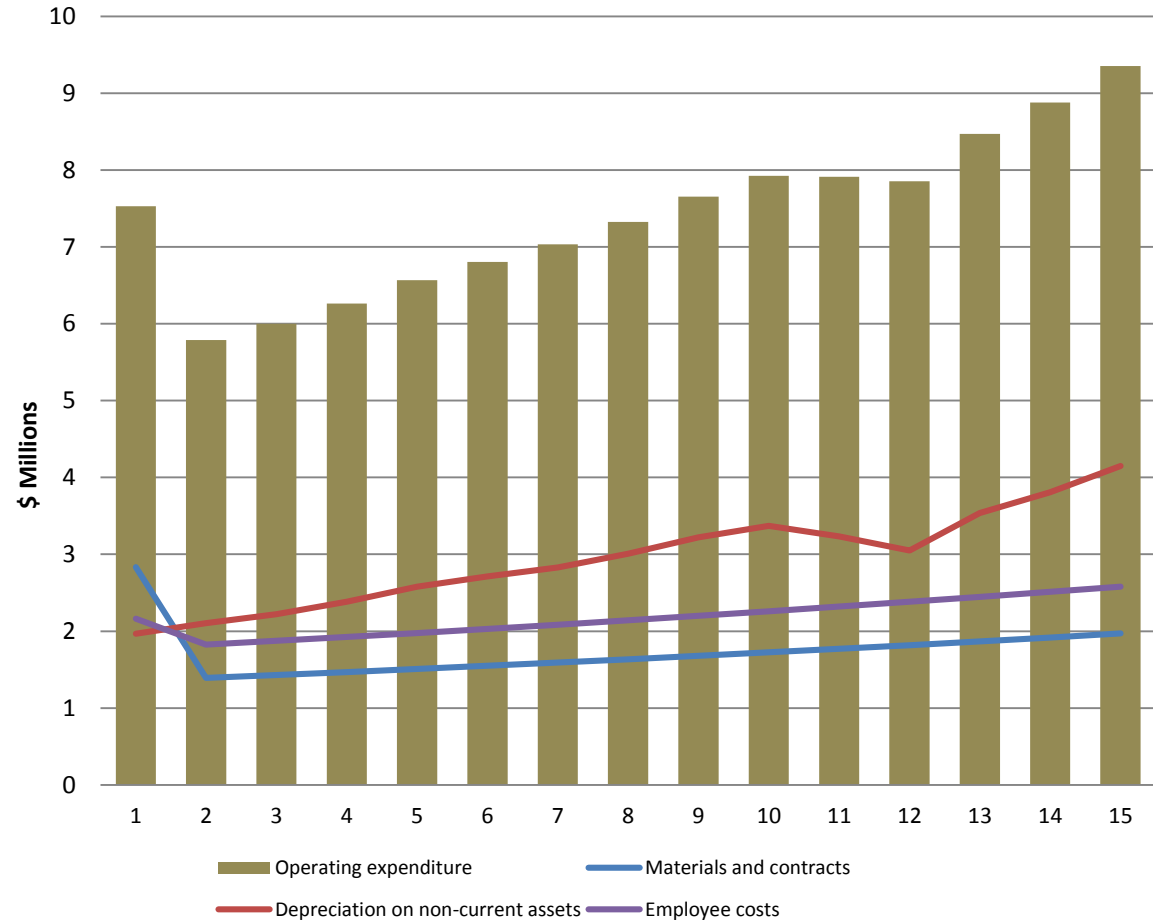
The Shire's Workforce Plan has been considered in the development of this Long Term Financial Plan.

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

Change in Employee Costs

Employee costs are forecast to increase in line with inflation between year two and fifteen of the Plan. Employee costs are expected to decrease from \$2.16m in year one to \$1.82m in year two and then increase to \$2.58m in the last year of the Plan.

Graph 10 Forecast Operating Expenditure



Operations

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

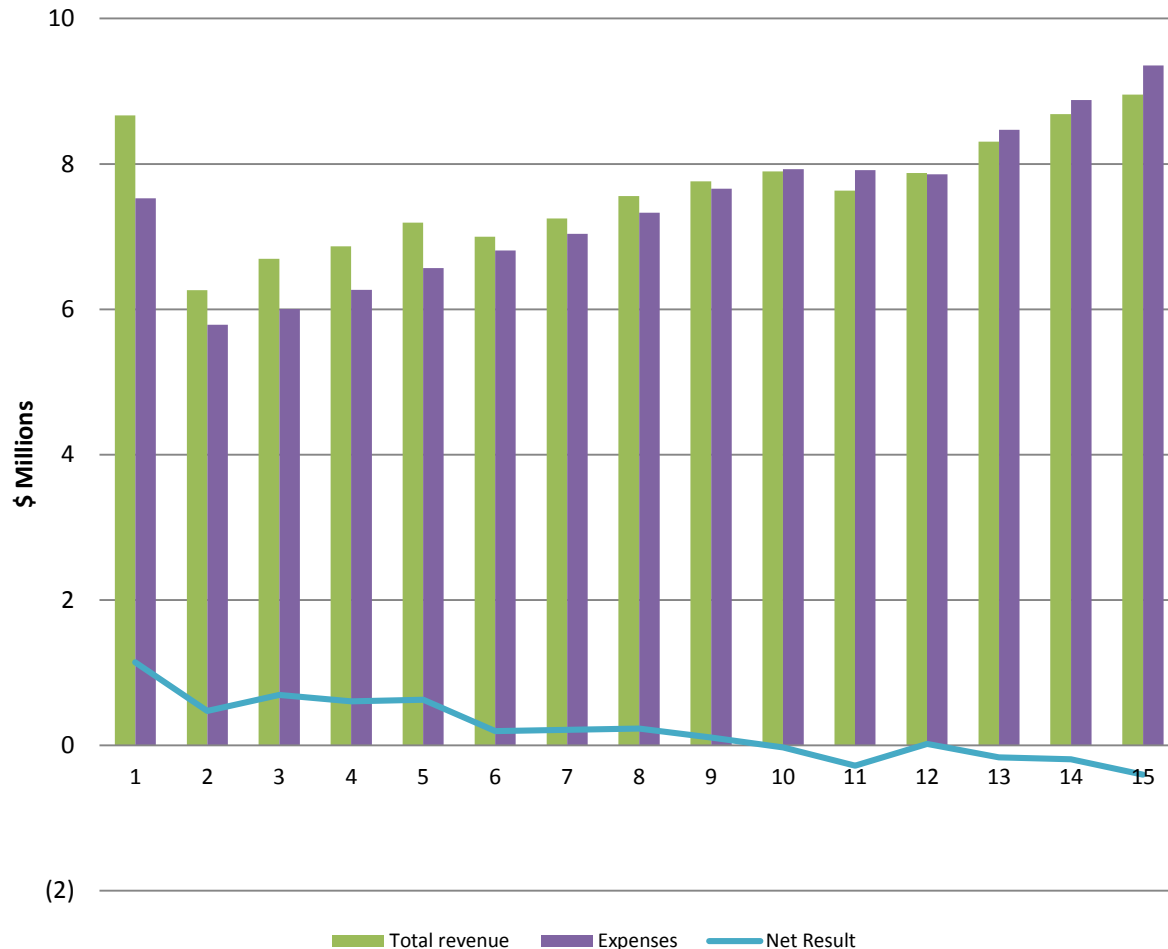
The net result is forecast to decrease significantly in year two as a result of a decrease in the level of capital grants. The Shire expects the operating net result to fluctuate over the remainder of the Plan with an average net result of \$215,398 totaling \$3.23m for the 15 years.

While projecting a steady increase in operating expenses over the period, the level of grants and contributions for capital projects results in variations in the net result particularly between year one and two.

It should be noted, without the grants and contributions for capital projects the Shire would record a negative operating result for each of the forecast fifteen years commencing in 2014-15 with negative \$0.40m.

The Shire is also heavily reliant on receiving over \$37.99m during the 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services.

Graph 11 Forecast Revenue, Expenses and Net Result



Rates Revenue

Rate revenue is forecast to increase with inflation of 2.7% per annum for the 15 year Plan plus an additional 1.0% for service growth, year one of the Plan includes an additional 10.0% generating \$2.68m in 2014-15 and increasing to \$4.44m in 2028-29.

Operating Grants

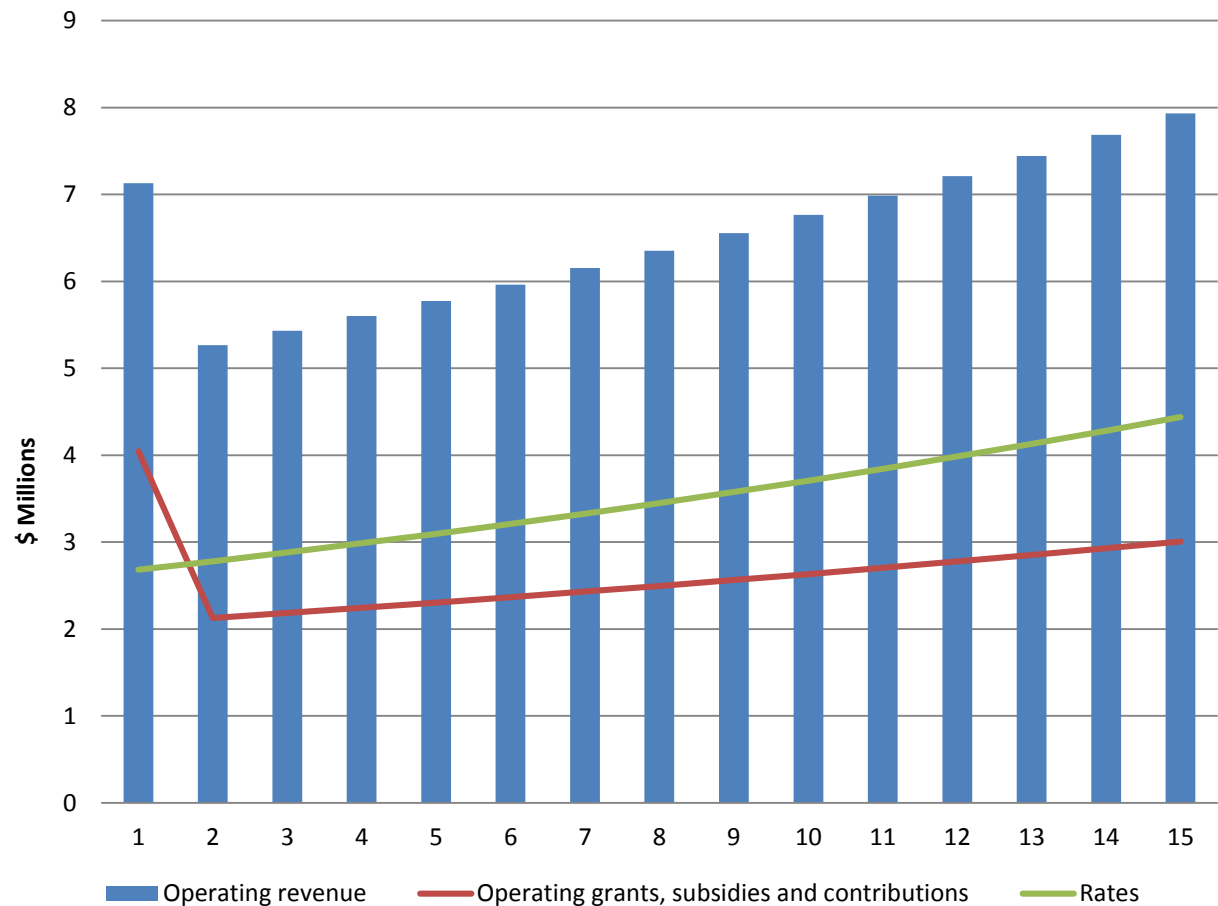
Grants and contributions for operating purposes are \$4.05m in 2014-15, including \$2.03m funding for flood damage works. This is planned to decrease to \$2.13m in 2015-16 and then increase steadily to \$3.01m in 2028-29. The assumption is for a 2.7% inflationary increase annually over the period resulting in a steady progression of revenue.

There is a high level of uncertainty in relation to this forecast as the actual level of grants allocation has not been determined and is subject to the amount of Federal funds allocated to W.A. and the allocation methodology adopted by the WA Local Government Grants Commission.

Capital grants

Grants and contributions for specific capital projects are expected to be \$1.54m for 2014-15. Funding for road infrastructure renewal is forecast to remain in line with historical levels throughout the term of the Plan.

Graph 12 Forecast Revenue



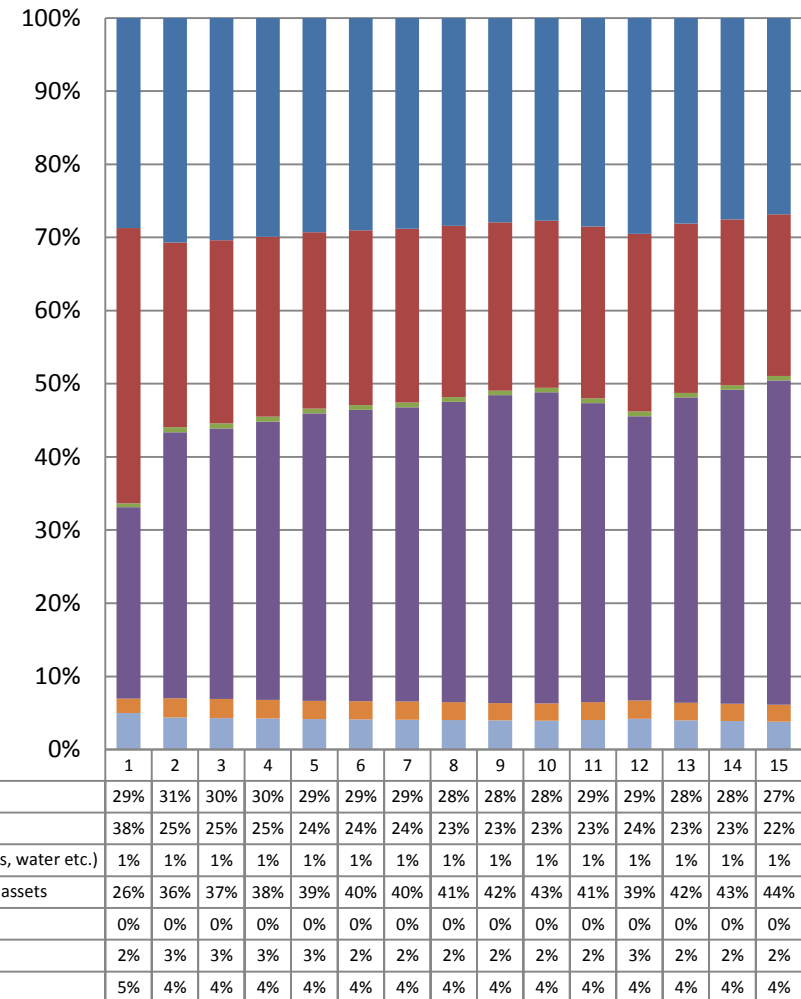
Expenses Proportions

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

Employee costs are expected to decrease marginally as a percentage of total costs from 29% to 27% of forecast operating expenditure, materials and contracts are expected to also decrease significantly as a percentage of total costs from 38% to 22% and depreciation expense is expected to increase from 26% to 44%. The other components of operating expenditure are expected to remain relatively stable over the period.

Depreciation, materials and contracts and employee costs remain the dominant operating expenditure components making up just over 44%, 22% and 27% of the costs respectively in the last year of the Plan.

Graph 13 Forecast Operating Expenditure



Asset Management Planning

The Shire of Menzies has developed a formal asset management plan for the major classes of assets.

The Plans sets service standards for assets, and contain work schedules applying financial resources to the renewal of assets over the next 10 years.

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

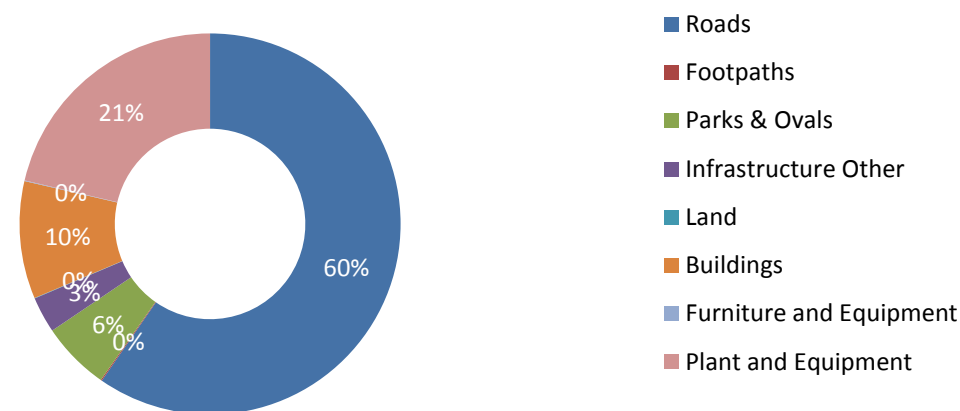
Capital Works

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

This proportion of expenditure demonstrates the clear priority the Shire has for maintaining its most substantial assets, the road asset network. Over the 15 year period the Shire will spend \$51.85m on assets with \$30.91m of this being on roads.

Also represented in the capital spending mix are footpaths, parks & ovals, infrastructure other, land, buildings, plant & equipment and furniture & equipment.

Graph 14 Total Capital Works Expenditure



Asset Class	Total Expenditure
Roads	\$30,916,946
Footpaths	\$50,000
Parks and Ovals	\$3,018,648
Infrastructure - Other	\$1,587,795
Land	\$20,000
Buildings	\$5,170,110
Furniture and Equipment	\$28,000
Plant and Equipment	\$11,060,523
Total	\$51,852,022

Capital Trends

Asset Renewal

In the first year of the Plan there is a mix of capital renewal and new assets. This mix changes to be dominated by renewal of assets for the remainder of the Plan.

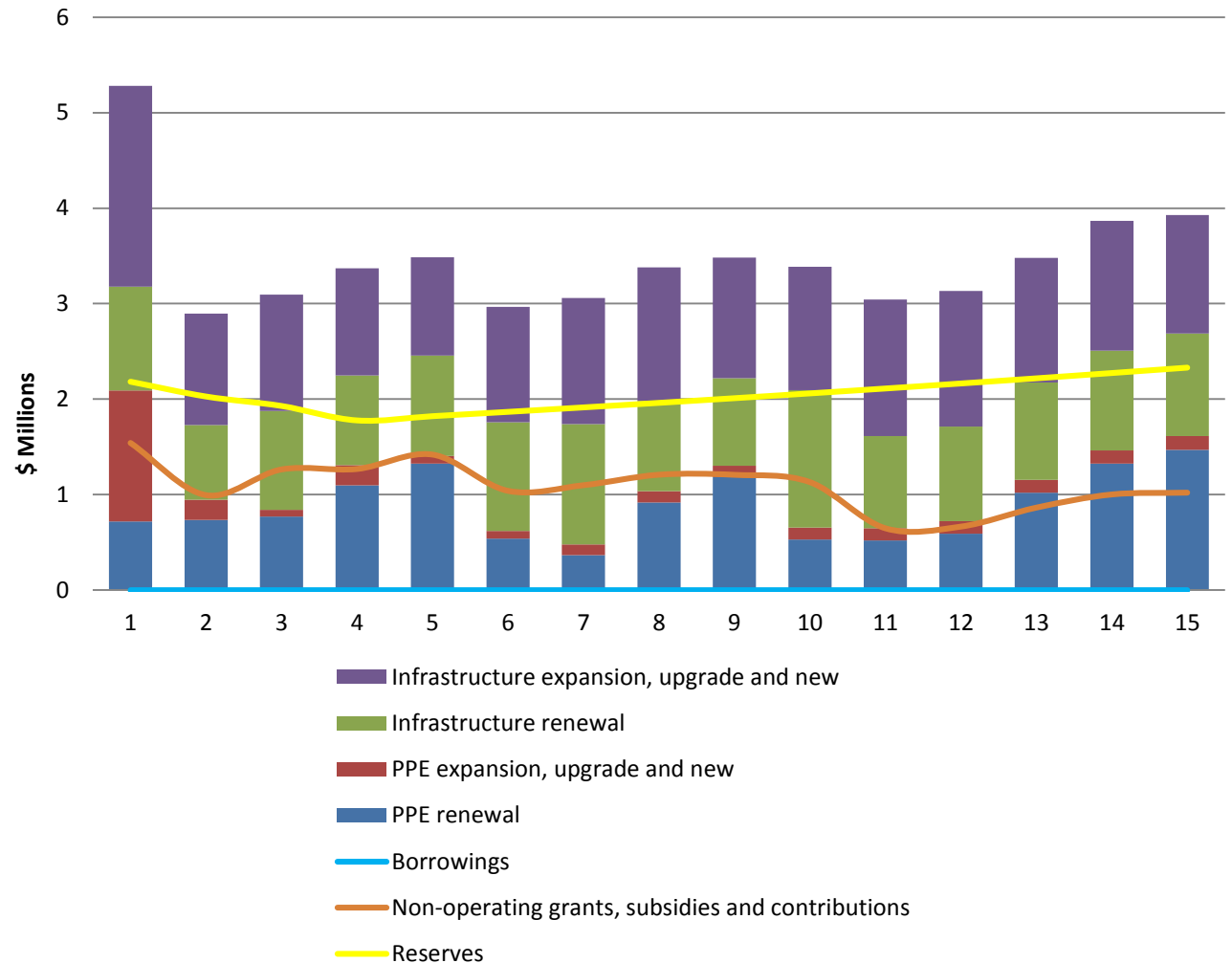
As asset management planning is developed further the exact asset renewal requirements will be better known.

New or expanded assets

The Shire's principal projects are the construction of two new houses, a Water Park and Main Street Development in 2014-15 funded from a mix of reserves and capital grants. These projects are represented in the graph under the heading of 'PPE expansion, upgrade and new'. The peaks in non-operating grants are due to the projects included in each relevant year. Significant renewals of buildings and roads are also provided for within the Plan.

This level of capital spending occurs against a backdrop of increasing cash reserve balances and no borrowings. This provides the Shire with the capacity to borrow or use reserves in the future for unplanned major capital projects.

Graph 15 Forecast Capital Expenditure



Financing

In general, the finances of the Shire are expected to improve over the term with no borrowings and an increase in cash savings in the form of reserves after year four as represented in the adjacent graph.

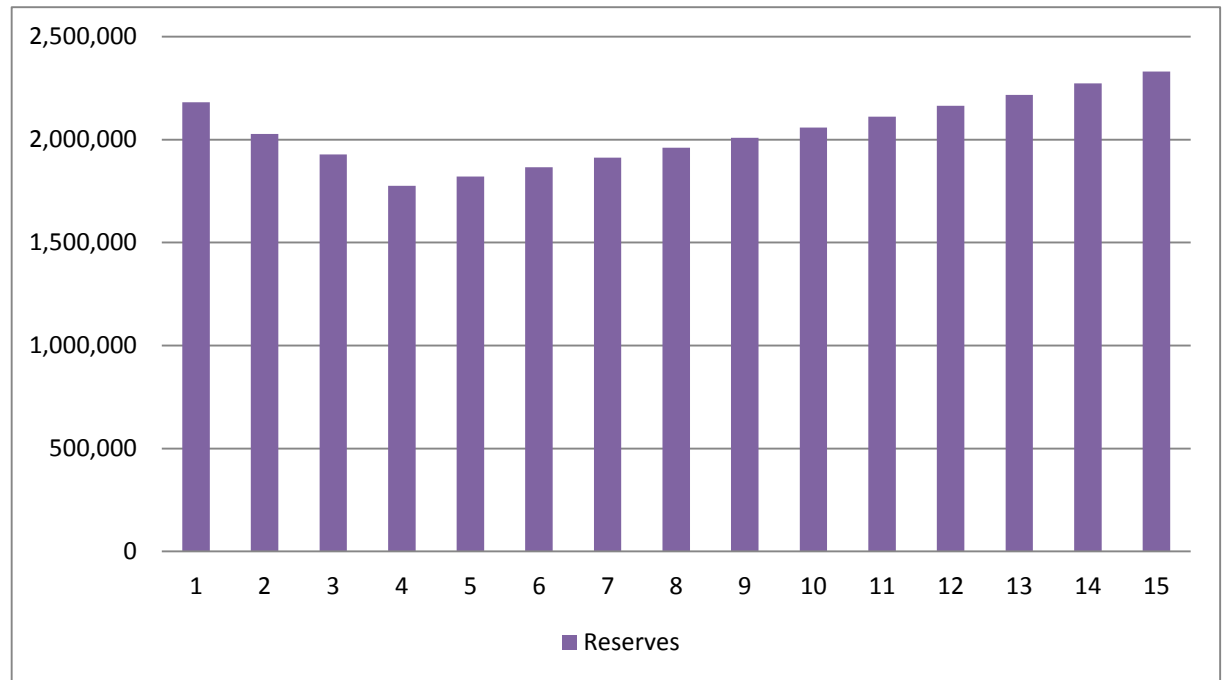
Borrowings

No borrowings have been identified within the plan. This will place the Shire in a strong financial position at the end of the forecast period with increasing capacity to borrow in reaction to unplanned events or urgent issues.

Cash Reserves

The balance of cash reserves are forecast to initially drop from \$2.18m in year one to \$1.78m in year four to fund capital projects then increase steadily to \$2.33m at the end of the Plan.

Graph 16 Forecast Reserves



Forecast Capital Projects

Capital Projects

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

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Grand Total
Buildings																
Buildings		300,000	100,000	300,000	200,000	200,000	250,000	256,750	263,682	270,801	278,112	285,621	293,332	301,252	309,385	3,608,935
Post Office Renovation - part 2 of 2			350,000													350,000
Hall Toilets	180,000															180,000
Upgrade old catholic church	25,000															25,000
Solar panels for houses	50,000															50,000
Depot Extension	60,000															60,000
Sheds	112,000															112,000
Landscaping	48,000															48,000
Fencing for new houses	40,000															40,000
Landscaping for Shenton Units	10,500															10,500
Asbestos removal - 10 Shenton St	30,675															30,675
CEOXA and MW new fencing	5,000															5,000
2 New houses	650,000															650,000
Footpaths																
Footpaths			50,000													50,000
Infrastructure Other																
Infrastructure Other provision		50,000	80,000	30,000	70,000	100,000	150,000	30,000	30,000	30,810	31,642	32,496	33,373	34,274	35,200	737,795
Main Street Development	350,000															350,000
Water Park	350,000															350,000
War Memorial Park	50,000															50,000
Footpaths - Kensington St	50,000															50,000
Footpaths - Walsh St	50,000															50,000
Furniture and Equipment																
Council Chamber Table	18,000															18,000
New locking system	10,000															10,000
Parks & Ovals																
Pioneer Park		100,000														100,000
Parks and Gardens Provision		200,000	100,000	150,000	100,000	200,000	350,000	300,000	200,000	205,400	210,946	216,642	222,492	228,499	234,669	2,918,648

Forecast Capital Projects

Capital Projects(Continued)

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Grand Total
Plant and Equipment																
Plant Replacement Program	791,098	646,020	390,821	1,007,325	1,203,602	420,053	229,556	777,801	1,039,637	383,100	369,046	436,421	861,753	1,161,217	1,303,073	11,020,523
Traffic Counter - Lake Ballard	20,000															20,000
New pound	20,000															20,000
Land																
Buy Land	20,000															20,000
Roads																
Menzies North West	130,043	630,000	1,000,000	930,000	955,110	980,898	1,007,382	1,034,581	1,062,514	1,091,202	1,120,665	1,150,924	1,181,999	1,213,913	1,246,688	14,735,919
Yarri	130,000	130,000	130,000													390,000
Evanstone (~5km)	307,000	300,000	300,000	300,000	500,000	500,000	500,000									2,707,000
Town Streets - construction		172,440	177,096	181,877	186,787	191,831	197,011	202,331	207,794	213,405	219,167	225,085	231,162	237,403	243,813	2,887,202
Town Streets - reseal		65,919	67,699	69,527	71,404	73,332	75,312	77,345	79,433	81,578	83,780	86,041	88,364	90,750	93,200	1,103,684
Kerbing		100,000														100,000
Roads Provision		200,000	150,000	400,000	200,000	300,000	300,000	700,000	600,000	1,108,391	729,191	698,941	567,812	600,781	462,981	7,018,097
Tjuntjuntjara Access	219,000		200,000													419,000
Evanstone Menzies Rd	280,000															280,000
Menzies North West	1,029,500															1,029,500
Connie Sue Rd	31,000															31,000
Shire house crossovers	165,544															165,544
Connie Sue Rd, Remote Aboriginal Access	50,000															50,000
Grand Total	5,282,360	2,894,379	3,095,616	3,368,729	3,486,903	2,966,114	3,059,261	3,378,808	3,483,060	3,384,687	3,042,549	3,132,171	3,480,287	3,868,089	3,929,009	51,852,022

Vision, Objectives and Services

Vision

The Shires strategic vision adopted in the Strategic Community Plan 2013 -2023 is:

“To be a prosperous, sustainable and dedicated community in which all residents are able to participate in decision making and benefit from the Shire’s many opportunities and resources”.

Objectives

The following key visions are captures in the Shires’ Strategic Community Plan and considered within the Long Term Financial Plan.

Local Economy	<p>A strong local economy, diversified through commercial growth, providing jobs and services.</p> <p>A local economy that has close working partnerships with mining companies and industries.</p> <p>A local economy accessing the commercial options and services in place, for timely development.</p>
Community	<p>Our community will be cohesive, inclusive and interactive, where people feel safe, are welcomed and can live comfortably.</p> <p>Our community will value each other, building relationships and networks to interact, socialise and for recreation.</p> <p>Our community will have access to all necessary service requirements.</p>
Civic Leadership	<p>Sustainability through our leadership, our regional and government partnerships and ensure we make informed resource decisions for our community good.</p> <p>Engagement with our community, to advocate on behalf of our community, to be accountable and to manage within our governance and legislative framework.</p> <p>Participation in regional activities to the benefit of our community.</p>
Heritage	<p>Our natural environment will be protected and preserved for future generations.</p> <p>Our built environment will be managed to sustain our growing needs, while protecting and restoring buildings of historical value.</p> <p>Heritage and cultural places and items will be protected.</p> <p>A strengthening of our cultural and heritage awareness and values.</p>

Nature or Type

A number of statements in the Plan are disclosed using nature or type of 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.

Vision, Objectives and Services

Service Programs

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

Objectives	Services
Governance	Members of council Governance — general
General purpose funding	Rates Other general purpose funding
Law, order, public safety	Bush Fire Control Animal control Other law, order, public safety
Health	Maternal and infant health Health / food inspection Public / environmental health
Education and Welfare	Aged and disabled Other welfare
Housing	Staff housing Other housing
Community amenities	Rubbish collection services Waste facilities Cemetery Drum muster Sewerage Protection of environment Town Planning and regional development Other community amenities

Objectives	Services
Recreation and culture	Community halls Swimming pools Recreation and sporting grounds Parks and Reserves Libraries Other culture
Transport	Streets, roads, footpaths, bridges, depots Motor Vehicle Licensing Footpath / Kerbing Aerodromes
Economic services	Building control Tourism and area promotion Caravan Parks Vermin and weed control Plant nursery Standpipes
Other property and services	Private works Plant operation Salaries and wages Asset and building maintenance Bank

Financial Statements

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

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

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cash flows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of fixed asset movements

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

Statement of fixed asset funding

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

Forecast Ratios.

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

Forecast Significant Accounting Policies 2014-2029

Significant Accounting Policies

Basis of Preparation

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

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

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

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

Goods and Services Tax

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

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

Cash and Cash Equivalents

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

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

Trade and Other Receivables

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

Inventories

General

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

Forecast Significant Accounting Policies 2014-2029

Land held for Resale

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

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

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

Fixed Assets

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

Mandatory Requirements to Revalue Non-Current Assets

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

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

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

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

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

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

Land Under Control

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

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

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

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

Forecast Significant Accounting Policies 2014-2029

Initial Recognition

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

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

Revaluation

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

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

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

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

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

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

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

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

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

Forecast Significant Accounting Policies 2014-2029

Transitional Arrangement

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

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

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

Early Adoption of AASB 13 – Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – *Fair Value Measurement* does not become applicable until the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 – *Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven to legislation) the adoption of this standard has had no effect on previous reporting periods.

Land under Roads

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

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

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation of Non-Current Assets

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

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

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

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

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

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

Intangible Assets

Easements

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

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

Forecast Significant Accounting Policies 2014-2029

Financial Instruments

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Recognition and Derecognition

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

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

Forecast Significant Accounting Policies 2014-2029

Subsequent Measurement

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

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

Impairment

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

Estimation of Fair Value

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

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

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

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

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

Forecast Significant Accounting Policies 2014-2029

Impairment

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

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

Trade and Other Payables

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

Employee Benefits

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

Borrowings Costs

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

Provisions

Provisions are recognised when:

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

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

Forecast Significant Accounting Policies 2014-2029

Leases

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

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

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

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

Investments in Associates

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

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

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

Joint Venture

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

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

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

Forecast Significant Accounting Policies 2014-2029

Rates, Grants, Donations and Other Contributions

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

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

Superannuation

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

Rounding Off Figures

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

Comparative Figures

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

Current and Non-Current Classification

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

New Accounting Standards and Interpretations for application in Future Periods

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

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

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

AASB 13 requires:

-Inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

-Enhanced disclosures regarding all assets and liabilities (including, but not limited to financial assets and financial liabilities) measured at fair value.

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

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

Statement 1 - Forecast Statement of Comprehensive Income 2014 to 2029

				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	2010-11	2011-12	2012-13	Base	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	1,853,488	2,060,738	2,203,767	2,357,689	2,680,707	2,779,020	2,880,947	2,986,623	3,096,183	3,209,770	3,327,535	3,449,629	3,576,214	3,707,455	3,843,521	3,984,592	4,130,853	4,282,493	4,439,712
Operating grants, subsidies and contributions	1,872,448	2,885,218	3,015,052	2,122,605	4,046,280	2,126,665	2,184,086	2,243,056	2,303,619	2,365,816	2,429,693	2,495,294	2,562,667	2,631,860	2,702,919	2,775,898	2,850,847	2,927,818	3,006,870
Fees and charges	177,485	240,848	266,468	176,480	215,078	220,885	226,849	232,971	239,260	245,716	252,350	259,164	266,162	273,348	280,728	288,306	296,092	304,088	312,299
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	179,146	278,217	276,017	170,500	111,467	62,778	58,896	56,412	52,618	53,728	54,863	56,031	57,226	58,451	59,709	60,995	62,312	63,664	65,051
Other revenue	2,772	10,704	43,135	39,400	75,793	77,838	79,939	82,095	84,311	86,588	88,926	91,326	93,790	96,324	98,923	101,592	104,334	107,149	110,042
	4,085,339	5,475,725	5,804,439	4,866,674	7,129,325	5,267,186	5,430,717	5,601,157	5,775,991	5,961,618	6,153,367	6,351,444	6,556,059	6,767,438	6,985,800	7,211,383	7,444,438	7,685,212	7,933,974
Expenses																			
Employee costs	(1,020,737)	(1,173,043)	(996,982)	(1,720,044)	(2,161,913)	(1,774,859)	(1,822,779)	(1,871,993)	(1,922,535)	(1,974,445)	(2,027,754)	(2,082,505)	(2,138,732)	(2,196,479)	(2,255,782)	(2,316,687)	(2,379,238)	(2,443,477)	(2,509,449)
Materials and contracts	(1,955,253)	(2,288,105)	(1,973,245)	(1,449,562)	(2,834,204)	(1,462,554)	(1,502,034)	(1,542,583)	(1,584,221)	(1,626,990)	(1,670,916)	(1,716,030)	(1,762,361)	(1,809,951)	(1,858,822)	(1,909,008)	(1,960,556)	(2,013,494)	(2,067,851)
Utility charges (electricity, gas, water etc.)	(95,252)	(64,304)	(72,993)	(37,889)	(38,913)	(39,963)	(41,042)	(42,150)	(43,288)	(44,457)	(45,657)	(46,890)	(48,157)	(49,458)	(50,793)	(52,164)	(53,574)	(55,021)	(56,507)
Depreciation on non-current assets	(2,012,401)	(1,962,895)	(2,040,324)	(1,880,945)	(1,968,267)	(2,105,315)	(2,219,602)	(2,382,277)	(2,579,006)	(2,711,134)	(2,829,779)	(3,007,690)	(3,220,334)	(3,369,531)	(3,233,773)	(3,051,004)	(3,535,607)	(3,809,690)	(4,149,642)
Interest expense	(6,667)	(3,878)	(4,739)	(1,750)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance expense	(104,534)	(70,970)	(111,233)	(127,493)	(148,200)	(152,201)	(156,311)	(160,532)	(164,866)	(169,318)	(173,890)	(178,585)	(183,408)	(188,360)	(193,447)	(198,671)	(204,035)	(209,545)	(215,202)
Other expenditure	(571,856)	(669,789)	(139,202)	(255,000)	(377,154)	(252,068)	(258,873)	(265,861)	(273,038)	(280,410)	(287,981)	(295,759)	(303,743)	(311,946)	(320,368)	(329,019)	(337,904)	(347,030)	(356,399)
	(5,766,700)	(6,232,984)	(5,338,718)	(5,472,683)	(7,528,651)	(5,786,960)	(6,000,641)	(6,265,396)	(6,566,954)	(6,806,754)	(7,035,977)	(7,327,459)	(7,656,735)	(7,925,725)	(7,912,985)	(7,856,553)	(8,470,914)	(8,878,257)	(9,355,050)
	(1,681,361)	(757,259)	465,721	(606,009)	(399,326)	(519,774)	(569,924)	(664,239)	(790,963)	(845,136)	(882,610)	(976,015)	(1,100,676)	(1,158,287)	(927,185)	(645,170)	(1,026,476)	(1,193,045)	(1,421,076)
Non-operating grants, subsidies and contributions	1,648,041	804,671	893,775	1,581,219	1,539,501	993,334	1,262,121	1,266,932	1,417,646	1,038,261	1,097,277	1,206,834	1,205,873	1,129,690	646,692	664,153	862,649	1,000,501	1,019,414
Profit on disposal of assets	71,656	0	100,547	52,306	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(41,378)	0	(77,007)	(45,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(3,042)	47,412	1,383,036	982,516	1,140,175	473,560	692,197	602,693	626,683	193,125	214,667	230,819	105,197	(28,597)	(280,493)	18,983	(163,827)	(192,544)	(401,662)
Other Comprehensive Income	0	0	295,036	0	2,014,095	2,153,086	2,232,599	2,310,863	2,391,180	2,477,438	2,549,637	2,619,681	2,694,947	2,772,358	3,054,094	3,150,694	3,248,537	3,352,019	3,468,005
TOTAL COMPREHENSIVE INCOME	(3,042)	47,412	1,678,072	982,516	3,154,270	2,626,646	2,924,796	2,913,556	3,017,863	2,670,563	2,764,304	2,850,500	2,800,144	2,743,761	2,773,601	3,169,677	3,084,710	3,159,475	3,066,343

Statement 2 - Forecast Statement of Comprehensive Income 2014 to 2029

				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	2010-11	2011-12	2012-13	Base	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	6,074	20,041	10,276	3,400	3,492	3,586	3,682	3,781	3,883	3,988	4,096	4,207	4,320	4,437	4,556	4,678	4,804	4,933	5,066
General purpose funding	4,047,823	4,927,446	4,732,883	3,790,675	4,885,426	4,991,568	5,147,657	5,310,460	5,477,447	5,655,016	5,838,488	6,028,064	6,223,949	6,426,359	6,635,515	6,851,644	7,074,986	7,305,787	7,544,303
Law, order, public safety	35,778	8,116	27,286	3,200	3,286	3,375	3,466	3,559	3,655	3,754	3,855	3,960	4,067	4,177	4,289	4,404	4,522	4,644	4,769
Health	1,918	616	226	500	514	528	542	557	572	587	603	619	636	653	671	689	708	727	747
Education and welfare	30,599	73	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	28,459	50,463	58,622	59,600	61,210	62,862	64,559	66,301	68,091	69,929	71,816	73,755	75,746	77,791	79,891	82,047	84,262	86,536	88,873
Community amenities	7,628	12,911	16,842	95,980	6,141	6,307	6,477	6,652	6,832	7,016	7,205	7,400	7,600	7,805	8,016	8,232	8,454	8,682	8,916
Recreation and culture	116,965	18,007	4,851	40,000	32,726	33,609	34,516	35,447	36,404	37,387	38,396	39,432	40,496	41,591	42,714	43,868	45,052	46,268	47,518
Transport	261,764	25,479	661,354	693,269	2,002,968	28,184	28,946	29,727	30,529	31,353	32,200	33,069	33,962	34,878	35,819	36,786	37,780	38,800	39,849
Economic services	138,968	392,401	107,391	137,300	89,658	92,078	94,565	97,117	99,738	102,430	105,196	108,035	110,953	113,949	117,025	120,184	123,430	126,763	130,185
Other property and services	164,917	20,172	184,708	42,750	43,904	45,089	46,307	47,556	48,840	50,158	51,512	52,903	54,330	55,798	57,304	58,851	60,440	62,072	63,748
	4,840,893	5,475,725	5,804,439	4,866,674	7,129,325	5,267,186	5,430,717	5,601,157	5,775,991	5,961,618	6,153,367	6,351,444	6,556,059	6,767,438	6,985,800	7,211,383	7,444,438	7,685,212	7,933,974
Expenses Excluding Finance Costs																			
Governance	(158,047)	(210,542)	(365,789)	(428,732)	(440,337)	(452,293)	(464,551)	(477,174)	(490,162)	(503,449)	(517,077)	(531,121)	(545,566)	(560,349)	(575,294)	(590,610)	(606,881)	(623,412)	(640,434)
General purpose funding	(610,390)	(263,453)	(149,262)	(231,254)	(237,499)	(243,912)	(250,497)	(257,259)	(264,204)	(271,336)	(278,662)	(286,187)	(293,915)	(301,851)	(310,000)	(318,369)	(326,966)	(335,794)	(344,860)
Law, order, public safety	(47,164)	(55,955)	(70,063)	(84,299)	(86,576)	(88,914)	(91,312)	(93,779)	(96,310)	(98,911)	(101,582)	(104,326)	(107,142)	(110,035)	(113,007)	(116,059)	(119,194)	(122,414)	(125,719)
Health	(14,990)	(27,784)	(38,886)	(30,019)	(30,830)	(31,662)	(32,516)	(33,395)	(34,297)	(35,224)	(36,175)	(37,152)	(38,155)	(39,185)	(40,244)	(41,331)	(42,448)	(43,595)	(44,772)
Education and welfare	(40,000)	0	0	(15,000)	(15,405)	(15,821)	(16,248)	(16,686)	(17,136)	(17,598)	(18,073)	(18,561)	(19,062)	(19,577)	(20,105)	(20,648)	(21,206)	(21,779)	(22,367)
Housing	(36,149)	(59,173)	(17,498)	(41,100)	(43,777)	(48,553)	(52,327)	(58,143)	(65,387)	(69,830)	(73,663)	(80,001)	(87,794)	(92,832)	(85,619)	(76,356)	(95,658)	(105,897)	(118,918)
Community amenities	(280,283)	(138,136)	(91,972)	(191,582)	(196,754)	(202,067)	(207,522)	(213,125)	(218,878)	(224,789)	(230,858)	(237,091)	(243,493)	(250,068)	(256,820)	(263,756)	(270,877)	(278,191)	(285,701)
Recreation and culture	(363,208)	(169,228)	(320,610)	(407,980)	(419,524)	(432,062)	(444,558)	(458,043)	(472,323)	(485,977)	(499,756)	(514,715)	(530,514)	(545,738)	(557,192)	(568,332)	(589,492)	(607,991)	(627,833)
Transport	(2,810,609)	(3,827,559)	(3,268,072)	(2,876,383)	(4,905,871)	(3,074,622)	(3,202,246)	(3,368,499)	(3,562,272)	(3,706,986)	(3,842,366)	(4,024,938)	(4,235,680)	(4,398,384)	(4,341,068)	(4,248,538)	(4,675,605)	(4,940,561)	(5,258,071)
Economic services	(899,042)	(1,213,056)	(1,065,363)	(1,160,584)	(1,143,341)	(1,177,460)	(1,211,473)	(1,248,163)	(1,286,993)	(1,324,162)	(1,361,673)	(1,402,373)	(1,445,329)	(1,486,767)	(1,518,124)	(1,548,642)	(1,606,046)	(1,656,328)	(1,710,235)
Other property and services	(541,529)	(264,220)	44,787	(4,000)	(8,737)	(19,594)	(27,391)	(41,130)	(58,992)	(68,492)	(76,092)	(90,994)	(110,085)	(120,939)	(95,512)	(63,912)	(116,541)	(142,295)	(176,140)
	(5,801,411)	(6,229,106)	(5,342,728)	(5,470,933)	(7,528,651)	(5,786,960)	(6,000,641)	(6,265,396)	(6,566,954)	(6,806,754)	(7,035,977)	(7,327,459)	(7,656,735)	(7,925,725)	(7,912,985)	(7,856,553)	(8,470,914)	(8,878,257)	(9,355,050)
Finance Costs																			
Housing	(6,667)	(3,878)	(3,293)	(1,750)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	0	(1,446)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(6,667)	(3,878)	(4,739)	(1,750)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Operating Grants, Subsidies and Contributions																			
General purpose funding	115,000	154,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	0	0	0	184,621	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	0	0	0	499,108	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	0	40,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	0	0	0	270,000	70,000	200,000	243,598	179,822	185,556	279,289	259,817	242,737	0	0	0	150,000	100,000	50,000
Transport	450,671	450,671	853,775	897,490	1,269,501	923,334	1,062,121	1,023,334	1,237,824	852,705	817,988	947,017	963,136	1,129,690	646,692	664,153	712,649	900,501	969,414
Economic services	398,472	200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	964,143	804,671	893,775	1,581,219	1,539,501	993,334	1,262,121	1,266,932	1,417,646	1,038,261	1,097,277	1,206,834	1,205,873	1,129,690	646,692	664,153	862,649	1,000,501	1,019,414
Profit/(Loss) on Disposal of Assets	0	0	23,540	7,306	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(3,042)	47,412	1,374,287	982,516	1,140,175	473,560	692,197	602,693	626,683	193,125	214,667	230,819	105,197	(28,597)	(280,493)	18,983	(163,827)	(192,544)	(401,662)
Other Comprehensive Income	0	0	295,036	0	2,014,095	2,153,086	2,232,599	2,310,863	2,391,180	2,477,438	2,549,637	2,619,681	2,694,947	2,772,358	3,054,094	3,150,694	3,248,537	3,352,019	3,468,005
TOTAL COMPREHENSIVE INCOME	(3,042)	47,412	1,669,323	982,516	3,154,270	2,626,646	2,924,796	2,913,556	3,017,863	2,670,563	2,764,304	2,850,500	2,800,144	2,743,761	2,773,601	3,169,677	3,084,710	3,159,475	3,066,343

Statement 3 - Forecast Statement of Financial Position 2014-2029

	2012	2013	2014	Base	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	30 June 15	30 June 16	30 June 17	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted Cash and Equivalents	1,055,663	2,434,555	2,448,106	1,902,386	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014
Restricted Cash and Cash Equivalent	2,854,837	3,009,489	2,601,730	2,556,192	2,182,099	2,026,913	1,927,586	1,775,775	1,820,170	1,865,675	1,912,316	1,960,125	2,009,128	2,059,356	2,110,841	2,163,613	2,217,703	2,273,145	2,329,974
Non-Cash Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and Other Receivables	842,138	892,779	452,345	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527
Inventories	73,712	10,028	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636
TOTAL CURRENT ASSETS	4,826,350	6,346,851	5,512,817	4,769,741	2,822,276	2,667,090	2,567,763	2,415,952	2,460,347	2,505,852	2,552,493	2,600,302	2,649,305	2,699,533	2,751,018	2,803,790	2,857,880	2,913,322	2,970,151
NON-CURRENT ASSETS																			
Other Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Plant and Equipment	4,523,033	4,266,252	5,057,469	4,889,601	6,431,008	6,858,143	7,219,771	7,806,879	8,276,455	8,134,327	7,845,909	7,870,191	8,006,296	7,539,424	7,431,927	7,710,739	7,994,445	8,282,972	8,576,236
Infrastructure	67,326,138	66,496,057	68,233,597	70,208,018	73,768,346	76,123,043	78,785,538	81,263,797	83,767,689	86,534,875	89,540,956	92,319,365	94,934,401	98,094,806	100,924,419	103,762,512	106,509,426	109,324,932	112,041,182
TOTAL NON-CURRENT ASSETS	71,849,171	70,762,309	73,291,066	75,097,619	80,199,354	82,981,186	86,005,309	89,070,676	92,044,144	94,669,202	97,386,865	100,189,556	102,940,697	105,634,230	108,356,346	111,473,251	114,503,871	117,607,904	120,617,418
TOTAL ASSETS	76,675,521	77,109,160	78,803,883	79,867,360	83,021,630	85,648,276	88,573,072	91,486,628	94,504,491	97,175,054	99,939,358	102,789,858	105,590,002	108,333,763	111,107,364	114,277,041	117,361,751	120,521,226	123,587,569
CURRENT LIABILITIES																			
Trade and Other Payables	202,857	603,252	628,261	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177	640,177
Current Portion of Long-term Liabilities	28,563	30,299	32,141	(2,141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	47,645	63,524	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700	92,700
TOTAL CURRENT LIABILITIES	279,065	697,075	753,102	730,736	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877	732,877
NON-CURRENT LIABILITIES																			
Long-term Borrowings	62,440	32,141	0	2,141	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	12,535	11,051	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559
TOTAL NON-CURRENT LIABILITIES	74,975	43,192	12,559	14,700	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559	12,559
TOTAL LIABILITIES	354,040	740,267	765,661	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436	745,436
NET ASSETS	76,321,481	76,368,893	78,038,222	79,121,924	82,276,194	84,902,840	87,827,636	90,741,192	93,759,055	96,429,618	99,193,922	102,044,422	104,844,566	107,588,327	110,361,928	113,531,605	116,616,315	119,775,790	122,842,133
EQUITY																			
Retained Surplus	9,448,710	9,398,385	10,732,666	11,791,148	13,305,416	13,934,162	14,725,686	15,480,190	16,062,478	16,210,098	16,378,124	16,561,134	16,617,328	16,538,503	16,206,525	16,172,736	15,954,819	15,706,833	15,248,342
Reserves - Cash Backed	2,393,223	2,490,960	2,530,972	2,556,192	2,182,099	2,026,913	1,927,586	1,775,775	1,820,170	1,865,675	1,912,316	1,960,125	2,009,128	2,059,356	2,110,841	2,163,613	2,217,703	2,273,145	2,329,974
Reserves - Revaluation	64,479,548	64,479,548	64,774,584	64,774,584	66,788,679	68,941,765	71,174,364	73,485,227	75,876,407	78,353,845	80,903,482	83,523,163	86,218,110	88,990,468	92,044,562	95,195,256	98,443,793	101,795,812	105,263,817
TOTAL EQUITY	76,321,481	76,368,893	78,038,222	79,121,924	82,276,194	84,902,840	87,827,636	90,741,192	93,759,055	96,429,618	99,193,922	102,044,422	104,844,566	107,588,327	110,361,928	113,531,605	116,616,315	119,775,790	122,842,133

Statement 4 - Forecast Statement of Changes in Equity 2014-2029

	2012	2013	2014	Base	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2012	2013	2014	Base	30 June 15	30 June 16	30 June 17	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening Balance	9,451,752	9,448,710	9,389,642	10,833,852	11,791,148	13,305,416	13,934,162	14,725,686	15,480,190	16,062,478	16,210,098	16,378,124	16,561,134	16,617,328	16,538,503	16,206,525	16,172,736	15,954,819	15,706,833
Net Result	(3,042)	47,412	1,383,036	982,516	1,140,175	473,560	692,197	602,693	626,683	193,125	214,667	230,819	105,197	(28,597)	(280,493)	18,983	(163,827)	(192,544)	(401,662)
Amount transferred (to)/from Reserves		(97,737)	(40,012)	(25,220)	374,093	155,186	99,327	151,811	(44,395)	(45,505)	(46,641)	(47,809)	(49,003)	(50,228)	(51,485)	(52,772)	(54,090)	(55,442)	(56,829)
Closing Balance	9,448,710	9,398,385	10,732,666	11,791,148	13,305,416	13,934,162	14,725,686	15,480,190	16,062,478	16,210,098	16,378,124	16,561,134	16,617,328	16,538,503	16,206,525	16,172,736	15,954,819	15,706,833	15,248,342
RESERVES - CASH/INVESTMENT BACKED																			
Opening Balance	2,393,223	2,393,223	2,490,960	2,530,972	2,556,192	2,182,099	2,026,913	1,927,586	1,775,775	1,820,170	1,865,675	1,912,316	1,960,125	2,009,128	2,059,356	2,110,841	2,163,613	2,217,703	2,273,145
Amount transferred to/(from) Retained Surplus	0	97,737	40,012	25,220	(374,093)	(155,186)	(99,327)	(151,811)	44,395	45,505	46,641	47,809	49,003	50,228	51,485	52,772	54,090	55,442	56,829
Closing Balance	2,393,223	2,490,960	2,530,972	2,556,192	2,182,099	2,026,913	1,927,586	1,775,775	1,820,170	1,865,675	1,912,316	1,960,125	2,009,128	2,059,356	2,110,841	2,163,613	2,217,703	2,273,145	2,329,974
ASSET REVALUATION RESERVES																			
Opening Balance	64,479,548	64,479,548	64,479,548	64,774,584	64,774,584	66,788,679	68,941,765	71,174,364	73,485,227	75,876,407	78,353,845	80,903,482	83,523,163	86,218,110	88,990,468	92,044,562	95,195,256	98,443,793	101,795,812
Total Other Comprehensive Income	0	0	295,036	0	2,014,095	2,153,086	2,232,599	2,310,863	2,391,180	2,477,438	2,549,637	2,619,681	2,694,947	2,772,358	3,054,094	3,150,694	3,248,537	3,352,019	3,468,005
Closing Balance	64,479,548	64,479,548	64,774,584	64,774,584	66,788,679	68,941,765	71,174,364	73,485,227	75,876,407	78,353,845	80,903,482	83,523,163	86,218,110	88,990,468	92,044,562	95,195,256	98,443,793	101,795,812	105,263,817
TOTAL EQUITY	76,321,481	76,368,893	78,038,222	79,121,924	82,276,194	84,902,840	87,827,636	90,741,192	93,759,055	96,429,618	99,193,922	102,044,422	104,844,566	107,588,327	110,361,928	113,531,605	116,616,315	119,775,790	122,842,133

Statement 5 - Forecast Statement of Cashflows 2014-2029

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities															
Receipts															
Rates	2,680,707	2,779,020	2,880,947	2,986,623	3,096,183	3,209,770	3,327,535	3,449,629	3,576,214	3,707,455	3,843,521	3,984,592	4,130,853	4,282,493	4,439,712
Operating grants, subsidies and contributions	4,046,280	2,126,665	2,184,086	2,243,056	2,303,619	2,365,816	2,429,693	2,495,294	2,562,667	2,631,860	2,702,919	2,775,898	2,850,847	2,927,818	3,006,870
Fees and charges	215,078	220,885	226,849	232,971	239,260	245,716	252,350	259,164	266,162	273,348	280,728	288,306	296,092	304,088	312,299
Interest earnings	111,467	62,778	58,896	56,412	52,618	53,728	54,863	56,031	57,226	58,451	59,709	60,995	62,312	63,664	65,051
Other revenue	75,793	77,838	79,939	82,095	84,311	86,588	88,926	91,326	93,790	96,324	98,923	101,592	104,334	107,149	110,042
	7,129,325	5,267,186	5,430,717	5,601,157	5,775,991	5,961,618	6,153,367	6,351,444	6,556,059	6,767,438	6,985,800	7,211,383	7,444,438	7,685,212	7,933,974
Payments															
Employee costs	(2,161,913)	(1,774,859)	(1,822,779)	(1,871,993)	(1,922,535)	(1,974,445)	(2,027,754)	(2,082,505)	(2,138,732)	(2,196,479)	(2,255,782)	(2,316,687)	(2,379,238)	(2,443,477)	(2,509,449)
Materials and contracts	(2,834,204)	(1,462,554)	(1,502,034)	(1,542,583)	(1,584,221)	(1,626,990)	(1,670,916)	(1,716,030)	(1,762,361)	(1,809,951)	(1,858,822)	(1,909,008)	(1,960,556)	(2,013,494)	(2,067,851)
Utility charges	(38,913)	(39,963)	(41,042)	(42,150)	(43,288)	(44,457)	(45,657)	(46,890)	(48,157)	(49,458)	(50,793)	(52,164)	(53,574)	(55,021)	(56,507)
Insurance expenses	(148,200)	(152,201)	(156,311)	(160,532)	(164,866)	(169,318)	(173,890)	(178,585)	(183,408)	(188,360)	(193,447)	(198,671)	(204,035)	(209,545)	(215,202)
Other expenditure	(377,154)	(252,068)	(258,873)	(265,861)	(273,038)	(280,410)	(287,981)	(295,759)	(303,743)	(311,946)	(320,368)	(329,019)	(337,904)	(347,030)	(356,399)
	(5,560,384)	(3,681,645)	(3,781,039)	(3,883,119)	(3,987,948)	(4,095,620)	(4,206,198)	(4,319,769)	(4,436,401)	(4,556,194)	(4,679,212)	(4,805,549)	(4,935,307)	(5,068,567)	(5,205,408)
Net Cash Provided By (Used In) Operating Activities	1,568,941	1,585,541	1,649,678	1,718,038	1,788,043	1,865,998	1,947,169	2,031,675	2,119,658	2,211,244	2,306,588	2,405,834	2,509,131	2,616,645	2,728,566
Cash Flows from Investing Activities															
Payments for purchase of property, plant & equipment	(2,090,273)	(946,020)	(840,821)	(1,307,325)	(1,403,602)	(620,053)	(479,556)	(1,034,551)	(1,303,319)	(653,901)	(647,158)	(722,042)	(1,155,085)	(1,462,469)	(1,612,458)
Payments for construction of infrastructure	(3,192,087)	(1,948,359)	(2,254,795)	(2,061,404)	(2,083,301)	(2,346,061)	(2,579,705)	(2,344,257)	(2,179,741)	(2,730,786)	(2,395,391)	(2,410,129)	(2,325,202)	(2,405,620)	(2,316,551)
Non-operating grants, subsidies and contributions	1,539,501	993,334	1,262,121	1,266,932	1,417,646	1,038,261	1,097,277	1,206,834	1,205,873	1,129,690	646,692	664,153	862,649	1,000,501	1,019,414
Proceeds from sale of plant & equipment	226,453	160,318	84,490	231,948	325,609	107,360	61,456	188,108	206,532	93,981	140,754	114,956	162,597	306,385	237,858
Net Cash Provided By (Used In) Investing Activities	(3,516,406)	(1,740,727)	(1,749,005)	(1,869,849)	(1,743,648)	(1,820,493)	(1,900,528)	(1,983,866)	(2,070,655)	(2,161,016)	(2,255,103)	(2,353,062)	(2,455,041)	(2,561,203)	(2,671,737)
Cash Flows from Financing Activities															
Net Cash Provided By (Used In) Financing Activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Cash Held	(1,947,465)	(155,186)	(99,327)	(151,811)	44,395	45,505	46,641	47,809	49,003	50,228	51,485	52,772	54,090	55,442	56,829
Cash at beginning of year	4,458,578	2,511,113	2,355,927	2,256,600	2,104,789	2,149,184	2,194,689	2,241,330	2,289,139	2,338,142	2,388,370	2,439,855	2,492,627	2,546,717	2,602,159
Cash and Cash Equivalents at the End of Year	2,511,113	2,355,927	2,256,600	2,104,789	2,149,184	2,194,689	2,241,330	2,289,139	2,338,142	2,388,370	2,439,855	2,492,627	2,546,717	2,602,159	2,658,988
Reconciliation of Net Cash Provided By Operating Activities to Net Result															
Net Result	1,140,175	473,560	692,197	602,693	626,683	193,125	214,667	230,819	105,197	(28,597)	(280,493)	18,983	(163,827)	(192,544)	(401,662)
Depreciation	1,968,267	2,105,315	2,219,602	2,382,277	2,579,006	2,711,134	2,829,779	3,007,690	3,220,334	3,369,531	3,233,773	3,051,004	3,535,607	3,809,690	4,149,642
Grants/Contributions for the development of assets	(1,539,501)	(993,334)	(1,262,121)	(1,266,932)	(1,417,646)	(1,038,261)	(1,097,277)	(1,206,834)	(1,205,873)	(1,129,690)	(646,692)	(664,153)	(862,649)	(1,000,501)	(1,019,414)
Net Cash from Operating Activities	1,568,941	1,585,541	1,649,678	1,718,038	1,788,043	1,865,998	1,947,169	2,031,675	2,119,658	2,211,244	2,306,588	2,405,834	2,509,131	2,616,645	2,728,566

Statement 6 – Forecast Statement of Funding 2014 to 2029

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	2,680,707	2,779,020	2,880,947	2,986,623	3,096,183	3,209,770	3,327,535	3,449,629	3,576,214	3,707,455	3,843,521	3,984,592	4,130,853	4,282,493	4,439,712
Operating grants, subsidies and contributions	4,046,280	2,126,665	2,184,086	2,243,056	2,303,619	2,365,816	2,429,693	2,495,294	2,562,667	2,631,860	2,702,919	2,775,898	2,850,847	2,927,818	3,006,870
Profit on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	215,078	220,885	226,849	232,971	239,260	245,716	252,350	259,164	266,162	273,348	280,728	288,306	296,092	304,088	312,299
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	111,467	62,778	58,896	56,412	52,618	53,728	54,863	56,031	57,226	58,451	59,709	60,995	62,312	63,664	65,051
Other revenue	75,793	77,838	79,939	82,095	84,311	86,588	88,926	91,326	93,790	96,324	98,923	101,592	104,334	107,149	110,042
	7,129,325	5,267,186	5,430,717	5,601,157	5,775,991	5,961,618	6,153,367	6,351,444	6,556,059	6,767,438	6,985,800	7,211,383	7,444,438	7,685,212	7,933,974
Expenses															
Employee costs	(2,161,913)	(1,774,859)	(1,822,779)	(1,871,993)	(1,922,535)	(1,974,445)	(2,027,754)	(2,082,505)	(2,138,732)	(2,196,479)	(2,255,782)	(2,316,687)	(2,379,238)	(2,443,477)	(2,509,449)
Materials and contracts	(2,834,204)	(1,462,554)	(1,502,034)	(1,542,583)	(1,584,221)	(1,626,990)	(1,670,916)	(1,716,030)	(1,762,361)	(1,809,951)	(1,858,822)	(1,909,008)	(1,960,556)	(2,013,494)	(2,067,851)
Utility charges (electricity, gas, water etc.)	(38,913)	(39,963)	(41,042)	(42,150)	(43,288)	(44,457)	(45,657)	(46,890)	(48,157)	(49,458)	(50,793)	(52,164)	(53,574)	(55,021)	(56,507)
Depreciation on non-current assets	(1,968,267)	(2,105,315)	(2,219,602)	(2,382,277)	(2,579,006)	(2,711,134)	(2,829,779)	(3,007,690)	(3,220,334)	(3,369,531)	(3,233,773)	(3,051,004)	(3,535,607)	(3,809,690)	(4,149,642)
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance expense	(148,200)	(152,201)	(156,311)	(160,532)	(164,866)	(169,318)	(173,890)	(178,585)	(183,408)	(188,360)	(193,447)	(198,671)	(204,035)	(209,545)	(215,202)
Other expenditure	(377,154)	(252,068)	(258,873)	(265,861)	(273,038)	(280,410)	(287,981)	(295,759)	(303,743)	(311,946)	(320,368)	(329,019)	(337,904)	(347,030)	(356,399)
	(7,528,651)	(5,786,960)	(6,000,641)	(6,265,396)	(6,566,954)	(6,806,754)	(7,035,977)	(7,327,459)	(7,656,735)	(7,925,725)	(7,912,985)	(7,856,553)	(8,470,914)	(8,878,257)	(9,355,050)
	(399,326)	(519,774)	(569,924)	(664,239)	(790,963)	(845,136)	(882,610)	(976,015)	(1,100,676)	(1,158,287)	(927,185)	(645,170)	(1,026,476)	(1,193,045)	(1,421,076)
Funding Position Adjustments															
Depreciation on non-current assets	1,968,267	2,105,315	2,219,602	2,382,277	2,579,006	2,711,134	2,829,779	3,007,690	3,220,334	3,369,531	3,233,773	3,051,004	3,535,607	3,809,690	4,149,642
Net profit and losses on disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in employee benefit provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Write-off of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Funding From Operational Activities	1,568,941	1,585,541	1,649,678	1,718,038	1,788,043	1,865,998	1,947,169	2,031,675	2,119,658	2,211,244	2,306,588	2,405,834	2,509,131	2,616,645	2,728,566
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	226,453	160,318	84,490	231,948	325,609	107,360	61,456	188,108	206,532	93,981	140,754	114,956	162,597	306,385	237,858
Non-operating grants, subsidies and contributions	1,539,501	993,334	1,262,121	1,266,932	1,417,646	1,038,261	1,097,277	1,206,834	1,205,873	1,129,690	646,692	664,153	862,649	1,000,501	1,019,414
Outflows															
Purchase of land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of property plant and equipment	(2,090,273)	(946,020)	(840,821)	(1,307,325)	(1,403,602)	(620,053)	(479,556)	(1,034,551)	(1,303,319)	(653,901)	(647,158)	(722,042)	(1,155,085)	(1,462,469)	(1,612,458)
Purchase of infrastructure	(3,192,087)	(1,948,359)	(2,254,795)	(2,061,404)	(2,083,301)	(2,346,061)	(2,579,705)	(2,344,257)	(2,179,741)	(2,730,786)	(2,395,391)	(2,410,129)	(2,325,202)	(2,405,620)	(2,316,551)
Net Funding From Capital Activities	(3,516,406)	(1,740,727)	(1,749,005)	(1,869,849)	(1,743,648)	(1,820,493)	(1,900,528)	(1,983,866)	(2,070,655)	(2,161,016)	(2,255,103)	(2,353,062)	(2,455,041)	(2,561,203)	(2,671,737)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	438,000	209,740	150,000	200,000	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(63,907)	(54,554)	(50,673)	(48,189)	(44,395)	(45,505)	(46,641)	(47,809)	(49,003)	(50,228)	(51,485)	(52,772)	(54,090)	(55,442)	(56,829)
Repayment of past borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Funding From Financing Activities	374,093	155,186	99,327	151,811	(44,395)	(45,505)	(46,641)	(47,809)	(49,003)	(50,228)	(51,485)	(52,772)	(54,090)	(55,442)	(56,829)
Estimated Surplus/Deficit July 1 B/Fwd	1,573,372	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Statement 7- Forecast Statement of Net Current Asset Composition 2014 to 2029

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	1,573,372	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014	329,014
Restricted Cash and Cash Equivalent	2,182,099	2,026,913	1,927,586	1,775,775	1,820,170	1,865,675	1,912,316	1,960,125	2,009,128	2,059,356	2,110,841	2,163,613	2,217,703	2,273,145	2,329,974
Non-Cash Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and Other Receivables	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527	300,527
Inventories	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636	10,636
CURRENT LIABILITIES															
Trade and Other Payables	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)	(640,177)
Reserves	(2,182,099)	(2,026,913)	(1,927,586)	(1,775,775)	(1,820,170)	(1,865,675)	(1,912,316)	(1,960,125)	(2,009,128)	(2,059,356)	(2,110,841)	(2,163,613)	(2,217,703)	(2,273,145)	(2,329,974)
Current Self Supporting Loans Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in Accrued Salaries and Wages	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Statement 8- Forecast Statement of Fixed Asset Movement 2014 to 2029

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Roads	2,342,087	1,598,359	2,024,795	1,881,404	1,913,301	2,046,061	2,079,705	2,014,257	1,949,741	2,494,576	2,152,803	2,160,991	2,069,337	2,142,847	2,046,682
Footpaths	0	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Ovals	0	300,000	100,000	150,000	100,000	200,000	350,000	300,000	200,000	205,400	210,946	216,642	222,492	228,499	234,669
Infrastructure Other	850,000	50,000	80,000	30,000	70,000	100,000	150,000	30,000	30,000	30,810	31,642	32,496	33,373	34,274	35,200
Land	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Works - Infrastructure	3,212,087	1,948,359	2,254,795	2,061,404	2,083,301	2,346,061	2,579,705	2,344,257	2,179,741	2,730,786	2,395,391	2,410,129	2,325,202	2,405,620	2,316,551
Represented by:															
Additions - Expansion, Upgrades and New	2,103,837	1,164,983	1,217,953	1,121,003	1,028,990	1,207,328	1,321,026	1,400,094	1,264,541	1,290,875	1,430,102	1,418,777	1,307,083	1,360,011	1,242,710
Additions - Renewal	1,088,250	783,376	1,036,842	940,401	1,054,311	1,138,733	1,258,679	944,163	915,200	1,439,911	965,289	991,352	1,018,119	1,045,609	1,073,841
Total Capital Works - Infrastructure	3,192,087	1,948,359	2,254,795	2,061,404	2,083,301	2,346,061	2,579,705	2,344,257	2,179,741	2,730,786	2,395,391	2,410,129	2,325,202	2,405,620	2,316,551
Asset Movement Reconciliation															
Total Capital Works Infrastructure	3,212,087	1,948,359	2,254,795	2,061,404	2,083,301	2,346,061	2,579,705	2,344,257	2,179,741	2,730,786	2,395,391	2,410,129	2,325,202	2,405,620	2,316,551
Depreciation Infrastructure	(1,527,376)	(1,585,407)	(1,647,622)	(1,710,354)	(1,773,531)	(1,840,602)	(1,910,064)	(1,983,454)	(2,057,329)	(2,133,611)	(2,214,338)	(2,296,996)	(2,379,877)	(2,465,869)	(2,552,074)
Revaluation of Infrastructure assets (Inflation)	1,895,617	1,991,745	2,055,322	2,127,209	2,194,122	2,261,727	2,336,440	2,417,606	2,492,624	2,563,230	2,648,560	2,724,960	2,801,589	2,875,755	2,951,773
Net Movement in Infrastructure Assets	3,580,328	2,354,697	2,662,495	2,478,259	2,503,892	2,767,186	3,006,081	2,778,409	2,615,036	3,160,405	2,829,613	2,838,093	2,746,914	2,815,506	2,716,250
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Land	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	1,211,175	300,000	450,000	300,000	200,000	200,000	250,000	256,750	263,682	270,801	278,112	285,621	293,332	301,252	309,385
Furniture and Equipment	28,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	831,098	646,020	390,821	1,007,325	1,203,602	420,053	229,556	777,801	1,039,637	383,100	369,046	436,421	861,753	1,161,217	1,303,073
Total Capital Works Property, Plant and Equipment	2,070,273	946,020	840,821	1,307,325	1,403,602	620,053	479,556	1,034,551	1,303,319	653,901	647,158	722,042	1,155,085	1,462,469	1,612,458
Represented by:															
Additions - Expansion, Upgrades and New	1,372,279	210,000	70,000	210,000	80,000	80,000	115,000	118,105	121,294	124,569	127,932	131,386	134,933	138,576	142,317
Additions - Renewal	717,994	736,020	770,821	1,097,325	1,323,602	540,053	364,556	916,446	1,182,025	529,332	519,226	590,656	1,020,152	1,323,893	1,470,141
Total Capital Works Property, Plant and Equipment	2,090,273	946,020	840,821	1,307,325	1,403,602	620,053	479,556	1,034,551	1,303,319	653,901	647,158	722,042	1,155,085	1,462,469	1,612,458
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	2,070,273	946,020	840,821	1,307,325	1,403,602	620,053	479,556	1,034,551	1,303,319	653,901	647,158	722,042	1,155,085	1,462,469	1,612,458
Depreciation Property, Plant and Equipment	(440,891)	(519,908)	(571,980)	(671,923)	(805,475)	(870,532)	(919,715)	(1,024,236)	(1,163,005)	(1,235,920)	(1,019,435)	(754,008)	(1,155,730)	(1,343,821)	(1,597,568)
Net Book Value of disposed/Written Off assets	(226,453)	(160,318)	(84,490)	(231,948)	(325,609)	(107,360)	(61,456)	(188,108)	(206,532)	(93,981)	(140,754)	(114,956)	(162,597)	(306,385)	(237,858)
Revaluation of Property, Plant and Equipment (Inflation)	118,478	161,341	177,277	183,654	197,058	215,711	213,197	202,075	202,323	209,128	405,534	425,734	446,948	476,264	516,232
Net Movement in Property, Plant and Equipment	1,521,407	427,135	361,628	587,108	469,576	(142,128)	(288,418)	24,282	136,105	(466,872)	(107,497)	278,812	283,706	288,527	293,264
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	3,212,087	1,948,359	2,254,795	2,061,404	2,083,301	2,346,061	2,579,705	2,344,257	2,179,741	2,730,786	2,395,391	2,410,129	2,325,202	2,405,620	2,316,551
Total Capital Works Property, Plant and Equipment	2,070,273	946,020	840,821	1,307,325	1,403,602	620,053	479,556	1,034,551	1,303,319	653,901	647,158	722,042	1,155,085	1,462,469	1,612,458
Total Capital Works	5,282,360	2,894,379	3,095,616	3,368,729	3,486,903	2,966,114	3,059,261	3,378,808	3,483,060	3,384,687	3,042,549	3,132,171	3,480,287	3,868,089	3,929,009
Fixed Asset Movement															
Net Movement in Infrastructure Assets	3,580,328	2,354,697	2,662,495	2,478,259	2,503,892	2,767,186	3,006,081	2,778,409	2,615,036	3,160,405	2,829,613	2,838,093	2,746,914	2,815,506	2,716,250
Net Movement in Property, Plant and Equipment	1,521,407	427,135	361,628	587,108	469,576	(142,128)	(288,418)	24,282	136,105	(466,872)	(107,497)	278,812	283,706	288,527	293,264
Net Movement in Fixed Assets	5,101,735	2,781,832	3,024,123	3,065,367	2,973,468	2,625,058	2,717,663	2,802,691	2,751,141	2,693,533	2,722,116	3,116,905	3,030,620	3,104,033	3,009,514

Statement 9 – Forecast Statement of Capital Funding 2014 to 2029

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Roads	2,342,087	1,598,359	2,024,795	1,881,404	1,913,301	2,046,061	2,079,705	2,014,257	1,949,741	2,494,576	2,152,803	2,160,991	2,069,337	2,142,847	2,046,682
Footpaths	0	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Ovals	0	300,000	100,000	150,000	100,000	200,000	350,000	300,000	200,000	205,400	210,946	216,642	222,492	228,499	234,669
Infrastructure Other	850,000	50,000	80,000	30,000	70,000	100,000	150,000	30,000	30,000	30,810	31,642	32,496	33,373	34,274	35,200
Land	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	1,211,175	300,000	450,000	300,000	200,000	200,000	250,000	256,750	263,682	270,801	278,112	285,621	293,332	301,252	309,385
Furniture and Equipment	28,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	831,098	646,020	390,821	1,007,325	1,203,602	420,053	229,556	777,801	1,039,637	383,100	369,046	436,421	861,753	1,161,217	1,303,073
Total - Capital Expenditure	5,282,360	2,894,379	3,095,616	3,368,729	3,486,903	2,966,114	3,059,261	3,378,808	3,483,060	3,384,687	3,042,549	3,132,171	3,480,287	3,868,089	3,929,009
Funded By:															
Capital Grants & Contributions															
Roads	1,219,501	923,334	1,062,121	1,023,334	1,237,824	852,705	817,988	947,017	963,136	1,129,690	646,692	664,153	712,649	900,501	969,414
Parks & Ovals	0	70,000	0	93,598	50,000	100,000	79,289	150,000	100,000	0	0	0	0	0	0
Infrastructure Other	320,000	0	0	0	29,822	50,000	50,000	0	0	0	0	0	0	0	0
Buildings	0	0	200,000	150,000	100,000	35,556	150,000	109,817	142,737	0	0	0	150,000	100,000	50,000
Total - Capital Grants & Contributions	1,539,501	993,334	1,262,121	1,266,932	1,417,646	1,038,261	1,097,277	1,206,834	1,205,873	1,129,690	646,692	664,153	862,649	1,000,501	1,019,414
Own Source Funding															
Roads	1,122,586	675,025	962,674	858,070	675,477	1,193,356	1,261,717	1,067,240	986,605	1,364,886	1,506,111	1,496,838	1,356,688	1,242,346	1,077,268
Footpaths	0	0	50,000	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Ovals	0	230,000	100,000	56,402	50,000	100,000	270,711	150,000	100,000	205,400	210,946	216,642	222,492	228,499	234,669
Infrastructure Other	530,000	50,000	80,000	30,000	40,178	50,000	100,000	30,000	30,000	30,810	31,642	32,496	33,373	34,274	35,200
Land	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	1,211,175	300,000	250,000	150,000	100,000	164,444	100,000	146,933	120,945	270,801	278,112	285,621	143,332	201,252	259,385
Furniture and Equipment	28,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and Equipment	604,645	485,702	306,331	775,377	877,993	312,693	168,100	589,693	833,105	289,119	228,292	321,465	699,156	854,832	1,065,215
Total - Own Source Funding	3,516,406	1,740,727	1,749,005	1,869,849	1,743,648	1,820,493	1,900,528	1,983,866	2,070,655	2,161,016	2,255,103	2,353,062	2,455,041	2,561,203	2,671,737
Borrowings															
Total - Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (Disposals & C/Fwd)															
Plant and Equipment	226,453	160,318	84,490	231,948	325,609	107,360	61,456	188,108	206,532	93,981	140,754	114,956	162,597	306,385	237,858
Total - Other (Disposals & C/Fwd)	226,453	160,318	84,490	231,948	325,609	107,360	61,456	188,108	206,532	93,981	140,754	114,956	162,597	306,385	237,858
Total Capital Funding	5,282,360	2,894,379	3,095,616	3,368,729	3,486,903	2,966,114	3,059,261	3,378,808	3,483,060	3,384,687	3,042,549	3,132,171	3,480,287	3,868,089	3,929,009

Statement 10 – Forecast Ratios 2014 to 2029

	Target Range		Average	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
				2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
LIQUIDITY RATIOS																		
Current Ratio	> 1.00	> 1.20	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87
OPERATING RATIOS																		
Operating Surplus Ratio	> 0.00%	> 15.00%	(22.01%)	(12.95%)	(16.55%)	(17.55%)	(19.78%)	(22.78%)	(23.50%)	(23.70%)	(25.31%)	(27.56%)	(28.01%)	(21.65%)	(14.55%)	(22.35%)	(25.08%)	(28.84%)
Own Source Revenue Coverage Ratio	> 50.00%	> 75.00%	52.64%	40.95%	54.27%	54.10%	53.60%	52.88%	52.83%	52.92%	52.63%	52.16%	52.18%	54.12%	56.46%	54.23%	53.58%	52.67%
BORROWINGS RATIOS																		
Debt Service Cover Ratio	> 3	> 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Debt Ratio		< 50%		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FIXED ASSET RATIOS																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	67.12%	91.77%	72.17%	81.44%	85.54%	92.20%	61.92%	57.36%	61.86%	65.12%	58.44%	45.91%	51.85%	57.65%	62.20%	61.31%
Asset Consumption Ratio	> 50.00%	> 60.00%	75.71%	82.52%	81.56%	80.79%	79.87%	78.93%	77.93%	77.00%	75.82%	74.57%	73.55%	72.52%	71.70%	70.70%	69.66%	68.54%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	50.35%	40.21%	42.58%	47.18%	55.01%	66.79%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A