District Council of Mount Remarkable

Long Term Financial Plan

2015/16 – 2024/25

August 2015

Endorsed by Council for public consultation at its meeting held on 18 August 2015

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1. Introduction

The purpose of this long-term financial plan (LTFP) is to express, in financial terms, the activities that the District Council of Mount Remarkable (Council) proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Strategic Management Plan.

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

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

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

2. Strategic Direction

The District Council of Mount Remarkable acknowledges that a balanced, robust and well developed set of objectives will serve the Council and community well.

Respected, Responsive, Open and Effective Leadership

With visionary, respected and strong leadership, Council will be in a position to successfully develop constructive partnerships with other levels of government and our communities, to ensure our aspirations are met and our futures are secured.

Accountable, Secure and Sustainable Organisation

It is Council's responsibility to represent the interests of its ratepayers and residents and to efficiently and effectively provide a range of services and facilities. An adequately financed organisation with skilled and qualified employees is required to undertake these duties, over a variety of time periods.

It is equally important that Council delivers "best value" to ratepayers and to other levels of government. It is in the interests of our communities that Council not only be well resourced and financially sustainable in the long term, but that it is continually accountable to all stakeholders.

Growing Prosperity

Our residents and ratepayers enjoy and expect ongoing access to a high level of facilities and services in their communities and high standards of living. For this to continue we require growth in the local and regional economies, jobs and populations.

Building Communities and Fostering Creativity

To survive, compete and grow in the modern world we require creative and entrepreneurial people, businesses and communities. With new people, new jobs, new ideas and new enthusiasm our communities will be well placed to "get through the tough times" and stake claims as desirable residential, work and holiday locations.

Attaining Sustainability

There is strong evidence, now accepted by the broader community, that mankind's population growth, industrial expansion and resources use is contributing to climate change and will ultimately make the planet an unfriendly environment for us. We have a duty as custodians for future generations to ensure our environments are healthy and our ways of life are sustainable. We must alter our activities to stop further damage to the environment, and adjust our behaviours and lifestyles accordingly.

Developing the Foundation for Our Future

A range of reliable infrastructure is required to cater for the current and future transportation, communication, water, electricity and quality of life needs of our residents, businesses and communities. We acknowledge that Council has a leadership role in encouraging the adoption of alternative technologies and sharing of facilities and resources, to deliver infrastructure and services in a sustainable and environmentally sensitive manner.

Improving Wellbeing

Members of our District highly value the fact that their communities have low crime rates; they have a good range of essential and emergency services; lifestyles are healthy with high participation rates in sport and ready access to attractive natural environments; they have numerous opportunities for socialising; and they can rely on neighbours and friends in times of need. It is important that these lifestyle advantages are maintained by continuing to provide a safe and healthy local environment.

3. Financial Strategy

The LTFP is based on Councils current operating service levels as well as projected capital renewal expenditure obtained from Councils existing asset databases and asset management. The following is a summary of the financial strategy that will be used by Council to guide its decision making such that it maintains its current financially sustainable outlook.

- Community Wastewater Management Schemes (CWMS) service charges are set at an appropriate level to ensure whole of life costs are recovered.
- Waste management user charges are set at an appropriate level to ensure the full cost of providing these services is recovered from those who benefit from the service.
- Council will continue to review service delivery to the community to identify any further opportunities to reduce operating costs due to increased operating efficiencies. This will be an ongoing objective for management to ensure the maximum benefit to the community per dollar of rates.
- Grant revenue will be targeted in a strategic manner. This means that grant revenue to build new assets would only be pursued and accepted if the new assets were deemed to be consistent with Councils Strategic Objectives particularly if additional funding was required to be contributed by Council. Where an operating grant is sought and additional Council funds are required to be contributed, then careful consideration will be given to long-run benefits and costs. This will ensure activities that may better fit Council's strategic objectives are not being delayed in lieu of the activity being funded by the grant.
- Cash Reserves will be maintained at a minimum level of $2M throughout the 10 years of this plan.
- The Wirrabara CWMS has not been included in this plan. When the project is accurately costed the revenue and expenses associated will be built into the next iteration of this plan.
- The LTFP will be updated at any time that significant projects are being considered to ensure that any debt to be incurred will have a revenue stream identified that will facilitate its repayment.
- The LTFP will be updated annually as either part of the budget setting process or as soon as practical after the Annual Business Plan / Annual Budget has been adopted.

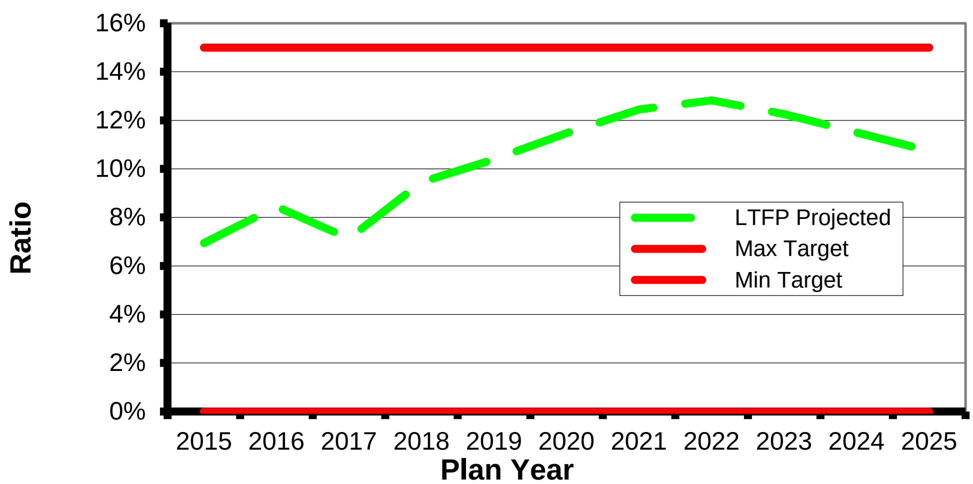
4. Key Assumptions

The following assumptions have been built into the forecast calculations:

- The content of the LTFP is based on real (2015-16) dollar values for all future years to facilitate comparisons between years;
- Forecast debt and cash reserves in future years have been discounted by 2%p.a. in recognition of the fact that inflation reduces the real value of financial assets and liabilities;
- Commonwealth Financial Assistance Grant (FAGs) revenue is not expected to vary over the planning period. Timing of receipt of FAGs revenue has been assumed to be quarterly four times each year; this assumption may well change in future iterations depending upon federal government policy and budgeting developments relating to this area.
- Capital expenditure on road renewal has been determined based on recently collected asset data that has been verified by an independent engineer. The annual capital spend on roads has been smoothed across the 10 year period to an average annual spend of $1.2M.
- Capital expenditure on all other classes is consistent with capital renewals as identified in Councils' asset management plans. An additional $40k per annum has been included in buildings to be spent on an as needs basis to recognise that unexpected work is often required with these assets.
- Minimal new assets will be constructed;
- Salaries and wages have been increased by 1% per annum in real terms

5. Long-Term Financial Sustainability - Key Financial Indicators

Indicator 1 - Operating Surplus Ratio



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2124	2125
Operating Surplus Ratio	7%	8%	7%	9%	10%	11%	12%	13%	12%	12%	11%
Target Min	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Target Max	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of general and other rates.

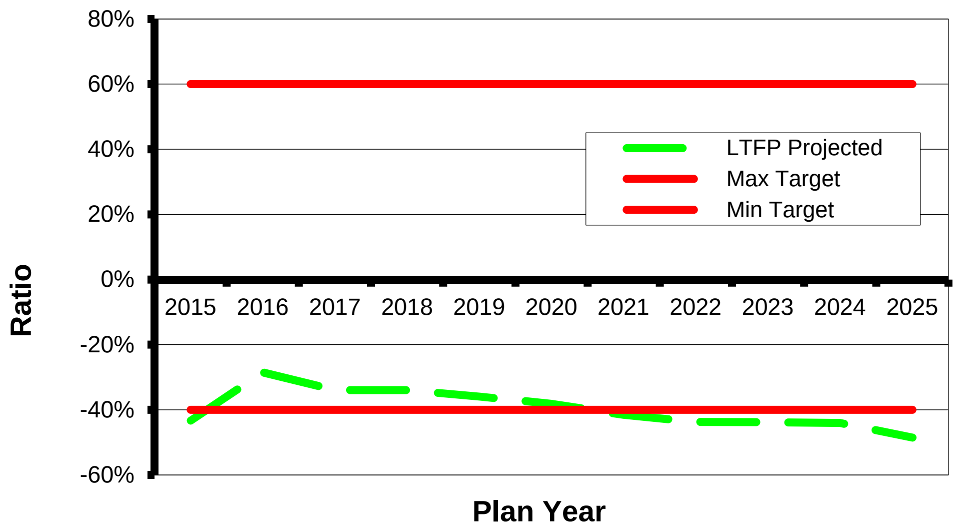
Calculated as: (Operating revenue minus operating expense) divided by total operating revenue

The Operating Surplus Ratio answers the following question:

"Is Council covering its operating expenditure and depreciation charge from its operating revenue?'

As the operating surplus ratio is above 0% it indicates that the answer to this question is yes.

Indicator 2 - Net Financial Liabilities Ratio



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2124	2125
Net Financial Liabilities Ratio	-43%	-29%	-34%	-34%	-36%	-38%	-42%	-44%	-44%	-44%	-48%
Target Min	-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%
Target Max	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

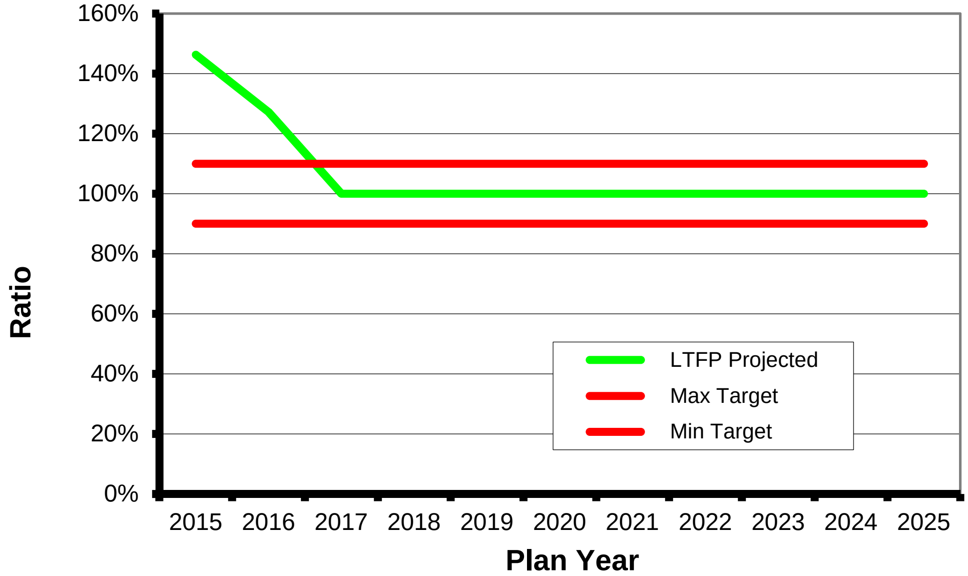
Net financial liabilities is a comprehensive measure of the indebtedness of the Council as it includes items such as employee long-service leave entitlements and other amounts payable as well as taking account of the level of Council's available cash and investments. Specifically Net Financial Liabilities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

The Net Financial Liabilities Ratio answers the following question:
"Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?"

As Council is in a negative net financial liabilities situation this means Council has more cash in the bank than it owes in debt and other liabilities. Accordingly Council can answer yes to this question.

In dollar terms cash on hand is forecast to be $2.4M at the end of the 2016-17 year increasing to $3.0M by the end of the 2024-25 year. This indicates that Council is in a position to take on additional projects. It is anticipated that projects will arise that will require significant capital to deliver. Future iterations of this plan will incorporate these projects as they eventuate and accurate costing become available. At this stage only known expenditure commitments have been incorporated into the plan.

Indicator 3 - Asset Sustainability Ratio



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2124	2125
Asset Sustainability Ratio	146%	127%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Target Min	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Target Max	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%

The Asset Sustainability Ratio is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure determined by Councils' asset management data.

The question the Asset Sustainability Ratio answers is:

"Is Council replacing its assets at the same rate the assets are wearing out?"

The answer is again yes as the consistent outcome of 100% indicates that assets are being renewed at the rate required by Councils' asset management plans.

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

The Mount Remarkable Council currently has in place asset data bases for its roads network as well as plant & equipment. Further to this, Council has developed asset management plans for all of its classes of assets. The capital expenditure programs from these plans are fully funded; accordingly a result of 100% is achieved throughout the life of the plan for this ratio.

It is important to understand the difference between new/upgraded assets and renewal/ replacement assets. Only expenditure on renewal/replacement is included in the calculation of the asset renewal funding ratio. Minimal capital expenditure has been included in this plan to fund the construction of new assets. Refer to the glossary for a full definition of new/upgraded assets and renewal/replacement assets.

Council is Financially Sustainable

A Council’s long-term financial performance and position is sustainable

- where planned long-term service and infrastructure levels and standards are met
- without unplanned increases in rates or disruptive cuts to services

As Council has answered yes to the three questions tested by the three key financial indicators for all years throughout the plan it has demonstrated that Council is operating in a financially sustainable manner both in the short term as well as the medium to long term.

Yes, Yes & Yes

- ✓ ***“Is Council covering its operating expenditure and depreciation charge from its operating revenue?***
- ✓ ***“Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?”***
- ✓ ***“Is Council replacing its assets at the same rate the assets are wearing out?”***

6. Statement of Uniform Presentation of Finances

The Statement of Uniform Presentation of Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council’s finances at a strategic level.
Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations.
The Summary of Financial Position report highlights the operating surplus / (deficit) measure which is considered the most critical indicator of a Council's financial performance.
The last line or rather the result of this report is the movement in Net Financial Liabilities (Net Lending / Borrowing) for the year based on Council’s planned capital and operating budgets for that year.
Achieving a zero result on the net lending / (borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

New / Upgraded vs Renewal / Replacement of Assets

A clear understanding of the difference between expenditure incurred to renew or replace existing assets and expenditure incurred to create new or upgraded assets is essential in order to understand the strategic relevance of the Statement of Uniform Presentation of Finances.
The following definitions have been obtained from the South Australian Local Government Model Financial Statements (see http://www.lga.sa.gov.au/site/page.cfm?u=769#e4291).
A *new asset* is additional to Council’s previous asset complement.
E.g. Roads constructed as part of a Council owned subdivision are new assets. Similarly laying footpaths in areas where they did not previously exist are also new assets.
An *upgraded asset* replaces a previously existing asset with enhanced capability or functionality.
Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.
It is possible for capital expenditure to be a *combination of renewal as well as upgrade*. This is particularly prevalent in this Council region due to the increased volume of B-double traffic experienced in recent times. This has required existing roads to be rebuilt to higher standards.
E.g. the replacement of a road that was initially was a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade.

The important point to understand is that if Council is not able to replace its existing assets in a timely manner then new assets should not be built unless less essential. By building new assets Council is effectively building new liabilities as the assets usually don’t generate revenue (e.g. roads) cannot be sold and will need to be maintained and eventually replaced.

Statement of Uniform Presentation of Finances

Year Ending 30 June:	2015 Year 0 Forecast $'000	2016 Year 1 Budget $'000	2017 Year 2 Plan $'000	2018 Year 3 Plan $'000	2019 Year 4 Plan $'000	2020 Year 5 Plan $'000	2021 Year 6 Plan $'000	2022 Year 7 Plan $'000	2023 Year 8 Plan $'000	2024 Year 9 Plan $'000	2025 Year 10 Plan $'000
Section 1:											
Operating Revenues	6,649	6,685	6,477	6,578	6,637	6,703	6,737	6,778	6,784	6,785	6,785
less Operating Expenses	6,457	6,439	6,263	6,286	6,309	6,333	6,332	6,357	6,382	6,407	6,432
Operating Surplus/(Deficit) before Capital Amounts	**192**	**246**	**214**	**292**	**328**	**369**	**405**	**421**	**403**	**378**	**353**
Section 2:											
LESS: Net Outlays on Existing Assets											
Capital Expenditure on Renewal or Replacement of Existing Assets	2,779	2,064	1,756	2,082	1,995	1,974	1,984	1,981	2,070	2,039	1,620
less Depreciation, Amortisation & Impairment	(1,900)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)	(1,623)
less Proceeds from Sale of Replaced Assets	(62)	(104)	(243)	(240)	(235)	(195)	(245)	(150)	(106)	(110)	0
Net Outlays on Existing Assets	**817**	**337**	**(110)**	**219**	**137**	**156**	**116**	**208**	**341**	**306**	**(3)**
Section 3:											
LESS: Net Outlays on New or Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	1,583	1,325	0	0	0	0	0	0	0	0	0
less Amounts Specifically for New/Upgraded Assets	0	(355)	0	0	0	0	0	0	0	0	0
less Proceeds from Sale of Surplus Assets	0	0	0	0	0	0	0	0	0	0	0
Net Outlays on New or Upgraded Assets	**1,583**	**970**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Section 4:											
EQUALS: Net Lending / (Borrowing) for Financial Year	**(2,208)**	**(1,061)**	**324**	**73**	**191**	**214**	**289**	**213**	**62**	**72**	**356**

Statement of Uniform Presentation of Finances con't

The 'Net Lending / (Borrowings) for the Financial Year', represents the movement in Councils' net financial liabilities from one year to the next.
If the result for any given year is in brackets then this identifies the amount of cash that is required to fund the capital and operating expenditure budgets after taking into account all available cash inflows for the year. Such a result would lead to a reduction in cash at bank or an increase in debt.
Alternatively any amounts that are not in brackets identify the amount of money that is surplus to Councils needs for the year as the forecast cash inflows would be greater than the forecast operating and capital expenditure requirements. Such a result would lead to an increase in cash at bank or a reduction in debt.
The above report shows that from 2017 onwards Council is consistently building up its net financial assets which will allow it to take on additional projects to maintain or increase the range and level of service Council provides to the community.

Explanation / Examples of Components of Summary of Financial Position

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

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

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

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

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

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

Appendix A – Financial Statements

Statement of Comprehensive Income

Year Ending 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Year 0 Forecast	Year 1 Budget	Year 2 Plan	Year 3 Plan	Year 4 Plan	Year 5 Plan	Year 6 Plan	Year 7 Plan	Year 8 Plan	Year 9 Plan	Year 10 Plan
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income											
Rates	2,856	2,996	3,086	3,178	3,242	3,307	3,340	3,373	3,373	3,373	3,373
Statutory charges	91	83	83	83	83	83	83	83	83	83	83
User charges	565	572	572	572	572	572	572	572	572	572	572
Grants, subsidies and contributions	2,684	2,735	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475	2,475
Investment income	184	125	87	96	91	91	93	100	107	107	108
Reimbursements	120	76	76	76	76	76	76	76	76	76	76
Other income	149	98	98	98	98	98	98	98	98	98	98
Total Operating Revenue	**6,649**	**6,685**	**6,477**	**6,578**	**6,637**	**6,703**	**6,737**	**6,778**	**6,784**	**6,785**	**6,785**
Expenses											
Employee Costs	2,036	2,354	2,378	2,402	2,426	2,450	2,475	2,499	2,524	2,550	2,575
Material, Contractors & Other	2,460	2,434	2,234	2,234	2,234	2,234	2,234	2,234	2,234	2,234	2,234
Depreciation, Amortisation & Impairment	1,900	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623
Finance Charges	61	28	27	27	26	26	0	0	0	0	0
Total Operating Expenses	**6,457**	**6,439**	**6,263**	**6,286**	**6,309**	**6,333**	**6,332**	**6,357**	**6,382**	**6,407**	**6,432**
Operating Surplus / (Deficit)	**192**	**246**	**214**	**292**	**328**	**369**	**405**	**421**	**403**	**378**	**353**
Amounts specifically for new or upgraded assets	0	355	0	0	0	0	0	0	0	0	0
Net Surplus / (Deficit)	**192**	**601**	**214**	**292**	**328**	**369**	**405**	**421**	**403**	**378**	**353**

Statement of Financial Position

As at 30 June:	2015 Year 0 Forecast $'000	2016 Year 1 Budget $'000	2017 Year 2 Plan $'000	2018 Year 3 Plan $'000	2019 Year 4 Plan $'000	2020 Year 5 Plan $'000	2021 Year 6 Plan $'000	2022 Year 7 Plan $'000	2023 Year 8 Plan $'000	2024 Year 9 Plan $'000	2025 Year 10 Plan $'000
ASSETS											
Current Assets											
Cash and Cash Equivalents	3,464	2,210	2,440	2,324	2,332	2,365	2,561	2,724	2,732	2,750	3,052
Trade & Other Receivables	708	683	683	683	683	683	683	683	683	683	683
Inventories	36	40	40	40	40	40	40	40	40	40	40
Total Current Assets	4,208	2,933	3,163	3,047	3,055	3,088	3,284	3,447	3,455	3,473	3,775
Non Current Assets											
Infrastructure, Property, Plant & Equipment	50,413	52,072	51,962	52,182	52,319	52,475	52,591	52,799	53,141	53,447	53,444
Total Non-current Assets	**50,413**	**52,072**	**51,962**	**52,182**	**52,319**	**52,475**	**52,591**	**52,799**	**53,141**	**53,447**	**53,444**
Total Assets	54,621	55,005	55,125	55,229	55,374	55,563	55,875	56,246	56,595	56,920	57,219
LIABILITIES											
Current Liabilities											
Trade & Other Payables	324	253	253	253	253	253	253	253	253	253	253
Borrowings	146	52	143	140	138	48	0	0	0	0	0
Provisions	271	107	107	107	107	107	107	107	107	107	107
Total Current Liabilities	**741**	**412**	**503**	**500**	**498**	**408**	**360**	**360**	**360**	**360**	**360**
Non-current Liabilities											
Borrowings	509	490	337	190	49	0	0	0	0	0	0
Provisions	45	86	86	86	86	86	86	86	86	86	86
Total Non-Current Liabilities	**554**	**576**	**423**	**276**	**135**	**86**	**86**	**86**	**86**	**86**	**86**
Total Liabilities	**1,295**	**987**	**926**	**776**	**632**	**494**	**446**	**446**	**446**	**446**	**446**
Net Assets	**53,326**	**54,017**	**54,199**	**54,453**	**54,742**	**55,069**	**55,429**	**55,800**	**56,149**	**56,474**	**56,773**
EQUITY											
Accumulated Surplus	30,438	31,130	31,344	31,636	31,964	32,334	32,739	33,160	33,563	33,941	34,294
Asset Revaluation Reserves	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887
Adjustment to Cash & Borrowings for effects of inflation			(33)	(71)	(110)	(152)	(198)	(248)	(301)	(355)	(409)
Total Equity	**53,326**	**54,017**	**54,199**	**54,453**	**54,742**	**55,069**	**55,429**	**55,800**	**56,149**	**56,474**	**56,773**

Statement of Equity

Year Ending 30 June:	2015 Year 0 Forecast $'000	2016 Year 1 Budget $'000	2017 Year 2 Plan $'000	2018 Year 3 Plan $'000	2019 Year 4 Plan $'000	2020 Year 5 Plan $'000	2021 Year 6 Plan $'000	2022 Year 7 Plan $'000	2023 Year 8 Plan $'000	2024 Year 9 Plan $'000	2025 Year 10 Plan $'000
ACCUMULATED SURPLUS											
Balance at end of previous reporting period	30,246	30,529	31,130	31,344	31,636	31,964	32,334	32,739	33,160	33,563	33,941
Net Result for Year	192	601	214	292	328	369	405	421	403	378	353
Balance at end of period	**30,438**	**31,130**	**31,344**	**31,636**	**31,964**	**32,334**	**32,739**	**33,160**	**33,563**	**33,941**	**34,294**
ASSET REVALUATION RESERVE											
Balance at end of previous reporting period	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887	22,887
Balance at end of period	**22,887**	**22,887**	**22,887**	**22,887**	**22,887**	**22,887**	**22,887**	**22,887**	**22,887**	**22,887**	**22,887**
Adjustment to Cash & Borrowings for effects of inflation	**0**	**0**	**(33)**	**(71)**	**(110)**	**(152)**	**(198)**	**(248)**	**(301)**	**(355)**	**(409)**
TOTAL EQUITY AT END OF REPORTING PERIOD	**53,326**	**54,017**	**54,199**	**54,453**	**54,742**	**55,069**	**55,429**	**55,800**	**56,149**	**56,474**	**56,773**

Statement of Cash Flows

Year Ending 30 June:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Year 0 Forecast	**Year 1 Budget**	**Year 2 Plan**	**Year 3 Plan**	**Year 4 Plan**	**Year 5 Plan**	**Year 6 Plan**	**Year 7 Plan**	**Year 8 Plan**	**Year 9 Plan**	**Year 10 Plan**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts											
Operating Receipts	6,465	6,560	6,390	6,483	6,546	6,611	6,644	6,678	6,678	6,678	6,678
Investment Receipts	184	125	87	96	91	91	93	100	107	107	108
Payments											
Operating Payments to Suppliers & Employees	4,496	4,643	4,645	4,675	4,699	4,727	4,754	4,784	4,812	4,838	4,863
Finance Payments	61	28	27	27	26	26	0	0	0	0	0
Net Cash provided by (or used in) Operating Activities	**2,092**	**2,015**	**1,804**	**1,877**	**1,912**	**1,950**	**1,982**	**1,994**	**1,972**	**1,947**	**1,922**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Grants specifically for new or upgraded assets	0	355	0	0	0	0	0	0	0	0	0
Sale of replaced Assets	62	104	243	240	235	195	245	150	106	110	0
Payments											
Expenditure on renewal/replaced assets	2,779	2,064	1,756	2,082	1,995	1,974	1,984	1,981	2,070	2,039	1,620
Expenditure on new/upgraded assets	1,583	1,325	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) Investing Activities	**(4,300)**	**(2,930)**	**(1,513)**	**(1,842)**	**(1,760)**	**(1,779)**	**(1,739)**	**(1,831)**	**(1,964)**	**(1,929)**	**(1,620)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Payments											
Repayment of Borrowings	0	114	61	150	144	139	48	0	0	0	0
Net Cash Provided by (used in) Financing Activities	**0**	**(114)**	**(61)**	**(150)**	**(144)**	**(139)**	**(48)**	**0**	**0**	**0**	**0**
Net Increase / (Decrease) in Cash	**(2,208)**	**(1,029)**	**230**	**(115)**	**8**	**33**	**196**	**163**	**8**	**18**	**302**
Cash and Cash Equivalents at start of reporting period	5,672	3,149	2,120	2,350	2,235	2,243	2,276	2,471	2,634	2,642	2,660
Cash & Cash Equivalents at the end of the reporting period	**3,464**	**2,120**	**2,350**	**2,235**	**2,243**	**2,276**	**2,471**	**2,634**	**2,642**	**2,660**	**2,962**

Reference Material

IPWEA Practice Note 6 – Long-term Financial Planning.

LGA Information Paper 9 – Local Government Financial Indicators

LGA Information Paper 12 – Targets for Local Government Financial Indicators

South Australian Local Government Model Financial Statements (see http://www.lga.sa.gov.au/site/page.cfm?u=769#e4291).