

TOWN OF



WALKERVILLE

LONG TERM FINANCIAL PLAN

2024 - 2033



The Town of Walkerville acknowledges the Kurna people as the traditional custodians of this land, and respects their spiritual relationship with their country.

In preparing this Plan, we recognise the many generations of stewardship the Kurna people have provided to this land and respect that their cultural heritage and beliefs are as important today as they were for their ancestors.





LONG TERM FINANCIAL PLAN

2024 - 2033

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EXECUTIVE SUMMARY

The Town of Walkerville's Long Term Financial Plan (LTFP) provides a window into the long-term financial position of Council, which helps guide decision making in areas such as sustainable services and responsible debt management levels, timing of major projects and revenue requirements, including annual rate increases.

This LTFP is based on Council's current financial position, identified operating projects, endorsed Asset Management Plans (AMPs), and approved major projects, which include the Walkerville Bowling & Community Club, 39 Smith Street Recreation Centre and the Walkerville Sports Club.

Council acknowledges that this LTFP is an interim plan that will be further informed by the development of a new Strategic Plan for Walkerville, and the development of new AMPs for buildings and open space, as well as a Fleet Replacement Plan. The development of these plans, along with the ongoing maturity of existing AMPs, will further enhance Council's LTFP, which will be reviewed and updated on an annual basis.

1.1 A new Strategic Plan

In 2024, Council will work closely with the Walkerville community to develop a new 10-year Strategic Plan – **TOWards2035**. The Plan will articulate the community's vision for Walkerville, including key strategies and actions required to achieve the vision for Walkerville. **TOWards2035** will further guide Council's AMPs, operating projects and future major capital projects.

1.2 Asset Renewal

In 2023, Council adopted new AMPs for roads, footpaths and stormwater, and in 2024 will consider new AMPs for buildings and open space, as well as a Fleet Replacement Plan. In maintaining and renewing assets across the Township, Council will invest almost \$26M over the next 10 years. This investment will ensure community assets are maintained, as per adopted service levels in Council's AMPs. Council will continue to fine-tune its asset management programs to ensure the right balance in asset quality and financial affordability is achieved.

1.3 Major Projects

This LTFP captures the delivery of several major projects for Walkerville, they include:

- a new Walkerville Bowling & Community Club building;
- a renovated/new 39 Smith Street recreation centre building;
- upgrades to Walkerville Oval lighting, tennis/netball courts and cricket nets; and
- a renovation of the Walkerville Oval Sports Club.

These projects have been on Council's agenda for number of years. A major hurdle to their delivery has been affordability, as Council has limited financial capacity and must rely on external grant funding to deliver these projects in a financially responsible manner.

In 2021, Council secured \$4M in grant funding from the State Government to support the redevelopment of Walkerville Oval. In 2022, Council secured a further \$5M in grant funding from the incoming State Government to support the redevelopment of the recreation centre located at 39 Smith Street, Walkerville. This grant funding is incorporated into this LTFP, along with the required matching funding from Council.

Table (1) provides an overview of secured external grant funding and Council's contributions for the first phase of the major projects, which is included in this LTFP.

The Walkerville Sports Club renovation will be delivered as part of Council's second phase of its major projects program; scheduled to commence in 2025/26. In this LTFP, Council has allocated \$3M to deliver this project, 50% of which will need to be sourced from external funding opportunities. See Table (2).

Table 1 Major Projects

| Project | Timing | External Grant | Council Funding | Total Funding |
|--|---------|----------------|-----------------|---------------|
| Walkerville Bowling & Community Club (new build) | 2023/24 | \$2.5M | \$2.5M | \$5M |
| Walkerville Oval lighting, courts & cricket nets (upgrade) | 2023/24 | \$750K* | \$750K* | \$1.5M* |
| 39 Street Recreation Centre (renovation/new build) | 2024/25 | \$5M | \$5M | \$10M |

Table 2

| | | | | |
|--|---------|-------------------|--------|------|
| Walkerville Sports Club (renovation & upgrade) | 2025/26 | \$1.5M (required) | \$1.5M | \$3M |
|--|---------|-------------------|--------|------|

* Available grant funding for this project is \$1.5M however, it is anticipated that only \$750K will be required. In the event the project cost is higher than the forecast amount, Council can draw down further on the grant.

PURPOSE OF THIS PLAN

1.4 Operating Position

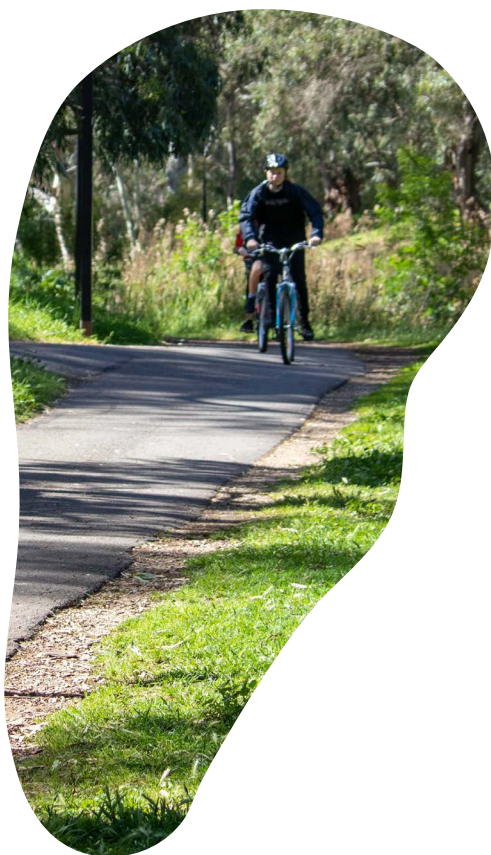
Council's operating position is considered sustainable, with operating surpluses achieved in seven of the next 10 years. In years 2026/27, 2027/28 and 2028/29, minor operating deficits will occur as a result of increasing depreciation and interest costs. Council's operating position will return to surplus in 2029/30 and will remain in surplus for the remaining years of this Plan.

1.5 Borrowings

In delivering asset maintenance and renewal programs, major projects and community services across the Township, Council will increase its borrowings from approximately \$200K in 2024 to approximately \$10.9M in 2026/27. These borrowings are well within Council's responsible borrowing capacity, with outstanding borrowings expected to decrease to approximately \$7.5M in 2032/33.

1.6 In Summary

This Plan has carefully considered the cost of continuing to deliver high standards of service to the community, the cost required to maintain community assets to adopted services levels, the cost associated with the delivery of key major projects, returning the organisation to surplus and importantly, the responsible management of property rate increases. A variety of strategic levers, including sourcing external grant funding, responsible debt management and staggered delivery of major projects, have been employed within this LTFP and Council is confident that an appropriate balance has been achieved.



This LTFP is a key component of Council's strategic management framework. The Plan expresses the objectives within Council's Strategic Plan and AMPs in financial terms. It is a guide for future actions, based on the longer-term impact of revenue and expenditure. The long-term financial implications can be readily identified and if warranted, proposed future activities 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 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 by way of borrowings, where necessary.

The *Local Government (Financial Management) Regulations 2011* requires LTFPs to include:

- a summary of proposed operating and capital investment activities;
- estimates and target ranges adopted by the council for each year of the LTFP (in terms of operating surplus ratio, net financial liabilities ratio and an asset renewal funding ratio);
- a statement which sets out the purpose of the plan, the basis on which it has been prepared; and
- key conclusions, which may be drawn from the estimates, proposals and other information in the Plan.

CEO'S STATEMENT ON FINANCIAL SUSTAINABILITY

In accordance with the requirements of the *Local Government Act 1999*, each year Council reviews and updates its LTFP. This allows Council to reassess potential impacts on the organisation's financial sustainability due to internal and external influences.

This LTFP captures the key objectives of Council, which include:

- meeting the expectations of the whole community by ensuring standards across key services keep pace with demand and balance with the sustainable funding of these activities;
- funding Council's medium to long-term maintenance and renewal requirements of community-owned assets;
- keeping downward pressure on rates, whilst managing increasing costs due to inflationary pressures;
- delivering on Council's major recreational projects to support the health and wellbeing of the community; and
- ensuring Council is operating in a financially sustainable and responsible manner.

This LTFP shows that Council will experience healthy operating surpluses during the first three years of the Plan, followed by minor operating deficits in 2026/27, 2027/28 and 2028/29. Operating deficits are primarily a result of increasing depreciation and interest costs due to major projects, however, an operating surplus will return from 2029/30 and will continue for the remaining years of this Plan.

In delivering community services across the Township, asset maintenance and renewal programs and major projects, Council will increase its borrowings from approximately \$200K in 2024 to approximately \$10.9M in 2026/27. These borrowings are well within Council's responsible borrowing levels, with borrowings expected to decrease to approximately \$7.5M in 2032/33.

In formulating the LTFP, Council has been mindful of the cost-of-living pressures on the community, and this was front of mind when considering which major projects to support and how to best fund their delivery over the life of this LTFP.

To cover operational costs, Council has forecasted rate increases consistent with the Reserve Bank of Australia (RBA) targeted inflation figures. From 2027 onwards, Council has forecast rate increases of 2.6% for the life of this Plan.

Overall, Council is responsible to the community for the efficient and effective delivery of its services, for the maintenance and renewal of its assets and for ensuring the Township is positioned for future success. This Plan demonstrates that Council can continue to deliver these important community outcomes, as well as sustainably deliver on major recreational projects over the coming years.

This LTFP demonstrates that Council will remain financially sustainable over the life of the Plan.



Andrew MacDonald

Andrew MacDonald
Chief Executive Officer
Town of Walkerville





BASIS OF PREPARATION

4.1 Funding Plan

Council's primary revenue source comes from property rates, which represents over 85% of projected total revenue. In addition to rates, Council receives ongoing grant funding through the Federal Government's Financial Assistance Grant and Roads to Recovery programs, which represent approximately 5% of total revenue. Other revenue is received through general user charges, statutory charges and other minor revenue streams, which represent approximately 10% of projected total revenue.

Council also actively pursues external grant funding and other contributions to assist in the delivery of strategic projects and services, as the opportunities arise. Continued effort in securing targeted grant funding helps to reduce the burden on ratepayers and assist in supporting new and emerging strategic initiatives.

Borrowings are another important funding source for Council, with funding primarily secured through the Local Government Finance Authority (LGFA). Responsible borrowings allow Council to deliver projects today, while spreading the cost over time. This approach ensures the cost burden is not fully placed on today's ratepayer, but rather shared with future ratepayers; this is often referred to as intergenerational equity.

This LTFP assists Council in making informed assessments of how much funding it needs to maintain financial sustainability and to deliver strategic initiatives. This LTFP employs a mix of funding streams, including rates, external grant funding and borrowings to sustainably deliver community services, infrastructure maintenance and renewal programs and major strategic projects.

4.2 Key Assumptions

4.2.1 Cost Index

The 2023/24 adopted budget forms the basis for Year 1 of the LTFP and Years 2-10 represent financial projections underpinned by key economic assumptions. Key economic assumptions for Years 2-10 have been based on data obtained from the RBA, including interest rate and Consumer Price Index (CPI) projections. Table (3) details the cost indices applied.

The CPI is the key measure of price changes experienced by consumers – specifically it measures the average change in price over time of consumer goods and services. In formulating the LTFP, the RBA targeted CPI rates have been considered. The current monetary policy in Australia is to achieve an inflation of rate of 2.0% to 3.0%, on average, over time.

Council uses the CPI to forecast adjustments in annual expenditure. However, in setting the budget each year, a more detailed consideration of the actual cost of business is also undertaken.

Council's LTFP is updated annually to account for any changes to external influences and key economic assumptions.

Table 3 Cost Index

| Financial year | LTFP year | Nominal cost index | General projected rates increase (excluding growth) |
|----------------|-----------|--------------------|---|
| 2023/24 | Year 1 | 7.75% | 6.90% |
| 2024/25 | Year 2 | 4.10% | 4.10% |
| 2025/26 | Year 3 | 2.85% | 2.85% |
| 2026/27 | Year 4 | 2.60% | 2.60% |
| 2027/28 | Year 5 | 2.60% | 2.60% |
| 2028/29 | Year 6 | 2.60% | 2.60% |
| 2029/30 | Year 7 | 2.60% | 2.60% |
| 2030/31 | Year 8 | 2.60% | 2.60% |
| 2031/32 | Year 9 | 2.60% | 2.60% |
| 2032/33 | Year 10 | 2.60% | 2.60% |

4.2.2 Rate Adjustments

In setting rates for 2023/24, Council was mindful of the cost-of-living pressures and applied an average residential rate increase (excluding growth) of 6.9%, which was below the rate of inflation at the time. Council's forecast average residential rate increase is expected to be well below 2023/24 levels, with the RBA targeting an inflation rate of around 2.6% from 2026/27 and for the remainder of the 10-year Plan.

Council has used the RBA's targeted inflation rate of 2.6% to inform this LTFP however, actual annual inflation will need to be considered on an annual basis in determining the final rate adjustment for that year.

This LTFP has also factored in a 2.3% increase in rates growth in 2028/29 because of the anticipated development at the Buckingham Arms Hotel site. A 1% rate increase equates to approximately \$105K, therefore a 2.3% increase because of this development is approximately \$242K.

Projected rates growth has been set at 0.20% for the life of the LTFP, consistent with historical growth levels (mainly from subdivisions) seen throughout the Township.

4.2.3 Grants Assumption

In recent years, the Federal Government has made advanced payments, prior to 30 June, from future year allocations of financial assistance grants. This LTFP assumes that advance payments of the financial assistance grant will continue and has therefore factored in receipt of 100% of financial assistance grants in each year of the Plan. Other ongoing government operating grants are included at known amounts or where there is a reasonable expectation of continuation.



4.2.4 Operating Expenditure

The current LTFP ensures that there is a consistent delivery of essential community services through the 10-year Plan, without the requirement to significantly increase rates.

The LTFP is underpinned by a zero-based budgeting approach, which requires all operating lines to be re-assessed and justified for the new period. This approach reflects Council's need to deliver improved services to its residents through the most efficient and effective means possible.

Employee costs have been forecast to remain at current staffing levels of 35.4 FTE to meet operational requirements. Salaries and wages are increased in line with negotiated staff employment agreements and the superannuation guarantee target of 12% by 2025/26.

Interest expenditure is directly related to Council borrowings and cash flows through the life of the LTFP are based on the current forecasted 10-year fixed-term rate. Interest expenditure will be adjusted in line with LGFA current interest rates and the LTFP will be adjusted on an annual basis.

4.2.5 Capital Works

The LTFP ensures that funding is made available for the maintenance, replacement and upgrade of assets to deliver the service standards required by the Township. The LTFP includes \$26M for the renewal and replacement of assets over the 10-year period.

The LTFP also includes \$21.3M total expenditure on new capital projects over the life of the Plan – \$19.5M of this relates to the delivery of major projects, including:

- a new Walkerville Bowling & Community Club building;
- a renovated/new 39 Smith Street recreation centre building;
- upgrades to Walkerville Oval lighting, tennis/netball courts and cricket nets; and
- a renovation of the Walkerville Sports Club building.

The remaining \$1.8M is included as a provision of \$200K per year from 2024/25 for new capital works, which will be informed by **TOWards2035**, Council's new 10-year Strategic Plan.

4.2.6 Borrowing

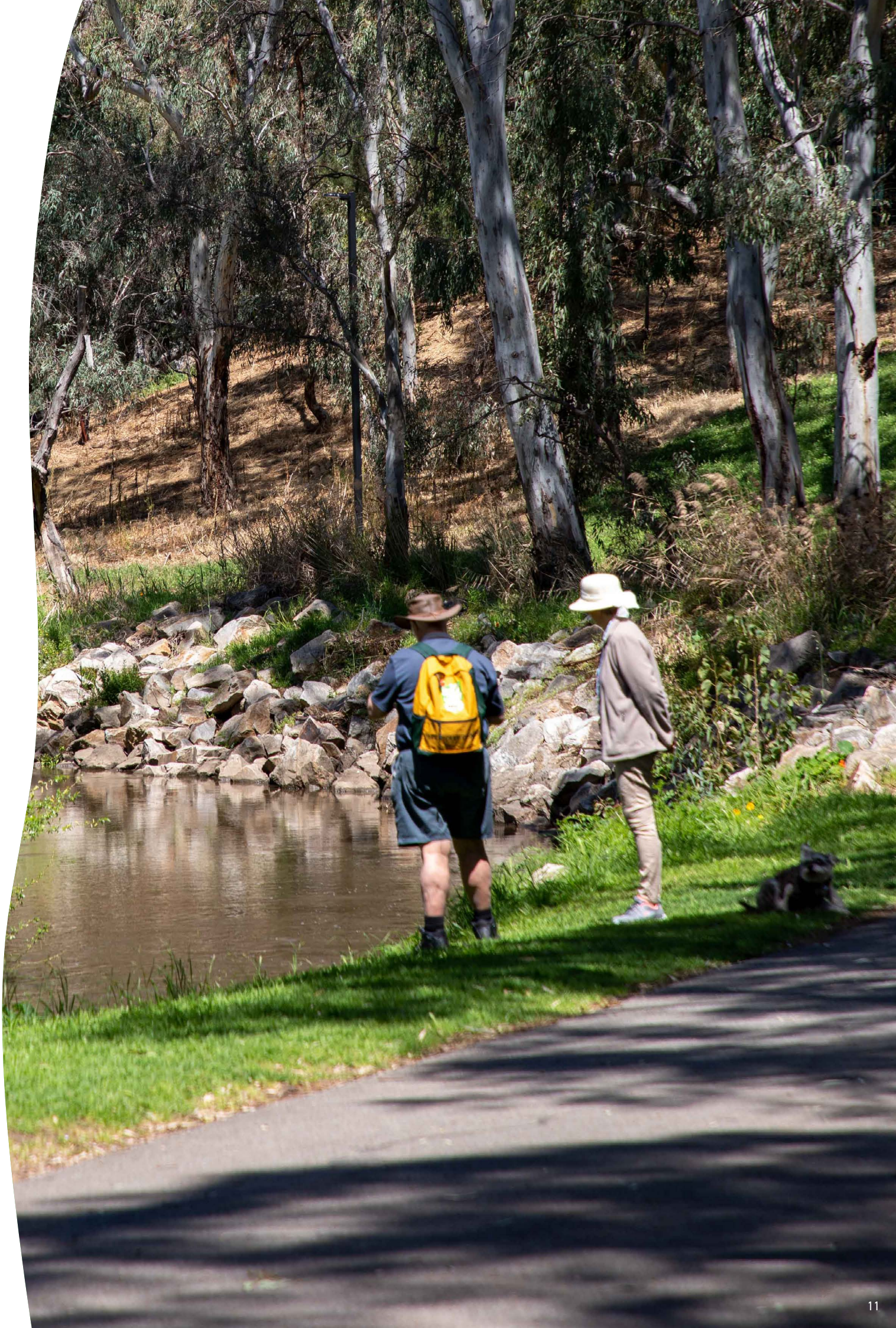
In delivering asset maintenance and renewal programs, major projects and community services across the Township, Council will increase its borrowings from approximately \$200K in 2024 to approximately \$10.9M in 2026/27. These borrowings are well within Council's responsible borrowing capacity, with outstanding borrowings expected to decrease to approximately \$7.5M in 2032/33.

4.2.7 Council Subsidiaries

Council is a member of four regional subsidiaries; East Waste, Eastern Region Alliance Water (ERA Water), Eastern Health Authority (EHA) and the Highbury Landfill Authority.

The LTFP includes the expected impact (net gain/loss) to Council's financial statements from the operations of its subsidiaries. Any changes to forecast subsidiary results will impact Council's financial modelling. The LTFP will be updated annually to ensure that the most recent subsidiary forecasts are included.

The LTFP includes an equity contribution of \$800,000 to ERA Water (\$200,000 in 2023/24 and \$600,000 in years 2024/25 to 2026/27). Council is concerned about the financial sustainability of ERA Water and has requested an independent review of the financial sustainability of this subsidiary.



SUMMARY OF FINANCIAL PERFORMANCE

Council has adopted target ranges for its key financial indicators – these are key measures of financial sustainability, as recommended by the Australian Local Government Association and reflected in the South Australian Local Government Model Financial Statements. The financial projections contained in the LTFP are an indication of Council's direction and financial capacity.

The following financial indicators help to understand the financial projection within this Plan and to assess its financial sustainability. These ratios are provided in detail below.

5.1 Operating Surplus Ratio

The operating surplus ratio is the operating surplus (or deficit) as a percentage of total revenue and a key measure of Council's ability to cover its operational costs and maintain financial sustainability in the long term. Council's target range is 0-15%.

This ratio is calculated as:

$$\frac{\text{Operating revenue less Operating expenditure}}{\text{Total operating revenue}}$$

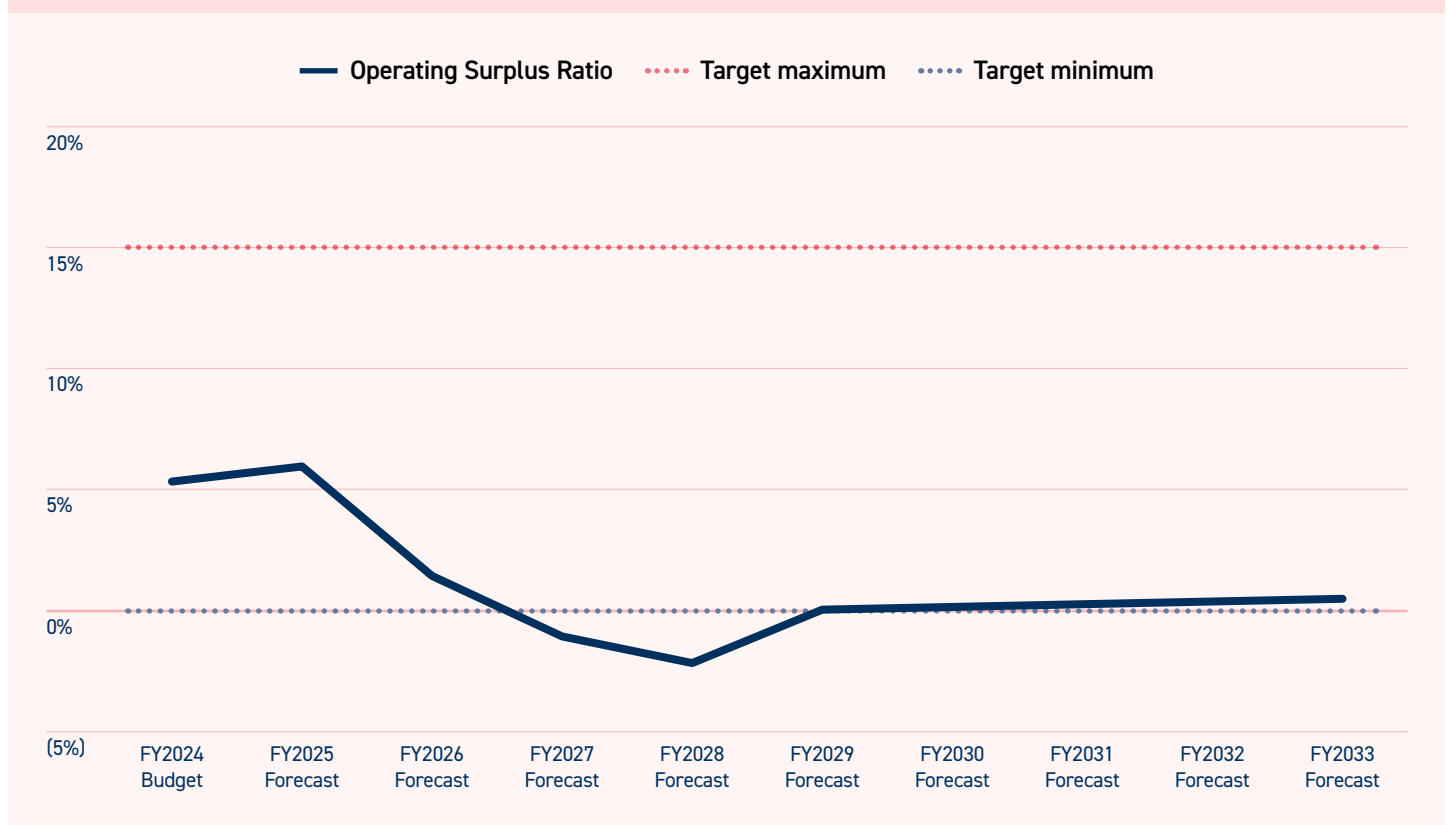
A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. If the relevant amount is not required for this purpose in a particular year, it can be held for future capital expenditure needs by either increasing financial assets or preferably, where possible, reducing debt in the meantime.

A negative ratio indicates the percentage increase in operating income or the approximate decrease in operating expenses required to achieve a breakeven operating result.

Ideally, councils should target breakeven or a small surplus position.

The operating surplus ratio graph shows that Council will experience a healthy operating surplus during the first three years of the Plan, followed by minor operating deficits in FY2027, FY2028 and FY2029. Operating deficits during these years are primarily a result of increasing depreciation and interest costs due to major projects, however, the operating position returns to surplus from FY2030 and continues for the remaining years of this Plan.

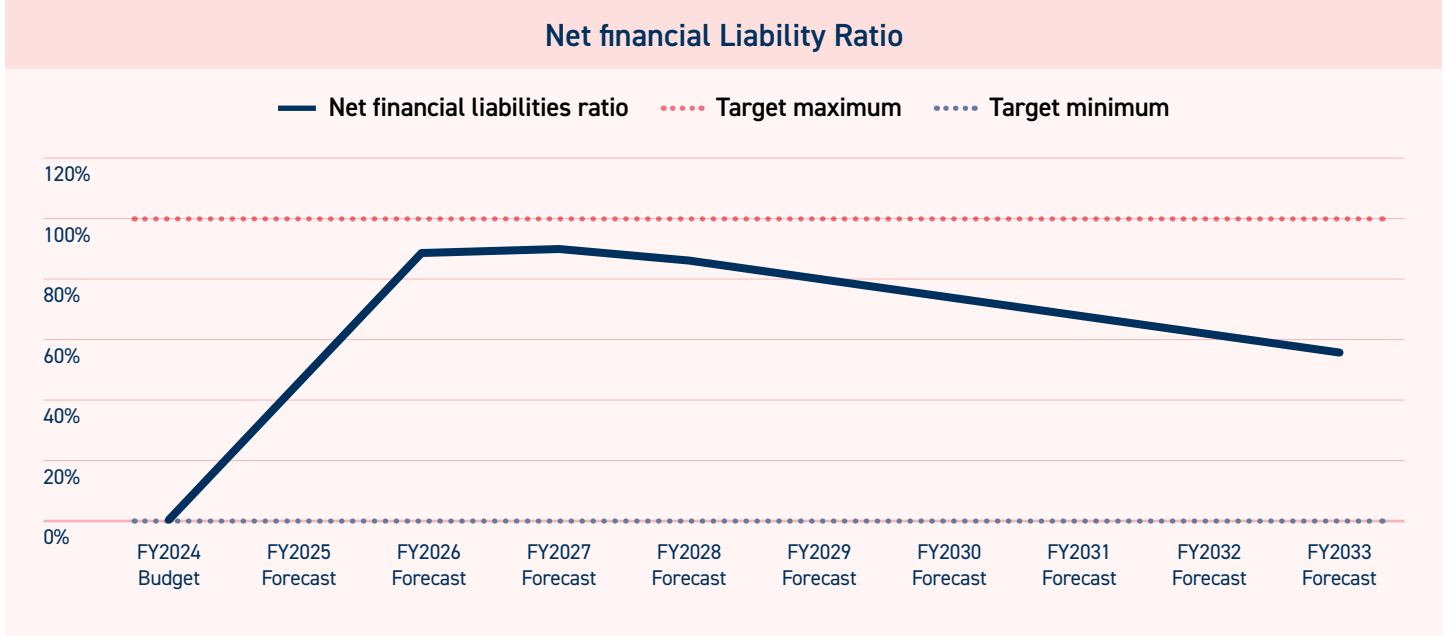
Operating Surplus Ratio



5.2 Net financial Liability Ratio

The net financial liabilities ratio demonstrates the relative size of Council's net liability against total operating income and can be considered a measure of the indebtedness of Council. Council's target range is 0-100%.

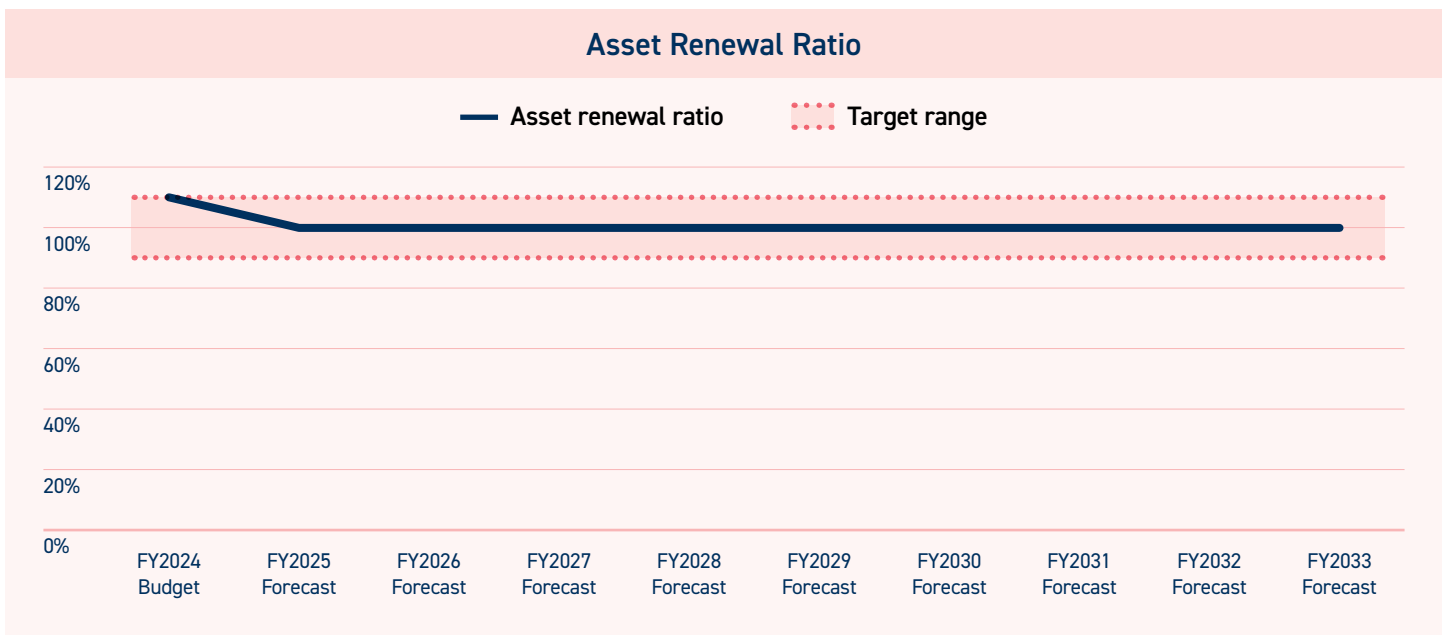
The net financial liability ratio graph shows Council will increase its borrowings from 0% in FY2024 to 92% in FY2027. This increase is due to borrowings required to fund the major projects. Overall, the borrowings decrease each year beyond FY2027 and reduce to 57% in FY2033. Borrowings are well within Council's responsible borrowing levels, with borrowings expected to decrease to approximately \$7.5M in FY2033.



5.3 Asset Renewal Funding Ratio

The asset renewal funding ratio represents the ratio of capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure required, as per Council's AMPs. Council's target range is 90-110% over the life of this Plan.

The asset renewal ratio graph shows Council will renew its existing assets in line with its adopted Asset Management Plans.



KEY FINANCIAL STATEMENTS

6.1 Income Statement

| Town of Walkerville LTFFP 2024 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$'000 | Jun-24 Budget | Jun-25 Forecast | Jun-26 Forecast | Jun-27 Forecast | Jun-28 Forecast | Jun-29 Forecast | Jun-30 Forecast | Jun-31 Forecast | Jun-32 Forecast | Jun-33 Forecast |
| Income | | | | | | | | | | |
| Rates | 10,436 | 10,885 | 11,217 | 11,531 | 11,854 | 12,458 | 12,807 | 13,166 | 13,534 | 13,913 |
| Statutory charges | 382 | 398 | 409 | 420 | 431 | 442 | 453 | 465 | 477 | 489 |
| User charges | 652 | 679 | 853 | 891 | 910 | 929 | 949 | 969 | 989 | 1,010 |
| Grants, subsidies and contributions - operating | 615 | 640 | 658 | 676 | 693 | 711 | 730 | 749 | 768 | 788 |
| Investment income | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Reimbursements | 59 | 61 | 63 | 65 | 66 | 68 | 70 | 72 | 74 | 76 |
| Other income | 140 | 146 | 150 | 154 | 158 | 162 | 166 | 170 | 175 | 179 |
| Total income | 12,288 | 12,813 | 13,355 | 13,740 | 14,116 | 14,775 | 15,179 | 15,595 | 16,022 | 16,461 |
| Expenses | | | | | | | | | | |
| Employee costs | 4,055 | 4,244 | 4,457 | 4,586 | 4,719 | 4,856 | 4,997 | 5,142 | 5,292 | 5,445 |
| Materials, contracts & other expenses | 5,128 | 5,338 | 5,716 | 5,869 | 6,016 | 6,166 | 6,320 | 6,478 | 6,641 | 6,807 |
| Depreciation, amortisation & impairment | 2,016 | 2,112 | 2,268 | 2,552 | 2,787 | 2,901 | 3,018 | 3,135 | 3,255 | 3,379 |
| Finance costs | 179 | 109 | 466 | 667 | 671 | 653 | 622 | 580 | 532 | 482 |
| Net loss - equity accounted Council businesses | 246 | 259 | 231 | 201 | 197 | 215 | 211 | 205 | 200 | 223 |
| Total expenses | 11,624 | 12,062 | 13,138 | 13,875 | 14,390 | 14,792 | 15,168 | 15,541 | 15,919 | 16,336 |
| Operating surplus/(deficit) | 664 | 751 | 216 | (135) | (274) | (17) | 11 | 54 | 103 | 125 |
| Asset disposal & fair value adjustments | - | - | - | - | - | - | - | - | - | - |
| Amounts received specifically for new or upgraded assets | 2,625 | 5,850 | 1,475 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Net surplus/(deficit) | 3,289 | 6,601 | 1,691 | (35) | (174) | 83 | 111 | 154 | 203 | 225 |
| Other comprehensive income | | | | | | | | | | |
| Changes in revaluation surplus - infrastructure, property, plant & equipment | 2,800 | 2,844 | 2,912 | 3,094 | 3,455 | 3,522 | 3,592 | 3,658 | 3,725 | 3,791 |
| Movements in other reserves | - | - | - | - | - | - | - | - | - | - |
| Total other comprehensive income | 2,800 | 2,844 | 2,912 | 3,094 | 3,455 | 3,522 | 3,592 | 3,658 | 3,725 | 3,791 |
| Total comprehensive income | 6,089 | 9,444 | 4,604 | 3,060 | 3,281 | 3,605 | 3,703 | 3,813 | 3,928 | 4,017 |

6.2 Balance Sheet

| Town of Walkerville LTFP 2024 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$'000 | Jun-24 Budget | Jun-25 Forecast | Jun-26 Forecast | Jun-27 Forecast | Jun-28 Forecast | Jun-29 Forecast | Jun-30 Forecast | Jun-31 Forecast | Jun-32 Forecast | Jun-33 Forecast |
| Current assets | | | | | | | | | | |
| Cash and cash equivalents | 5,961 | 195 | 204 | 209 | 209 | 209 | 208 | 207 | 206 | 204 |
| Trade and other receivables | 476 | 498 | 519 | 534 | 547 | 575 | 591 | 607 | 622 | 641 |
| Total current assets | 6,437 | 693 | 723 | 743 | 756 | 784 | 799 | 814 | 828 | 845 |
| Non-current assets | | | | | | | | | | |
| Equity accounted investments in Council businesses | 1,755 | 1,696 | 1,664 | 1,663 | 1,466 | 1,251 | 1,040 | 835 | 635 | 412 |
| Infrastructure, property, plant & equipment | 142,181 | 145,621 | 154,717 | 172,728 | 176,112 | 179,593 | 182,912 | 186,229 | 189,563 | 193,117 |
| Capital Work in Progress | 750 | 12,750 | 14,500 | - | - | - | - | - | - | - |
| Other Non-Current Assets | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 | 1,060 |
| Total non-current assets | 145,746 | 161,126 | 171,942 | 175,451 | 178,638 | 181,904 | 185,012 | 188,123 | 191,257 | 194,589 |
| Total assets | 152,183 | 161,819 | 172,665 | 176,194 | 179,394 | 182,688 | 185,811 | 188,937 | 192,085 | 195,434 |
| Current liabilities | | | | | | | | | | |
| Trade & other payables | 5,471 | 3,023 | 1,308 | 1,574 | 1,551 | 1,607 | 1,614 | 1,651 | 1,688 | 1,772 |
| Borrowings | - | - | - | - | - | - | - | - | - | - |
| Provisions | 530 | 552 | 568 | 583 | 598 | 613 | 629 | 646 | 662 | 680 |
| Other current liabilities | - | - | - | - | - | - | - | - | - | - |
| Total current liabilities | 6,002 | 3,575 | 1,876 | 2,156 | 2,148 | 2,221 | 2,244 | 2,297 | 2,350 | 2,451 |
| Non-current liabilities | | | | | | | | | | |
| Borrowings | 200 | 2,818 | 10,758 | 10,947 | 10,873 | 10,489 | 9,885 | 9,144 | 8,310 | 7,541 |
| Provisions | 26 | 27 | 27 | 28 | 29 | 30 | 30 | 31 | 32 | 33 |
| Liability - equity accounted Council businesses | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 | 220 |
| Total non-current liabilities | 446 | 3,065 | 11,005 | 11,195 | 11,122 | 10,738 | 10,135 | 9,396 | 8,562 | 7,793 |
| Total liabilities | 6,447 | 6,639 | 12,881 | 13,351 | 13,270 | 12,959 | 12,378 | 11,692 | 10,913 | 10,245 |
| Net assets | 145,735 | 155,180 | 159,783 | 162,843 | 166,124 | 169,729 | 173,432 | 177,245 | 181,173 | 185,189 |
| Equity | | | | | | | | | | |
| Accumulated surplus | 40,072 | 46,673 | 48,364 | 48,330 | 48,156 | 48,239 | 48,350 | 48,505 | 48,708 | 48,933 |
| Asset revaluation reserves | 105,267 | 108,111 | 111,023 | 114,117 | 117,572 | 121,094 | 124,686 | 128,344 | 132,069 | 135,860 |
| Other reserves | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 |
| Total equity | 145,735 | 155,180 | 159,783 | 162,843 | 166,124 | 169,729 | 173,432 | 177,245 | 181,173 | 185,189 |
| Net borrowings / (cash) | (5,761) | 2,623 | 10,554 | 10,738 | 10,664 | 10,280 | 9,677 | 8,938 | 8,104 | 7,336 |

6.3 Cash Flow Statement

Town of Walkerville LTFP 2024

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$'000 | Jun-24 Budget | Jun-25 Forecast | Jun-26 Forecast | Jun-27 Forecast | Jun-28 Forecast | Jun-29 Forecast | Jun-30 Forecast | Jun-31 Forecast | Jun-32 Forecast | Jun-33 Forecast |
| Cash flow from operating activities | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Rates receipts | 10,179 | 10,863 | 11,195 | 11,516 | 11,841 | 12,430 | 12,791 | 13,149 | 13,519 | 13,894 |
| Statutory charges | 382 | 398 | 409 | 420 | 431 | 442 | 453 | 465 | 477 | 489 |
| User charges | 652 | 679 | 853 | 891 | 910 | 929 | 949 | 969 | 989 | 1,010 |
| Grants, subsidies and contributions | 615 | 640 | 658 | 676 | 693 | 711 | 730 | 749 | 768 | 788 |
| Investment receipts | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Reimbursements | 59 | 61 | 63 | 65 | 66 | 68 | 70 | 72 | 74 | 76 |
| Other receipts | 140 | 146 | 150 | 154 | 158 | 162 | 166 | 170 | 175 | 179 |
| Payments | | | | | | | | | | |
| Payments to employees | (4,055) | (4,244) | (4,457) | (4,586) | (4,719) | (4,856) | (4,997) | (5,142) | (5,292) | (5,445) |
| Payments for materials, contracts & other expenses | (5,494) | (4,264) | (6,039) | (5,588) | (6,023) | (6,093) | (6,297) | (6,424) | (6,586) | (6,705) |
| Finance payments | (179) | (109) | (466) | (667) | (671) | (653) | (622) | (580) | (532) | (482) |
| Net cash provided by (or used in) operating activities | 2,304 | 4,174 | 2,372 | 2,883 | 2,690 | 3,145 | 3,248 | 3,433 | 3,597 | 3,810 |
| Cash flow from investing activities | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Amounts received specifically for new / upgraded assets | 2,500 | 2,350 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Sale of replaced assets | - | - | - | - | - | - | - | - | - | - |
| Repayments of Loans by Community Groups | - | - | - | - | - | - | - | - | - | - |
| Distributions received from equity accounted Council businesses | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Expenditure on renewal / replacement of assets | (1,399) | (2,508) | (3,253) | (2,768) | (2,516) | (2,661) | (2,545) | (2,594) | (2,664) | (2,942) |
| Expenditure on new / upgraded assets | (750) | (12,200) | (6,950) | (200) | (200) | (200) | (200) | (200) | (200) | (200) |
| Contributions to equity-accounted businesses | (200) | (200) | (200) | (200) | - | - | - | - | - | - |
| Net cash provided by (or used in) investing activities | 151 | (12,558) | (10,303) | (3,068) | (2,616) | (2,761) | (2,645) | (2,694) | (2,764) | (3,042) |
| Cash flow from financing activities | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds from borrowings | - | 2,618 | 7,940 | 189 | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Repayment of borrowings | (2,496) | - | - | - | (74) | (384) | (604) | (740) | (834) | (769) |
| Net cash provided by (or used in) financing activities | (2,496) | 2,618 | 7,940 | 189 | (74) | (384) | (604) | (740) | (834) | (769) |
| Net increase (decrease) in cash held | (41) | (5,766) | 9 | 5 | 0 | (0) | (1) | (1) | (1) | (1) |
| Cash & cash equivalents at the beginning of period | 6,002 | 5,961 | 195 | 204 | 209 | 209 | 209 | 208 | 207 | 206 |
| Cash & cash equivalents at the end of period | 5,961 | 195 | 204 | 209 | 209 | 209 | 208 | 207 | 206 | 204 |
| Net cash flow before financing activities and interest payments | 2,634 | (8,275) | (7,465) | 483 | 745 | 1,037 | 1,225 | 1,319 | 1,365 | 1,250 |

6.4 Statement of Changes in Equity

| Town of Walkerville LTFP 2024 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$'000 | Jun-24 Budget | Jun-25 Forecast | Jun-26 Forecast | Jun-27 Forecast | Jun-28 Forecast | Jun-29 Forecast | Jun-30 Forecast | Jun-31 Forecast | Jun-32 Forecast | Jun-33 Forecast |
| Accumulated surplus | | | | | | | | | | |
| Balance at the end of previous reporting period | 36,783 | 40,072 | 46,673 | 48,364 | 48,330 | 48,156 | 48,239 | 48,350 | 48,505 | 48,708 |
| Net result for the year | 3,289 | 6,601 | 1,691 | (35) | (174) | 83 | 111 | 154 | 203 | 225 |
| Transfers from other reserves | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of the period | 40,072 | 46,673 | 48,364 | 48,330 | 48,156 | 48,239 | 48,350 | 48,505 | 48,708 | 48,933 |
| Asset revaluation reserve | | | | | | | | | | |
| Balance at the end of previous reporting period | 102,467 | 105,267 | 108,111 | 111,023 | 114,117 | 117,572 | 121,094 | 124,686 | 128,344 | 132,069 |
| Gain (loss) on revaluation of infrastructure, property, plant & equipment | 2,800 | 2,844 | 2,912 | 3,094 | 3,455 | 3,522 | 3,592 | 3,658 | 3,725 | 3,791 |
| Balance at the end of period | 105,267 | 108,111 | 111,023 | 114,117 | 117,572 | 121,094 | 124,686 | 128,344 | 132,069 | 135,860 |
| Other reserves | | | | | | | | | | |
| Balance at the end of previous reporting period | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 |
| Transfers from accumulated surplus | - | - | - | - | - | - | - | - | - | - |
| Balance at the end of period | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 396 |
| Total equity at end of reporting period | 145,735 | 155,180 | 159,783 | 162,843 | 166,124 | 169,729 | 173,432 | 177,245 | 181,173 | 185,189 |



6.5 Uniform Presentation of Finances

| Town of Walkerville LTFP 2024 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$'000 | Jun-24 Budget | Jun-25 Forecast | Jun-26 Forecast | Jun-27 Forecast | Jun-28 Forecast | Jun-29 Forecast | Jun-30 Forecast | Jun-31 Forecast | Jun-32 Forecast | Jun-33 Forecast |
| Income | 12,288 | 12,813 | 13,355 | 13,740 | 14,116 | 14,775 | 15,179 | 15,595 | 16,022 | 16,461 |
| Less expenses | (11,624) | (12,062) | (13,138) | (13,875) | (14,390) | (14,792) | (15,168) | (15,541) | (15,919) | (16,336) |
| Operating surplus / (deficit) | 664 | 751 | 216 | (135) | (274) | (17) | 11 | 54 | 103 | 125 |
| Net outlays on existing assets | | | | | | | | | | |
| Capital expenditure on renewal and replacement of existing assets | (1,399) | (2,508) | (3,253) | (2,768) | (2,516) | (2,661) | (2,545) | (2,594) | (2,664) | (2,942) |
| Add back depreciation, amortisation and impairment | 2,016 | 2,112 | 2,268 | 2,552 | 2,787 | 2,901 | 3,018 | 3,135 | 3,255 | 3,379 |
| Add back proceeds from sale of replaced assets | - | - | - | - | - | - | - | - | - | - |
| | 617 | (396) | (984) | (216) | 271 | 241 | 473 | 542 | 590 | 437 |
| Net outlays on new and upgraded assets | | | | | | | | | | |
| Capital expenditure on new and upgraded assets | (750) | (12,200) | (6,950) | (200) | (200) | (200) | (200) | (200) | (200) | (200) |
| Add back amounts received specifically for new and upgraded assets | 2,625 | 5,850 | 1,475 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| | 1,875 | (6,350) | (5,475) | (100) | (100) | (100) | (100) | (100) | (100) | (100) |
| Net lending / (borrowing) for financial year | 3,156 | (5,995) | (6,243) | (451) | (103) | 124 | 384 | 496 | 594 | 463 |



6.6 Financial Indicators

| Town of Walkerville LTFP 2024 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$'000 | Jun-24 Budget | Jun-25 Forecast | Jun-26 Forecast | Jun-27 Forecast | Jun-28 Forecast | Jun-29 Forecast | Jun-30 Forecast | Jun-31 Forecast | Jun-32 Forecast | Jun-33 Forecast |
| Operating surplus ratio | | | | | | | | | | |
| Total income | 12,288 | 12,813 | 13,355 | 13,740 | 14,116 | 14,775 | 15,179 | 15,595 | 16,022 | 16,461 |
| Operating surplus / (deficit) | 664 | 751 | 216 | (135) | (274) | (17) | 11 | 54 | 103 | 125 |
| Operating surplus ratio | 5.41% | 5.86% | 1.62% | (0.98%) | (1.94%) | (0.12%) | 0.08% | 0.35% | 0.64% | 0.76% |
| Net financial liabilities ratio | | | | | | | | | | |
| Add: total liabilities | 6,447 | 6,639 | 12,881 | 13,351 | 13,270 | 12,959 | 12,378 | 11,692 | 10,913 | 10,245 |
| Less: cash and cash equivalents | (5,961) | (195) | (204) | (209) | (209) | (209) | (208) | (207) | (206) | (204) |
| Less: trade and other receivables | (476) | (498) | (519) | (534) | (547) | (575) | (591) | (607) | (622) | (641) |
| Net financial liabilities | 11 | 5,947 | 12,158 | 12,608 | 12,514 | 12,175 | 11,580 | 10,879 | 10,085 | 9,400 |
| Total income | 12,288 | 12,813 | 13,355 | 13,740 | 14,116 | 14,775 | 15,179 | 15,595 | 16,022 | 16,461 |
| Net financial liabilities ratio | 0% | 46% | 91% | 92% | 89% | 82% | 76% | 70% | 63% | 57% |
| Asset renewal ratio | | | | | | | | | | |
| Expenditure on renewal / replacement of assets | 1,399 | 2,508 | 3,253 | 2,768 | 2,516 | 2,661 | 2,545 | 2,594 | 2,664 | 2,942 |
| Expenditure required per amp | 1,287 | 2,508 | 3,253 | 2,768 | 2,516 | 2,661 | 2,545 | 2,594 | 2,664 | 2,942 |
| Asset renewal ratio | 109% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |



