KENTISH

Financial Management Strategy

Incorporating the

Long Term Financial Plan

Updated

December 2023

Contents

1. Executive Summary

The Kentish Council's Financial Management Strategy (FMS) is an important component of the Council's financial planning process as it underpins financial sustainability whilst meeting the needs and expectations of the community in delivering on Council's Strategic Plan. The FMS is a requirement under s70A of the *Local Government Act 1993.*

An integral part of this FMS is the inclusion of the Long-Term Financial Plan (LTFP). A LTFP is a requirement under s70 of the *Local Government Act 1993*.

The FMS is integral to Council in setting the high-level financial parameters which guide the development and refinement of Council's annual budget, strategies, and actions. Council aims to achieve the following outcomes for the forward 10-year period:

- a financially sustainable operating position,
- maintaining a cash balance equivalent of around 5 - 6 months of annual operating cash payment expenses,
- comfortably meeting financial obligations as and when they fall due,
- being able to respond to unexpected events (i.e. floods, fires, etc); and
- balanced and responsible rating decisions.

In determining the minimum cash balance Council has relied on information provided by the Tasmanian Audit Office (TAO). The TAO in 2019 determined the following benchmarks to assess the adequacy of cash balances held by council:

- less than 3 months expense coverage – level of cash considered low
- 3 to 6 months – level of cash considered adequate
- 6 to 12 months – level of cash considered high
- greater than 12 months – level of cash considered excessive

Note: TAO benchmark does not take into consideration capital expenditure requirements.

Based on operating cash payments the range identified during the life of the Plan is for a cash balance between $8.6m and $17.1m at the end of each financial year. This level of cash on hand will likely allow Council to have sufficient financial capacity to deal with any unforeseen impacts like those experienced with the major flood event in 2016, COVID-19 and the windstorm which significantly impacted the Kentish area in June 2022. Due to past prudent financial management Council has been able to respond to these events in a timely and positive manner.

Council has incorporated both the FMS and LTFP into a single document to ensure it meets its statutory obligations, but more importantly it allows a single point of reference when it comes to future financial planning.

The LTFP generates information that will assist Council decision making relating to the mix, timing, and affordability of future outlays on normal operating activities, renewal and replacement of existing assets and the creation and funding of new assets. The LTFP is instrumental in ensuring Council delivers enhanced services now and into the future by providing optimal value in the delivery of community outcomes.

The LTFP is prepared in 'constant dollars', also known as 'real or today's dollars'. As a result of using 'today's dollars' the plan discounts future loan interest payments to convert them to an equivalent current dollar amount. The discount rate is based on average CPI of 2.5 per cent over the 10-year period.

The Kentish and Latrobe Councils have developed a shared workforce with common management and systems. This allows the two Councils to share resources, knowledge, and skills to optimise the efficiency and effectiveness of service delivery to their separate communities. Significant efficiencies have been achieved (with more to come) through this arrangement, placing both Councils on a more sustainable trajectory moving forward.

In preparing the LTFP, several key assumptions have been applied. The 2023/24 'Budgeted Statement of Comprehensive Income' forms the base data for Year 1 of the Plan. The LTFP presents ten years of financial projections underpinned and influenced by this base data.

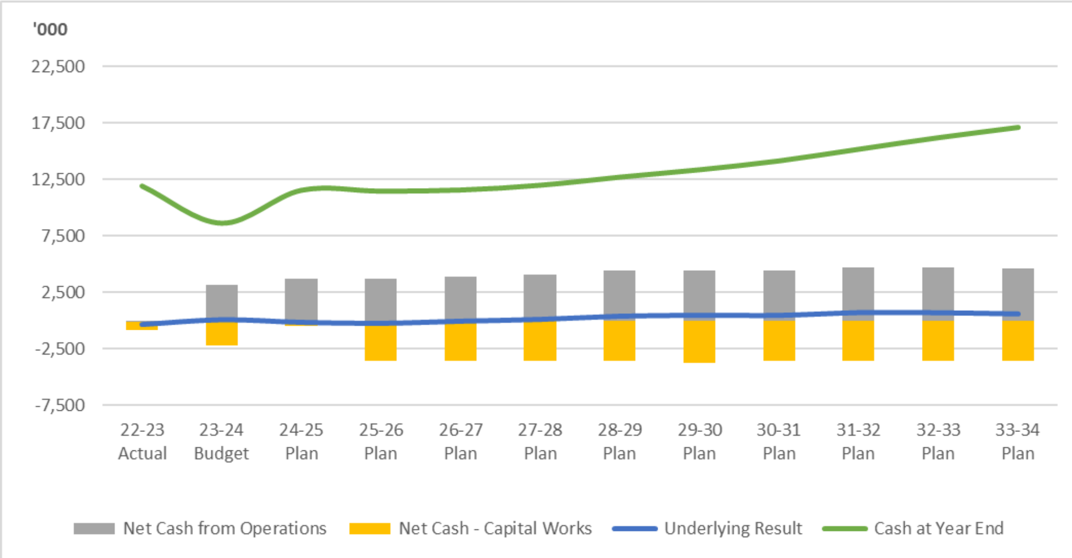
Generally, Council has assumed minimal change to the overall service levels throughout the 10-year forward projection period. The principles which will guide the Council in determining its financial management strategies are as follows:

- responsible financial management,
- principles of equity across generations maintained,
- a sustainable financial position is maintained,
- community benefit will underpin decision-making, and
- a balanced underlying operating result.

Other influences which the Council may consider in making financial decisions includes:

- impact of new/increased/additional services,
- provisions for future works,
- grant funding opportunities which may arise,
- awareness of impacts of such things as COVID-19, floods, wind events, etc; and
- improved revenue raising options.

With these principles in mind, this Plan is based on, and achieves, the following outcomes:



- An underlying deficit of $393k is expected for 2022/23 and a surplus of $43k in 2023/24, before returning a deficit for three years until a surplus is maintained from 2027/28 for remainder of the Plan. The budgeted surplus in 2023/24 is subject to review during the 2023/24 financial year with recent updated information from Dulverton Waste Management Authority suggesting an underlying deficit is possible for 2023/24.
- New borrowings of $5.1m were taken up in 2020/21 to assist with funding major infrastructure projects. Council will repay $4.1m of this loan in a lump sum in April 2024. No further borrowings are projected for the remaining life of the Plan. By 2033/34 the Council will have no loan debt.
- Renewal and replacement of existing assets equalling $3.1m in 2023/24 and totalling $37.4m during the life of the Plan.
- New and upgraded assets valued at $1.7m in 2023/24 and totalling $6.5m across the life of the Plan.
- Capital grants of $2.6m in 2023/24 and totalling $13.6m during the life of the Plan. $6.6m of the projected grant funding relates to contributions for the Railton Flood Mitigation works and $5.1m in Roads to Recovery funding over the life of the Plan.

Based on the assumptions outlined in this Plan it can be assumed that the Kentish Council is financially sustainable into the future, however rate increases of 3 per cent above CPI will be necessary for the next three years and 2 per cent above CPI in years four and five along with expenditure savings of $150k in 24/25. This will allow Council to achieve an underlying surplus from 2027/28. These measures are in response to increasing depreciation charges as a result of both significant recent inflation leading to rising asset costs (and asset revaluations) and depreciation charges for new assets such as the Sheffield Arts Centre and Visitor Information Centre redevelopment.

2. Strategic Context

The statutory requirements Council is to follow in relation to the preparation of the FMS is provided at s70A of the *Local Government Act 1993*.

70A. Financial management strategies

(1) A council is to prepare a financial management strategy for the municipal area.

(2) A financial management strategy for a municipal area is to –

(a) be consistent with the strategic plan for the municipal area; and

(b) contain at least the matters that are specified in an order made under section 70F as required to be included in a financial management strategy.

An integral part of this FMS is the inclusion of the Long-Term Financial Plan (LTFP). The *Local Government Act 1993* at s70 outlines what is to be included in the LTFP.

70. Long-term financial management plans

(1) A council is to prepare a long-term financial management plan for the municipal area.

(2) A long-term financial management plan is to be in respect of at least a 10 year period.

(3) A long-term financial management plan for a municipal area is to –

(a) be consistent with the strategic plan for the municipal area; and

(b) refer to the long-term strategic asset management plan for the municipal area; and

(c) contain at least the matters that are specified in an order made under section 70F as required to be included in a long-term financial management plan.

The *Local Government (Content of Plans and Strategies) Order 2014* further outlines the disclosure expectations as to what is to be included in the FMS and the LTFP. This FMS complies with the disclosure requirements of the Order.

The FMS is an integral component of the Council's overall strategic planning framework:

The FMS and LTFP translates the objectives and strategies outlined in the Strategic Plan into projected financial outcomes predicted over a 10-year period.

Optimising the integration between Council's Strategic Plan intentions, ensures the development and implementation of a robust and transparent system of financial management which is aimed at upholding and maintaining Council's long-term financial sustainability.

***Financial Sustainability** - 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 disrupting impacts on the delivery of services.*

3. Financial Principles

The following principles serve to guide Council in setting its financial goals and strategies:

1. **Finances will be managed responsibly**
   Council will only raise the revenue it requires to meet its needs to provide services and the management and maintenance of community assets. Council will responsibly manage all funds under its control in line with acceptable community standards and expectations.

2. **Maintain principles of equity across generations**
   Council will seek to achieve equity across generations by recognising that each generation must pay its way with respect to recurrent expenses being met by revenue streams. When considering the creation of new assets, the Council will equally consider issues relating to inter-generational equity principles.

3. **A sustainable financial position will be maintained**
   Council will accumulate enough financial resources and maintain the borrowing capacity to address unexpected events and volatility. Council's budget will be appropriately managed to allow sufficient flexibility to ensure volatility in revenues and expenses, resulting from a changing economic environment, can be accommodated.

4. **Community benefit will underpin decision-making**
   Council will place a high emphasis on ensuring the appropriate allocation of resources through its budgeting processes. Council will regularly report to the community on its management of the financial resources which have been entrusted to it by its ratepayers.

5. **A balanced operating result**
   Council is committed to the equitable and consistent generation of revenue and the effective delivery of services that are appropriate for the community. The Council will when possible aim for a balanced budget, unless it can be justified that an underlying deficit is required. The generation of an underlying surplus indicates Council can continue to adequately fund existing services into the future. Maintaining an underlying surplus assists Council in meeting its future debt repayments and the funding of infrastructure renewal projects and allows Council to deal with unforeseen events which may occur from time to time (i.e. COVID-19, floods, fires, windstorms, etc).

The Council, providing it follows the principles contained within this Plan, when determining its Annual Plan and Budget Estimates, will be financial sustainability into the future.

4. Key Influences and Risks

The FMS generates information which is used to guide decisions about Council operations into the future. As with any forward-looking plan, the outcomes achieved are subject to many inherent influences:

External Influences

items outside of Council's control

Internal Influences

items that Council can control

Community Influences / Drivers

4.1 External Influences

- Unforeseen economic changes or circumstances such as:
  - interest rates fluctuations,
  - localised economic growth including residential development and new business,
  - changes to specific programs such as Federal Assistance Grants, and
  - impacts from events such as floods, fire, and other emergencies (i.e. COVID-19)
  - changes in prices as influenced by:
    - Consumer Price Index (CPI)
    - Local Government Association of Tasmania (LGAT) Price Index

- Unforeseen political changes or circumstances such as:
  - changes to levies and their conditions (e.g. Environment Protection Authority, Waste Levy, Fire Levy),
  - cost of resources (e.g. fuel and water),
  - cost shifting from other levels of Government,
  - a change in the level of legislative compliance, and
  - increased environmental standards.

- Variable climatic conditions such as:
  - storm events, and
  - climate change.

4.2 Internal Influences

- agreed service level review outcomes,
- asset management,
- depreciation estimate,
- risk of unforeseen cost increases on major capital projects,
- rate increases and other financial impacts,
- performance management,
- efficiencies in service delivery and administrative support, and
- salaries and wages and impacts of Enterprise Agreement increases.

4.3 Community Drivers

- community needs and expectations,
- Strategic Plan, and
- other key strategies.

To minimise the inherent risks of long-term financial planning, Council will annually review and update the FMS to ensure the most recent economic data and forecasts are being used as the basis for informing future projections. Any material changes to the way in which the Council operates, or which may be imposed on local government, will also be updated through this annual review process.

5. Long Term Financial Plan - Basis of Preparation

The LTFP is key to establishing funding requirements of Council's Asset Management Plans and other strategic priorities, ensuring the Council continues to operate sustainably into the future. It enables the Council to effectively manage service levels, asset funding and revenue raising decisions, balanced with achieving the desired financial outcomes and identified key performance indicators.

In developing the LTFP, key financial principles are established that underpin Council's projected financial performance and position over the forward 10-year period. Due to the variable nature of the assumptions, Council will undertake an annual review of the LTFP. This will provide the Council with the opportunity to review its financial principles and assumptions allowing it to adapt to any internal or external influences, changes in proposed service levels or identified new/additional projects.

The financial projections contained within this Plan, provide an indication of Council's direction and financial capacity in the future, and are intended to be viewed as a guide. Council will ensure it only raises the revenue it needs and will do so in the most efficient and equitable manner possible.

The financial statements included in the Plan outline the projected long term financial position and performance of the Council over the next 10 years through the following statements:

Estimated Statement of Comprehensive Income - shows the expected operating result over the next 10-year period and is reflective of the Council's known income and expenditures.

Estimated Cashflow Statement - shows the projected net cash inflows and outflows over the same period.

Statement of Financial Position – shows the expected Balance Sheet outcome including assets, liabilities, and accumulated surpluses.

5.1 Finance Strategies

Council has adopted a strategic approach to its financial planning which is influenced by current and predicted economic environments, its financial position, and the impacts of both internal and external influences. Employing a strategic approach to its long-term planning is designed to ensure:

- the Strategic Plan is supported,
- long term financial sustainability,
- intergenerational equity,
- the needs and expectations of the community are catered for,
- delivery of appropriate, targeted, efficient and effective services, and
- responsible revenue raising and rating decisions.

This will lead Council to achieving:

- continued funding to ensure infrastructure is replaced and maintained when required,
- commitment to major projects which span more than one year,
- full life cycle costing of any new or enhanced services or construction of new assets through savings, rate increases or grant funding, and
- maintaining services at appropriate levels.

5.1.1 Cost Index

For the purposes of developing the LTFP the 2023/24 budget figures have been used as a 'constant' over the life of the Plan. The only increases applied to revenues and expenditures are those which are likely to be outside the normal cost of living influences (e.g. rates revenue greater than CPI and natural growth, additional employees or materials costs as a result of new assets or increased service delivery).

The LTFP forecasts an Underlying Operating Surplus of $43k in 2023/24. It is then expected there will be an Underlying Operating Deficit for three years before returning to a surplus by 2027/28. This strategy allows Council to move to a stable underlying surplus above the benchmark minimum ratio of 0 per cent and within the target of 10 per cent during the life of the Plan. This is essential to produce a balanced and financially sustainable LTFP. The stable underlying operating surplus will assist Council to make prudent financial decisions with respect to projects and services which are to be delivered over the medium to longer term.

5.1.2 Revenue Strategies

5.1.2.1 Rating Strategy

Rates represents the largest share of Council's income each year and therefore is an important component of the financial planning process. Council aims to balance its service levels by considering the needs and expectations of the community and setting appropriate levels of rates to adequately meet its requirements. Each year in determining the rating levels to be applied Council will consider the following factors:

- level of State and Commonwealth Government funding,
- current economic climate,
- level of services to be delivered,
- impact of CPI increases and the Local Government Cost Index, and
- the capacity of the community to pay.

Council aims to spread the rate burden across the community with those having the greatest capacity to pay, paying more than those with lesser capacity. Council must balance this principle with the benefit principle acknowledging that some within the community have a greater impact on services and derive a greater benefit from some services provided. Council acknowledges that service levels provided will vary between localities, but equally valuation levels which influence the rates charged, will be reflective of this.

Council has a Rates and Charges Policy which sets out the property valuation basis used by Council in setting rates.

5.1.2.2 Fees and Charges Strategy

Council will review fees and charges each year with a view to balancing the community's need for the services provided and the capacity of the users to pay for those services. Council adopts the general philosophy that users should pay for the service provided but recognises that full cost recovery may not be possible in all situations.

5.1.2.3 Other Revenue Strategy

Other revenue streams include investment income from dividends and grant income. Council holds a 0.43 per cent equity investment in the Tasmanian Water Corporation (TasWater) and an 8.48 per cent share in the Dulverton Regional Waste Management Authority. As part owners of these entities Council receives dividends and tax equivalents.

While allowance has been provided for TasWater Dividends to be paid in the future, Council accept that the payment of dividends is not necessarily guaranteed. If at some point in the future, there are changes to TasWater's dividend policy this Plan will be updated to reflect the impact.

The main source of grant income is the Financial Assistance Grant (FAG), administered by the State Grants Commission on behalf of the Federal Government. Council will continue to participate in the review of this grant and provide information to the State Grants Commission to assist it in determining the most equitable distribution of the funds.

Council will identify and apply for operational and capital grant funding as and when opportunities arise.

5.1.3 Expenditure and Service Delivery Strategies

5.1.3.1 Service Delivery and Cost Management Strategy

Council will regularly review its service levels and delivery arrangements to ensure they are provided as efficiently as possible and continue to meet community needs. For example, Council acknowledges that some of its sealed road network is below current standards, however it has a policy to upgrade roads to meet contemporary asset management expectations when undertaking upgrade works.

Council has a focus of developing a cost management culture, encouraging all managers to be involved in maximising value through accountability in the annual budget process, involvement with ongoing monitoring, reporting, and forecasting.

Any additional expenditure highlighted in new strategies developed through the year will be considered through the annual budgeting process.

5.1.3.2 Procurement Strategy

Council will comply with its Purchasing Policy and Code for Tenders and Contracts to ensure that all expenditure is subjected to the appropriate controls and represents best value.

5.1.3.3 Prudent management of assets and liabilities, including debt and cash reserves

Council aims to ensure its assets and liabilities are managed in a manner which will provide sustainable service delivery.

5.1.3.4 Asset Management Strategy

The key objective of Council's asset management process is to maintain existing assets at desired condition levels. The appropriate management of assets should ensure they continue to deliver services into the future. Council will aim to meet the asset renewal requirements as outlined in its Long-Term Asset Management Plans (LTAMP).

Council has an Asset Management Policy which influences the Asset Management Strategy and individual Asset Management Plans. Together these documents form the framework for how Council plans to manages its assets. The documents will be reviewed regularly to ensure compliance with relevant legislative requirements and contemporary asset management practices.

5.1.3.5 Investment Strategy

Council's cash balances will be managed to achieve the best available investment returns while at the same time ensuring cash is available when needed for the payment of planned expenditures. Any investment of Council funds will be cognizant of the need to manage any associated risks and be in accordance with the Council's Investment Policy.

Council will utilise the Cash Flow Projections contained in the LTFP to assist in the management of cash and investments and to maintain an acceptable cash balance within its target range.

5.1.3.6 Debt Strategy

Council will consider the use of debt to fund major new capital expenditure which provide benefits to ratepayers into the future. Where appropriate, Council will assess the term of the debt in relation to the life of the asset. The use of debt in this manner attempts to address the issue of inter-generational equity.

When considering new debt, Council will evaluate the impact of borrowing costs on current and future budgets and capacity to repay the debt.

Council will utilise the Cash Flow Projections contained in the LTFP to assist in the management of debt and cash reserves.

When borrowing, Council will raise all external debt at the most competitive rates and from sources available as defined by legislation.

5.1.3.7 Timely and accurate disclosure of financial information

Council will prepare regular financial reports which will contain summaries of the information contained in the Statement of Comprehensive Income, Statement of Financial Position, Capital Expenditure Report and other relevant financial data and commentary. Council will also prepare an Annual Plan and Budget Estimates each year which will set out the information for the next financial year and the goals and actions proposed.

Council will comply with all statutory requirements in relation to the preparation of its Annual Financial Statement and external audit and will maintain an Audit Panel to provide oversight of risk management and financial performance.

5.2 Key Economic Assumptions

It is important the LTFP reflects the most recent economic data and forecasts which are available to the Council at a point in time. A review will be conducted each year to ensure that the underlying parameters and key assumptions remain reasonable given the current economic conditions and known influences.

5.2.2 Salaries and Wages

The 2023/24 budget for salaries and wages has been undertaken following a bottom-up approach and includes 87.9 Full Time Equivalents (FTE) spread across both the Kentish and Latrobe Councils as part of its Shared Services arrangements. 36.1 FTE are employed by Kentish.

Staff costs are dependent on future Enterprise Agreement (EA) outcomes. The existing EA has pay increases of 2.75 per cent each year linked to Hobart CPI and capped at a maximum of 3.75per cent. This agreement has a nominal expiry date of 30 June 2025.

5.2.3 Rates

In setting its rates each year Council considers the current economic climate and external impacts which can potentially impact the community's capacity to pay. The aim in setting Council's rates and charges policy is to ensure the spread of the burden is fairly distributed across the community.

The Kentish Council area is experiencing low average growth in building activity. Council has allowed a 1 per cent increase above CPI each year from 2023/24 onwards to account for natural growth. A further 3 per cent increase above CPI for three years from 2024/25 and 2 per cent in 2027/28 and 2028/29 has been included in the Plan to ensure Council remains on a sustainable forward trajectory. These measures are in response to increasing depreciation charges as a result of both significant recent inflation leading to rising asset costs (and asset revaluations) and depreciation charges for new assets such as the Sheffield Arts Centre and Visitor Information Centre redevelopment.

Over the life of the Plan, rating can be affected by external influences which are not currently known. When the Plan is reviewed on an annual basis it will be updated to reflect any known impacts. An example would be the introduction of new services such as a Food Organics & Garden Organics (FOGO) collection.

5.2.4 Capital Works

The Council is responsible for the management, operation and maintenance of a diverse asset portfolio that provides services and facilities to the community. The renewal of assets is tied to community service level expectations and the various Asset Management Plans.

This LTFP has been prepared based on available capital expenditure forecasts and includes:

- renewal and replacement of existing assets totalling $37.4m,
- spending of $6.5m on new and upgraded assets.

5.2.5 Debt levels

A major component of the services Council provides are asset intensive which often requires a significant investment, initially for acquisition and then the ongoing costs due to maintenance and future renewal obligations.

Council has for many years had low debt levels. It is recognised though that without the use of debt, it can prove difficult for Council to finance the acquisition of new assets. At times it is appropriate when considering the creation of new assets for these to be funded using debt. Using debt, when done equitably and responsibly, helps reduce the impact of new asset creation being totally funded by current ratepayers as it spreads the cost out over an extended period – otherwise known as intergenerational equity.

New debt has been built into the LTFP based on a position of drawing down loans when required and repaying loans when excess cash is available.

Council had borrowed $2m in 2007 over a 20-year term to assist in funding the development of the Council Offices and works on Lorinna Road. This loan will be fully repaid by April 2027.

Council took advantage of the State Government's COVID-19 loan interest subsidy to borrow $5.1m to assist in funding its higher than normal capital works program in 2020/21 and 2021/22 financial years. $4.1m of this loan will be repaid in April 2024 coinciding with the removal of the interest subsidy. The loan interest subsidy has been netted off against interest expense in the Plan.

The remaining $1.0m (borrowed to fund the upgrading of the Sheffield Visitor Centre) will be repaid over a 10-year term commencing in 2024/25. The interest rate assumed in the Plan is 5.2 per cent.

The loan debt summary for the life of the Plan is as follows:

Year	Opening Debt Balance $'000	New Loans $'000	Repayments $'000	Adjustment to 2023 $'s $'000	Closing Debt Balance $'000
2023/24	5,731	-	4,242	-	1,488
2024/25	1,488	-	225	36	1,227
2025/26	1,227	-	233	30	964
2026/27	964	-	242	24	698
2027/28	698	-	83	17	598
2028/29	598	-	85	15	498
2029/30	498	-	88	12	399
2030/31	399	-	90	10	299
2031/32	299	-	92	7	199
2032/33	199	-	95	5	100
2033/34	100	-	97	3	-

6. Overview of the Long-Term Financial Plan

6.1 Estimated Statement of Comprehensive Income (Summary)

	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Budget	24-25 Plan	25-26 Plan	26-27 Plan	27-28 Plan	28-29 Plan	29-30 Plan	30-31 Plan	31-32 Plan	32-33 Plan	33-34 Plan
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Recurrent Income	9,835	11,475	11,932	12,381	12,276	12,440	12,766	12,992	13,235	13,338	13,445	13,555	13,675	13,799
Recurrent Expenses	10,059	12,306	12,325	12,338	12,472	12,725	12,855	12,916	12,863	12,886	12,998	12,859	12,987	13,227
Underlying Result	**(224)**	**(831)**	**(393)**	**43**	**(196)**	**(285)**	**(89)**	**76**	**372**	**452**	**447**	**696**	**688**	**572**
Capital Income	12,120	13,274	3,060	2,558	6,796	468	468	468	468	468	468	468	468	468
Infrastructure Donations	-	-	765	-	-	-	-	-	-	-	-	-	-	-
Adjustment for Grants														
Comprehensive Result	**11,896**	**12,443**	**3,432**	**2,601**	**6,600**	**183**	**379**	**544**	**840**	**920**	**915**	**1,164**	**1,156**	**1,040**

6.2 Estimated Cashflow Statement (Summary)

	20-21 Actual	21-22 Actual	22-23 Actual	23-24 Budget	24-25 Plan	25-26 Plan	26-27 Plan	27-28 Plan	28-29 Plan	29-30 Plan	30-31 Plan	31-32 Plan	32-33 Plan	33-34 Plan
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Operating Activities														
Receipts	11,415	12,600	13,632	11,920	12,116	12,407	12,733	12,959	13,202	13,305	13,412	13,522	13,642	13,766
Payments	9,093	9,623	13,709	8,768	8,427	8,679	8,806	8,867	8,808	8,831	8,943	8,804	8,932	9,172
Net Cash from Operations	**2,322**	**2,977**	**(77)**	**3,152**	**3,689**	**3,728**	**3,927**	**4,092**	**4,394**	**4,474**	**4,469**	**4,718**	**4,710**	**4,594**
Investing Activities														
Receipts	2,462	1,906	1,898	2,558	6,796	468	468	468	468	468	468	468	468	468
Payments	9,163	4,169	2,699	4,780	7,326	4,046	4,049	4,049	4,055	4,199	4,055	4,055	4,055	4,055
Net Inverstments	740	1,400	(12,000)	8,000	3,000	-	-	-	1,000	500	1,000	1,000	1,000	1,000
Net Cash - Capital Works	**(7,441)**	**(3,663)**	**11,199**	**(10,222)**	**(3,530)**	**(3,578)**	**(3,581)**	**(3,581)**	**(4,587)**	**(4,231)**	**(4,587)**	**(4,587)**	**(4,587)**	**(4,587)**
Financing Activities														
Receipts	5,101	24	-	1,000	-	-	-	-	-	-	-	-	-	-
Payments	118	124	147	5,242	225	233	242	83	85	88	90	92	95	97
Net Financing Cost	**4,983**	**(100)**	**(147)**	**(4,242)**	**(225)**	**(233)**	**(242)**	**(83)**	**(85)**	**(88)**	**(90)**	**(92)**	**(95)**	**(97)**
Cash at Beginning	1,860	1,724	938	11,913	601	535	452	556	984	706	861	653	692	720
Cash at Year End	**1,724**	**938**	**11,913**	**601**	**535**	**452**	**556**	**984**	**706**	**861**	**653**	**692**	**720**	**630**
Cash and Investments	**12,324**	**12,938**	**11,913**	**8,601**	**11,535**	**11,452**	**11,556**	**11,984**	**12,706**	**13,361**	**14,153**	**15,192**	**16,220**	**17,130**

7. Key Outcomes

The LTFP achieves the following projected outcomes:

- A comprehensive result (surplus) of $2.6m in 2023/24 and surpluses across all remaining years of the Plan.
- An underlying surplus (following removal of capital items) of $43k in 2023/24, with deficits for three years prior to returning to surplus in 2027/28 and remaining in surplus for the balance of the Plan.
- Repayment of a lump sum of $4.1m in 2023/24 of the $5.1m borrowings drawn down by Council in 2020/21. Loan debt will fully repaid during the life of the Plan.
- Financial indicators are acceptable throughout the life of the Plan.
- Renewal and replacement of existing assets equalling $3.1m in 2023/24, totalling $37.4m across the life of the Plan.
- New and upgraded assets equalling $1.7m in 2023/24, totalling $6.5m across the life of the Plan.

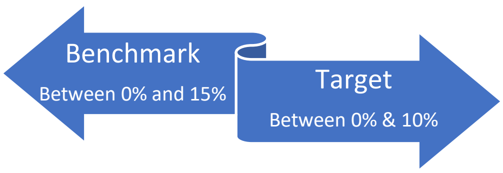
7.1 Financial Indicators

To remain financially sustainable, Council must have enough capacity to be able to manage future financial risks. Example includes the 2016 floods, COVID-19 and more recently the windstorm in June 2022.

To enable Council to measure performance, the State Government identified several ratios and indicators which are to be applied to all local government entities. These indicators are contained in the *Local Government (Management Indicators) Order 2014*. A number of these indicators have been included in this Plan.

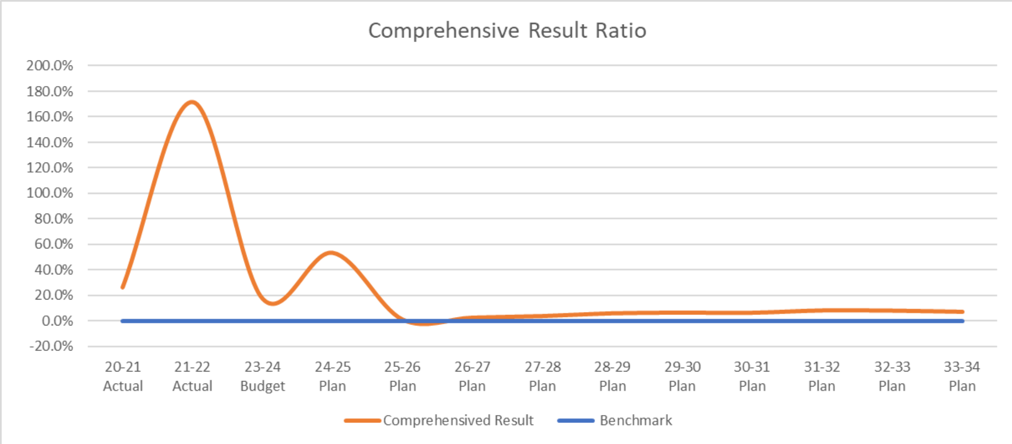
7.1.1 Financial Operating Performance

Comprehensive Result Ratio - *the comprehensive result ratio expresses the comprehensive result as a percentage of the recurring operating income.*

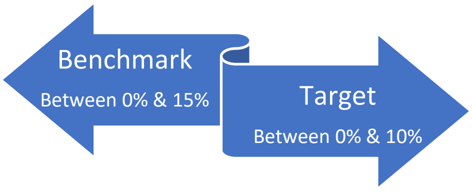


This ratio serves as an overall measure of financial operating effectiveness. To ensure long-term financial sustainability Council should budget and operate to break even, thereby avoiding underlying deficits. Achieving a break-even position indicates Council can generate sufficient revenue to fulfil the operating requirements including coverage of its depreciation expense. Breaking even is represented by an operating surplus ratio of zero. A result greater than 0 per cent indicates a surplus, the larger the surplus the stronger the result and therefore stronger assessment of sustainability. A negative result indicates a deficit which cannot be sustained in the longer-term.

Over the life of this Plan, Council will record a positive comprehensive result ratio. Until 2025/26 the result is influenced by capital grant income.



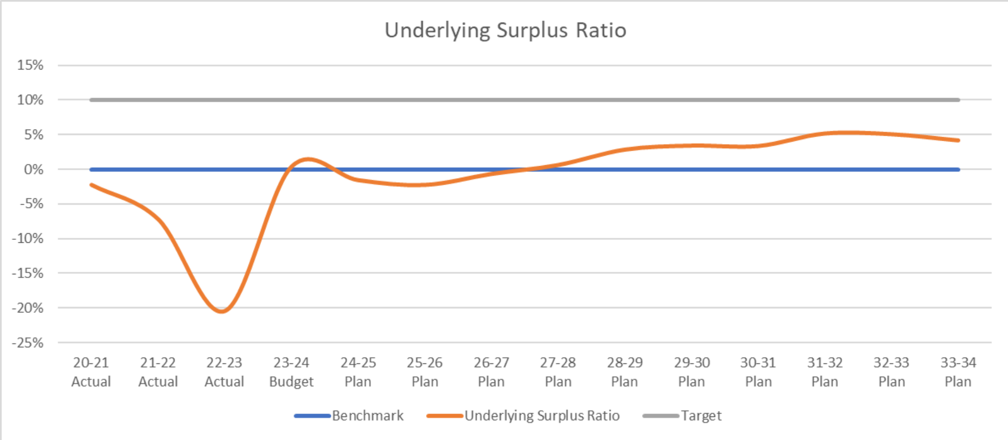
Underlying Surplus Ratio *- the underlying surplus is the amount that is the recurrent income (not including income received specifically for new or upgraded assets, physical resources received free of charge or other income of a capital nature) for a financial year less the recurrent expenses for the financial year. The underlying surplus ration expresses the recurrent income as a percentage of recurrent expenditure.*



A result greater than 0.0 per cent indicates a surplus, the larger the surplus the stronger the result and therefore the stronger assessment of sustainability. A negative result indicates a deficit which cannot be sustained in the longer-term. The Underlying Surplus Ratio is calculated from using revenue from the comprehensive income statement adjusted for capital grants income, developer contributions and any other material one-off (non-recurring) items of revenue.

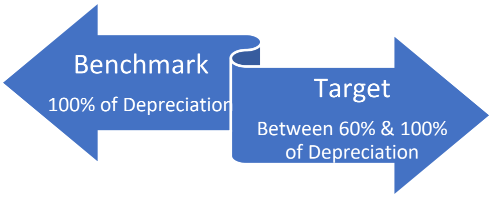
The Underlying Surplus Ratio is achieved from 2027/28 and maintained for the life of the Plan above the benchmark of 0.0 per cent and below the target threshold. An Underlying Deficit has been included for three years from 2024/25 to 2026/27.

A growth in rate revenue above CPI is required over five years to ensure Council returns to an underlying surplus by 2027/28.



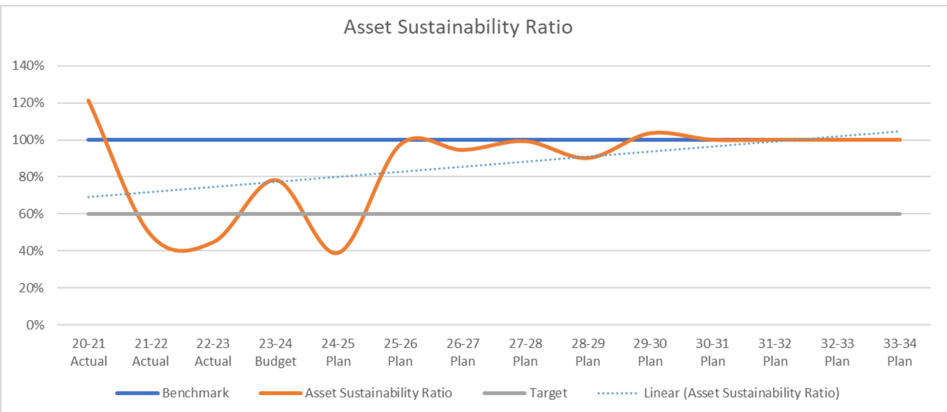
7.1.2 Asset Management Performance

Asset Sustainability Ratio - *the asset sustainability ratio indicates whether a Council has been maintaining existing assets at a consistent rate.*

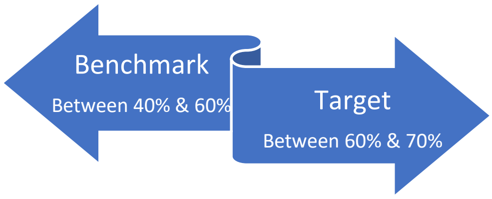


This ratio is calculated as the total capital renewal expenditure divided by depreciation expense. A result of greater than 100 per cent indicates that spending on existing assets is greater than the rate of depreciation base. Council has determined its 'target' is to generally remain above 60 per cent each year. Council has a strategy to upgrade roads to meet contemporary asset management standards when undertaking renewal/reconstruction works which may impact on the ratio.

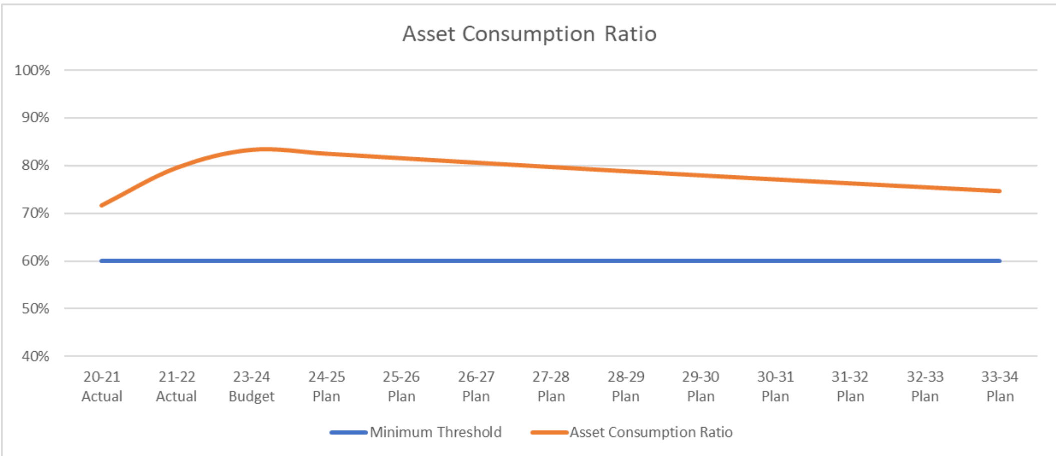
The graph shows peaks and troughs in the replacement of assets which is expected due to the varied useful lives of the asset base and the renewal and replacement schedules. During the life of the Plan Council will generally be between the target and benchmark range, with the exception of 2024/25 when it will slip slightly below the target range.



Asset Consumption Ratio - *the asset consumption ratio indicates the level of service potential available in Council's existing asset base.*

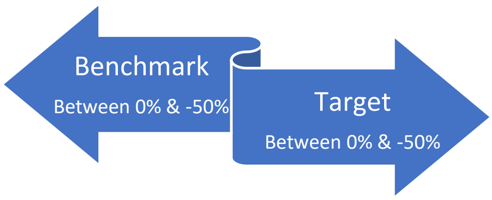


The ratio is calculated by dividing the depreciated replacement cost over the current replacement cost and is an indicator of the remaining useful life of the infrastructure asset. During the life of the Plan, Council maintains a ratio above the minimum threshold of 60 per cent, although there is a continual downward trend which the Council should consider in future reviews of this Plan.



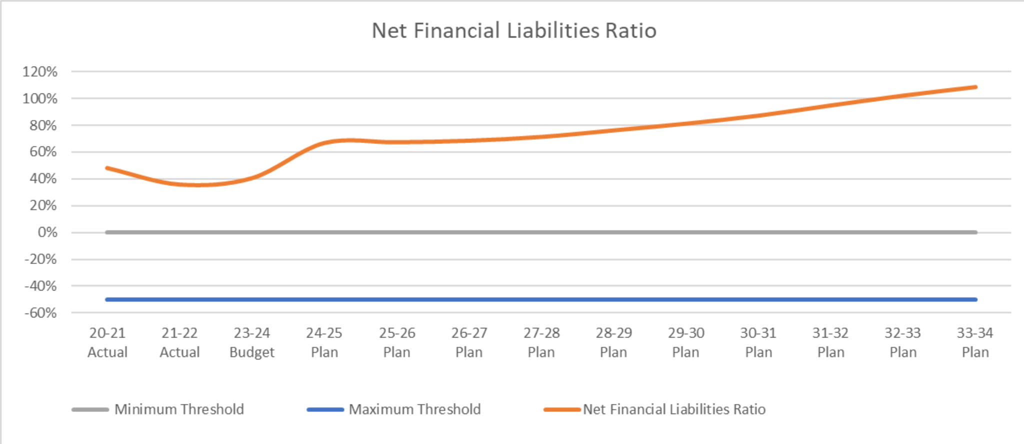
7.1.3 Liquidity Ratios

Net Financial Liabilities Ratio - *this measure shows whether Council's total liabilities can be met by its liquid assets.*



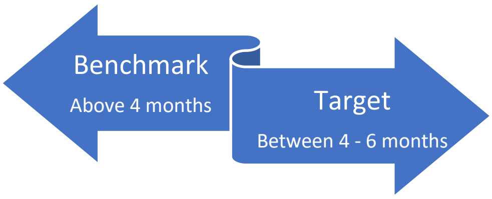
Net Financial Liabilities represent the total value of liabilities less cash and receivables. An excess of total liabilities over liquid assets means that, if all the liabilities fell due at once, additional revenue would be needed to fund the shortfall.

The net financial liabilities ratio remains above the threshold due to the positive level of cash held and maintained over the life of the Plan.

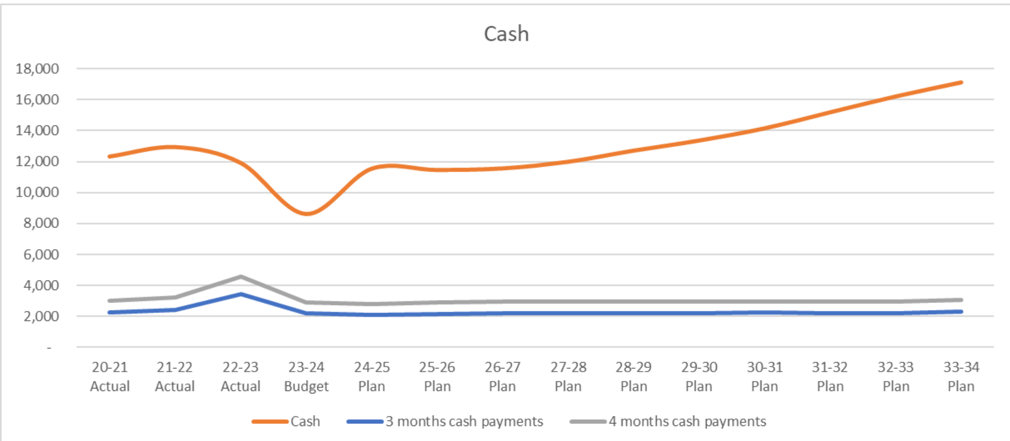


7.1.4 Cash at Bank

Cash at Bank – *looks at the amount of cash held by council compared to operating cash payments each year to demonstrate that Council is maintaining an adequate level of cash to meet its payment obligations with the determined target range.*



Cash levels held by Council will reduce in 2023/24 when the $4.1m interest free loan is repaid in April 2024. However despite this large one-off payment Council will continue to hold sufficient cash to comfortably meet its obligations throughout the life of the Plan.



8. Long Term Financial Plan - General Assumptions

8.1 Indexation

All data is expressed at current value, that is, all projections are expressed in 2023/24 values based on Council's adopted budget. Revenue and expenses have not been indexed for CPI. Any material changes in revenue or expenses in excess of or below CPI are explained below.

8.2 Rounding

All amounts in the Plan are rounded to the nearest $1,000.

8.3 Income Assumptions

8.3.1 Rates

Council currently has two rating categories – General and Service rates.

General rates are levied based on the Annual Assessed Value of properties, as determined by the Valuer General. Council has adopted differential rating based on the use of the property/land. The service rates cover waste management. Council also collects the Fire Levy on behalf of the State Government as a service rate.

The Plan assumes natural growth rate of 1 per cent due to the level of building and construction activity together with an increase of 3 per cent above CPI for three years from 2024/25 and 2 per cent for 2027/28 and 2028/29.

8.3.2 Statutory Fees and User Charges

This category covers a wide range of Council services including revenue from:

- planning and development applications
- inspections
- animal registrations
- user fees relating to various Council owned facilities, (e.g., community housing)

8.3.3 Government Grants

Operating grants are received from both State and Federal Government for the purpose of delivering Council services. The State Government provided an interest subsidy to Council for new borrowings as a result of COVID-19. The interest subsidy will cease in 2023/24.

The main source of grant revenue is through Financial Assistance Grants (FAG). The level of FAG revenue has been maintained at the same level going forward.

8.3.4 Interest

Interest on investments has been calculated on the estimated average cash balance at a rate of 4 per cent for the life of the Plan. Historically, cash levels are higher in the first half of the financial year than in the second, due to the timing of rate receipts and Council's capital expenditure program. Interest income may fluctuate over the term of the Plan due to changing investment balances.

8.3.5 Dividends Received

Based on the advice of TasWater Council will receive $106k per annum in dividends and tax equivalents, which includes an annual special dividend of $21.1k to make up for distributions withheld due to COVID-19 impacts. This special dividend is not expected to continue after 2025/26 so distributions are expected to decrease by $21.1k from 2026/27 onwards.

While allowance has been provided for TasWater dividends to be paid, Council accepts the payment of dividends is not necessarily guaranteed. If at some point in the future, there are further change to TasWater's dividend policy this Plan will be updated to reflect the likely impact. A loss of the TasWater dividend would not have a material impact on the financial performance of Kentish due to the small amount received. The dividend if no longer received would equates to an approximate 2 per cent General Rate increase to make up the shortfall in revenue, or alternatively Council may need to reduce service levels.

Dividends and tax equivalents from Dulverton Waste Management Authority have been included in for the life of the Plan.

Dulverton Waste Management Authority has provided three years data on equity distribution for 2023/24 to 2025/26 reducing from $461k in 2023/24 to $33k in 2025/26. The Plan conservatively reflects the $33k from 2025/26.

8.3.5 Other Income

Other income includes a range of revenue from Council facilities, reimbursements, and other contributions. It is expected other income will remain stable during the life of the Plan.

8.4 Expenditure Assumptions

8.4.1 Service Levels and New Developments

The Plan assumes existing service levels will remain relatively constant throughout the period.

The Kentish and Latrobe Councils have developed a shared workforce with common management and systems. This allows the two Councils to share resources, knowledge, and skills to optimise the efficiency and effectiveness of service delivery to their separate communities.

Council is committed to building on the successes achieved to date through the shared services model. Both Councils understand they are stronger together and can achieve more when working in collaboration. The challenge continues to be the delivery of outcomes and ensuring through cooperation, all initiatives provide a shared benefit to both communities. The benefits accrued from shared services will continue to mature during the life of the Plan.

Allowance has been made for the additional operating, maintenance, and depreciation costs associated with capital expenditure on new assets.

Council is consistently focused on ensuring services are delivered as efficiently and effectively as possible. This involves regular reviews of service levels and the method of delivery to ensure costs are kept at sustainable levels.

8.4.2 Employees

Employee benefits include salaries and wages and all employment related expenses including payroll tax, employer superannuation, leave entitlements, fringe benefits tax, workers compensation insurance and professional development.

Employee costs are anticipated to increase at 1 per cent over the previous year's total for the balance of the Plan.

8.4.3 Materials and Services

This category of expenditure covers a wide range of costs and represents the majority of the Council's day to day operational expenditure. Despite constant cost increases, the cost management culture evolving throughout Council aims to maintain the level of expenditure in materials and services costs in line with CPI. Additional maintenance costs of 0.5 per cent have been allocated evenly across material and services costs from 2024/25 onwards.

Adjustments have been made to reflect land revaluations every six years and adjustment for residual costs in 2023/24 budget associated with the 2022 storm event.

This plan incorporates a projected 'special productivity dividend' of $150,000 in 2024/25, aimed at facilitating the Council's return to an underlying surplus in 2027/28. Achieving this dividend entails leveraging new technologies to drive down operational costs, exploring and implementing more efficient service delivery methods, and conducting a comprehensive review of current expenditures on materials and contracts in preparation for the 2024/25 Budget.

8.4.4 Depreciation

Depreciation expense is based on the current replacement cost of property, plant and equipment, and increased for new capital additions. The asset base has not been indexed or revalued in this Plan so as to remain consistent in the presentation of figures in real dollar terms.

8.4.5 Finance Costs

Finance costs relates to interest expense on borrowings. Interest expense over the period of the Plan is based on expected debt repayments. The interest payments have been discounted to reflect 'constant dollars'.

8.4.6 Other Expenses

This category includes all other expenses not covered under other criteria. It includes expenses related to elected members, donations, and sponsorships.

It is expected that these costs will remain constant over the life of the Plan with the only exception being that additional costs have been included to cover Council elections and the periodic municipal revaluations.

Adjustments have been made to reflect councillor elections every four years.

8.5 Capital Grants

It is assumed the Roads to Recovery program from 2023/24 will remain consistent for the life of the Plan.

The Plan has allowed for known/expected capital grant contributions.

9. Long Term Financial Plan Worksheets

9.1 Estimated Statement of Comprehensive Income

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
	Actual	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Recurrent income														
Rates and service charges	5,519	5,867	6,221	6,622	6,889	7,167	7,457	7,683	7,915	7,995	8,075	8,156	8,239	8,322
Statutory fees and fines	372	330	312	267	268	268	268	268	268	268	268	268	268	268
User fees	130	129	227	210	212	212	212	212	212	212	212	212	212	212
Government Grants	2,617	3,871	4,415	3,435	3,376	3,376	3,376	3,376	3,376	3,376	3,376	3,376	3,376	3,376
Interest	55	53	316	405	390	403	460	460	471	494	521	550	587	628
Other revenue	829	908	1,033	875	875	875	875	875	875	875	875	875	875	875
Investment revenue from TasWater	44	106	106	106	106	106	85	85	85	85	85	85	85	85
Share of net profits/(losses) of Dulverton Waste Authority accounted for by the equity method	269	211	251	461	160	33	33	33	33	33	33	33	33	33
Investment revenue from Dulverton Waste Authority														
Total recurrent income	**9,835**	**11,475**	**12,881**	**12,381**	**12,276**	**12,440**	**12,766**	**12,992**	**13,235**	**13,338**	**13,445**	**13,555**	**13,675**	**13,799**
Capital Items														
Capital grants received specifically for new or upgraded assets	1,812	1,325	3,052	1,622	6,328	-	-	-	-	-	-	-	-	-
Capital grants received specifically for renewal of assets	468	468	-	936	468	468	468	468	468	468	468	468	468	468
Contributions - Cash	5	6	8	-	-	-	-	-	-	-	-	-	-	-
Contributions - non-monetary	-	-	765	-	-	-	-	-	-	-	-	-	-	-
Total Capital Items	**2,285**	**1,799**	**3,825**	**2,558**	**6,796**	**468**	**468**	**468**	**468**	**468**	**468**	**468**	**468**	**468**
Total Income	**12,120**	**13,274**	**16,706**	**14,939**	**19,072**	**12,908**	**13,234**	**13,460**	**13,703**	**13,806**	**13,913**	**14,023**	**14,143**	**14,267**
Recurrent expenses														
Employee costs	2,771	3,328	3,175	3,508	3,544	3,580	3,617	3,654	3,691	3,728	3,766	3,804	3,842	3,882
Materials and services	3,111	4,183	7,338	4,070	3,710	3,942	3,992	4,085	3,994	3,985	4,009	3,892	3,987	4,192
Impairment of receivables	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Depreciation	3,113	3,049	3,177	3,963	4,045	4,046	4,049	4,049	4,055	4,055	4,055	4,055	4,055	4,055
Finance costs	64	114	106	97	79	63	48	34	29	24	19	14	9	4
Net gain/(loss) on disposal of property, infrastructure plant and eq	11	65	394	-	-	-	-	-	-	-	-	-	-	-
Other expenses	989	1,567	1,333	1,093	1,094	1,094	1,149	1,094	1,094	1,094	1,149	1,094	1,094	1,094
Total expenses	**10,059**	**12,306**	**15,522**	**12,731**	**12,472**	**12,725**	**12,855**	**12,916**	**12,863**	**12,886**	**12,998**	**12,859**	**12,987**	**13,227**
Result from continuing operations	**2,061**	**968**	**1,184**	**2,208**	**6,600**	**183**	**379**	**544**	**840**	**920**	**915**	**1,164**	**1,156**	**1,040**
Other comprehensive income														
Fair value adjustments on equity investment assets	559	166	222											
Net asset revaluation increment/decrement		18,364	119,288											
Share of other comprehensive income of associates and joint ventures accounted for by the equity method		225	79											
Adjustment for grants received in advance														
Comprehensive Result - Surplus/(Deficit)	**2,620**	**19,723**	**120,773**	**2,208**	**6,600**	**183**	**379**	**544**	**840**	**920**	**915**	**1,164**	**1,156**	**1,040**
Underlying Result (Operating Surplus/(Deficit))	**(44)**	**(1,012)**	**(393)**	**43**	**(196)**	**(285)**	**(89)**	**76**	**372**	**452**	**447**	**696**	**688**	**572**

9.2 Estimate Statement of Financial Position

	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34
	Actual	Actual	Actual	Budget	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan	Plan
	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000	'000
Assets														
Current Assets														
Cash and cash equivalents	1,724	938	11,913	601	535	452	556	984	706	861	653	692	720	630
Trade and other receivables	460	255	446	446	446	446	446	446	446	446	446	446	446	446
Investments	10,600	12,000	-	8,000	11,000	11,000	11,000	11,000	12,000	12,500	13,500	14,500	15,500	16,500
Inventories	9	48	77	77	77	77	77	77	77	77	77	77	77	77
Other Assets	241	717	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835	1,835
Total Current Assets	**13,034**	**13,958**	**14,271**	**10,959**	**13,893**	**13,810**	**13,914**	**14,342**	**15,064**	**15,719**	**16,511**	**17,550**	**18,578**	**19,488**
Non-current Assets														
Trade and other receivables	17	14	10	10	10	10	10	10	10	10	10	10	10	10
Investments	18	7	-	-	-	-	-	-	-	-	-	-	-	-
Investment in associates accounted for using equity method	1,812	2,192	2,467	2,928	3,088	3,121	3,154	3,187	3,220	3,253	3,286	3,319	3,352	3,385
Investment in TasWater	6,620	6,786	7,008	7,008	7,008	7,008	7,008	7,008	7,008	7,008	7,008	7,008	7,008	7,008
Property, plant and equipment	146,873	166,185	285,338	286,155	289,436	289,436	289,436	289,436	289,436	289,580	289,580	289,580	289,580	289,580
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Right-of-use assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-current Assets	**155,340**	**175,184**	**294,823**	**296,101**	**299,542**	**299,575**	**299,608**	**299,641**	**299,674**	**299,851**	**299,884**	**299,917**	**299,950**	**299,983**
Total Assets	**168,374**	**189,142**	**309,094**	**307,060**	**313,435**	**313,385**	**313,522**	**313,983**	**314,738**	**315,570**	**316,395**	**317,467**	**318,528**	**319,471**
Liabilities														
Current Liabilities														
Trade and other payables	1,537	2,652	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030	2,030
Trust funds and deposits	45	69	57	57	57	57	57	57	57	57	57	57	57	57
Provisions	478	456	412	412	412	412	412	412	412	412	412	412	412	412
Interest bearing loans and borrowings	125	134	5,242	225	233	242	83	85	88	90	92	95	97	-
Total Current Liabilities	**2,185**	**3,311**	**7,741**	**2,724**	**2,732**	**2,741**	**2,582**	**2,584**	**2,587**	**2,589**	**2,591**	**2,594**	**2,596**	**2,499**
Non-current Liabilities														
Provisions	22	75	67	67	67	67	67	67	67	67	67	67	67	67
Interest bearing loans and borrowings	5,864	5,731	488	1,264	994	722	615	513	410	309	207	104	3	-
Total Non-current Liabilities	**5,886**	**5,806**	**555**	**1,331**	**1,061**	**789**	**682**	**580**	**477**	**376**	**274**	**171**	**70**	**67**
Total Liabilities	**8,071**	**9,117**	**8,296**	**4,055**	**3,793**	**3,530**	**3,264**	**3,164**	**3,064**	**2,965**	**2,865**	**2,765**	**2,666**	**2,566**
Net Assets	**160,303**	**180,025**	**300,798**	**303,005**	**309,642**	**309,855**	**310,258**	**310,819**	**311,674**	**312,605**	**313,530**	**314,702**	**315,862**	**316,905**
Equity														
Accumulated Surplus	45,701	46,668	47,852	50,059	56,659	56,842	57,221	57,765	58,605	59,525	60,440	61,604	62,760	63,800
Reserves														
Asset revaluation	113,832	132,196	251,484	251,484	251,485	251,485	251,485	251,485	251,485	251,484	251,484	251,483	251,483	251,484
Equity investment assets	446	612	834	834	834	834	834	834	834	834	834	834	834	834
Share in reserve of associate	324	549	628	628	628	628	628	628	628	628	628	628	628	628
Borrowings adjustment to todays $'s					36	66	90	107	121	133	143	151	155	158
Total Equity	**160,303**	**180,025**	**300,798**	**303,005**	**309,642**	**309,855**	**310,258**	**310,819**	**311,673**	**312,604**	**313,529**	**314,700**	**315,860**	**316,904**

9.3 Estimated Cashflow Statement

	20-21 Actual '000	21-22 Actual '000	22-23 Actual '000	23-24 Budget '000	24-25 Plan '000	25-26 Plan '000	26-27 Plan '000	27-28 Plan '000	28-29 Plan '000	29-30 Plan '000	30-31 Plan '000	31-32 Plan '000	32-33 Plan '000	33-34 Plan '000
Cash Flows from Operating Activities														
Receipts														
Rates	5,501	5,911	6,085	6,622	6,889	7,167	7,457	7,683	7,915	7,995	8,075	8,156	8,239	8,322
Statutory fees and fines	373	330	312	267	268	268	268	268	268	268	268	268	268	268
User fees	419	434	503	210	212	212	212	212	212	212	212	212	212	212
Government grants	2,618	3,872	4,415	3,435	3,376	3,376	3,376	3,376	3,376	3,376	3,376	3,376	3,376	3,376
Interest received	62	53	316	405	390	403	460	460	471	494	521	550	587	628
Other receipts	1,195	1,096	921	875	875	875	875	875	875	875	875	875	875	875
Share of profits of associates (Dulverton)	56	56	55		-	-	-	-	-	-	-	-	-	-
Investment revenue from TasWater	44	106	106	106	106	106	85	85	85	85	85	85	85	85
Refund of GST tax credits	1,147	742	919	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	**11,415**	**12,600**	**13,632**	**11,920**	**12,116**	**12,407**	**12,733**	**12,959**	**13,202**	**13,305**	**13,412**	**13,522**	**13,642**	**13,766**
Payments														
Suppliers	5,406	4,655	9,043	4,070	3,710	3,942	3,992	4,085	3,994	3,985	4,009	3,892	3,987	4,192
Employees	2,817	3,298	3,227	3,508	3,544	3,580	3,617	3,654	3,691	3,728	3,766	3,804	3,842	3,882
Borrowing costs	64	114	106	97	79	63	48	34	29	24	19	14	9	4
Other payments	806	1,556	1,333	1,093	1,094	1,094	1,149	1,094	1,094	1,094	1,149	1,094	1,094	1,094
Total Payments	**9,093**	**9,623**	**13,709**	**8,768**	**8,427**	**8,679**	**8,806**	**8,867**	**8,808**	**8,831**	**8,943**	**8,804**	**8,932**	**9,172**
Net Cash from operating activities	**2,322**	**2,977**	**(77)**	**3,152**	**3,689**	**3,728**	**3,927**	**4,092**	**4,394**	**4,474**	**4,469**	**4,718**	**4,710**	**4,594**
Cash Flows from Investing Activities														
Receipts														
Proceeds from sale of non current assets	177	107	28											
Capital Grants	2,280	1,793	1,855	2,558	6,796	468	468	468	468	468	468	468	468	468
Capital Contributions	5	6	8	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Community Bank Investment			7											
Payments														
Asset renewals	3,773	1,483	1,422	3,102	1,577	3,946	3,827	4,020	3,655	4,199	4,055	4,055	4,055	4,055
New assets	5,390	2,686	1,277	1,678	5,749	100	222	29	400	-	-	-	-	-
Net payments for investments	740	1,400	(12,000)	8,000	3,000	-	-	-	1,000	500	1,000	1,000	1,000	1,000
Net Cash used in investing activities	**(7,441)**	**(3,663)**	**11,199**	**(10,222)**	**(3,530)**	**(3,578)**	**(3,581)**	**(3,581)**	**(4,587)**	**(4,231)**	**(4,587)**	**(4,587)**	**(4,587)**	**(4,587)**
Cash Flows from Financing Activities														
Receipts														
Trust Funds and Deposits	1	24												
New loans	5,100	-		1,000										
Payments														
Trust Funds and Deposits	-	-	12											
Repayment of lease liabilities (principal repayments)	-	-												
Loan principal repayments	118	124	135	5,242	225	233	242	83	85	88	90	92	95	97
Net Cash from (or used in) financing activities	**4,983**	**(100)**	**(147)**	**(4,242)**	**(225)**	**(233)**	**(242)**	**(83)**	**(85)**	**(88)**	**(90)**	**(92)**	**(95)**	**(97)**
Net Increase/(Decrease) in cash held	**(136)**	**(786)**	**10,975**	**(11,312)**	**(66)**	**(83)**	**104**	**428**	**(278)**	**155**	**(208)**	**39**	**28**	**(90)**
Cash at beginning of reporting period	1,860	1,724	938	11,913	601	535	452	556	984	706	861	653	692	720
Cash at end of reporting period	**1,724**	**938**	**11,913**	**601**	**535**	**452**	**556**	**984**	**706**	**861**	**653**	**692**	**720**	**630**