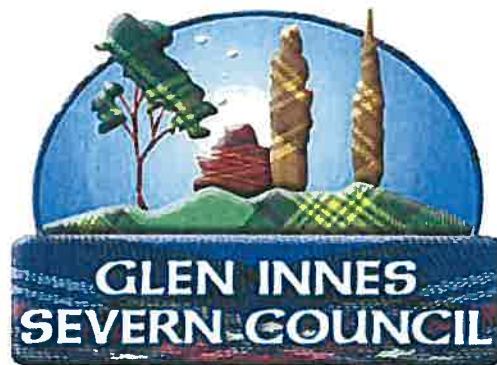




## **Attachment R**

**LTFP 2012 - 2022**

# **Glen Innes Severn Council**



## **Long Term Financial Plan 2012-2022**

**Adopted: 28 June 2012**

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## **SECTION 1: INTRODUCTION**

### **1.1 Objectives**

The Long Term Financial Plan (LTFP) is a crucial document with regard to Council's repertoire of financial tools designed primarily to assist in determining the affordability of projects which the Community has identified in the community consultation process. This document should also play a very important role in the setting of the annual budget and the adoption of projects throughout the financial year to ensure Council does not over-commit itself. The plan also assists in linking the full life cycle costs of new projects in an easy to understand format. Therefore, it provides a much stronger situational awareness of the organisation and the result of any major financial decisions.

The LTFP will seek to answer the questions:

- What can Council afford?
- Can Council afford what the community wants?
- What are the opportunities for future economic growth?
- What service levels should Council maintain?
- How should Council address the rural infrastructure backlog within the Council area?

The LTFP is a tool for making decisions. However, it is a constantly changing document. For this reason it must be reviewed annually to ensure that changing community expectations and changing social, environmental and economic conditions both in the community and the wider environment can be identified and reacted to. It is important to remember, due to these constantly changing conditions and focuses, the LTFP is not "set in concrete" and it will continually change. For this reason, major projects constantly need to be re-considered. The LTFP also provides Council with a better understanding of what may happen and how Council could overcome unexpected events. This particular review of the LTFP has considered how future funding changes would affect the affordability of Council's major projects.

### **1.2 Timeframe**

The Division of Local Government has determined the minimum time frame for the preparation of a Long Term Financial Plan as ten years. Council has complied with this requirement and for this reason the LTFP is for ten years (2012-2022). Council believes that any predictions further than ten years would hold little value due to the uncertainty of the future.

### 1.3 Method

The Glen Innes Severn Council LTFP is based on a combination of “foundations”. These foundations include;

- Planning assumptions
- Revenue forecasts
- Expenditure forecasts
- Asset management
- Performance measures
- Sensitivity analysis/ financial modelling.

These foundations are detailed in the Division of Local Government's Integrated Planning and Reporting manual.

### 1.4 Structure

Council's LTFP is divided into seven (7) main sections that follow directly from the aforementioned foundations.

**Section 1:** A brief summary of the plan, the expected result and the concerns raised by the Division of Local Government.

**Section 2:** Details the planning assumptions applied in the model and the reasonableness behind these assumptions.

**Section 3:** Details the planning assumptions behind the expected revenue forecasts and the funding Council could source. It includes loan funding, grant funding and general revenues.

**Section 4:** Deals with expenditure forecasts, including operational expenditure, major capital projects and general capital expenditure.

**Section 5:** This section deals with asset management strategy and plans and the financial considerations that were given to the implementation of these plans.

**Section 6:** Identifies the performance measures and strategic objectives that Council intends to focus on and measure the associated performance.

**Section 7:** Scenario modelling or sensitivity analysis undertaken identifying the reasoning behind the selection of the preferred Scenario.

## **1.5 Annual Review**

An annual review of the LTFP is a requirement under the new Integrated Planning and Reporting framework and now forms an important part of the financial accountability and review process within Councils across New South Wales. It is important to note, this is the first revision of the original Long Term Financial Plan which was first adopted by Council on 23 June 2011. This is a major review which was triggered in large part by correspondence received by Council from the Division of Local Government (DLG) highlighting concerns regarding Council's long term financial sustainability.

A summary of the concerns highlighted by this letter are as follows:

- 1) Continuing operating deficits both before and after capital grants and contributions which included forecast operational deficits for the next ten years in the Original Plan.
- 2) A backlog in asset infrastructure renewal and maintenance.
- 3) The level of internally restricted funds for asset infrastructure renewal.

### **Operational Deficits:**

This revision of the Long Term Financial Plan is a key step to addressing these concerns through positive but prudent re-think of what Council's core functions should be and how best to address the infrastructure backlog – which is a nationwide problem facing rural and regional Councils.

The original long term financial plan identified an annual operational budget increase from \$26 million to \$31 million in 2021-22 which was inclusive of depreciation levels of \$7.8 million annually. The new adopted plan has reduced the expected operational budget in 2021-22 to \$28.4 million – primarily from a decrease in depreciation and a reduction in expenditure in non-core areas. This combined with the increase in revenue from increased fees and charges results in an expected surplus from 2014-15 onwards.

This is intended to address the first concern identified by the DLG (the continuing deficits both before and after capital items).

### **A backlog in asset renewal and asset maintenance:**

Borrowings in the new financial Plan amount to \$8.7 million compared with an estimated \$12.5 million in the original Plan. This reduction in borrowing can be explained by the suspension of both the Administrative Office co-location and the co-location of Community Services Projects (the Garden Court and Northern Community Care Centre's). The primary reason for this change in direction is the focus of Council to redirect savings into critical road, sewer and water-related infrastructure rather than allocating funds (at this stage) to the co-location of administrative staff. This change in direction should provide additional funding for these projects, and should therefore, positively affect the maintenance and renewal of these critical or "core" assets.



### **The level of internally restricted funds for infrastructure and renewal:**

The new Long Term Financial Plan also identifies the Cash and Cash Equivalents position which is anticipated to increase from an expected \$10.5 million at the end of 2012-13 to approximately \$19.4 million in 2021-22. In the 2020-21 financial year, this is an increase of approximately \$4.5 million compared with the original adopted LTFP. It is suggested, an increasing cash reserve will aid significantly in the internal restriction of reserves for infrastructure renewal.

## **1.6 Summary**

The first review of the LTFP for the year 2012-13 combined with the letter from the DLG indicated that the original LTFP was unaffordable. This triggered a thorough review of Councils operating and capital expenditure with a particular emphasis on major capital projects. The primary aim of this review was to address the three main concerns raised by the DLG as mentioned above. Council believes that the new LTFP will address these concerns much more thoroughly but note that it is only one of the preliminary steps to addressing the underlying problem in rural Councils (insufficient State and Federal funding).

The new LTFP has focused on what the core function of Council should be and in doing so Council has reduced its operational expenditure. Council has also undertaken a review of its depreciation and replacement cost assumptions and has made a significant adjustment to its annual depreciation expense. It should be noted that these adjustments will need to be confirmed with Council's auditors prior to implementation.

Other notable differences between the two plans include a significant reduction in borrowings due to the suspension of the Administrative Co-location and the Community Services Co-location. These projects formed a significant portion of Council capital works within the next ten years and were in large part funded from loan funding. This reduction in loan funding of \$4.3 million has contributed significantly to the improvement in the bottom line (due to a reduction in the interest expense) and the cash flow position (through a reduction in loan repayments).

The CBD master plan has also been scaled back due to the unlikelihood of receiving grant funding for this project. The project which was originally estimated at \$3 million has been scaled back to \$1.8 million over three years. This has been driven by the need for Council to fund the project through loan borrowings rather than from the original anticipated grant funding.

Although saving were targeted in the new plan – capital expenditure in respect of infrastructure has been maintained as a top priority with expected capital works in respect of Water, Sewer and Road infrastructure increasing over the life of the plan. This is in line with what the community expressed during the Community Engagement.

A further project which has been retained is the renewal of the Glen Innes Swimming Pool for \$1 million. However, the project has been moved forward one year to ensure that expected grant funding increases are secured prior to the committal of an additional \$1 million of expenditure.

Compared with the nett operating result of the original plan Council will not remain in deficit for the ten years of the plan. It is expected that if the adjustment in depreciation and service levels are approved. Council will see an operating surplus in the 2014-15 financial year. This operating surplus will be both before and after capital items. Furthermore, a review of the Key Performance Indicators suggest, Council will have improved its financial position (in particular the Operational Result). Council will still have issues in respect of the Building and Infrastructure renewals ratio however, later in the long term financial plan this renewal ratio would be drawing very close to the desired 1:1 ratio.



## **SECTION 2: PLANNING ASSUMPTIONS**

### **2.1 Demographics**

Our population is anticipated to slowly increase over the 10 years to at least 10,000. This is an average increase of 122 people per year across the Local Government Area based upon the 2006 Census. This increase is factored in acknowledging that our key asset infrastructure will be able to support such an increase. For example, we believe that our current Water and Sewer systems will support such an increase. Our community services will support such an increase and be able to access increased funding as needed.

### **2.2 Economic Development and Growth**

This is a key area of focus over the next 10 years; with major projects such as the enhancement of the Central Business District, encouragement of business development and job creation. Council will review and implement the Economic Development Plan and aim to source external funding for projects that will enhance and sustain the Glen Innes Severn Local Government Area into the future.

In addition, Council will review and monitor commercial leases and the aim will be to increase revenue from such ventures. Significant emphasis has and will continue to be placed upon this aspect. In particular, various leased properties will need to be reviewed for the possibility of sale where they are not adequately contributing to their operating costs.

Business growth and industry development will actively be encouraged as this will foster a sustained population growth and diversified employment opportunities.

### **2.3 Service Levels**

Council will meet its service levels as per the Asset Management Plan. However, the service levels may not meet with community expectations and this has to be discussed with the community over the 10 year period on a regular basis and be modified accordingly.

Budgets required to address the backlog of roads, bridges and associated infrastructure work, includes loan funds and the assumption that infrastructure grant funding will be increased over time. Particular note should be made of the fact this long term financial plan incorporates a reduction in depreciation due to the suggested reduction of service levels in road-related infrastructure. This reduction is required to bring service levels back to an affordable standard.

### **2.4 Rate Pegging**

Council has made the assumption in its 10 year financial plan that an annual rate increase of three (3) percent is reasonable.

## **SECTION 3: REVENUE FORECASTS AND ASSUMPTIONS**

### **3.1 Operational Revenue Assumptions**

Under Section 491 of the NSW Local Government Act 1993, as amended, the main sources of a Council's revenue are;

- Rates
- Charges
- Fees
- Grants
- Borrowings

### **3.2 Rate Revenue Assumptions**

Rates would generally be considered the largest component of a Council's revenue. However, in the Glen Innes Severn Council rates make up a significantly smaller proportion of the overall income (approximately 30%). Therefore, Council must place a much larger reliance on other fees and charges, grant funds and loan borrowings when compared with other, and in particular, larger Councils.

The annual rate increase is determined by the Independent Pricing and Regulatory Tribunal (IPART). This limitation is mandatory and involves a percentage cap on the total revenue raised from ordinary and special rates from one year to another. Many proponents have argued that this rate limitation or rate pegging has contributed to the infrastructure back log in many rural and regional Councils.

Council is anticipating a three (3) percent rate increase each year over the time of this plan, except for the financial year 2011-12 when the rate increase is predicted to be 2.8% and the 2012-13 financial year with a rate increase of 3.6%. All rate increases are determined by IPART a Government independent pricing tribunal. However, based on previous experience we believe these increases are reasonable.

### **3.3 Special Rate Variation**

If a Council wishes to increase its rate revenue by more than the rate pegging limit, then the Council is required to submit a Special Rate Variation (SRV) application under Section 508(2). As with rate pegging, commencing in 2011-12 IPART will be responsible for the granting or refusal of SRV applications. Currently, Glen Innes Severn Council has no applications for a Special Rate Variation. However, due to the concerns raised by the DLG, it may become necessary in the future to apply for a SRV. A concern of Council is that rate revenues, constitutes a small portion of its overall revenue. For this reason, a special rate variation may not raise a significant amount of revenue and this may not outweigh the community angst associated with such an increase. Where an SRV is granted any revenue must be for a specific project and must be quarantined for that particular project.

### **3.4 Charges**

Council is able to charge for the provision of water, sewer and domestic waste services under the *Local Government Act 1993* (Sections 496, 501 and 502 in particular).

#### 3.4.1 Water Charges

Council's water supply is a category 2 business unit which must, and does, meet the Best Practice Pricing Guidelines and the National Competition Policy. This requires Council to determine its annual water charges to enable Council to provide sufficient funds to operate and maintain a water supply service, to repay existing debt commitments and to minimise the use of loan funds for new capital works. Council's water fund's fee structure is based on two components, an annual connection fee combined with a consumption charge based on the usage of water.

Council's water fund has been operating at a deficit while the asset renewal within the water fund has also been of concern due to the ageing infrastructure nearing the end of its useful life. Due to these concerns it has become necessary for the water fund to increase the annual charge associated with the provision of water supply. This has allowed the expected capital works in the long term financial plan to meet depreciation which should significantly improve the infrastructure renewal ratio.

There are restrictions on the ability of Council to raise the annual connection charge but having met this requirement Council has decided to raise the annual charge. This will enable Council to ensure that it can continue to provide a water service at the highest standard while meeting its requirements to renew water infrastructure.

For the purpose of the long term financial plan the expected increase per annum of these charges are 3%.

#### 3.4.2 Sewer and Trade Waste Charges

Council's sewerage service is a category 2 business unit which must, and does, meet the Best Practice Pricing Guidelines and the National Competition Policy. This requires Council to determine its annual sewerage service charges to enable Council to provide sufficient funds to operate and maintain a sewerage service, to repay existing debt commitments and to minimise the use of loan funds for new capital works. Currently, Council levies standard charges across all sewered areas of its local government area.

Council has also implemented as part of the Best Practice Pricing Guidelines a trade waste discharge fee. This fee consists of a fixed fee combined with a usage charge per kilolitre.

For the purpose of the long term financial plan the expected increase per annum of these charges are 3%.

#### 3.4.3 Waste Management Charges.

Council levies both a waste facility management charge and a waste collection charge to cover the collection and disposal fees of waste in the Council area.

For the purpose of the long term financial plan the expected increase per annum of these charges are 3%.

### 3.4.4 Developer Charges (Section 64).

Developer charges provide a source of funding for infrastructure required for new urban development. They also provide a pricing signal regarding the cost of urban development and thus encourage less costly forms and areas of development, and orderly sequencing of land release. Councils have the power to levy developer charges for water supply, sewerage and storm-water under section 64 of the Local Government Act 1993. These charges are set by a Development Servicing Plan and are subject to review every five (5) years. The Section 64 Plan schedules annual increases equivalent to the Sydney All-Groups Consumer Price Index (CPI).

### 3.4.5 Developer Contributions (Section 94).

Council currently has one (1) Section 94 programme in place which provides a co-contribution for the construction and maintenance of the Ranger's Valley road.

For the purpose of the long term financial plan the expected increase per annum of these charges are 3%.

## 3.5 Fees

Other fees that Council charges include inter alia;

- Certificates
- Administration Fees (Photocopying, binding etc.)
- Freedom of information (GIPA Act) searches.
- Hire/Lease of Council land or equipment.
- Swimming Pool Facility Fees
- Cemetery Fees
- Aerodrome Fees
- Sporting Fields Fees
- Animal Control Fees
- Building Control Fees
- Health Control Fees
- Landfill Fees
- Water and Sewer Fees (not annual charges)

Fees and charges have had an annual increase by three (3) percent as a general rule with statutory and client fees needing to be mentioned as they may vary over time. For the 2012-13 financial year a review was conducted of all fees and charges with emphasis on increasing them by at least 3.6% and rethinking which fees and charges should be subsidised. This excluded certain fees such as regulatory fees which are set by State Government and Aged and Disability Services Client fees and Child Care fees which may vary from year to year pending standards, capacity and utilisation.

## 3.6 Grant Funds

Council receives both operational and capital grant funds from the Federal and State Governments. Other than the Financial Assistance Grant (FAG) these grant funds are for a specific purpose (i.e. for the construction and/or maintenance of a particular asset).

The two major forms of grant funds received by Council's general fund are the Roads to Recovery (R2R) and the Financial Assistance Grant (FAG). These form an integral part of Council's continuing operations and the estimates in their regard are extremely important to the affordability of all Council's major capital projects.

It is anticipated the Federal Government's Financial Assistance Grant will be increased by four (4) percent annually. However, the "Roads" component of the grant has been increased from 2014-15 to match increased expenditure of \$700,000 annually.

Other income areas are maintained at 2011-12 levels except:

- Community Services grants and subsidies; which are increased by 2.25% annually;
- Development and Planning Fees which will be increased by legislation for 2012-13, and fees to remain the same thereafter.
- Roads to Recovery (R2R) is a five (5) year programme and remains the same for the life of the existing programme. A new programme is due to start in 2014-15, and allows for 25% increase in that year (2014-15) with a zero increase thereafter.
- Regional Roads Block Grant allows for a 3% increase per annum.

### **3.7 Interest on Investments**

Council currently has approximately \$10 million in investments. This amount is expected to increase to almost \$20 million by the end of 2021-22.

For the purpose of the long term financial plan the expected increase per annum on interest on investments is 0.25% annually.

All investments must be made in accordance with Council's Investment Policy which incorporates a number of legislative requirements (such as limitations on the nature of all investments). These requirements are primarily to reduce the risk associated with investments. Therefore, Council is required to minimise or lower the risk (and lower return) upon its investments.

### **3.8 Loan Funds (Borrowings).**

Loan funding forms a large part of Council's plan to address the infrastructure backlog. Loan funding provides additional funds to address immediate backlog of capital works but may lead to cash flow problems in the future. It is also important to remember that additional loan borrowings will have an affect on the Debt Service Ratio.

Generally, loans are taken at a fixed rate and are for a period of 25 years. However, due to the nature of the borrowings predicted in the next ten years



(primarily for roadworks), it is likely these loans will be taken over a shorter period. The rationale behind these shorter loan periods (estimated at 10 years for roadworks) is that the effective life of the asset being serviced is shorter than the 25 year standard loan period. Therefore, extending the loan period mean these road assets are being paid off after they have been replaced (or renewed) for the second time. This is not good practice. For this reason, the LTFFP seeks to match quicker repayments to the effective life of the assets and matching the associated repayments with our estimated cash flow. This ensures borrowings are affordable while shorter repayment periods reduce interest on borrowings and other borrowing costs such as bank fees.

The adopted scenario, Scenario 3, has the following new loan funding incorporated for major capital projects;

Loan Purpose	Loan Amount	Loan Term	Loan Drawn	Estimated Interest Rate
<b>CBD Master Plan</b>	1,800,000	10 years	2012/13	7.69%
<b>Accelerated Road Programme (1)</b>	1,000,000	10 years	2012/13	7.69%
<b>Accelerated Road Programme (2)</b>	1,000,000	10 years	2014/15	7.69%
<b>Accelerated Road Programme (3)</b>	1,000,000	10 years	2016/17	7.69%
<b>Accelerated Road Programme (4)</b>	1,000,000	10 years	2018/19	7.69%
<b>Swimming Pool Redevelopment</b>	1,000,000	25 years	2014/15	7.69%

Please see attached, the capital works schedule detailing the proposed use of the loan funds.



## **SECTION 4: EXPENDITURE FORECASTS AND ASSUMPTIONS**

### **4.1 General – Service Expenditure**

General expenditure increase levels have remained consistent with the original LTFP. However, the increases are now based on reviewed budget figures for the 2012-13 financial year prepared as part of a full review of Council's continuing operations. This review resulted in a number of reductions in operational expenditure.

The budgeted increase in expenditure (apart from depreciation) remains:

Estimated increases of three (3) percent annually have been factored for Fuel, Materials and Contracts. It is suggested, the long term Consumer Price Index remains around this 3% and for this reason this has been used as the general increase in expenditure year on year.

In order to keep the operational expenditure budget as close as possible to a balanced budget all other expenditure areas increase by 2.0% annually – except:

- Electricity - 17% in 2011-12 then 1.0% thereafter;
- Property Insurance – 5% in 2011-12 (due to revaluations) then 1.0% thereafter.

### **4.2 Depreciation and Service Levels**

Originally, depreciation on assets was estimated to be \$7.8 million each year based on the straight-line depreciation method. However, due to a review conducted on depreciation on road and road-related infrastructure this figure has been reduced significantly to an estimated annual depreciation of \$4.9 million. The review was targeted on the replacement cost unit rate of roads and road-related infrastructure, as well as what service levels Council could maintain.

In earlier years, the replacement cost of roads was estimated through the use of an indexed rate. This rate was higher than the actual cost of roads constructed by Council. Council has now compiled this information and produced its own construction cost rates for the cost of roads, which has significantly reduced the replacement cost of roads. As the replacement cost directly affects depreciation, the depreciation on roads has also decreased.

### **4.3 Salaries, Wages and Employment On-costs**

Council's long term forecast relating to staffing is contained in detail within the Workforce Plan. However, for the purpose of this document, the following increases have been predicted:

The predicted salary increases for staff are the award increases for 2012-13 (3.25%) and 2013-14 (3.25%) followed by a predicted 3.5% for the following years until 2021-22. This rate has been set higher than the expected Consumer Price Index increase even though the award increase should generally "track" with the CPI. This additional movement is intended to account for any unexpected variances.

### **4.4 Capital Works**

Historically, Councils did not always consider the running costs of newly acquired assets which often led to a focus on constructing new assets. These new assets often require significant capital contributions and a continuing commitment by Council to repay the loan principal and interest whilst meeting the additional operating costs. For this reason, Council implemented a strong focus on the renewal of assets when reviewing the Long Term Financial Plan. Particular focus was placed on the "Big Ticket" capital items of Council. Six (6) different scenarios were presented to Council listing different combinations of capital works. From these six (6) scenarios, Scenario 3 was selected.

Due to the concern expressed by the DLG in respect of Council's infrastructure asset renewal ratio, Council has reviewed the major capital items. The majority of core infrastructure works have been maintained or increased at the expense of less urgent works.

Original Long Term Financial Plan	New Long Term Financial Plan
<b>Continuing Capital Expenditure</b>	
Water-related projects as per the Asset Management Plan - funded through the Water Fund estimated at \$180,000 annually.	Projects have increased to \$554,652 per annum with additional increases of 3.2% year on year. This should assist in addressing ageing infrastructure and a low infrastructure renewal ratio.
Sewer-related projects as per the Asset Management Plan - funded through the Sewer Fund estimated at \$200,000 annually.	Projects have increased to \$445,962 per annum with additional increases of 3.2% year on year. This should assist in addressing ageing infrastructure and a low infrastructure renewal ratio.
Roads infrastructure projects as per the Asset Management Plan - estimated at \$1.2 million for 2011-12 then \$1,040,000 per annum plus \$1 million in loan funds in years two (2), four (4), six (6), and eight (8).  This means that Council's General Fund (ratepayers/revenue funds) is estimated to spend a total of \$14,560,000 on roads-related infrastructure over the 10 year period.	Total road related infrastructure projects are estimated to be \$17.7 million with four loans as part of the accelerated loan funding project in 2012-13, 2014-15; 2016-17 and 2018-19. This does not include the additional \$1.8 million to be expended on the Central Business District upgrade.
Projects within the parks and open spaces are in line with the Asset Management Plan estimated at \$150,000 annually.	Park renewals and upgrades to be \$100,000 annually.
Projects, in line with the Information Technology Strategic Plan, and miscellaneous projects within the Corporate and Community Services Department, are estimated at \$150,000 annually.	\$80,000 in 2012/13, \$120,000 in 2013/14 with \$150,000 per year thereafter.

Capital Works – Major Projects	
The implementation of the CBD Master Plan. It is predicated that Council will be successful in receiving grant funding from the Regional Development Australia Grant Programme of \$3 million (2012-13 and 2013-14).	Council has not been successful with its grant funds application. However, the CBD master plan will still be implemented, at a reduced scale, with \$1.8 million in capital expenditure over the next three (3) years.
Council has factored in a loan of \$1 million to renew/upgrade the Glen Innes Swimming Pool in 2013-14.	Council has factored in a loan of \$1 million to renew/upgrade the Glen Innes Swimming Pool in 2013-14. However, this has been moved backward one (1) year to 2014-15.
The current accounting software needs replacing. In 2012-13, \$300,000 has been set aside for a new accounting system for the Finance Section, and will be funded from reserves.	Current accounting software will continue to be used until 2017-18. An estimated \$500,000 will be required to upgrade Council's accounting system.
The Co-location of Administration Staff to address a sub-standard working environment such as poor lighting and ventilation, inadequate amenities, inefficient use of resources and energy wastage. This is a building project estimated at a total cost of \$ 5.3 million (\$3.3 million loan, \$1.2 million reserves and \$800,000 from the sale of building/land (2014-15).	This project has been suspended.
The co-location of Aged and Disability Services is estimated at \$3.2 million (sale of land \$500,000, reserves \$700,000, \$1 million loan and grant funds \$1 million) and is anticipated to be pursued in 2012-13 and 2013-14.	This project has been suspended. Awaiting further clarification of possible grant funds.

## **SECTION 5: ASSET MANAGEMENT**

### **5.1 Asset Management**

For a detailed asset management report, please review the Asset Management Strategy and the various Asset Management Plans for each asset type located within the community. These plans can be accessed on Council's website at [www.gisc.nsw.gov.au](http://www.gisc.nsw.gov.au).

Due to the uncertainty with completing long term financial modeling all capital projects will be reviewed on an annual basis to ensure they are affordable and achievable within the proposed budget. Those projects that focus on Council core services and address or reduce the infrastructure backlog will be favoured.

## **SECTION 6: Performance Measurement and Financial Strategic Objectives.**

### **6.1 Financial Strategic Objectives**

1. To maintain a realistic and achievable budgeted cash surplus each financial year to maintain an unrestricted current ratio of at least 2.00 – 1.00; thereby ensuring access to adequate working funds on a continual basis.

*How: Council will budget for a realistic cash surplus each financial year.*

2. To ensure a realistic and reasonable percentage of Council's rates revenue is expended on roads infrastructure.

*How: Council will identify the various grant components together with percentage of rate revenue allocated to roads infrastructure and report this to the community.*

3. To maintain sufficient funds to meet known financial commitments beyond the current financial year, and to renew or acquire new capital infrastructure assets in line with Council's Asset Management Plans for its various infrastructure assets.

*How: This long term financial plan has factored in the aspect of this objective and the new Asset Management Plans will be refined over time to advanced levels.*

4. To continually assess all expenditure to ensure consistency with Council's newly developed and adopted strategic objectives.

*How: This will be completed at budget quarterly reviews and reported to the community as well as forming part of Council's annual budget preparations for the Operational Plan. Council's Annual Reports will also reflect the budgets against the measures in the Delivery Programme strategic objectives.*

5. To continually review all operating expenditure and improve efficiency in service delivery where possible.

*How: Council has developed a philosophy of "continuous improvement" where staff are continuously looking at creative ways in carrying out their functions with the best use of Council's resources whilst remaining focussed on quality and customer service.*

6. To concentrate expenditure upon capital renewal, rather than creating new assets, as this will increase Council's maintenance budget into the future.

*How: This long term financial plan has kept new assets to a minimum and in all instances current assets will be sold so that the total number of Council assets that need to be maintained will actually decrease over time. For example, the co-location of Community Services into one (1) building will be replacing two (2) current assets with one. Roads infrastructure will focus on renewal or existing assets, and not creating new assets.*

7. To reduce Council-owned assets which do not align with Council's adopted strategic objectives, and place an unnecessary ongoing maintenance burden on Council and the community.

*How: Council will review, at least every three (3) years commencing in year one (1) of this plan, the Corporate Property Policy and assess land and building assets, including crown land of which Council is the trustee, for their status and potential. For example, should property be sold, leased commercially or new land be purchased.*

8. To implement user-pay principles on service provision and assets, excluding known and Council-approved community service obligations.

*How: Council will continue to implement user-pay principles and expand these principles into commercial and market rates where applicable.*

9. To maximise returns on Council's investments, without increasing Council's investment risk above acceptable levels.

*How: Council reports to the community on a monthly basis of funds invested and what institutions are holding these investments. In addition, Council's Investment Policy is reviewed at least every two (2) years or when required.*

10. To attract and maximise government grants and subsidies as external funding sources for Council services.

*How: Council has factored in funding from State and Federal Government throughout the long term financial plan both in respect to recurrent and one-off grants. For example, the anticipated funding of \$3 million from Regional Development Australia is a one-off project to implement the CBD Master Plan.*



## 6.2 Key Performance Indicators

The key performance indicators specified in the Local Government Financial Health Check Guidelines are as follows;

- Operating Result before Capital Grants and Contributions.

Nett Operating result from Continuing Operations (excluding Capital Items and Specific Purpose Grants/ Contributions).

It is Council's aim to achieve and maintain an operating surplus before Capital Grants and Contributions by the year 2014-15. Furthermore, it is Council's aim to ensure that this operating surplus remains below 5% of overall revenue to ensure Council is not placing an undue burden on its ratepayers.

The new LTTP indicates that achieving an operating surplus by 2014-15 is achievable.

- Unrestricted Current Ratio.

Current Assets less all External Restrictions.

Current Liabilities less Specific Purpose Liabilities.

Council intends to maintain an Unrestricted Current Ratio of 2:1 to ensure that Council maintains a good cash flow position and can meet all commitments when they fall due.

The Unrestricted Current Ratio (at the conclusion of the 2010-11 financial year) is 2.40:1. It is likely that this ratio will fall in the next financial year and will then continue to remain above the expected 2:1 ratio.

- Debt Service Ratio.

Debt Service Costs

Income from Continuing Operations (excluding Capital Items and Specific Purpose Grants/ Contributions).

The aim for Council is to maintain a Debt Service Ratio below 10.00%. This ratio will increase in the next financial years due to the additional borrowings Council has and will continue to undertake (borrowings for additional roadworks and the swimming pool).

- Rates, Annual Charges, Interest and Extra Charges Outstanding Ratio.

Rates and Annual Charges

Income from Continuing Operations

Council should attempt to maintain a ratio of below 5% to ensure that debts are collected as incurred and that a good cash flow is maintained. The ratio at the end of the 2010-11 financial year was 4.66%. This ratio shows that Council's debt recovery procedures are operating efficiently.

- *Building and Infrastructure Renewals Ratio.*

Asset Renewals (Buildings and Infrastructure)

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Depreciation, Amortisation and Impairment (Buildings and Infrastructure)

Council should aim at maintaining as close to 100% asset renewal as possible. However, this may not always be on an annual basis as a longer term rolling average would be more appropriate in reflecting the renewal of buildings (which are not replaced every year).

## SECTION 7: SCENARIO/ SENSITIVITY ANALYSIS

The revision of the Long Term Financial Plan involved the formulation of six different scenarios which considered the best approach in dealing with the 'big ticket' items identified as capital projects for the next ten years. Of these six (6) scenarios identified by Council scenario three was selected as the appropriate course of action due to the ability to re-think capital expenditure (particularly capital expenditure funded through loans).

The primary reason for this is the difficulty in predicting grant funding increases. As grant funding constitutes a significant and critical part of Council's operational and capital funding the expected grant funding increases and the assumptions are extremely important. A change to these funding assumptions could seriously affect the affordability of projects and for this reason, scenario three, being the most flexible option if no increase in funding eventuated was adopted by Council.

Scenario: Base Case	
<b><u>Is in accordance with the original LTFP and includes the following capital expenditure:</u></b> Administration Co-location (\$5.3 mil) Community Services Co-location (\$3.8 mil) Swimming Pool Upgrade (\$1.0mil – 13/14) CBD Master Plan (\$1.8mil) Accelerated Road Funding (\$4mil) (12/13, 14/15, 16/17, 18/19)	<b><u>Revenue/ Funding Assumptions:</u></b> Financial Assistance Grant – 4% per annum except for 14-15 with a 20% increase Roads to Recovery – 25% Increase in 14-15

The base case scenario is the original Long Term Financial Plan adjusted to include the new budgeted figures for the 2011-12 financial year. These budgeted figures were prepared in line with an organisation wide review of all operational expenditure which resulted in reasonably significant savings. Of particular note are the reductions in expenditure in the economic development area and a significant decrease in depreciation due to both a review in service levels and replacement cost unit rates.

This review also targeted a reduction in training costs, a reduction in overtime wages and a review of the wage on-costing policy on all capital works.

The base case scenario included a significant commitment to future capital works related to the co-location of Administration Staff and the co-location of Community Services staff. These two projects constituted an estimated \$9.1 million in additional capital expenditure which based on the letter from the Division of Local Government (referred to above) was not affordable. For this reason – the base case scenario (and the original Long Term Financial Plan) was disregarded.

<b>Scenario: 1</b>	
<b><u>Capital expenditure:</u></b> Community Services Co-location (\$3.8 mil) Swimming Pool Upgrade (\$1.0mil – 13/14) CBD Master Plan (\$1.8mil) Accelerated Road Funding (\$4mil) (12/13, 14/15, 16/17, 18/19)	<b><u>Revenue/ Funding Assumptions:</u></b> Financial Assistance Grant – 4% per annum except for 14-15 with a 20% increase Roads to Recovery – 25% Increase in 14-15

Scenario 1 only varies slightly from the Base case, in that all the same assumptions were applied and the only adjustment is the removal of the Administrative Staff co-location. The effect of the removal of this significant capital project was to improve the bottom line through a reduction in interest payable on the loan funding for the co-location.

This scenario was disregarded as it was evident that the bottom line had not improved sufficiently and that there was still likely to be cash flow issues due to the remaining loan and interest repayments for other capital projects.

<b>Scenario: 2</b>	
<b><u>Capital expenditure:</u></b> Swimming Pool Upgrade (\$1.0mil – 13/14) CBD Master Plan (\$1.8mil) Accelerated Road Funding (\$4mil) (12/13, 14/15, 16/17, 18/19)	<b><u>Revenue/ Funding Assumptions:</u></b> Financial Assistance Grant – 4% per annum except for 14-15 with a 20% increase Roads to Recovery – 25% Increase in 14-15

Scenario 2 builds on Scenario 1 by removing the Community Services co-location. This further improves the bottom line and the cash flow situation. However, this scenario still commits \$1million for the Swimming Pool Upgrade prior to the confirmation of any Financial Assistance Grant or Roads to Recovery grant funding. If these increases were not realised Council will be in a difficult position and for this reason it would not be good management to commit to this capital expenditure prior to the capital funding being secured. Therefore, a Scenario Three (3) was developed, where the swimming pool upgrade was moved forward one year (from 2013/14 to 2014/15).

<b>Scenario: 3</b>	
<b><u>Capital expenditure:</u></b> Swimming Pool Upgrade (\$1.0mil) <b>(Moved forward 1 year to 14/15)</b> CBD Master Plan (\$1.8mil) Accelerated Road Funding (\$4mil) (12/13, 14/15, 16/17, 18/19)	<b><u>Revenue/ Funding Assumptions:</u></b> Financial Assistance Grant – 4% per annum except for 14-15 with a 20% increase Roads to Recovery – 25% Increase in 14-15

Scenario 3 was developed by adapting Scenario 2 to provide flexibility in respect of the Swimming Pool Upgrade and by moving the project forward one year. At this stage Council is likely to have had confirmation of what Grant Funding increase can be expected. This will provide Council with the ability to make a decision in this year as to whether the Swimming Pool project will be affordable.

<b>Scenario: 4</b>	
<b><u>Capital expenditure:</u></b> Swimming Pool Upgrade (\$1.0mil – 13/14) CBD Master Plan (\$1.8mil) Accelerated Road Funding (\$4mil) (12/13, 14/15, 16/17, 18/19)	<b><u>Revenue/ Funding Assumptions:</u></b> Financial Assistance Grant – 4% increase in per annum Roads to Recovery – No increase

Scenario 4 has been developed to show the effect if no (significant) increases in the FAG and R2R grant funding materialise. This should be acknowledged by Council as being a very real possibility. Certainly, the recently announced Commonwealth Budget make provision for both these grants to continue into the future, but there is not a clear indication of the Government increasing the levels of funding to Local Government. This could ultimately depend on the outcome of the current Inquiry into the FAG and the progress that is made with the development of asset management plans nationwide, in order for the Commonwealth Government to assess the roads infrastructure backlog across all Local Government Areas on a “comparing apples with apples” basis. It should be further acknowledged by Council that it would be impossible for Council to be financially sustainable into the future without increased levels of funding from the Commonwealth and/or State Governments. Based on the information that Council is confronted with, it would seem that it is a practical impossibility for Council to, in any particular financial year, have an adequate maintenance budget as well as an adequate asset renewal budget; now and into the future.

<b>Scenario: 5</b>	
<b><u>Capital expenditure:</u></b> Swimming Pool Upgrade (\$1.0mil) <b>(Moved forward 1 year)</b> CBD Master Plan (\$1.8mil) Accelerated Road Funding (\$4mil) (\$1mil in 12/13 funding moved to 20/21.)	<b><u>Revenue/ Funding Assumptions:</u></b> Financial Assistance Grant – 4% per annum except for 14-15 with a 20% increase Roads to Recovery – 25% Increase in 14-15

Scenario 5 has been developed adopting a similar approach than in Scenario Three (3), asking the question whether it would constitute good management to proceed with the \$1million borrowing for Council’s accelerated roads renewal programme in the year before it is known whether Council will in fact receive the (assumed) increases in its FAGs and R2R grant funding. This scenario should be viewed as the most favourable purely on a financial basis; however, the reality is that Council has a backlog of around \$20million on its roads infrastructure network which has reached a point where something out of the ordinary has to be done. If Council is not successful with its LIRS interest subsidy application for the upgrade of Grey Street and the Accelerated Roads Renewal Programme, Council may decide to fall back on this Scenario, or a hybrid thereof?

## **FINANCIAL REPORTING**

The detailed reports at the end of this document are as follows:

- Income Statement, Balance Sheet, Cash Flow Statement and Equity Statement have been provided for the Consolidated Fund, General Fund, Water Fund and Sewer Fund respectively.
- Expected Key Performance Indicators for the Consolidated Budget.



**Financial reports: Income Statement, Balance Sheet, Cash Flow and Equity**

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**INCOME STATEMENT - CONSOLIDATED**  
Scenario: No. 3

Income from Continuing Operations																							
Revenue:																							
Rates & Annual Charges	6,914	7,116	7,695	7,926	8,163	8,408	8,661	8,920	9,188	9,464	9,748	10,040											
User Charges & Fees	2,281	3,871	4,301	4,422	4,548	4,677	4,809	4,946	5,087	5,232	5,379	5,523											
Interest & Investment Revenue	692	611	602	605	608	611	614	617	620	624	627	629											
Other Revenues	1,078	1,417	1,106	1,117	1,137	1,157	1,178	1,199	1,222	1,244	1,268	1,292											
Grants & Contributions provided for Operating Purposes	10,688	9,159	8,912	9,152	10,127	10,406	10,694	10,992	11,300	11,618	11,947	11,967											
Grants & Contributions provided for Capital Purposes	468	147	335	338	361	364	368	383	387	391	396	401											
Other Income:																							
Net gains from the disposal of assets	-	240	31	31	31	31	31	31	31	31	31	31											
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-											
Total Income from Continuing Operations	22,121	22,560	22,982	23,591	24,975	25,654	26,354	27,089	27,834	28,603	29,396	29,882											
Expenses from Continuing Operations																							
Employee Benefits & On-Costs	9,170	9,703	9,985	10,314	10,666	11,030	11,406	11,795	12,197	12,613	13,044	13,465											
Borrowing Costs	516	718	818	953	911	1,024	948	967	897	902	818	727											
Materials & Contracts	5,148	4,647	3,954	4,120	4,286	4,457	4,633	4,814	5,000	5,192	5,389	5,506											
Depreciation & Amortisation	6,433	6,617	4,907	4,907	4,907	4,907	4,894	4,894	4,894	4,894	4,894	4,894											
Impairment	-	-	-	-	-	-	-	-	-	-	-	-											
Other Expenses	2,909	3,705	3,661	3,647	3,720	3,795	3,946	3,948	4,027	4,108	4,268	4,217											
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-											
Net Losses from the Disposal of Assets	17	-	-	-	-	-	-	-	-	-	-	-											
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-											
Total Expenses from Continuing Operations	24,193	25,369	23,324	23,942	24,491	25,213	25,826	26,417	27,015	27,709	28,412	28,808											
Operating Result from Continuing Operations																							
	(2,072)	(2,830)	(342)	(352)	484	441	528	672	819	895	984	1,074											
Discontinued Operations - Profit/(Loss)																							
Net Profit/(Loss) from Discontinued Operations																							
Net Operating Result for the Year																							
	(2,072)	(2,830)	(342)	(352)	484	441	528	672	819	895	984	1,074											
Net Operating Result before Grants and Contributions provided for Capital Purposes																							
	(2,540)	(2,976)	(677)	(669)	123	77	161	289	432	504	589	674											

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**INCOME STATEMENT - GENERAL FUND**  
Scenario: No. 3

Income from Continuing Operations													
Revenue:													
Rates & Annual Charges	5,539	5,667	5,716	5,887	6,064	6,246	6,433	6,626	6,825	7,030	7,241	7,458	
User Charges & Fees	1,562	3,028	3,353	3,447	3,543	3,642	3,743	3,848	3,956	4,067	4,180	4,288	
Interest & Investment Revenue	383	402	395	398	400	402	404	406	409	411	414	415	
Other Revenues	1,072	1,411	1,099	1,110	1,130	1,150	1,171	1,193	1,215	1,238	1,261	1,285	
Grants & Contributions provided for Operating Purposes	10,631	9,102	8,853	9,091	10,084	10,341	10,627	10,923	11,229	11,546	11,873	11,890	
Grants & Contributions provided for Capital Purposes	299	81	266	269	291	294	296	309	312	315	318	321	
Other Income:													
Net gains from the disposal of assets	-	240	31	31	31	31	31	31	31	31	31	31	
Joint Ventures & Associated Entities													
Total Income from Continuing Operations	19,486	19,930	19,715	20,233	21,523	22,106	22,707	23,337	23,977	24,637	25,317	25,687	
Expenses from Continuing Operations													
Employee Benefits & On-Costs	8,711	9,142	9,465	9,778	10,111	10,456	10,813	11,181	11,563	11,957	12,385	12,764	
Borrowing Costs	361	407	462	608	576	701	637	669	614	633	566	492	
Materials & Contracts	3,839	3,626	2,995	3,134	3,272	3,413	3,559	3,708	3,863	4,021	4,185	4,271	
Depreciation & Amortisation	5,583	5,766	4,091	4,091	4,091	4,091	4,077	4,077	4,077	4,077	4,077	4,077	
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	2,605	3,385	3,286	3,268	3,336	3,405	3,551	3,548	3,622	3,697	3,852	3,800	
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-	
Net Losses from the Disposal of Assets	17	-	-	-	-	-	-	-	-	-	-	-	
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses from Continuing Operations	21,116	22,326	20,299	20,878	21,385	22,066	22,636	23,184	23,738	24,386	25,044	25,403	
Operating Result from Continuing Operations													
	(1,630)	(2,396)	(584)	(645)	138	40	71	153	239	251	273	284	
Discontinued Operations – Profit/(Loss)													
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result for the Year													
	(1,630)	(2,396)	(584)	(645)	138	40	71	153	239	251	273	284	
Net Operating Result before Grants and Contributions provided for Capital Purposes													
	(1,929)	(2,477)	(950)	(914)	(153)	(254)	(228)	(166)	(73)	(64)	(46)	(36)	

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**INCOME STATEMENT - WATER FUND**  
Scenario: No. 3

Income from Continuing Operations													
Revenue:													
	295	350	836	861	887	914	941	970	998	1,029	1,059	1,091	
Rates & Annual Charges	701	826	902	929	956	985	1,015	1,045	1,076	1,108	1,142	1,176	
User Charges & Fees	136	112	112	113	113	114	114	115	115	116	116	117	
Interest & Investment Revenue	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenues	20	21	22	22	23	24	24	25	26	27	28	28	
Grants & Contributions provided for Operating Purposes	127	30	30	30	30	31	31	33	33	34	36	36	
Grants & Contributions provided for Capital Purposes													
Other Income:													
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	1,279	1,339	1,902	1,955	2,010	2,067	2,126	2,187	2,249	2,313	2,380	2,448	
Expenses from Continuing Operations													
Employee Benefits & On-Costs	277	312	274	283	293	303	314	324	336	347	359	372	
Borrowing Costs	-	162	213	209	206	202	198	194	189	184	178	172	
Materials & Contracts	695	619	567	584	601	619	637	655	675	694	715	734	
Depreciation & Amortisation	504	504	470	470	470	470	470	470	470	470	470	470	
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	204	205	235	238	241	244	247	251	254	257	260	261	
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-	
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenses from Continuing Operations	1,680	1,802	1,760	1,785	1,811	1,838	1,866	1,894	1,923	1,952	1,982	2,008	
Operating Result from Continuing Operations													
	(401)	(462)	142	170	199	229	260	293	327	361	398	440	
Discontinued Operations - Profit/(Loss)													
Net Profit/(Loss) from Discontinued Operations													
	-	-	-	-	-	-	-	-	-	-	-	-	
Net Operating Result for the Year													
	(401)	(462)	142	170	199	229	260	293	327	361	398	440	
Net Operating Result before Grants and Contributions provided for Capital Purposes													
	(528)	(492)	112	140	169	198	229	260	293	327	362	404	

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**INCOME STATEMENT - SEWER FUND**  
Scenario: No. 3

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	1,080	1,099	1,143	1,177	1,212	1,248	1,286	1,325	1,364	1,405	1,447	1,491
User Charges & Fees	18	17	46	47	48	50	51	53	55	56	58	60
Interest & Investment Revenue	173	96	94	94	95	95	95	96	96	97	97	97
Other Revenues	6	5	7	7	7	7	7	7	7	7	7	7
Grants & Contributions provided for Operating Purposes	37	37	37	38	39	41	42	43	44	46	47	49
Grants & Contributions provided for Capital Purposes	42	36	40	39	39	40	40	41	42	42	42	44
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	1,356	1,280	1,366	1,402	1,441	1,481	1,521	1,565	1,608	1,653	1,699	1,747
Expenses from Continuing Operations												
Employee Benefits & On-Costs	182	249	246	254	262	271	280	289	299	309	319	329
Borrowing Costs	155	149	143	136	129	121	113	104	95	85	74	63
Materials & Contracts	614	402	391	402	414	425	437	450	463	476	490	502
Depreciation & Amortisation	346	347	347	347	347	347	347	347	347	347	347	347
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	100	114	139	141	143	145	147	149	151	154	156	156
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	1,397	1,261	1,265	1,278	1,284	1,309	1,324	1,339	1,354	1,370	1,385	1,396
Operating Result from Continuing Operations												
	(41)	28	100	123	147	172	198	226	254	282	314	351
Discontinued Operations – Profit/(Loss)												
Net Profit/(Loss) from Discontinued Operations												
	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year												
	(41)	28	100	123	147	172	198	226	254	282	314	351
Net Operating Result before Grants and Contributions provided for Capital Purposes												
	(83)	(7)	61	84	107	132	168	184	212	240	271	307

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**BALANCE SHEET - CONSOLIDATED**  
Scenario: No. 3

	Past Year 2010/11	Current Year 2011/12	2012/13	2013/14	2014/15	2015/16	Projected Years				2018/19	2019/20	2020/21	2021/22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>														
<b>Current Assets</b>														
Cash & Cash Equivalents	9,794	8,470	10,464	10,884	11,875	13,290	14,685	15,506	16,877	18,166	19,434	20,603		
Investments	905	679	679	679	679	679	679	679	679	679	679	679		
Receivables	2,001	2,461	2,627	2,695	2,794	2,882	2,971	3,056	3,150	3,244	3,340	3,428		
Inventories	304	332	288	300	313	326	339	352	366	380	395	404		
Other	24	86	78	-	-	-	-	-	-	-	-	-		
Non-current assets classified as "held for sale"	-	21	21	21	21	21	21	21	21	21	21	21		
<b>Total Current Assets</b>	<b>13,028</b>	<b>12,048</b>	<b>14,156</b>	<b>14,579</b>	<b>15,682</b>	<b>17,196</b>	<b>18,684</b>	<b>19,614</b>	<b>21,092</b>	<b>22,489</b>	<b>23,669</b>	<b>25,134</b>		
<b>Non-Current Assets</b>														
Investments	-	226	226	226	226	226	226	226	226	226	226	226		
Receivables	156	160	160	160	160	160	160	160	160	160	160	160		
Inventories	-	-	-	-	-	-	-	-	-	-	-	-		
Infrastructure, Property, Plant & Equipment	267,443	269,117	268,916	267,488	268,281	266,515	265,797	264,646	264,034	262,470	260,949	259,482		
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-		
Investment Property	190	190	190	190	190	190	190	190	190	190	190	190		
Intangible Assets	28	28	28	28	28	28	28	28	28	28	28	28		
Non-current assets classified as "held for sale"	82	62	62	62	62	62	62	62	62	62	62	62		
Other	58	18	17	97	100	103	108	110	114	117	122	123		
<b>Total Non-Current Assets</b>	<b>267,957</b>	<b>269,801</b>	<b>269,598</b>	<b>268,251</b>	<b>269,047</b>	<b>267,284</b>	<b>266,571</b>	<b>265,422</b>	<b>264,813</b>	<b>263,252</b>	<b>261,736</b>	<b>260,270</b>		
<b>TOTAL ASSETS</b>	<b>280,985</b>	<b>281,848</b>	<b>283,755</b>	<b>282,830</b>	<b>284,729</b>	<b>284,480</b>	<b>285,265</b>	<b>285,036</b>	<b>285,905</b>	<b>285,742</b>	<b>285,604</b>	<b>285,405</b>		
<b>LIABILITIES</b>														
<b>Current Liabilities</b>														
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-		
Payables	1,590	1,781	1,629	1,662	1,715	1,769	1,842	1,882	1,941	2,001	2,081	2,096		
Borrowings	313	415	623	655	763	817	941	1,008	1,118	1,201	1,289	1,347		
Provisions	2,144	2,160	2,160	2,180	2,190	2,180	2,180	2,180	2,180	2,180	2,180	2,180		
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total Current Liabilities</b>	<b>4,047</b>	<b>4,377</b>	<b>4,432</b>	<b>4,498</b>	<b>4,659</b>	<b>4,766</b>	<b>4,964</b>	<b>5,071</b>	<b>5,240</b>	<b>5,383</b>	<b>5,550</b>	<b>5,123</b>		
<b>Non-Current Liabilities</b>														
Payables	1	1	1	1	1	1	1	1	1	1	1	1		
Borrowings	6,994	10,379	12,556	11,901	13,138	12,322	12,381	11,372	11,254	10,053	8,764	7,917		
Provisions	362	340	356	372	390	408	408	408	408	408	408	408		
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-		
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total Non-Current Liabilities</b>	<b>7,357</b>	<b>10,720</b>	<b>12,913</b>	<b>12,274</b>	<b>13,529</b>	<b>12,731</b>	<b>12,760</b>	<b>11,782</b>	<b>11,653</b>	<b>10,462</b>	<b>9,174</b>	<b>8,327</b>		
<b>TOTAL LIABILITIES</b>	<b>11,404</b>	<b>15,097</b>	<b>17,345</b>	<b>16,772</b>	<b>18,187</b>	<b>17,497</b>	<b>17,754</b>	<b>16,853</b>	<b>16,903</b>	<b>15,845</b>	<b>14,724</b>	<b>13,450</b>		
<b>Net Assets</b>	<b>269,581</b>	<b>266,751</b>	<b>266,409</b>	<b>266,058</b>	<b>266,542</b>	<b>266,983</b>	<b>267,511</b>	<b>268,183</b>	<b>269,002</b>	<b>269,896</b>	<b>270,880</b>	<b>271,955</b>		
<b>EQUITY</b>														
Retained Earnings	150,012	147,182	146,840	146,489	146,973	147,414	147,942	148,614	149,433	150,327	151,311	152,386		
Revaluation Reserves	119,569	119,569	119,569	119,569	119,569	119,569	119,569	119,569	119,569	119,569	119,569	119,569		
Council Equity Interest	269,581	266,751	266,409	266,058	266,542	266,983	267,511	268,183	269,002	269,896	270,880	271,955		
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total Equity</b>	<b>269,581</b>	<b>266,751</b>	<b>266,409</b>	<b>266,058</b>	<b>266,542</b>	<b>266,983</b>	<b>267,511</b>	<b>268,183</b>	<b>269,002</b>	<b>269,896</b>	<b>270,880</b>	<b>271,955</b>		



Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**BALANCE SHEET - GENERAL FUND**  
Scenario: No. 3

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS													
Current Assets													
Cash & Cash Equivalents	6,264	5,754	8,056	8,482	9,472	10,876	12,242	13,024	14,337	15,551	16,724	17,775	
Investments	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables	1,658	1,977	1,920	1,967	2,044	2,109	2,175	2,237	2,305	2,374	2,444	2,506	
Inventories	304	332	288	300	313	326	339	352	366	380	395	404	
Other	24	86	78	-	-	-	-	-	-	-	-	-	
Non-current assets classified as "held for sale"	-	21	21	21	21	21	21	21	21	21	21	21	
Total Current Assets	8,250	8,168	10,362	10,770	11,849	13,331	14,776	15,634	17,029	18,326	19,584	20,706	
Non-Current Assets													
Investments	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables	156	160	160	160	160	160	160	160	160	160	160	160	
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure, Property, Plant & Equipment	230,005	228,758	228,374	226,819	227,452	225,491	224,556	223,147	222,251	220,371	218,504	216,653	
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	
Investment Property	190	190	190	190	190	190	190	190	190	190	190	190	
Intangible Assets	28	28	28	28	28	28	28	28	28	28	28	28	
Non-current assets classified as "held for sale"	82	62	62	62	62	62	62	62	62	62	62	62	
Other	58	18	17	97	100	103	108	110	114	117	122	123	
Total Non-Current Assets	230,519	229,216	228,830	227,356	227,692	226,034	225,103	223,697	222,803	220,927	218,085	217,215	
TOTAL ASSETS	238,769	237,384	239,192	238,126	239,541	239,365	239,879	239,330	239,833	239,253	238,649	237,920	
LIABILITIES													
Current Liabilities													
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-	
Payables	1,568	1,761	1,608	1,641	1,693	1,747	1,820	1,859	1,917	1,977	2,056	2,070	
Borrowings	216	271	470	493	588	630	741	795	890	956	1,026	1,056	
Provisions	2,144	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	2,180	
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-	
Total Current Liabilities	3,928	4,213	4,259	4,314	4,462	4,557	4,741	4,834	4,988	5,114	5,263	5,009	
Non-Current Liabilities													
Payables	1	1	1	1	1	1	1	1	1	1	1	1	
Borrowings	4,765	5,514	7,843	7,350	8,762	8,132	8,391	7,597	7,707	6,750	5,724	4,965	
Provisions	362	340	356	372	390	408	408	408	408	408	408	408	
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-	
Total Non-Current Liabilities	5,128	5,855	8,200	7,723	9,153	8,542	8,801	8,006	8,116	7,160	6,133	5,375	
TOTAL LIABILITIES	9,056	10,067	12,459	12,038	13,615	13,099	13,542	12,840	13,104	12,273	11,396	10,384	
Net Assets	229,713	227,317	226,733	226,088	226,226	226,266	226,337	226,490	226,729	226,980	227,252	227,537	
EQUITY													
Retained Earnings	125,373	122,977	122,393	121,748	121,886	121,926	121,997	122,150	122,389	122,640	122,912	123,197	
Revaluation Reserves	104,340	104,340	104,340	104,340	104,340	104,340	104,340	104,340	104,340	104,340	104,340	104,340	
Council Equity Interest	229,713	227,317	226,733	226,088	226,226	226,266	226,337	226,490	226,729	226,980	227,252	227,537	
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-	
Total Equity	229,713	227,317	226,733	226,088	226,226	226,266	226,337	226,490	226,729	226,980	227,252	227,537	

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**BALANCE SHEET - WATER FUND**  
Scenario: No. 3

	Past Year 2020/11 \$'000	Current Year 2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	1,988	1,352	1,166	1,202	1,247	1,298	1,364	1,436	1,519	1,612	1,720	1,843
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	246	367	567	584	601	619	638	657	677	697	718	740
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>2,234</b>	<b>1,719</b>	<b>1,733</b>	<b>1,786</b>	<b>1,848</b>	<b>1,918</b>	<b>2,002</b>	<b>2,093</b>	<b>2,196</b>	<b>2,309</b>	<b>2,438</b>	<b>2,582</b>
<b>Non-Current Assets</b>												
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	17,179	20,011	20,095	20,168	20,257	20,365	20,485	20,627	20,785	20,963	21,156	21,370
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>17,179</b>	<b>20,011</b>	<b>20,095</b>	<b>20,168</b>	<b>20,257</b>	<b>20,365</b>	<b>20,485</b>	<b>20,627</b>	<b>20,785</b>	<b>20,963</b>	<b>21,156</b>	<b>21,370</b>
<b>TOTAL ASSETS</b>	<b>19,413</b>	<b>21,729</b>	<b>21,828</b>	<b>21,954</b>	<b>22,105</b>	<b>22,283</b>	<b>22,487</b>	<b>22,720</b>	<b>22,981</b>	<b>23,272</b>	<b>23,594</b>	<b>23,952</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	(1)	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2	43	44	48	52	56	60	65	70	76	82	88
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>2</b>	<b>43</b>	<b>44</b>	<b>48</b>	<b>52</b>	<b>56</b>	<b>60</b>	<b>65</b>	<b>70</b>	<b>76</b>	<b>82</b>	<b>88</b>
<b>Non-Current Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2	2,740	2,695	2,647	2,596	2,540	2,479	2,414	2,344	2,268	2,187	2,098
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>2</b>	<b>2,740</b>	<b>2,695</b>	<b>2,647</b>	<b>2,596</b>	<b>2,540</b>	<b>2,479</b>	<b>2,414</b>	<b>2,344</b>	<b>2,268</b>	<b>2,187</b>	<b>2,098</b>
<b>TOTAL LIABILITIES</b>	<b>4</b>	<b>2,783</b>	<b>2,740</b>	<b>2,695</b>	<b>2,647</b>	<b>2,596</b>	<b>2,540</b>	<b>2,479</b>	<b>2,414</b>	<b>2,344</b>	<b>2,268</b>	<b>2,187</b>
<b>Net Assets</b>	<b>19,409</b>	<b>18,947</b>	<b>19,089</b>	<b>19,259</b>	<b>19,458</b>	<b>19,687</b>	<b>19,947</b>	<b>20,240</b>	<b>20,567</b>	<b>20,928</b>	<b>21,326</b>	<b>21,766</b>
<b>EQUITY</b>												
Retained Earnings	11,931	11,469	11,611	11,781	11,980	12,209	12,469	12,762	13,089	13,450	13,848	14,288
Revaluation Reserves	7,478	7,478	7,478	7,478	7,478	7,478	7,478	7,478	7,478	7,478	7,478	7,478
Council Equity Interest	19,409	18,947	19,089	19,259	19,458	19,687	19,947	20,240	20,567	20,928	21,326	21,766
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>19,409</b>	<b>18,947</b>	<b>19,089</b>	<b>19,259</b>	<b>19,458</b>	<b>19,687</b>	<b>19,947</b>	<b>20,240</b>	<b>20,567</b>	<b>20,928</b>	<b>21,326</b>	<b>21,766</b>

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**BALANCE SHEET - SEWER FUND**  
Scenario: No. 3

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	1,542	1,365	1,242	1,200	1,157	1,115	1,079	1,046	1,021	1,004	990	985
Investments	905	679	679	679	679	679	679	679	679	679	679	679
Receivables	97	117	140	144	149	153	158	163	167	173	178	183
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	2,544	2,161	2,061	2,023	1,984	1,947	1,916	1,887	1,867	1,855	1,846	1,846
Non-Current Assets												
Investments	-	226	226	226	226	226	226	226	226	226	226	226
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	20,259	20,348	20,447	20,501	20,572	20,658	20,757	20,872	20,988	21,135	21,289	21,459
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	20,259	20,574	20,673	20,727	20,798	20,885	20,983	21,089	21,224	21,362	21,515	21,686
TOTAL ASSETS	22,803	22,735	22,734	22,750	22,783	22,832	22,899	22,986	23,091	23,217	23,361	23,532
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	22	20	21	21	22	22	23	23	24	24	25	26
Borrowings	95	101	108	114	123	131	140	149	158	169	180	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	117	121	129	136	145	153	162	172	182	194	206	26
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	2,227	2,126	2,018	1,903	1,780	1,650	1,510	1,361	1,203	1,034	854	854
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	2,227	2,126	2,018	1,903	1,780	1,650	1,510	1,361	1,203	1,034	854	854
TOTAL LIABILITIES	2,344	2,247	2,146	2,039	1,925	1,803	1,672	1,533	1,385	1,228	1,059	879
Net Assets	20,459	20,487	20,588	20,711	20,857	21,029	21,227	21,453	21,706	21,989	22,302	22,653
EQUITY												
Retained Earnings	12,708	12,736	12,837	12,960	13,106	13,278	13,476	13,702	13,955	14,238	14,551	14,902
Revaluation Reserves	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751	7,751
Council Equity Interest	20,459	20,487	20,588	20,711	20,857	21,029	21,227	21,453	21,706	21,989	22,302	22,653
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	20,459	20,487	20,588	20,711	20,857	21,029	21,227	21,453	21,706	21,989	22,302	22,653

**Glen Innes Severn Council**

## 10 Year Financial Plan for the Years ending 30 June 2022

## CASH FLOW STATEMENT - CONSOLIDATED

**Scenario: No. 3**

Cash Flows from Operating Activities												
Receipts:	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Rates & Annual Charges	7,030	7,081	7,512	7,910	8,148	8,392	8,644	8,903	9,170	9,446	9,729	10,021
User Charges & Fees	2,378	3,635	4,213	4,400	4,525	4,785	4,921	5,061	5,205	5,352	5,496	5,646
Interest & Investment Revenue Received	-	543	579	596	593	592	595	605	602	606	610	614
Grants & Contributions	10,279	10,042	9,247	9,484	10,463	10,763	11,054	11,367	11,679	12,001	12,335	12,357
Bonds & Deposits Received	12	-	-	-	-	-	-	-	-	-	-	-
Other	1,342	543	1,223	1,088	1,103	1,122	1,142	1,163	1,184	1,206	1,228	1,251
Payments:												
Employee Benefits & On-Costs	(8,893)	(9,703)	(9,885)	(10,314)	(10,655)	(11,030)	(11,406)	(11,795)	(12,197)	(12,613)	(13,044)	(13,465)
Materials & Contracts	(4,478)	(4,506)	(4,035)	(4,102)	(4,249)	(4,419)	(4,577)	(4,750)	(4,959)	(5,149)	(5,329)	(5,501)
Borrowing Costs	(566)	(703)	(602)	(936)	(693)	(1,005)	(946)	(967)	(897)	(902)	(819)	(727)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(2,990)	(3,693)	(3,649)	(3,635)	(3,706)	(3,782)	(3,933)	(3,935)	(4,014)	(4,094)	(4,254)	(4,203)
Net Cash provided for (used in) Operating Activities	4,805	3,240	4,284	4,491	5,316	5,296	5,357	5,473	5,629	5,705	5,811	5,853
Cash Flows from Investing Activities												
Receipts:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	145	584	182	192	192	192	192	192	192	192	192	192
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(4,249)	(6,635)	(4,867)	(3,643)	(5,581)	(3,301)	(4,337)	(3,903)	(4,442)	(3,450)	(3,333)	(3,584)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(53)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided for (used in) Investing Activities	(4,154)	(8,051)	(4,675)	(3,445)	(5,669)	(3,109)	(4,149)	(3,711)	(4,220)	(3,286)	(3,341)	(3,366)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	3,860	2,800	-	2,000	-	1,000	-	1,000	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(331)	(372)	(415)	(623)	(655)	(763)	(817)	(941)	(1,006)	(1,116)	(1,201)	(1,289)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(331)	3,487	2,385	(623)	1,345	(763)	183	(941)	(8)	(1,116)	(1,201)	(1,289)
Net Increase/(Decrease) in Cash & Cash Equivalents	320	(1,324)	1,994	420	991	1,414	1,395	821	1,371	1,289	1,288	1,169
plus: Cash, Cash Equivalents & Investments - beginning of year	9,474	9,794	8,470	10,464	10,864	11,875	13,290	14,685	15,506	16,877	18,166	19,434
Cash & Cash Equivalents - end of the year	9,794	8,470	10,464	10,884	11,875	13,290	14,685	15,506	16,877	18,166	19,434	20,603
Cash & Cash Equivalents & Investments - end of the year												
Cash & Cash Equivalents - end of the year	9,784	8,470	10,464	10,884	11,875	13,290	14,685	15,506	16,877	18,166	19,434	20,603
Investments - end of the year	905	905	905	905	905	905	905	905	905	905	905	905
Cash, Cash Equivalents & Investments - end of the year	10,689	9,375	11,369	11,789	12,780	14,195	15,580	16,411	17,782	19,071	20,339	21,508
Representing:												
- External Restrictions	7,037	6,311	7,725	7,480	7,287	7,725	8,238	8,780	9,364	9,988	10,657	11,271
- Internal Restrictions	3,946	3,904	4,574	5,379	6,126	7,613	8,162	8,221	8,711	9,311	9,394	9,559
- Unrestricted	116	(845)	(932)	(1,070)	(632)	(1,144)	(809)	(159)	(253)	(44)	288	578
Net Cash Flow provided (used in) Investing Activities	10,689	9,375	11,369	11,789	12,780	14,195	15,580	16,411	17,782	19,071	20,339	21,508

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
CASH FLOW STATEMENT - GENERAL FUND  
Scenario: No. 3

	Past Year 2020/21	Current Year 2021/22	2021/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Cash Flows from Operating Activities</b>										
Receipts:										
Rates & Annual Charges	7,030	5,577	5,715	5,885	6,061	6,243	6,430	6,623	6,822	7,027
User Charges & Fees	2,378	2,989	3,306	3,433	3,529	3,627	3,728	3,833	3,940	4,047
Interest & Investment Revenue Received	631	334	373	369	385	393	395	394	390	397
Grants & Contributions	10,279	9,919	9,119	9,354	10,331	10,628	10,917	11,225	11,534	11,853
Bonds & Deposits Received	12	-	-	-	-	-	-	-	-	-
Other	1,342	538	1,216	1,081	1,096	1,116	1,136	1,156	1,177	1,199
Payments:										
Employee Benefits & On-Costs	(8,893)	(9,142)	(9,465)	(9,778)	(10,111)	(10,456)	(10,813)	(11,181)	(11,563)	(11,957)
Materials & Contracts	(4,478)	(3,483)	(3,095)	(3,116)	(3,235)	(3,375)	(3,529)	(3,698)	(3,879)	(4,074)
Borrowing Costs	(506)	(393)	(447)	(591)	(558)	(683)	(637)	(669)	(614)	(633)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-
Other	(2,950)	(3,373)	(3,274)	(3,256)	(3,323)	(3,392)	(3,538)	(3,635)	(3,698)	(3,838)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>4,805</b>	<b>2,966</b>	<b>3,448</b>	<b>3,401</b>	<b>4,175</b>	<b>4,091</b>	<b>4,105</b>	<b>4,161</b>	<b>4,257</b>	<b>4,308</b>
<b>Cash Flows from Investing Activities</b>										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	145	584	192	162	192	192	192	192	192	192
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Payments:										
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(4,246)	(4,864)	(3,966)	(2,697)	(4,894)	(2,250)	(3,352)	(2,829)	(3,341)	(2,358)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(53)	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(4,104)</b>	<b>(4,280)</b>	<b>(3,874)</b>	<b>(2,823)</b>	<b>(4,697)</b>	<b>(2,094)</b>	<b>(3,110)</b>	<b>(2,837)</b>	<b>(3,149)</b>	<b>(2,178)</b>
<b>Cash Flows from Financing Activities</b>										
Receipts:										
Proceeds from Borrowings & Advances	-	1,050	2,800	-	2,000	-	1,000	-	1,000	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(331)	(246)	(271)	(470)	(493)	(546)	(630)	(741)	(754)	(890)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(331)</b>	<b>804</b>	<b>2,529</b>	<b>(470)</b>	<b>1,507</b>	<b>(546)</b>	<b>370</b>	<b>(741)</b>	<b>205</b>	<b>(890)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>320</b>	<b>(510)</b>	<b>2,302</b>	<b>426</b>	<b>990</b>	<b>1,404</b>	<b>1,365</b>	<b>783</b>	<b>1,213</b>	<b>1,051</b>
plus: Cash, Cash Equivalents & Investments - beginning of year	9,474	6,264	5,754	8,056	8,482	9,472	10,876	12,242	13,024	14,337
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>9,794</b>	<b>5,754</b>	<b>8,056</b>	<b>8,482</b>	<b>9,472</b>	<b>10,876</b>	<b>12,242</b>	<b>13,024</b>	<b>14,337</b>	<b>15,388</b>
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>9,794</b>	<b>5,754</b>	<b>8,056</b>	<b>8,482</b>	<b>9,472</b>	<b>10,876</b>	<b>12,242</b>	<b>13,024</b>	<b>14,337</b>	<b>15,388</b>
<b>Investments - end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>9,794</b>	<b>5,754</b>	<b>8,056</b>	<b>8,482</b>	<b>9,472</b>	<b>10,876</b>	<b>12,242</b>	<b>13,024</b>	<b>14,337</b>	<b>15,388</b>
<b>Representing:</b>										
- External Restrictions	2,602	2,690	4,412	4,173	3,978	4,407	4,889	5,393	5,919	6,468
- Internal Restrictions	3,646	3,904	4,574	5,379	6,126	7,613	8,162	8,221	8,711	9,131
- Unrestricted	9,794	5,754	8,056	8,482	9,472	10,876	12,242	13,024	14,337	15,388

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
CASH FLOW STATEMENT - WATER FUND  
Scenario: No. 3

	Past Year 2010/11 \$'000	Current Year 2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	Projected Years 2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
<b>Cash Flows from Operating Activities</b>												
Receipts:												
Rates & Annual Charges	-	427	658	852	878	904	931	959	988	1,018	1,048	1,080
User Charges & Fees	-	628	890	921	948	977	1,006	1,036	1,067	1,099	1,132	1,166
Interest & Investment Revenue Received	-	112	112	113	113	114	114	115	115	116	116	117
Grants & Contributions	-	51	51	52	53	55	56	58	59	61	63	64
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Employees Benefits & On-Costs	-	(312)	(274)	(283)	(293)	(303)	(314)	(324)	(336)	(347)	(359)	(372)
Materials & Contracts	-	(618)	(667)	(684)	(691)	(699)	(707)	(715)	(723)	(731)	(739)	(754)
Borrowing Costs	-	(162)	(213)	(209)	(206)	(202)	(198)	(194)	(189)	(184)	(178)	(172)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(205)	(235)	(238)	(241)	(244)	(247)	(251)	(254)	(257)	(260)	(261)
<b>Net Cash provided (or used in) Operating Activities</b>	-	(170)	412	623	652	681	712	744	777	811	847	888
<b>Cash Flows from Investing Activities</b>												
Receipts:												
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(3,336)	(455)	(543)	(559)	(578)	(590)	(612)	(629)	(646)	(663)	(684)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(3,336)	(455)	(543)	(559)	(578)	(590)	(612)	(629)	(646)	(663)	(684)
<b>Cash Flows from Financing Activities</b>												
Receipts:												
Proceeds from Borrowings & Advances	-	2,810	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(32)	(43)	(44)	(48)	(52)	(56)	(60)	(65)	(70)	(75)	(82)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	2,778	(43)	(44)	(48)	(52)	(56)	(60)	(65)	(70)	(75)	(82)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	(636)	(185)	36	45	51	66	72	83	93	108	123
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	1,988	1,352	1,166	1,202	1,247	1,298	1,364	1,436	1,519	1,612	1,720
<b>Cash &amp; Cash Equivalents - end of the year</b>	-	1,352	1,166	1,202	1,247	1,298	1,364	1,436	1,519	1,612	1,720	1,843
<b>Cash &amp; Cash Equivalents - end of the year</b>	-	1,352	1,166	1,202	1,247	1,298	1,364	1,436	1,519	1,612	1,720	1,843
<b>Representing:</b>												
- External Restrictions	1,988	963	906	892	890	900	928	968	1,024	1,096	1,190	1,304
- Internal Restrictions	-	-	-	-	-	-	-	-	-	-	-	-
- Unrestricted	(1,988)	389	260	310	357	399	436	468	495	516	531	539
	-	1,352	1,166	1,202	1,247	1,298	1,364	1,436	1,519	1,612	1,720	1,843

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Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
EQUITY STATEMENT - CONSOLIDATED  
Scenario: No. 3

	Past Year 2010/11 \$'000	Current Year 2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	Projected Years				2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Opening Balance	253,023	269,581	266,751	266,409	266,058	266,542	266,983	267,511	268,183	269,002	269,896	270,880				
a. Current Year Income & Expenses Recognised direct to Equity																
- Transfers to/(from) Asset Revaluation Reserve	18,630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Transfers to/(from) Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Income/Expenses recognised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income Recognised Directly in Equity	18,630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b. Net Operating Result for the Year	(2,072)	(2,830)	(342)	(352)	484	441	528	672	819	895	984	1,074				
Total Recognised Income & Expenses (c&d)	16,558	(2,830)	(342)	(352)	484	441	528	672	819	895	984	1,074				
c. Distributions to/(Contributions from) Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	269,581	266,751	266,409	266,058	266,542	266,983	267,511	268,183	269,002	269,896	270,880	271,955				

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
EQUITY STATEMENT - GENERAL FUND  
Scenario: No. 3

	Past Year 2010/11 \$'000	Current Year 2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	Projected Years				2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
Opening Balance	212,418	229,713	227,317	226,733	226,088	226,226	226,266	226,337	226,490	226,729	226,980	227,252	
a. Current Year Income & Expenses Recognised direct to Equity													
- Transfers to/(from) Asset Revaluation Reserve	17,504	-	-	-	-	-	-	-	-	-	-	-	-
- Transfers to/(from) Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Income/Expenses recognised	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Adjustments	1,421	-	-	-	-	-	-	-	-	-	-	-	-
Net Income Recognised Directly in Equity	18,925	-	-	-	-	-	-	-	-	-	-	-	-
b. Net Operating Result for the Year	(1,630)	(2,396)	(584)	(645)	138	40	71	153	239	251	273	284	
Total Recognised Income & Expenses (c&d)	17,295	(2,396)	(584)	(645)	138	40	71	153	239	251	273	284	
c. Distributions to/(Contributions from) Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity - Balance at end of the reporting period	229,713	227,317	226,733	226,088	226,226	226,266	226,337	226,480	226,729	226,980	227,252	227,637	

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**EQUITY STATEMENT - WATER FUND**  
Scenario: No. 3

	Past Year 2010/11 \$'000	Current Year 2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
<b>Opening Balance</b>	19,751	19,409	18,947	19,089	19,259	19,458	19,687	19,947	20,240	20,567	20,928	21,328
a. Current Year Income & Expenses Recognised direct to Equity												
- Transfers to/(from) Asset Revaluation Reserve	229	-	-	-	-	-	-	-	-	-	-	-
- Transfers to/(from) Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
- Other Income/Expenses recognised	-	-	-	-	-	-	-	-	-	-	-	-
- Other Adjustments	(170)	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income Recognised Directly in Equity</b>	<b>59</b>	-	-	-	-	-	-	-	-	-	-	-
b. Net Operating Result for the Year	(401)	(462)	142	170	199	229	260	293	327	361	398	440
<b>Total Recognised Income &amp; Expenses (c&amp;d)</b>	<b>(342)</b>	<b>(462)</b>	<b>142</b>	<b>170</b>	<b>199</b>	<b>229</b>	<b>260</b>	<b>293</b>	<b>327</b>	<b>361</b>	<b>398</b>	<b>440</b>
c. Distributions to/(Contributions from) Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
d. Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>	<b>19,409</b>	<b>18,947</b>	<b>19,089</b>	<b>19,259</b>	<b>19,458</b>	<b>19,687</b>	<b>19,947</b>	<b>20,240</b>	<b>20,567</b>	<b>20,928</b>	<b>21,326</b>	<b>21,766</b>

Glen Innes Severn Council  
10 Year Financial Plan for the Years ending 30 June 2022  
**EQUITY STATEMENT - SEWER FUND**  
Scenario: No. 3

	Past Year 2010/11 \$'000	Current Year 2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	Projected Years				2019/20 \$'000	2020/21 \$'000	2021/22 \$'000
<b>Opening Balance</b>	20,854	20,459	20,487	20,588	20,711	20,857	21,029	21,227	21,453	21,706	21,989	22,302	22,302
a. Current Year Income & Expenses Recognised direct to Equity													
- Transfers to/(from) Asset Revaluation Reserve	897	-	-	-	-	-	-	-	-	-	-	-	-
- Transfers to/(from) Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Income/Expenses recognised	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Adjustments	(1,251)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income Recognised Directly In Equity</b>	(354)	-	-	-	-	-	-	-	-	-	-	-	-
b. Net Operating Result for the Year	(41)	28	100	123	147	172	198	226	254	282	314	351	351
<b>Total Recognised Income &amp; Expenses (c&amp;d)</b>	(395)	28	100	123	147	172	198	226	254	282	314	351	351
c. Distributions to/(Contributions from) Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-	-
d. Transfers between Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>	<b>20,459</b>	<b>20,487</b>	<b>20,588</b>	<b>20,711</b>	<b>20,857</b>	<b>21,029</b>	<b>21,227</b>	<b>21,453</b>	<b>21,706</b>	<b>21,989</b>	<b>22,302</b>	<b>22,653</b>	<b>22,653</b>

## 10 Year Financial Plan for the Years ending 30 June 2022

### Scenario: No. 3

[illegible]