


# Long-Term Financial Plan 2021 to 2030

Adopted 08 June 2021



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## Purpose of Long-Term Financial Plan

Like all South Australian Councils, Kangaroo Island Council is required by Section 122 (1a) of the Local Government Act and Regulation 5 of *The Local Government (Financial Management) Regulations 2011* to produce a Long-Term Financial Plan (LTFP).

Under s.122 (4) (a) of the *Local Government Act 1999*, a Council must review its Long-Term Financial Plan as soon as practicable after adopting an Annual Business Plan for a particular financial year.

Outlined in the below table are the relevant Sections of the Regulations that apply.

### Part 2—Financial accountability

#### 5—Long-term financial plans

- (1) A long-term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—
  - (b) a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled *Uniform Presentation of Finances*; and
  - (c) estimates and target ranges adopted by the council for each year of the long-term financial plan with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled *Financial Indicators*.
- (2) A long-term financial plan must be accompanied by a statement which sets out—
  - (a) the purpose of the long-term financial plan; and
  - (b) the basis on which it has been prepared; and
  - (c) the key conclusions which may be drawn from the estimates, proposals and other information in the plan.
- (3) A statement under subregulation (2) must be expressed in plain English and must avoid unnecessary technicality and excessive detail.

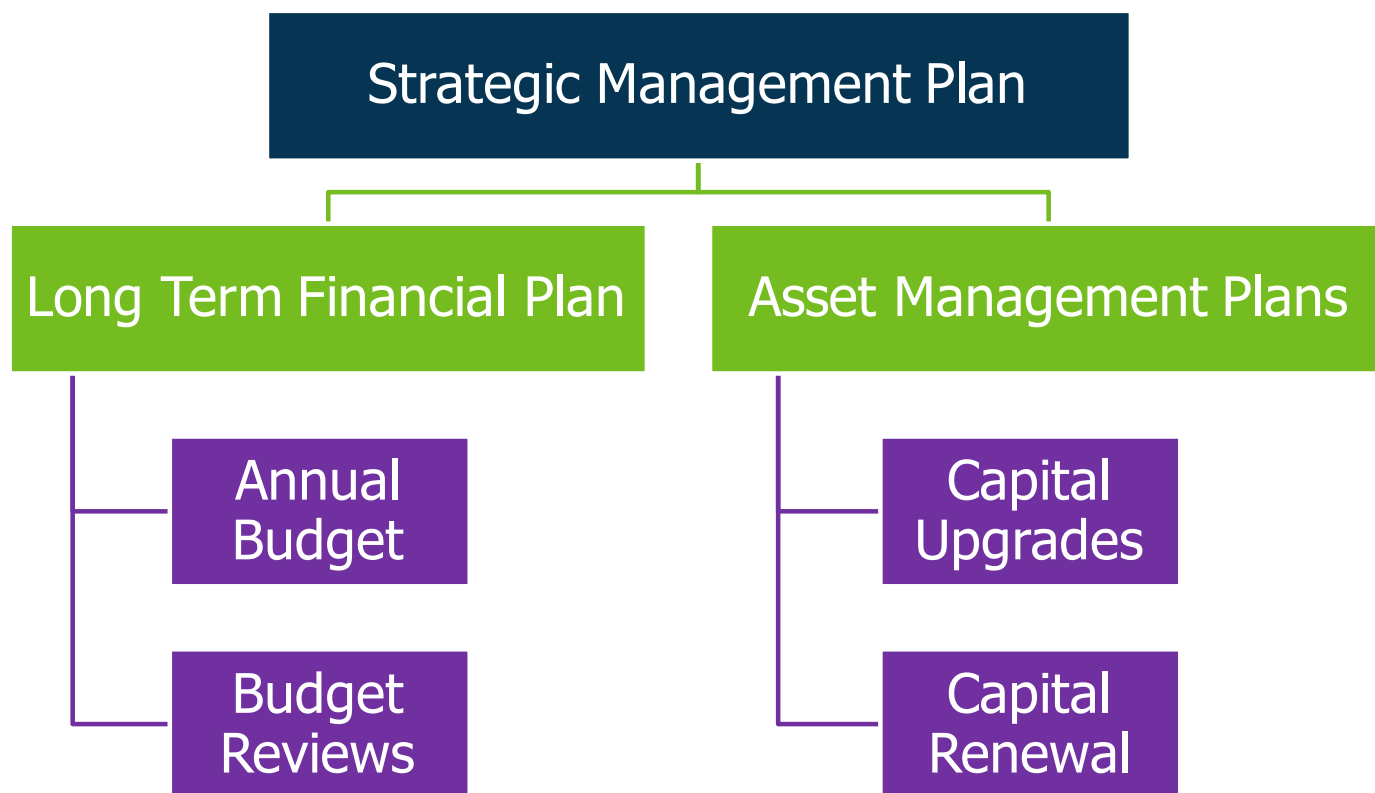
Local Government (Financial Management) Regulations 2011 - 31.5.2018

The information contained within a LTFP is presented at a high level, it is not a detailed budget and does not 'commit' council to the spending or assumptions outlined within the LTFP. Council uses the information within the LTFP to:

- inform future decision making of council;
- understand the level of financial and interest rate risk exposure;
- confirm adequacy of spending on assets and capital renewal;
- allow the ability to track performance against key financial ratios; and
- inform decisions around future service levels and service provision.

## Strategic Context

The LTFP is a strategic component of Council's Strategic Management Framework and supports the delivery of Council's Strategic Management Plan. The Strategic Framework illustrated below outlines Council's organisational planning framework:



The LTFP is integral to Council's suite of Strategic Management Plans providing the critical link between the:

- Strategic Management Plan;
- Asset Management Plans; and,
- Annual Business Plan and Budget.

It translates the objectives and strategies outlined in the Strategic Management Plan 2020-2024 and Asset Management Plans (AMP) into financial outcomes for analysis and community consultation.

Optimising the integration between these key plans ensures Council develops and implements a robust and transparent system of financial management aimed to uphold and maintain Council's long-term financial sustainability

## Key influences and risks

This LTTP generates information that is used to guide decisions about Council's operations into the future.

However, as with any future forecast, the accuracy of this LTTP is subject to many inherent influences. The most significant influences that impact Council's LTTP are:

<b>Access to and timing of grant funding</b>  Council receives a substantial percentage of its annual revenue in the form of various State and Federal grants.  Some of these grants are recurring while others must be applied for and are uncertain. The quantum and timing of grant receipts has a material impact on future financial performance of the Council.	<b>Enterprise Bargaining</b>  Approximately 26% of Council's operating cost base relates to employee costs and a majority of the employees of council are subject to a relevant Industrial Award. Enterprise Bargaining outcomes will therefore have a material impact on financial performance of Council over the LTTP period.
<b>Natural disasters and other events</b>  The 2019/20 Bushfires and the COVID-19 pandemic had a significant impact on Council's operations. Should similar events occur during the LTTP period, the actual results of Council are highly likely to differ from the forecast.	<b>Economic Conditions</b>  Council is also subject to fluctuations in financial performance based on economic conditions which can impact the price of goods and services consumed by Council and Council's ability to collect rates from residential and commercial ratepayers.
<b>Interest Rates</b>  Council currently has one of the highest Net Financial Liabilities Ratios of any council in South Australia and therefore has a high level of exposure to changes in interest rates.	<b>Decisions of Council</b>  Future decisions of Council will impact the future financial performance of Council. While this edition of the LTTP is based on the endorsed 2020—2024 Strategic Management Plan, decisions of Council outside the bounds of this Plan may have positive or negative financial consequences.

So that the LTTP remains up to date, Council Administration is committed to updating this plan annually.

## Historical performance

A review of Council's finances over the past seven years shows that whilst Council has always been able to achieve a cash operating surplus, where its annual cash expenses have been less than its annual revenue, the cash surplus has on most occasions been insufficient to meet the anticipated cost in years to come of replacing or renewing its assets.

This is indicated by the fact that once an amount is included for the depreciation of Council's assets into the equation, the Council has only twice achieved an operating surplus.

YEAR	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Operating Income	\$12,929	\$17,691	\$12,905	\$15,845	\$15,081	\$17,864	\$17,287
Operating Expenditure	\$12,239	\$11,750	\$11,418	\$12,412	\$11,791	\$12,754	\$12,723
Operating Surplus / (Deficit) excluding depreciation / amortisation	\$690	\$5,941	\$1,487	\$3,433	\$3,290	\$5,110	\$4,564
Less Depreciation / Amortization	\$4,368	\$4,478	\$4,438	\$4,576	\$4,636	\$4,925	\$4,892
Operating Surplus / (Deficit) including depreciation / amortisation	(\$3,678)	\$1,463	(\$2,951)	(\$1,143)	(\$1,346)	\$185	(\$328)

The challenge for Council is highlighted by the value ascribed to ongoing maintenance and renewal of its vast sealed and unsealed road network. Council will need to continue to seek support in the form of grants from the State and Federal Government to manage the ongoing renewal of its asset network, recognising that the value and use of this network has benefits to many groups, in addition to the ratepayers of Kangaroo Island.

## Assumptions on which the Long-Term Financial Plan is based

The LTFP is key to establishing the affordability of Council's Asset Management Plans and other strategic community initiatives, ensuring Council can operate on a financially sustainable basis. It enables Council to effectively and equitably manage service levels, asset funding and revenue raising decisions.

In developing the LTFP, key financial principles are established that underpin Council's forecast financial performance and position over a 10-year time frame.

Due to the variable nature of the assumptions, an annual review of the LTFP provides the Council with the opportunity to review the financial principles to easily adapt to external influences, changes in proposed service levels or projects. This involves input from Council, the Audit Committee and management.

The financial projections contained within the LTFP provide an indication of Council's direction and financial capacity into the future and are intended to be viewed as a guide to future actions or opportunities. This encourages Council to analyse the future effects and impacts of current decisions made by Council.

In assessing the assumptions upon which to base the LTFP, Council undertook a scan of the external environment providing context to the development of the LTFP.

This has led Council to incorporate the following specific assumptions in the preparation of the current LTFP.

### General indexation

- Unless otherwise advised, income and costs are indexed by 2.36% per annum over the life of the LTFP which is an assumption based on the last ten-year average Local Government Price Index (LGPI), as published by The South Australian Centre for Economic Studies.

### Income:

- *General Rates*
  - 0.95% net increase in FY2022
  - 2.36% LGPI and 1% growth<sup>1</sup> in future years of the LTFP (3.36% total)
  - Differential Rating strategies not considered in LTFP but may be considered by Council in the future
- *User charges*: Kingscote Airport to return to pre-COVID user charges by end of FY2023
- *Grants*: Based on known amounts to be received (both capital and operating) including continued amortisation of Kingscote Airport grants
- *Reimbursements*: Adjustment for completion of Playford Highway and SA Water Project in FY2022

### Expenses

- *Employee Costs*
  - 0.95% increase in FY2022 (subject to EB negotiations)
  - LGPI increase in FY2023 and beyond + 0.25% per annum to recognise growth in salaries from level increases
- *Materials, contracts and other expenses* - LGPI increase each year except for FY2023 on account of service review process leading to efficiency savings
- *Finance Costs* - Interest rate on CAD facilities of 2.05% for Years 1 to 5. 2.5% in years 6 and 7 and 3% in years 8 to 10.
  - COVID stimulus loan facility at 1.30% separately modelled

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<sup>1</sup> Growth refers to an increase in new housing, property development, capital improvements and the State Government Valuer General's assessment of land and asset values – as such the final figure for growth is outside of Council's immediate direct influence.

- Other principal and interest loans modelled in accordance with repayment schedules.
- *Depreciation* - Based on Asset Management Plans where data exists and useful life assumptions otherwise

## Capital

- *Renewal*
  - Buildings – based on Asset Management Plan
  - CWMS – based on Asset Management Plan
  - Land – no renewal expenditure
  - Property Plant and Equipment – equal to forecast depreciation expense
  - Recreation and Open Space – based on Asset Management Plan
  - Stormwater – based on Asset Management Plan
  - Transport – based on Asset Management Plan
  - Airport - \$50k for first five years and \$100k for next five years (no AMP available)
- *New Capital*
  - Based on information provided by Administration broken down by asset class per Asset Management Plans
    - Other new projects as identified in Strategic Plan: Various master planning processes – airport, freight route and wharfs (\$50k each), Wedgewood / Hickmans Road upgrade (net \$300k impact)
    - Contributory grant funding is expected to support each project
    - A new capital provision of \$500k is also included in FY2024.

## **Financial Sustainability**

Financial sustainability is defined by the Local Government Association in the following statement:

*‘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.’*

For Council, financial sustainability is therefore less about the forecast operating and net surplus / deficit and more about whether Council can continue to fund its long-term service costs relating to its vast road and other asset network without unsustainably increase debt levels.

Council seeks to minimise the burden of rates but must balance this with the delivery of services in the longer term. In FY2021, no ratepayer was asked to pay a higher level of rates on their property than they did in FY2020. Rate increases will be required in the future to ensure Council is able to operate in a financially sustainable manner.



## **Initiatives which will Impact on the Future within the Long-Term Financial Plan**

Council is committed to annual reviews of the LTFP and, particularly, the assumptions which underpin the Plan.

Recognising the significance of the value and complexity of the community assets held by Council, Council has embarked on a major effort to improve the management of its assets. The work has a number of components, each of which will impact on the LTFP in future years.

The main features of the Council's approach to asset management are:

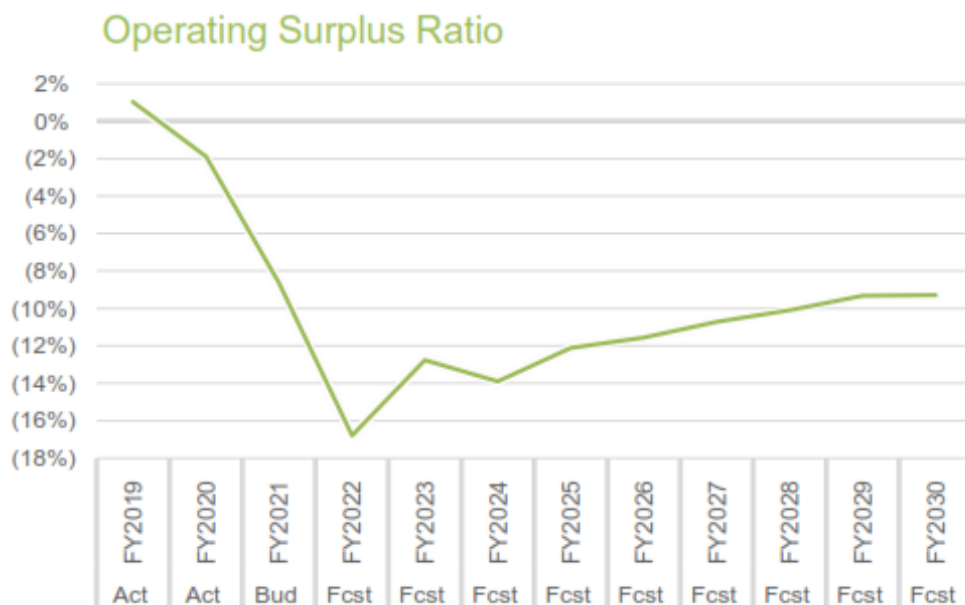
- Conducting condition audits on the major assets so that Council can develop soundly-based maintenance programs which are more cost effective in increasing operational lives of assets;
- Identifying those assets which will be in need of significant renewal or replacement in the ten year period LTFP, and assessing whether new technologies may exist to reduce the cost of renewal or replacement;
- Identifying and assessing those assets considered to be surplus to requirements, potentially removing the responsibility of renewal or replacement without impacting on the benefit which the community receives from those assets;
- Ensuring that all maintenance regimes are efficient, minimise the potential for breakdown incidents and assist with delaying the time at which each asset needs to be renewed or replaced.

In addition, Council is currently reviewing all its levels of service, to ensure maximum efficiency and effective service delivery. This review is expected to be completed by the end of 2021.

## Key Ratios

In terms of key ratios and other parameters, the following charts detail the movement of key ratios over the 10-year period of the LTFP.

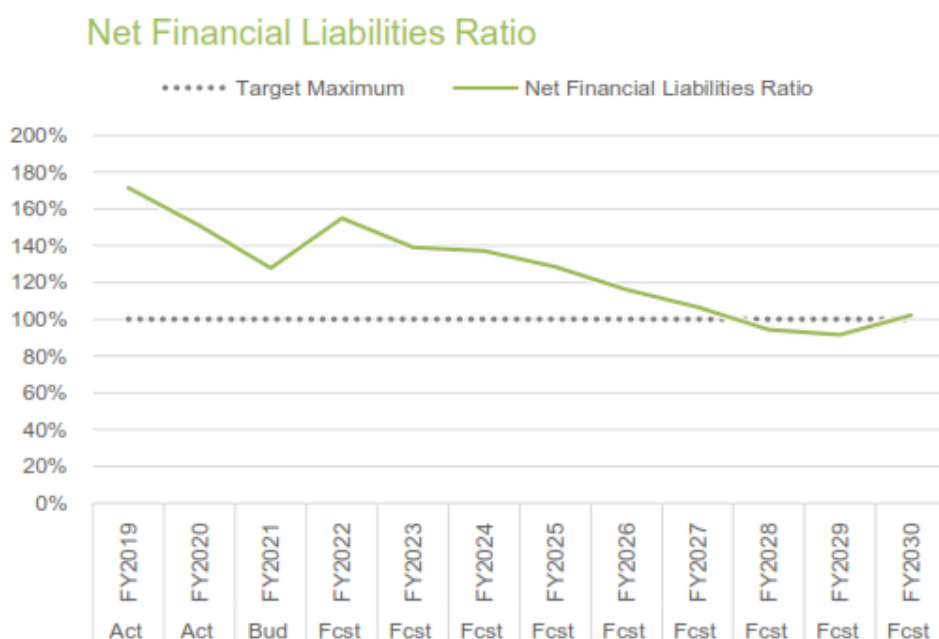
### Operating Surplus Ratio



The Operating Surplus Ratio is the operating surplus/(deficit) expressed as a percentage of operating income. A positive ratio indicates the percentage of operating income available to help fund proposed capital expenditure. A negative ratio indicates the percentage increase in operating income or decrease in operating expenses required to achieve a break-even operating result.

**Target** – We aim to achieve an Operating Surplus Ratio of 0% within 10 years.

### Net Financial Liabilities and Ratio

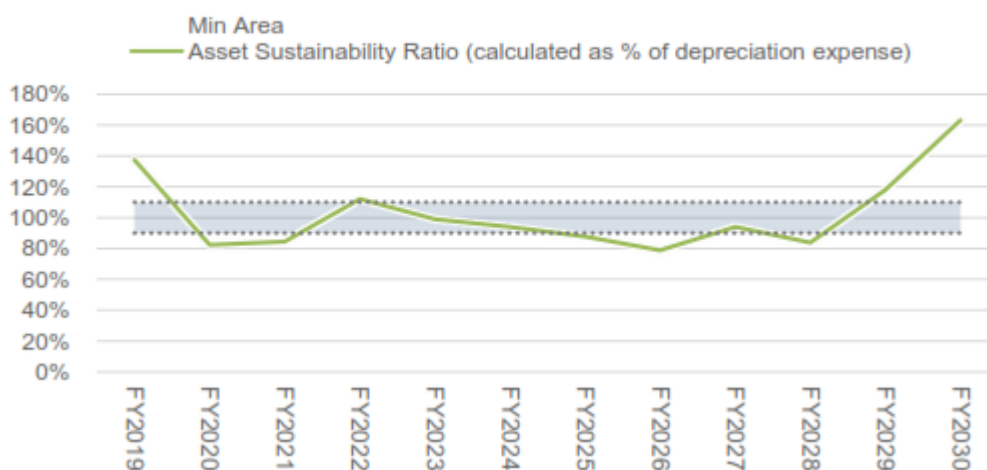


The Net Financial Liabilities Ratio represents Council's net financial liabilities (total liabilities less financial assets) expressed as a percentage of total operating income. If the ratio falls, over time, this indicates that the Council's capacity to meet its financial obligations from operating revenue is strengthening.

**Target** – This Ratio should be greater than zero but less than 100% of Operating Revenue.

### Asset Sustainability Ratio

#### Asset Sustainability Ratio (calculated as % of depreciation expense)



The Asset Sustainability Ratio demonstrates whether assets are being renewed and replaced at the rate they are wearing out. The ratio is usually calculated by measuring capital expenditure on renewal or replacement of assets over the financial year, divided by the optimal level of expenditure proposed in Council's Infrastructure and Asset Management Plans. However, because we have not had rigorous asset management planning in previous years, we have used depreciation as the measure and have done this again for the 2020-21 budget to demonstrate the trend.

**Target** - Council's target for this ratio is between 90% and 110% of depreciation.

## Debt

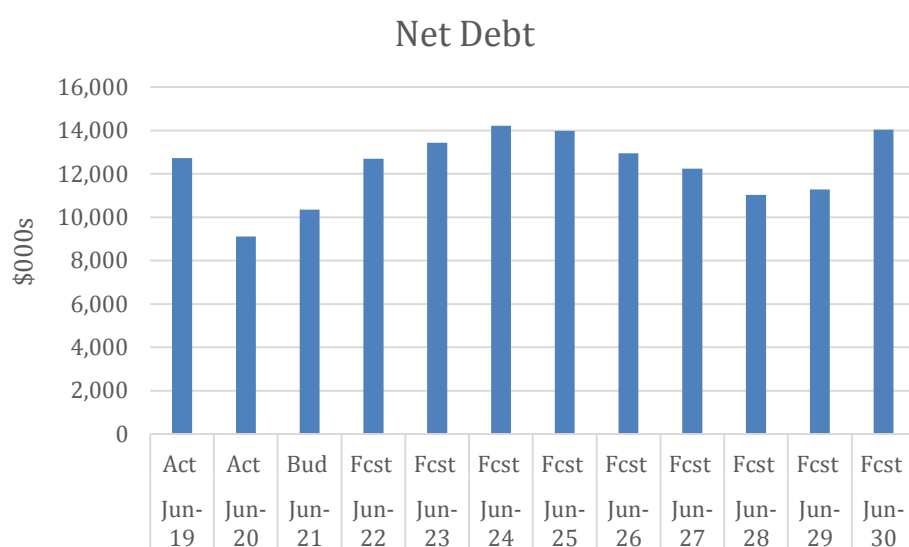
A major component of services Council provides are asset intensive, which often requires a large investment - initially for acquisition of assets, and ongoing as a result of maintenance and renewal of those assets.

Without the use of debt, Council would find it difficult to fund the acquisition of new assets. In the absence of adequate debt, Council would have to charge current ratepayers a high charge relative to the benefit derived. This would also lead to issues with intergenerational equity since Council would charge current ratepayers' high rates whilst future ratepayers would continue to derive the benefit of the assets.

Using debt, when done equitably and responsibly, will help alleviate these issues of intergenerational equity.

The LTFP builds in \$56.9 million in asset renewal and replacement and \$13.6 million in new and upgraded assets over the 10- year period (at today's prices). It also assumes that Council will receive \$27.0 million in capital grants to support this investment.

The following chart shows the forecast levels of 'Net Debt' at the end of each financial year in the LTFP. Net Debt is calculated by adding the current and non current borrowings and subtracting cash reserves.





## Conclusions of the 2021-2030 Long-Term Financial Plan

The key conclusions of the LTFP are as follows:

- Operating surplus ratio far below target of 0% for life of LTFP
- Operating income is not sufficient to cover the operating expenses of Council
- Despite running continued operating deficits, debt levels are forecast to remain steady over the LTFP as Council has a track record of attracting capital grants to offset the cost of asset renewal projects (particularly regarding renewal of the sealed road network)
- NFL ratio declines as revenue increases year on year and debt levels remain relatively steady
- There is an allocation in the Buildings Asset Management Plan for a major renewal of the Kingscote Civic Centre in FY2030
- The LTFP assumes capital renewal is broadly consistent with depreciation expense over the plan period which should lead to existing asset service levels being broadly maintained

Increases in revenue or reduction in expenses are required if Council wishes to deliver an operating surplus. Council's operating deficits are currently being 'funded' by forecast amounts received for new and upgraded assets which helps to offset Council's asset renewal requirement.

As a result, and due to the current low interest rate environment, debt levels are not forecast to increase materially and consequently Council's is able to continue to fund its current levels of service delivery. However, there is little scope for new projects or to manage a future deterioration in financial performance without increasing debt.

Options for addressing the structural deficit need to be considered. Options include but are not limited to;

- Increase council rates
- Sourcing additional grants
- Diversifying income sources
- Realise efficiencies / savings from service review process
- Review asset management plans and accuracy of depreciation estimates
- Defer or cancel new projects

A detailed view of the Long-Term Financial Plan is provided in [Appendix A](#) – Model Financial Statements.

## Appendix A: Long Term Financial Plan 2021-2030 Financial Reports

### Income Statement

#### Kangaroo Island Council LTFP

\$'000	Jun-19 Act	Jun-20 Act	Jun-21 Bud	Jun-22 Fcst	Jun-23 Fcst	Jun-24 Fcst	Jun-25 Fcst	Jun-26 Fcst	Jun-27 Fcst	Jun-28 Fcst	Jun-29 Fcst	Jun-30 Fcst
<b>Income</b>												
Rates Revenue	10,231	10,409	10,457	10,556	10,911	11,278	11,657	12,048	12,453	12,871	13,304	13,751
Statutory Charges	297	234	218	220	225	231	236	242	247	253	259	265
User Charges	1,241	981	796	894	990	1,088	1,189	1,217	1,245	1,275	1,305	1,336
Grants, Subsidies and Contributions	5,309	4,763	3,669	2,365	2,421	2,478	2,536	2,596	2,657	2,720	2,784	2,850
Investment Income	8	21	5	5	5	5	5	6	6	6	6	6
Reimbursements	680	811	2,999	1,677	1,717	1,758	1,799	1,842	1,885	1,929	1,975	2,022
Other Income	98	54	-	-	-	-	-	-	-	-	-	-
Net Gain - Equity Accounted Council Businesses	-	14	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>17,864</b>	<b>17,287</b>	<b>18,144</b>	<b>15,717</b>	<b>16,269</b>	<b>16,837</b>	<b>17,422</b>	<b>17,950</b>	<b>18,494</b>	<b>19,055</b>	<b>19,633</b>	<b>20,230</b>
<b>Expenses</b>												
Employee Costs	4,637	4,650	4,956	5,003	5,134	5,268	5,405	5,546	5,691	5,840	5,992	6,148
Materials, Contracts & Other Expenses	7,501	7,606	9,143	8,097	7,847	8,282	8,222	8,416	8,614	8,818	9,026	9,239
Depreciation, Amortisation and Impairment	4,925	4,892	4,793	4,864	5,051	5,217	5,402	5,528	5,661	5,788	5,950	6,205
Finance Costs	612	467	211	249	291	301	313	353	324	356	316	326
Net loss - Equity Accounted Council Businesses	4	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>17,679</b>	<b>17,615</b>	<b>19,103</b>	<b>18,213</b>	<b>18,322</b>	<b>19,067</b>	<b>19,341</b>	<b>19,843</b>	<b>20,290</b>	<b>20,801</b>	<b>21,283</b>	<b>21,917</b>
<b>Operating Surplus / (Deficit)</b>	<b>185</b>	<b>(328)</b>	<b>(959)</b>	<b>(2,495)</b>	<b>(2,054)</b>	<b>(2,231)</b>	<b>(1,919)</b>	<b>(1,893)</b>	<b>(1,796)</b>	<b>(1,746)</b>	<b>(1,650)</b>	<b>(1,688)</b>
Asset Disposal & Fair Value Adjustments	4	(115)	10	-	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	4,071	4,364	8,076	5,513	3,854	2,513	2,513	2,513	2,513	2,513	2,513	2,513
Physical Resources Received Free of Charge	-	295	-	-	-	-	-	-	-	-	-	-
Operating Result from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus / (Deficit)</b>	<b>4,260</b>	<b>4,216</b>	<b>7,127</b>	<b>3,017</b>	<b>1,800</b>	<b>282</b>	<b>593</b>	<b>619</b>	<b>716</b>	<b>766</b>	<b>863</b>	<b>825</b>
<b>Other Comprehensive Income</b>												
Changes in Revaluation Surplus - I,PP&E	(3,113)	258,509	3,320	9,832	10,113	10,321	10,539	10,744	10,939	11,148	11,351	11,593
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reser	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>	<b>(3,113)</b>	<b>258,509</b>	<b>3,320</b>	<b>9,832</b>	<b>10,113</b>	<b>10,321</b>	<b>10,539</b>	<b>10,744</b>	<b>10,939</b>	<b>11,148</b>	<b>11,351</b>	<b>11,593</b>
<b>Total Comprehensive Income</b>	<b>1,147</b>	<b>262,725</b>	<b>10,447</b>	<b>12,849</b>	<b>11,913</b>	<b>10,603</b>	<b>11,132</b>	<b>11,363</b>	<b>11,656</b>	<b>11,915</b>	<b>12,214</b>	<b>12,418</b>

Adopted 08 June 2021



## Balance Sheet

### Kangaroo Island Council LTFP

\$'000	Jun-19 Act	Jun-20 Act	Jun-21 Bud	Jun-22 Fcst	Jun-23 Fcst	Jun-24 Fcst	Jun-25 Fcst	Jun-26 Fcst	Jun-27 Fcst	Jun-28 Fcst	Jun-29 Fcst	Jun-30 Fcst
<b>Current Assets</b>												
Cash and Cash Equivalents	1,943	2,985	54	162	158	190	188	159	230	167	240	190
Trade and Other Receivables	2,413	1,691	2,091	1,055	1,096	1,136	1,183	1,221	1,261	1,298	1,344	1,388
Inventories	407	268	379	379	379	379	379	379	379	379	379	379
<b>Total Current Assets</b>	<b>4,763</b>	<b>4,944</b>	<b>2,524</b>	<b>1,596</b>	<b>1,633</b>	<b>1,705</b>	<b>1,750</b>	<b>1,759</b>	<b>1,870</b>	<b>1,845</b>	<b>1,964</b>	<b>1,957</b>
<b>Non-Current Assets</b>												
Equity Accounted Investments in Council Businesses	117	131	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	214,454	476,414	491,582	505,637	516,037	526,945	537,208	546,960	557,421	567,558	579,656	594,556
Other Non-Current Assets	5,085	1,422	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845
<b>Total Non-Current Assets</b>	<b>219,656</b>	<b>477,967</b>	<b>493,427</b>	<b>507,482</b>	<b>517,882</b>	<b>528,790</b>	<b>539,053</b>	<b>548,805</b>	<b>559,266</b>	<b>569,403</b>	<b>581,501</b>	<b>596,401</b>
<b>Total Assets</b>	<b>224,419</b>	<b>482,911</b>	<b>495,951</b>	<b>509,078</b>	<b>519,515</b>	<b>530,495</b>	<b>540,803</b>	<b>550,565</b>	<b>561,136</b>	<b>571,248</b>	<b>583,464</b>	<b>598,359</b>
<b>Current Liabilities</b>												
Trade & Other Payables	4,296	5,279	3,663	3,341	1,640	1,715	1,652	1,614	1,689	1,666	1,860	2,132
Borrowings	1,366	1,351	1,366	1,816	1,736	1,648	1,659	1,670	1,682	1,600	1,532	1,366
Provisions	1,142	1,036	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037
<b>Total Current Liabilities</b>	<b>6,804</b>	<b>7,666</b>	<b>6,066</b>	<b>6,194</b>	<b>4,413</b>	<b>4,399</b>	<b>4,347</b>	<b>4,322</b>	<b>4,409</b>	<b>4,303</b>	<b>4,429</b>	<b>4,535</b>
<b>Non-Current Liabilities</b>												
Trade & Other Payables	14,599	11,982	9,382	7,528	7,016	6,503	5,991	5,478	4,966	4,453	3,941	3,428
Borrowings	13,303	10,745	9,040	11,044	11,862	12,765	12,505	11,442	10,783	9,598	9,988	12,870
Provisions	275	355	354	354	354	354	354	354	354	354	354	354
<b>Total Non-Current Liabilities</b>	<b>28,177</b>	<b>23,082</b>	<b>18,776</b>	<b>18,926</b>	<b>19,232</b>	<b>19,622</b>	<b>18,850</b>	<b>17,274</b>	<b>16,103</b>	<b>14,405</b>	<b>14,282</b>	<b>16,652</b>
<b>Total Liabilities</b>	<b>34,981</b>	<b>30,748</b>	<b>24,842</b>	<b>25,120</b>	<b>23,644</b>	<b>24,021</b>	<b>23,197</b>	<b>21,596</b>	<b>20,511</b>	<b>18,708</b>	<b>18,711</b>	<b>21,187</b>
<b>Net Assets</b>	<b>189,438</b>	<b>452,163</b>	<b>471,109</b>	<b>483,958</b>	<b>495,871</b>	<b>506,474</b>	<b>517,606</b>	<b>528,969</b>	<b>540,625</b>	<b>552,540</b>	<b>564,753</b>	<b>577,171</b>
<b>Equity</b>												
Accumulated Surplus	19,740	19,435	26,559	29,576	31,377	31,659	32,252	32,871	33,587	34,354	35,216	36,041
Asset Revaluation Reserves	168,587	427,096	438,917	448,749	458,861	469,182	479,721	490,465	501,404	512,553	523,904	535,497
Other Reserves	1,111	5,632	5,633	5,633	5,633	5,633	5,633	5,633	5,633	5,633	5,633	5,633
<b>Total Equity</b>	<b>189,438</b>	<b>452,163</b>	<b>471,109</b>	<b>483,958</b>	<b>495,871</b>	<b>506,474</b>	<b>517,606</b>	<b>528,969</b>	<b>540,625</b>	<b>552,540</b>	<b>564,753</b>	<b>577,171</b>

## Cash Flow Statement

### Kangaroo Island Council LTFP

\$'000	Jun-19 Act	Jun-20 Act	Jun-21 Bud	Jun-22 Fcst	Jun-23 Fcst	Jun-24 Fcst	Jun-25 Fcst	Jun-26 Fcst	Jun-27 Fcst	Jun-28 Fcst	Jun-29 Fcst	Jun-30 Fcst
Actual/Budget Period Flag	1	1	1	-	-	-	-	-	-	-	-	-
<b>Cash Flow from Operating Activities</b>												
<b>Receipts</b>												
Operating Receipts	18,541	17,981	17,740	16,748	16,222	16,792	17,370	17,906	18,448	19,012	19,581	20,180
Investment Receipts	11	21	5	5	5	5	5	6	6	6	6	6
<b>Payments</b>												
Operating Payments for Suppliers and Employees	(13,925)	(12,106)	(18,043)	(11,755)	(12,806)	(12,895)	(13,177)	(13,546)	(13,712)	(14,203)	(14,154)	(14,164)
Finance Payments	(597)	(513)	(211)	(249)	(291)	(301)	(313)	(353)	(324)	(356)	(316)	(326)
<b>Net Cash Provided By (or Used In) Operating Activities</b>	<b>4,028</b>	<b>5,383</b>	<b>(510)</b>	<b>4,750</b>	<b>3,130</b>	<b>3,602</b>	<b>3,885</b>	<b>4,012</b>	<b>4,418</b>	<b>4,458</b>	<b>5,117</b>	<b>5,697</b>
<b>Cash Flow from Investing Activities</b>												
<b>Receipts</b>												
Amounts Received Specifically for New / Upgraded Assets	4,072	2,752	8,077	2,900	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Sale of Replaced Assets	78	280	10	-	-	-	-	-	-	-	-	-
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Expenditure on Renewal / Replacement of Assets	(6,773)	(4,030)	(5,229)	(5,447)	(4,990)	(4,897)	(4,723)	(4,347)	(5,303)	(4,833)	(7,005)	(10,103)
Expenditure on New / Upgraded Assets	(1,526)	(465)	(3,589)	(4,548)	(883)	(1,488)	(916)	(643)	(399)	(421)	(360)	(360)
<b>Net Cash Provided By (or Used In) Investing Activities</b>	<b>(4,149)</b>	<b>(1,463)</b>	<b>(731)</b>	<b>(7,095)</b>	<b>(3,873)</b>	<b>(4,385)</b>	<b>(3,638)</b>	<b>(2,990)</b>	<b>(3,701)</b>	<b>(3,253)</b>	<b>(5,366)</b>	<b>(8,464)</b>
<b>Cash Flow from Financing Activities</b>												
<b>Receipts</b>												
Proceeds from Borrowings	23,236	11,806	2,646	3,914	2,158	2,097	886	118	560	-	1,509	3,858
<b>Payments</b>												
Repayment of Borrowings	(25,691)	(14,684)	(4,336)	(1,460)	(1,420)	(1,282)	(1,135)	(1,170)	(1,206)	(1,267)	(1,187)	(1,141)
<b>Net Cash Provided By (or Used In) Financing Activities</b>	<b>(2,455)</b>	<b>(2,878)</b>	<b>(1,691)</b>	<b>2,454</b>	<b>738</b>	<b>815</b>	<b>(249)</b>	<b>(1,052)</b>	<b>(647)</b>	<b>(1,267)</b>	<b>321</b>	<b>2,717</b>
<b>Net Increase (Decrease) in Cash Held</b>	<b>(2,576)</b>	<b>1,042</b>	<b>(2,931)</b>	<b>108</b>	<b>(4)</b>	<b>32</b>	<b>(2)</b>	<b>(29)</b>	<b>70</b>	<b>(62)</b>	<b>73</b>	<b>(50)</b>
Cash & Cash Equivalents at the Beginning of Period	4,519	1,943	2,985	54	162	158	190	188	159	230	167	240
<b>Cash &amp; Cash Equivalents at the End of Period</b>	<b>1,943</b>	<b>2,985</b>	<b>54</b>	<b>162</b>	<b>158</b>	<b>190</b>	<b>188</b>	<b>159</b>	<b>230</b>	<b>167</b>	<b>240</b>	<b>190</b>

## Uniform Presentation of Finances

### Kangaroo Island Council LTFP

\$'000	Jun-19 Act	Jun-20 Act	Jun-21 Bud	Jun-22 Fcst	Jun-23 Fcst	Jun-24 Fcst	Jun-25 Fcst	Jun-26 Fcst	Jun-27 Fcst	Jun-28 Fcst	Jun-29 Fcst	Jun-30 Fcst
Income	17,864	17,287	18,144	15,717	16,269	16,837	17,422	17,950	18,494	19,055	19,633	20,230
less Expenses	(17,679)	(17,615)	(19,103)	(18,213)	(18,322)	(19,067)	(19,341)	(19,843)	(20,290)	(20,801)	(21,283)	(21,917)
<b>Operating Surplus / (Deficit)</b>	<b>185</b>	<b>(328)</b>	<b>(959)</b>	<b>(2,495)</b>	<b>(2,054)</b>	<b>(2,231)</b>	<b>(1,919)</b>	<b>(1,893)</b>	<b>(1,796)</b>	<b>(1,746)</b>	<b>(1,650)</b>	<b>(1,688)</b>
<b>Net Outlays on Existing Assets</b>												
Capital Expenditure on renewal and replancement of Existing Assets	(6,773)	(3,974)	(5,229)	(5,447)	(4,990)	(4,897)	(4,723)	(4,347)	(5,303)	(4,833)	(7,005)	(10,103)
add back Depreciation, Amortisation and Impairment	4,925	4,892	4,793	4,864	5,051	5,217	5,402	5,528	5,661	5,788	5,950	6,205
add back Proceeds from Sale of Replaced Assets	78	52	10	-	-	-	-	-	-	-	-	-
	<b>(1,770)</b>	<b>970</b>	<b>(426)</b>	<b>(583)</b>	<b>61</b>	<b>320</b>	<b>679</b>	<b>1,181</b>	<b>358</b>	<b>955</b>	<b>(1,056)</b>	<b>(3,899)</b>
<b>Net Outlays on New and Upgraded Assets</b>												
Capital Expenditure on New and Upgraded Assets	(1,526)	(465)	(3,589)	(4,548)	(883)	(1,488)	(916)	(643)	(399)	(421)	(360)	(360)
add back Amounts Received Specifically for New and Upgraded Assets	4,071	2,752	8,076	2,900	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
add back Proceeds from Sale of Surplus Assets	-	228	-	-	-	-	-	-	-	-	-	-
	<b>2,545</b>	<b>2,515</b>	<b>4,487</b>	<b>(1,648)</b>	<b>1,117</b>	<b>512</b>	<b>1,084</b>	<b>1,357</b>	<b>1,601</b>	<b>1,579</b>	<b>1,640</b>	<b>1,640</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>960</b>	<b>3,157</b>	<b>3,102</b>	<b>(4,727)</b>	<b>(875)</b>	<b>(1,398)</b>	<b>(156)</b>	<b>645</b>	<b>164</b>	<b>788</b>	<b>(1,066)</b>	<b>(3,947)</b>

## Statement of Changes in Equity

### Kangaroo Island Council LTFP

\$'000	Jun-19 Act	Jun-20 Act	Jun-21 Bud	Jun-22 Fcst	Jun-23 Fcst	Jun-24 Fcst	Jun-25 Fcst	Jun-26 Fcst	Jun-27 Fcst	Jun-28 Fcst	Jun-29 Fcst	Jun-30 Fcst
<b>Accumulated Surplus</b>												
Balance at the end of previous reporting period	14,240	19,740	19,435	26,562	29,579	31,380	31,662	32,255	32,874	33,590	34,357	35,219
Net result for the year	4,260	4,216	7,127	3,017	1,800	282	593	619	716	766	863	825
Transfers from other reserves	1,240	(4,521)	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of the period</b>	<b>19,740</b>	<b>19,435</b>	<b>26,562</b>	<b>29,579</b>	<b>31,380</b>	<b>31,662</b>	<b>32,255</b>	<b>32,874</b>	<b>33,590</b>	<b>34,357</b>	<b>35,219</b>	<b>36,044</b>
<b>Asset Revaluation Reserve</b>												
Balance at the end of previous reporting period	171,700	168,587	427,095	438,914	448,746	458,858	469,179	479,718	490,462	501,401	512,550	523,901
Gain (Loss) on Revaluation of I, PP&E	(3,113)	258,509	11,819	9,832	10,113	10,321	10,539	10,744	10,939	11,148	11,351	11,593
<b>Balance at the end of period</b>	<b>168,587</b>	<b>427,096</b>	<b>438,914</b>	<b>448,746</b>	<b>458,858</b>	<b>469,179</b>	<b>479,718</b>	<b>490,462</b>	<b>501,401</b>	<b>512,550</b>	<b>523,901</b>	<b>535,494</b>
<b>Other Reserves</b>												
Balance at the end of previous reporting period	2,351	1,111	5,633	5,633	5,633	5,633	5,633	5,633	5,633	5,633	5,633	5,633
Transfers from Accumulated Surplus	(1,240)	4,521	-	-	-	-	-	-	-	-	-	-
<b>Balance at the end of period</b>	<b>1,111</b>	<b>5,632</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>	<b>5,633</b>
<b>Total Equity at end of reporting period</b>	<b>189,438</b>	<b>452,163</b>	<b>471,109</b>	<b>483,958</b>	<b>495,871</b>	<b>506,474</b>	<b>517,606</b>	<b>528,969</b>	<b>540,625</b>	<b>552,540</b>	<b>564,753</b>	<b>577,171</b>