LONG TERM FINANCIAL FORECAST

2017/18 to 2026/27

Scenic Rim Regional Council
Long Term Financial Forecast

STATEMENT OF COMPREHENSIVE INCOME	Revised Budget 2016/17 $'000	Budget 2017/18 $'000	2018/19 $'000	2019/20 $'000	2020/21 $'000	2021/22 $'000	Projected Years 2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 $'000
Income											
Revenue											
Recurrent Revenue											
Rates and Utility Charges	47,576	50,379	53,178	56,027	59,028	61,711	64,515	67,448	70,513	73,718	77,068
Fees & Charges	4,618	4,594	4,757	4,925	5,098	5,278	5,465	5,658	5,857	6,064	6,278
Interest Received	2,108	1,659	1,622	1,775	1,741	1,815	1,849	1,857	1,877	1,945	2,064
Sales of Contract and Recoverable Works	6,105	4,931	5,092	5,259	5,431	5,608	5,791	5,981	6,176	6,378	6,587
Share of Profit from Associate	1,961	2,086	2,137	2,154	2,167	2,167	2,167	2,167	2,167	2,167	2,167
Other Revenue	2,958	2,684	2,799	2,880	2,968	3,061	3,158	3,260	3,365	3,474	3,588
Operating Grants, Subsidies, Contributions and Donations	13,673	3,448	3,521	3,595	3,670	3,747	3,826	3,906	3,988	4,072	4,158
Total Recurrent Revenue	**78,999**	**69,781**	**73,105**	**76,613**	**80,102**	**83,387**	**86,771**	**90,276**	**93,944**	**97,818**	**101,911**
Capital Revenue											
Capital Grants, Subsidies, Contributions and Donations	11,529	49,021	6,023	1,694	8,406	1,396	1,424	1,453	1,481	1,511	1,541
Contributions from Developers	1,673	2,137	2,180	2,223	2,268	2,313	2,415	2,463	2,512	2,562	2,614
Total Capital Revenue	13,202	51,158	8,203	3,917	10,674	3,709	3,839	3,916	3,993	4,073	4,155
Total Revenue	**92,201**	**120,939**	**81,308**	**80,530**	**90,776**	**87,096**	**90,610**	**94,192**	**97,937**	**101,891**	**106,066**
Total Income	**92,201**	**120,939**	**81,308**	**80,530**	**90,776**	**87,096**	**90,610**	**94,192**	**97,937**	**101,891**	**106,066**
Expenses											
Recurrent Expenses											
Employee Expenses	27,503	28,448	29,452	30,492	31,568	32,683	33,836	35,031	36,267	37,548	38,873
Materials & Services	32,251	20,291	20,730	21,358	22,004	23,082	24,018	24,937	25,978	27,241	28,628
Finance Costs	1,082	1,131	1,173	1,257	1,247	1,171	1,091	1,008	980	878	783
Depreciation & Amortisation	14,165	16,522	17,183	17,870	18,585	19,328	20,102	20,906	21,742	22,611	23,516
Total Recurrent Expenses	**75,001**	**66,392**	**68,538**	**70,977**	**73,404**	**76,264**	**79,047**	**81,881**	**84,967**	**88,278**	**91,799**
Total Expenses	**75,001**	**66,392**	**68,538**	**70,977**	**73,404**	**76,264**	**79,047**	**81,881**	**84,967**	**88,278**	**91,799**
Net Result	**17,200**	**54,547**	**12,770**	**9,553**	**17,372**	**10,832**	**11,563**	**12,311**	**12,970**	**13,613**	**14,266**
Operating Revenue (Recurrent Revenue)	78,999	69,781	73,105	76,613	80,102	83,387	86,771	90,276	93,944	97,818	101,911
Operating Expenses (Recurrent Expenses)	75,001	66,392	68,538	70,977	73,404	76,264	79,047	81,881	84,967	88,278	91,799
Operating Result (Recurrent Result)	**3,998**	**3,389**	**4,567**	**5,636**	**6,698**	**7,123**	**7,724**	**8,395**	**8,977**	**9,540**	**10,111**

Scenic Rim Regional Council
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STATEMENT OF FINANCIAL POSITION	Revised Budget 2016/17 $'000	Budget 2017/18 $'000	Projected Years 2018/19 $'000	2019/20 $'000	2020/21 $'000	2021/22 $'000	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 $'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	17,328	16,511	15,493	18,900	17,313	18,633	18,765	18,344	18,241	19,412	22,078
Trade & Other Receivables	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563	5,563
Inventories	900	900	900	900	900	900	900	900	900	900	900
Other Assets	690	690	690	690	690	690	690	690	690	690	690
Total Current Assets	24,481	23,664	22,646	26,053	24,466	25,786	25,918	25,497	25,394	26,565	29,231
Non-Current Assets											
Trade & Other Receivables	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676	14,676
Property, Plant & Equipment	740,970	768,922	799,173	820,007	852,415	875,945	901,784	930,854	959,029	987,318	1,015,234
Investment in Associate	34,107	35,304	36,534	37,793	39,084	40,375	41,666	42,957	44,248	45,539	46,830
Total Non-Current Assets	789,753	818,902	850,384	872,476	906,175	930,996	958,126	988,487	1,017,954	1,047,534	1,076,740
TOTAL ASSETS	**814,234**	**842,566**	**873,030**	**898,529**	**930,641**	**956,782**	**984,044**	**1,013,984**	**1,043,348**	**1,074,099**	**1,105,971**
LIABILITIES											
Current Liabilities											
Trade & Other Payables	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435	4,435
Borrowings	973	1,186	1,537	1,660	1,739	1,821	1,907	2,224	2,043	2,141	2,184
Employee Benefits	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180	9,180
Total Current Liabilities	14,588	14,801	15,152	15,275	15,354	15,436	15,522	15,839	15,658	15,756	15,799
Non-Current Liabilities											
Borrowings	20,340	22,093	24,057	23,897	22,158	20,335	18,430	17,705	15,664	13,523	11,339
Employee Benefits	600	600	600	600	600	600	600	600	600	600	600
Provisions	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086	1,086
Total Non-Current Liabilities	22,026	23,779	25,743	25,583	23,844	22,022	20,116	19,392	17,350	15,209	13,025
TOTAL LIABILITIES	**36,614**	**38,580**	**40,895**	**40,858**	**39,198**	**37,457**	**35,639**	**35,231**	**33,008**	**30,965**	**28,825**
Net Assets	**777,620**	**803,986**	**832,135**	**857,671**	**891,443**	**919,324**	**948,406**	**978,753**	**1,010,340**	**1,043,134**	**1,077,146**
EQUITY											
Asset Revaluation Surplus	215,797	187,616	202,994	218,978	235,378	252,426	269,945	287,981	306,598	325,778	345,525
Accumulated Surplus	561,823	616,370	629,140	638,693	656,066	666,898	678,461	690,772	703,742	717,355	731,622
Total Equity	**777,620**	**803,986**	**832,135**	**857,671**	**891,443**	**919,324**	**948,406**	**978,753**	**1,010,340**	**1,043,134**	**1,077,146**

Scenic Rim Regional Council
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STATEMENT OF CASH FLOWS

	Revised Budget 2016/17 $'000	Budget 2017/18 $'000	Projected Years 2018/19 $'000	2019/20 $'000	2020/21 $'000	2021/22 $'000	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 $'000
Cash Flows from Operating Activities											
Receipts from Customers	62,158	62,589	65,826	69,089	72,524	75,658	78,930	82,346	85,912	89,635	93,522
Payments to Suppliers and Employees	-60,181	-48,864	-50,310	-51,980	-53,705	-55,900	-57,992	-60,108	-62,389	-64,935	-67,650
	1,977	13,725	15,516	17,109	18,819	19,758	20,938	22,238	23,523	24,700	25,872
Receipts:											
Interest Received	2,108	1,659	1,622	1,775	1,741	1,815	1,849	1,857	1,877	1,945	2,064
Operating Grants, Subsidies, Contributions and Donations	13,673	3,448	3,521	3,595	3,670	3,747	3,826	3,906	3,988	4,072	4,158
Payments:											
Interest Expense	-974	-1,006	-1,045	-1,127	-1,114	-1,036	-953	-867	-836	-732	-633
Net Cash Inflow / (Outflow) from Operating Activities	**16,784**	**17,826**	**19,614**	**21,352**	**23,116**	**24,284**	**25,660**	**27,134**	**28,552**	**29,985**	**31,461**
Cash Flows from Investing Activities											
Receipts:											
Proceeds from Sale of Property, Plant & Equipment	1,331	1,369	902	877	925	958	999	948	1,027	1,009	1,004
Dividend Received from Associate	843	889	907	895	876	876	876	876	876	876	876
Capital Grants, Subsidies, Contributions and Donations	13,202	51,158	8,203	3,917	10,674	3,709	3,839	3,916	3,993	4,073	4,155
Payments:											
Payments for Property, Plant & Equipment	-45,802	-74,025	-32,958	-23,597	-35,518	-26,768	-29,421	-32,888	-32,327	-32,729	-32,689
Net Cash Inflow / (Outflow) from Investing Activities	**-30,426**	**-20,609**	**-22,946**	**-17,908**	**-23,043**	**-21,225**	**-23,707**	**-27,148**	**-26,431**	**-26,771**	**-26,654**
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings	2,000	3,000	3,500	1,500	0	0	0	1,500	0	0	0
Payments:											
Repayment of Borrowings	-863	-1,034	-1,186	-1,537	-1,660	-1,739	-1,821	-1,907	-2,224	-2,043	-2,141
Net Cash Flow inflow / (Outflow) from Financing Activities	**1,137**	**1,966**	**2,314**	**-37**	**-1,660**	**-1,739**	**-1,821**	**-407**	**-2,224**	**-2,043**	**-2,141**
Net Increase/(Decrease) in Cash	-12,505	-817	-1,018	3,407	-1,587	1,320	132	-421	-103	1,171	2,666
plus: Cash & Cash Equivalents - beginning of year	29,833	17,328	16,511	15,493	18,900	17,313	18,633	18,765	18,344	18,241	19,412
Cash & Cash Equivalents - end of the year	**17,328**	**16,511**	**15,493**	**18,900**	**17,313**	**18,633**	**18,765**	**18,344**	**18,241**	**19,412**	**22,078**

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STATEMENT OF CHANGES IN EQUITY	Revised Budget 2016/17 $'000	Budget 2017/18 $'000	Projected Years 2018/19 $'000	2019/20 $'000	2020/21 $'000	2021/22 $'000	2022/23 $'000	2023/24 $'000	2024/25 $'000	2025/26 $'000	2026/27 $'000
Accumulated Surplus											
Opening Balance	544,623	561,823	616,370	629,140	638,693	656,066	666,898	678,461	690,772	703,742	717,355
Net Operating Result for the Year	17,200	54,547	12,770	9,553	17,372	10,832	11,563	12,311	12,970	13,613	14,266
Closing Balance	561,823	616,370	629,140	638,693	656,066	666,898	678,461	690,772	703,742	717,355	731,622
Asset Revaluation Surplus											
Opening Balance	200,623	215,797	187,616	202,994	218,978	235,378	252,426	269,945	287,981	306,598	325,778
Asset Revaluation Adjustments	15,174	-28,181	15,378	15,983	16,400	17,048	17,519	18,036	18,617	19,181	19,746
Closing Balance	215,797	187,616	202,994	218,978	235,378	252,426	269,945	287,981	306,598	325,778	345,525
Total Equity											
Opening Balance	745,246	777,620	803,986	832,135	857,671	891,443	919,324	948,406	978,753	1,010,340	1,043,134
Net Operating Result for the Year	17,200	54,547	12,770	9,553	17,372	10,832	11,563	12,311	12,970	13,613	14,266
Asset Revaluation Adjustments	15,174	-28,181	15,378	15,983	16,400	17,048	17,519	18,036	18,617	19,181	19,746
Closing Balance	777,620	803,986	832,135	857,671	891,443	919,324	948,406	978,753	1,010,340	1,043,134	1,077,146

Scenic Rim Regional Council
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RELEVANT MEASURES OF FINANCIAL SUSTAINABILITY	Revised Budget 2016/17	Budget 2017/18	2018/19	2019/20	2020/21	2021/22	Projected Years 2022/23	2023/24	2024/25	2025/26	2026/27
Measures per S169(5) of the Local Government Regulation 2012											
Operating Surplus Ratio (Target 0 - 10%)	5.1%	4.9%	6.2%	7.4%	8.4%	8.5%	8.9%	9.3%	9.6%	9.8%	9.9%
(Net result (excluding capital item) / recurrent revenue)											
Net Financial Liabilities Ratio (Target <= 60%)	15.4%	21.4%	25.0%	19.3%	18.4%	14.0%	11.2%	10.8%	8.1%	4.5%	-0.4%
((Total liabilities less current assets) / recurrent revenue)											
Asset Sustainability Ratio (Target > 90%)	187.2%	415.3%	109.7%	92.8%	96.4%	91.4%	94.4%	98.9%	98.7%	96.5%	95.7%
(Capital renewals on infrastructure assets / infrastructure depreciation)											
Additional measures per SRRC Financial Sustainability Strategy 2018-2027											
Cash Holdings Ratio (Target > 3)	3.4	4.0	3.6	4.3	3.8	3.9	3.8	3.6	3.5	3.5	3.9
(Cash / ((Operating Expenditure less Depreciation Expense)/12 months))											
Current Ratio (Target > 1.1)	1.7	1.6	1.5	1.7	1.6	1.7	1.7	1.6	1.6	1.7	1.9
(Current Assets / Current Liabilities)											
Closing Cash Balance	$17.3M	$16.5M	$15.5M	$18.9M	$17.3M	$18.6M	$18.8M	$18.3M	$18.2M	$19.4M	$22.1M
Debt Service Cover Ratio (Target > 5)	9.3	10.0	9.7	8.8	9.0	9.4	9.9	10.4	9.9	11.4	11.9
((Operating Result + Interest Expense + Depreciation - Profit from Associate + Dividend from Associate) / (Interest Expense + Previous Year Current Loans Outstanding))											