



City of
Kalgoorlie
Boulder

Long Term Financial Plan 2023-2033

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Introduction

The Long Term Financial Plan (LTFP) is an integral part of the City's Integrated Planning and Reporting Framework. It links Council's Business Plans and Asset Management Plans and translates the outcomes and strategies into financial terms.

The base year of the LTFP is the 2022-23 Budget (amended). There has been an adjustment to the closing surplus at 30 June 2023 taking into account a revised forecast carried forward surplus due forecast timing of capital projects completion.

Future years have been projected from this base year. All programs and projects have been prioritised in accordance with the strategic objectives of Council, with the main focus on current and future service levels, while ensuring conservative spend to ensure the City's financial sustainability.

The City recognises that its' asset base is large and in order to ensure financial sustainability, asset management is critical. The City has an Asset Management Policy and is committed to improvement. Ongoing condition assessments enable the City to forecast the expected renewal and ongoing maintenance costs of Council's existing assets.

The City has a number of major construction projects over the next four years which will require substantial borrowings of \$39M. The LTFP has a greater emphasis on long-term borrowings than the previous LTFP, with the City's key performance indicator relating to debt dropping to a low of 4.89 in 2027/28 which is within the acceptable range. Overall the LTFP sees a weakening to the City's Financial Health Index (FHI) which is forecast to sit within the range of 67 - 74 through the first nine years of the plan and increasing to 86 in 2032/33 due to a positive Operating Surplus in this final year.

Due to the nature of the LTFP, specifically the many assumptions and influences both internal and external, there is an on-going requirement for review. The LTFP is reviewed annually and is a driver for the preparation of Council's Corporate Business Plan and Annual Budget.



Basis of Preparation

Plan Framework

The LTFP has been prepared under the following framework:

- Support the achievement of the City of Kalgoorlie-Boulder's strategic aspirations as identified in the Strategic Community Plan 2020 - 2030;
- A Rating Strategy of increasing rates CPI + 1% which will achieve an operating surplus ratio of above 0% by 2032-33.
- Continue to improve the maintenance of assets, with a priority on maintenance before renewal and renewal before new when it is cost effective to do so;
- Council only to approve new major projects where it has identified funding capacity to do so;
- Maintaining or improving service level standards; and
- Continuous improvement in the financial capacity and sustainability of the City through:
 - Prudent use of debt
 - Maximising return on investment of City's surplus funds
 - Fees, charges and rates determined upon an equitable basis
 - Maintaining tight control of costs so as to achieve a positive closing surplus each year.

Assumptions

In developing the LTFP, a number of assumptions and variables were applied:

- The inflation rate is estimated to be 4.5% for the first year (2023-24) in accordance with the WALGA March 2023 Economic Briefing LGCI forecasts for 2022-23. For the remainder of the plan inflation is estimated to decrease to 2.5% to sit within the RBA's target inflation band of 2% – 3%;
- Rates – an increase of 6% (CPI plus 1.5%) has been applied for 2023-24 to help fund \$73.8M capital expenditure for the year. For each subsequent year the rates increase is set at 3.5% (CPI plus 1%). There remains scope to adjust individual year increases in the annual budget process;
- Operating grants – reflects expected grants for the 2023-24 year with each subsequent year increasing in line with inflation estimates at 2.5%.
- Fees, charges and other revenue – an increase of 5% has been applied for 2023-24 with each subsequent year increasing in line with inflation estimates at 2.5%.
- The investment rate has been assumed at 4.0% as per Term Deposit quotes received in March 2023;
- Employee costs – estimated at 4% increase for the years 2023-24 and 2024-25. Each subsequent year is then increasing in line with inflation at 2.5%;
- Materials, contracts, insurance and utilities estimated to increase in-line with inflation estimates.
- A default borrowings rate of 5.5% (including WATC loan guarantee fee of 0.7%) has been used for all loans as per WATC indicative interest rates at 13 February for a 15 year term loan; and
- Capital Grants, subsidies and monetary contributions reflect tied monies received in relation to the purchase / construction of new assets and are budgeted in accordance with information known at the time of preparing this document.



Capital Works Program

Major Projects

The forward capital works schedule has been developed to meet the infrastructure service requirements of the City. The plan provides for a total capital outlay of \$383M over the ten-year period, which will require substantial borrowings of \$39M to deliver this program.

Major projects currently funded in the LTFP are:

- \$200M capital spend on roads, drainage and footpaths over the next ten years, this is funded partially by \$56M of grants.
- \$39M capital spend on sewerage and waste water infrastructure to be partially funded by \$4.5M grants and \$28M loans. This includes the following key projects:
 - \$13M New recycled water pump main from South Boulder to Swan Lakes (2023-24 and 2024-25)
 - \$4M upgrade sewer reticulation main at areas 1, 2 and 3 (2023-24 and 2024-25).
 - \$2M upgrade IDEA Plant (2023-24 and 2024-25)
 - \$3M additional storm water capture pond (2023-24)
 - \$2M sewer reticulation main upgrade (2025-26)
- \$36M capital spend on property building renewals and upgrades including the following key projects:
 - \$2M Change room upgrades for Sir Richard Moore Oval and Digger Daws Oval
 - \$3M contribution to Kalgoorlie Basketball Association for new stadium
 - \$5M Endowment block parapets
- \$27M capital spend on parks, ovals and gardens infrastructure renewals and upgrades including the following key projects:
 - \$3M for the completion of the Kalgoorlie CBD revitalisation project (St Barbara's Square) in 2023-24 fully funded equally by grant and from reserves.
 - \$3M Youth Precinct Development at Kingsbury Park in 2023-24, funded partially with a \$2M grant.
 - \$7M LED lighting upgrades across the City's playing fields and ovals.
- Golf Course Clubhouse construction - \$7 million in 2023-24 funded wholly from reserves.
- Airport runway renewal is scheduled for the 2027-28 year costing \$10M in total, funded from reserves.
- \$13M renewal of Oasis Recreation Centre building and plant infrastructure, to be partially funded by \$8M loans.
- \$8M for construction of outdoor pool at Oasis Recreation Centre, wholly funded by a grant.
- \$4M LED Street lighting replacement program to be loan funded (2025-26).

Major projects omitted due to unidentified funding sources

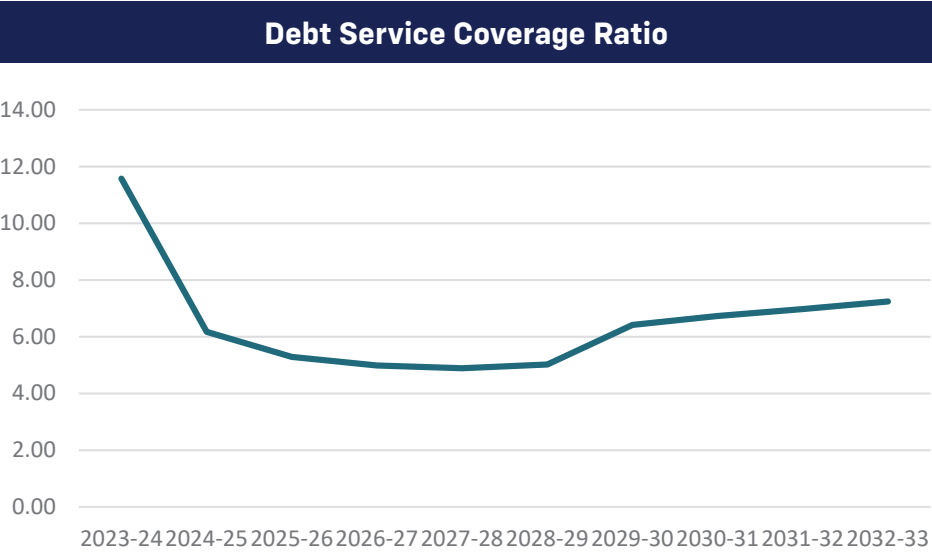
- \$17M additional storm water capture ponds and evaporation controls.
- Delivery of Oasis Master Plan
- Delivery of Airport Master Plan including new Terminal

Debt Management / Cash Reserves

Key Indicator

The use of long-term borrowings is necessary where there is insufficient funds available to meet the capital outlays identified in the capital works program.

The City's key indicator for borrowings is the Debt Service Coverage Ratio (DSCR). The DSCR is a measurement of the City's ability to produce enough cash to cover its debt payments. As per the Department's operation guidelines a basic standard is achieved if the ratio is greater than or equal to two. An advanced standard is achieved if the ratio is greater than five. The City's DSCR for the ten years is summarised in the graph below. The lowest ratio score is 4.9 which occurs in 2027-28 and steadily increases to 7.2 by 2032-33. By maintaining a ratio close to five the City is likely to be in a sustainable financial position if further funding is required.



Borrowings Summary

The LTFP provides for the following borrowings over the ten-year period:

- Recycled water and sewerage infrastructure upgrades \$18M (2023-24)
- Oasis Recreation Centre upgrades including new air conditioning and roof replacement \$3M (2023-24)
- Recycled water and sewerage infrastructure upgrades \$5M (2024-25)
- Oasis Recreation Centre upgrades including stadium floor replacement, structural renewals and completion roof replacement \$5M (2024-25)
- Recycled water and sewerage infrastructure upgrades \$2M (2025-26)
- LED Street light replacement program \$4M (2025-26)
- Recycled water and sewerage infrastructure upgrades \$2M (2026-27)

Cash Reserves

The closing cash reserve balance at 2032-33 is \$16M and includes the following movements over the ten-year period:

- \$7M from future projects reserves for Golf Course Resort contribution (2023-24).
- \$2M from future projects reserve for Kal City Centre project completion (2023-24)
- \$10M from airport reserves for runway overlay (2027-28)
- \$3M transfer to each of the airport, sewerage and waste initiative reserves for future capital projects.



Financial Sustainability

The financial sustainability of the City is measured by its ability to be financially viable whilst meeting community expectations. The Financial Health Indicator (FHI) is one factor to consider in assessing the overall performance. An FHI result of 70 and above indicates sound financial health with a maximum result achievable being 100. The City's FHI is expected to remain above 70 for the first four years of the plan before dropping to a low of 67 in 2028-29. It is then expected to increase to 86 by 2032-33. Six of the seven ratios used to calculate the FHI are projected to remain stable at satisfactory levels or higher over the ten-year period. The City's projected FHI results are:

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Ratio Names	Raw Ratios	Raw Ratios	Raw Ratios	Raw Ratios	Raw Ratios	Raw Ratios	Raw Ratios	Raw Ratios	Raw Ratios	Raw Ratios
1	Current Asset	1.27	1.25	1.25	1.33	1.04	1.03	1.11	1.16	1.23	1.34
2	Consumption	0.67	0.66	0.65	0.63	0.62	0.61	0.59	0.58	0.56	0.55
3	Asset Renewal	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
4	Asset Sustainability	1.66	1.10	1.01	1.00	1.14	0.93	0.92	0.92	0.93	0.94
5	Debt Service Coverage	11.57	6.17	5.28	4.99	4.89	5.03	6.41	6.72	6.98	7.24
6	Operating Surplus	(0.01)	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)	(0.01)	(0.01)	(0.00)	0.01
7	Own Source Revenue	0.92	0.90	0.89	0.90	0.90	0.91	0.91	0.92	0.92	0.93

Standardised Scores (0 to 10)

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Ratio Names	Standardised Ratios	Standardised Ratios	Standardised Ratios	Standardised Ratios	Standardised Ratios	Standardised Ratios	Standardised Ratios	Standardised Ratios	Standardised Ratios	Standardised Ratios
1	Current Asset	8.63	8.49	8.48	8.97	7.24	7.17	7.64	7.96	8.37	9.03
2	Consumption	9.01	8.88	8.76	8.59	8.44	8.26	8.09	7.92	7.75	7.59
3	Asset Renewal	8.71	8.71	8.71	8.71	8.71	8.71	8.71	8.71	8.71	8.71
4	Asset Sustainability	10.00	9.04	8.08	7.99	9.42	7.34	7.22	7.19	7.29	7.38
5	Debt Service Coverage	10.00	10.00	10.00	9.99	9.89	10.00	10.00	10.00	10.00	10.00
6	Operating Surplus	-	-	-	-	-	-	-	-	-	7.02
7	Own Source Revenue	10.00	9.98	9.97	9.97	9.99	10.00	10.00	10.00	10.00	10.00

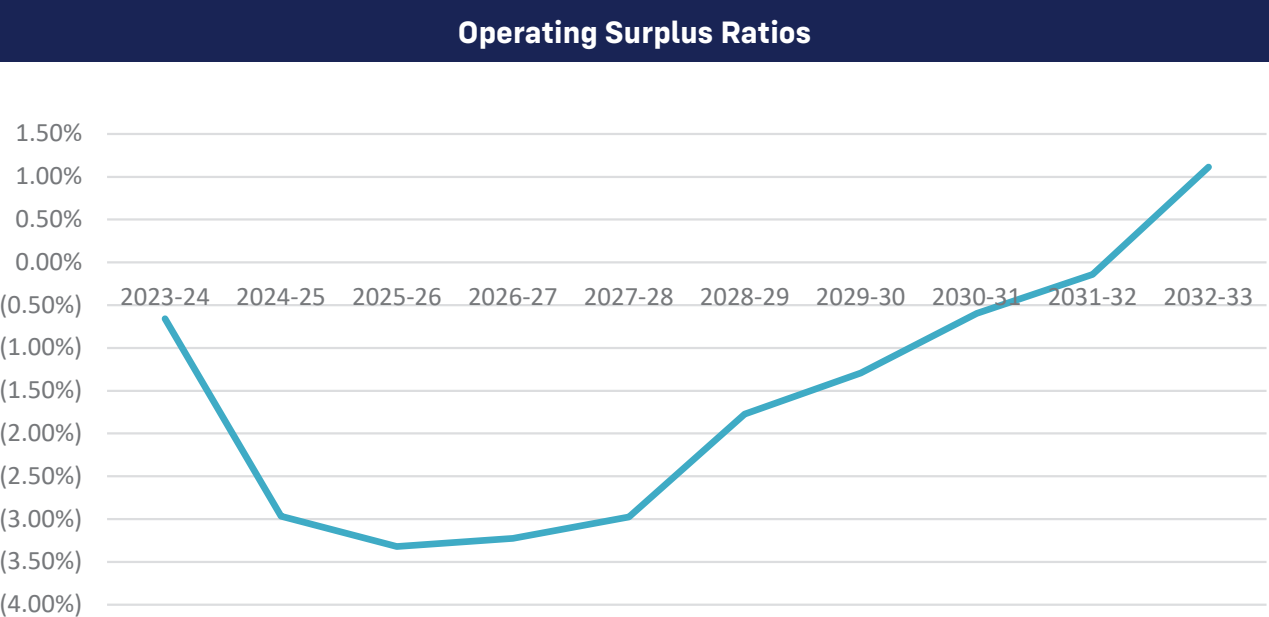
Financial Health Indicator

74	72	71	72	69	67	68	69	70	86
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Financial Sustainability

Operating Surplus Ratio

A key indicator of the City's financial performance is measured by the 'Operating Surplus Ratio'. A positive ratio indicates the percentage of total own source revenue available to help fund proposed capital expenditure, transfer to reserves or to reduce debt. A negative ratio indicates the percentage increase in total own source revenue that would be required to achieve a break-even operating result. The increase to the City's FHI in 2032-33 is due to only achieving a positive Operating Surplus ratio by the tenth year of the plan. The City's projected Operating Surplus Ratio over the ten-year period is:



Rating Strategy

The City's population is not expected to grow or decline significantly over the ten-year period and is unlikely to benefit from a large increase in additional rateable properties being built. Therefore, to improve the City's Operating Ratio over the term of the plan a Rating Strategy that includes year-on-year increase of CPI plus 1% has been applied. By committing to an increase 1% above CPI, the City is forecast to achieve a positive ratio by 2032-33.



Long Term Financial Plan

Forecast Statements

Summary of Percentage Adjustments on Prior Year

For the period 2023 - 2033

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
OPERATING										
Revenues										
Rates	6.00%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Operating grants, subsidies and contributions	(11.20%)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Profit on Asset Disposal	(100.00%)	-	-	-	-	-	-	-	-	-
Fees and charges	5.00%	2.50%	3.15%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Service charges	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest earnings - General	(9.38%)	14.14%	0.92%	2.50%	0.94%	2.50%	0.95%	2.50%	0.97%	2.50%
Interest earnings - Reserves	156.08%	(43.13%)	4.00%	6.38%	14.08%	(40.16%)	4.00%	4.00%	13.10%	17.41%
Other revenue	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
	<u>4.85%</u>	<u>2.57%</u>	<u>3.19%</u>	<u>2.89%</u>	<u>2.91%</u>	<u>2.60%</u>	<u>2.85%</u>	<u>2.88%</u>	<u>2.89%</u>	<u>2.94%</u>
Expenses										
Employee costs	3.92%	3.92%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and contracts	(9.32%)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utility charges (electricity, gas, water etc.)	4.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Depreciation on non-current assets	(1.04%)	4.07%	4.15%	3.23%	3.24%	0.06%	3.00%	2.32%	3.09%	0.77%
Loss on Asset Disposal	(100.00%)	-	-	-	-	-	-	-	-	-
Interest Expense	(43.69%)	145.05%	26.93%	5.39%	0.67%	(7.36%)	(7.76%)	(7.69%)	(8.74%)	(10.09%)
Insurance expense	4.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other expenditure	4.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
	<u>(3.45%)</u>	<u>4.74%</u>	<u>3.52%</u>	<u>2.80%</u>	<u>2.68%</u>	<u>1.49%</u>	<u>2.41%</u>	<u>2.22%</u>	<u>2.46%</u>	<u>1.75%</u>
CAPITAL										
Borrowings										
Movement in Total Long Term Liabilities %	19.37%	19.37%	4.91%	0.16%	(8.04%)	(6.45%)	(7.11%)	(8.07%)	(9.24%)	(10.73%)
Movement in Total Long Term Liabilities \$	\$19,310,530	\$7,312,709	\$2,215,151	\$76,728	(\$3,805,946)	(\$2,809,492)	(\$2,899,176)	(\$3,053,702)	(\$3,216,465)	(\$3,387,902)
Reserves										
Movement in Total Cash Backed Reserves %	4.00%	4.00%	6.38%	14.08%	(40.16%)	4.00%	4.00%	13.10%	17.41%	19.99%
Movement in Total Cash Backed Reserves \$	(\$9,183,259)	\$12,594,674	\$1,288,198	\$2,689,727	(\$4,252,684)	(\$5,772,790)	\$746,300	\$1,676,148	\$3,243,191	\$4,572,921
Property, Plant and Equipment										
Movement in WDV. Property, Plant and Equipment	2.20%	2.20%	1.94%	(0.42%)	(0.85%)	(0.98%)	(0.25%)	(0.60%)	(0.54%)	(0.22%)
Movement in WDV. Property, Plant and Equipment	\$12,689,256	\$5,880,687	\$5,309,588	(\$1,157,080)	(\$2,344,985)	(\$2,695,549)	(\$668,330)	(\$1,635,224)	(\$1,468,660)	(\$601,824)
Infrastructure										
Movement in WDV. Infrastructure %	7.02%	2.06%	2.24%	0.79%	1.88%	0.25%	(0.21%)	(0.04%)	(0.10%)	(0.23%)
Movement in WDV. Infrastructure \$	\$34,952,473	\$10,268,671	\$11,383,074	\$4,126,397	\$9,824,694	\$1,349,894	(\$1,122,206)	(\$235,156)	(\$533,956)	(\$1,203,806)

Forecast Statement of Comprehensive Income

For the period 2023 - 2033

INCOME STATEMENT	Notes	2019-20	2020-21	2021-22	Base	1	2	3	4	5	6	7	8	9	10
		2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues															
Rates		26,054,113	26,384,819	27,517,466	29,052,559	30,795,713	31,873,560	32,989,135	34,143,756	35,338,789	36,575,645	37,855,793	39,180,745	40,552,070	41,971,391
Operating grants, subsidies and contributions		4,588,731	4,768,183	6,013,796	4,163,563	3,697,068	3,789,495	3,884,232	3,981,337	4,080,869	4,182,890	4,287,461	4,394,648	4,504,514	4,617,127
Fees and charges		31,025,226	32,312,502	35,941,723	42,973,349	45,122,016	46,250,066	47,706,317	48,898,975	50,121,449	51,374,485	52,658,847	53,975,319	55,324,702	56,707,820
Service charges		798,593	751,613	799,523	796,855	836,698	857,615	879,055	901,031	923,557	946,646	970,312	994,570	1,019,434	1,044,920
Interest earnings - General		805,986	653,230	652,435	1,360,319	1,232,661	1,407,010	1,420,012	1,455,512	1,469,171	1,505,900	1,520,251	1,558,258	1,573,336	1,612,669
Interest earnings - Reserves		577,313	205,138	103,950	332,602	851,741	484,410	503,788	535,939	611,377	365,830	380,464	395,681	447,510	525,411
Other revenue		1,982,384	2,324,484	4,104,151	2,889,188	3,033,648	3,109,489	3,187,226	3,266,906	3,348,578	3,432,292	3,518,100	3,606,052	3,696,202	3,788,607
		<u>65,832,346</u>	<u>67,399,969</u>	<u>75,133,044</u>	<u>81,568,435</u>	<u>85,569,545</u>	<u>87,771,645</u>	<u>90,569,765</u>	<u>93,183,456</u>	<u>95,893,790</u>	<u>98,383,688</u>	<u>101,191,228</u>	<u>104,105,273</u>	<u>107,117,768</u>	<u>110,267,945</u>
Expenses															
Employee costs		(24,483,794)	(23,447,336)	(24,988,914)	(27,384,495)	(28,457,934)	(29,573,761)	(30,313,105)	(31,070,933)	(31,847,708)	(32,643,900)	(33,459,997)	(34,296,498)	(35,153,910)	(36,032,758)
Materials and contracts		(18,843,368)	(18,575,607)	(21,138,495)	(26,303,125)	(23,852,894)	(24,449,215)	(25,060,444)	(25,686,958)	(26,329,132)	(26,987,362)	(27,662,045)	(28,353,596)	(29,062,435)	(29,788,996)
Utility charges (electricity, gas, water etc.)		(3,786,795)	(3,814,431)	(4,196,368)	(4,455,855)	(4,656,369)	(4,772,778)	(4,892,098)	(5,014,399)	(5,139,759)	(5,268,253)	(5,399,960)	(5,534,959)	(5,673,334)	(5,815,168)
Depreciation on non-current assets		(11,868,269)	(12,927,810)	(15,391,406)	(26,499,783)	(26,224,306)	(27,291,419)	(28,424,413)	(29,342,784)	(30,294,791)	(30,313,155)	(31,222,534)	(31,945,380)	(32,932,614)	(33,185,630)
Interest expense		(531,788)	(653,773)	(1,361,956)	(1,386,045)	(780,416)	(1,912,416)	(2,427,397)	(2,558,300)	(2,575,404)	(2,385,733)	(2,200,633)	(2,031,514)	(1,853,879)	(1,666,776)
Insurance expense		(782,422)	(840,383)	(874,552)	(954,356)	(997,302)	(1,022,235)	(1,047,791)	(1,073,986)	(1,100,836)	(1,128,357)	(1,156,566)	(1,185,480)	(1,215,117)	(1,245,495)
Other expenditure		(1,454,742)	(816,731)	(635,975)	(1,071,772)	(1,120,002)	(1,148,002)	(1,176,702)	(1,206,120)	(1,236,273)	(1,267,180)	(1,298,860)	(1,331,332)	(1,364,615)	(1,398,730)
		<u>(61,751,178)</u>	<u>(61,076,071)</u>	<u>(68,587,666)</u>	<u>(88,055,431)</u>	<u>(86,089,223)</u>	<u>(90,169,826)</u>	<u>(93,341,950)</u>	<u>(95,953,480)</u>	<u>(98,523,903)</u>	<u>(99,993,940)</u>	<u>(102,400,595)</u>	<u>(104,678,759)</u>	<u>(107,255,904)</u>	<u>(109,133,553)</u>
OPERATING RESULT		<u>4,081,168</u>	<u>6,323,898</u>	<u>6,545,378</u>	<u>(6,486,996)</u>	<u>(519,678)</u>	<u>(2,398,181)</u>	<u>(2,772,185)</u>	<u>(2,770,024)</u>	<u>(2,630,113)</u>	<u>(1,610,252)</u>	<u>(1,209,367)</u>	<u>(573,486)</u>	<u>(138,136)</u>	<u>1,134,392</u>
Revenue (Asset related)															
Non-Operating grants, subsidies and contributions		3,663,574	3,346,718	5,356,827	12,215,806	15,096,926	11,472,851	17,510,051	7,679,402	7,720,000	3,048,333	3,048,333	3,048,333	3,048,333	3,048,333
Profit on disposal of assets		3,024	107,085	112,335	44,966	-	-	-	-	-	-	-	-	-	-
Loss on asset disposal		(299,350)	(36,690)	(2,065,972)	(1,107,000)	-	-	-	-	-	-	-	-	-	-
NET RESULT		<u>7,448,416</u>	<u>9,741,011</u>	<u>9,948,568</u>	<u>4,666,776</u>	<u>14,577,248</u>	<u>9,074,670</u>	<u>14,737,866</u>	<u>4,909,378</u>	<u>5,089,887</u>	<u>1,438,081</u>	<u>1,838,966</u>	<u>2,474,847</u>	<u>2,910,197</u>	<u>4,182,725</u>
Other Comprehensive Income		(3,822,460)	-	88,571,709	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income		<u>3,625,956</u>	<u>9,741,011</u>	<u>98,520,277</u>	<u>4,666,776</u>	<u>14,577,248</u>	<u>9,074,670</u>	<u>14,737,866</u>	<u>4,909,378</u>	<u>5,089,887</u>	<u>1,438,081</u>	<u>1,838,966</u>	<u>2,474,847</u>	<u>2,910,197</u>	<u>4,182,725</u>

Forecast Statement of Financial Position

For the period 2023 - 2033

	2019-20	2020-21	2021-22	Base	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33				
BALANCE SHEET														
CURRENT ASSETS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unrestricted Cash and Equivalents	7,408,907	10,961,060	22,140,355	7,680,027	3,209,005	3,065,152	2,627,206	2,866,579	2,921,078	2,586,511	2,936,370	2,932,213	2,681,051	2,656,093
Restricted Cash and Cash Equivalent	40,721,498	44,851,665	28,853,379	21,293,523	12,110,264	12,594,674	13,398,462	15,284,401	9,145,778	9,511,611	9,892,078	11,187,759	13,135,269	15,760,680
Non-Cash Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables	11,226,142	16,931,767	17,915,896	10,536,918	10,542,573	10,548,391	10,554,376	10,560,533	10,509,033	10,397,388	10,340,366	10,340,366	10,340,366	10,340,366
Inventories	370,738	140,669	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576
TOTAL CURRENT ASSETS	59,727,285	72,885,161	69,099,206	39,700,044	26,051,418	26,397,793	26,769,620	28,901,089	22,765,465	22,685,086	23,358,390	24,649,914	26,346,262	28,946,715
NON-CURRENT ASSETS														
Other Receivables	5,354,670	1,166,094	1,117,248	1,134,697	1,032,160	926,673	818,151	706,507	649,485	649,485	649,485	649,485	649,485	649,485
Inventories	85,937	95,207	97,449	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Property Plant and Equipment	150,910,689	152,008,180	244,207,546	254,691,259	267,380,515	273,261,202	278,570,790	277,413,710	275,068,725	272,373,176	271,704,846	270,069,622	268,600,962	267,999,138
Infrastructure	386,121,913	415,564,852	437,098,536	462,629,947	497,582,420	507,851,091	519,234,165	523,360,562	533,185,256	534,535,150	533,412,944	533,177,788	532,643,832	531,440,026
TOTAL NON-CURRENT ASSETS	542,473,209	568,834,333	682,520,779	718,535,903	766,075,095	782,118,966	798,703,106	801,560,779	808,983,466	807,637,811	805,847,275	803,976,895	801,974,279	800,168,649
TOTAL ASSETS	602,200,494	641,719,494	751,619,985	758,235,947	792,126,513	808,516,759	825,472,726	830,461,868	831,748,931	830,322,897	829,205,665	828,626,809	828,320,541	829,115,364
CURRENT LIABILITIES														
Trade and Other Payables	13,940,150	19,923,392	23,781,192	15,730,138	15,730,138	15,730,138	15,730,138	15,730,138	15,730,138	15,730,138	15,730,138	15,730,138	15,730,138	15,730,138
Current Portion of Long-term Liabilities	1,198,627	1,092,018	1,307,306	1,839,599	2,439,755	3,085,452	3,431,404	3,716,419	3,855,702	4,002,408	3,053,703	3,216,465	3,387,902	3,568,478
Provisions	1,938,183	2,003,690	2,448,830	2,317,130	2,317,130	2,317,130	2,317,130	2,317,130	2,317,130	2,317,130	2,317,130	2,317,130	2,317,130	2,317,130
TOTAL CURRENT LIABILITIES	17,076,960	23,019,100	27,537,328	19,886,867	20,487,023	21,132,720	21,478,672	21,763,687	21,902,970	22,049,676	21,100,971	21,263,733	21,435,170	21,615,746
NON-CURRENT LIABILITIES														
Long-term Borrowings	9,000,982	7,908,964	7,549,191	16,608,999	35,319,373	41,986,385	43,855,584	43,647,297	39,702,068	36,745,870	34,795,399	31,578,935	28,191,033	24,622,555
Provisions	4,832,645	29,760,512	30,456,658	30,996,497	30,999,285	31,002,152	31,005,102	31,008,138	31,011,260	30,956,637	30,899,615	30,899,614	30,899,614	30,899,614
TOTAL NON-CURRENT LIABILITIES	13,833,627	37,669,476	38,005,849	47,605,496	66,318,658	72,988,537	74,860,686	74,655,435	70,713,328	67,702,507	65,695,014	62,478,549	59,090,647	55,522,169
TOTAL LIABILITIES	30,910,587	60,688,576	65,543,177	67,492,363	86,805,681	94,121,257	96,339,358	96,419,122	92,616,298	89,752,183	86,795,985	83,742,282	80,525,817	77,137,915
NET ASSETS	571,289,907	581,030,918	686,076,808	690,743,584	705,320,832	714,395,502	729,133,368	734,042,746	739,132,633	740,570,714	742,409,680	744,884,527	747,794,724	751,977,449
EQUITY														
Retained Surplus	257,240,998	261,366,846	286,460,335	306,065,947	329,826,452	338,416,712	352,350,790	355,374,229	366,602,739	367,674,987	369,133,486	370,312,652	371,275,339	372,832,653
Reserves - Cash Backed	39,236,502	44,851,665	36,232,357	21,293,523	12,110,264	12,594,674	13,398,462	15,284,401	9,145,778	9,511,611	9,892,078	11,187,759	13,135,269	15,760,680
Reserves - Revaluation	274,812,407	274,812,407	363,384,116	363,384,117	363,384,116	363,384,116	363,384,116	363,384,116	363,384,116	363,384,116	363,384,116	363,384,116	363,384,116	363,384,116
TOTAL EQUITY	571,289,907	581,030,918	686,076,808	690,743,587	705,320,832	714,395,502	729,133,368	734,042,746	739,132,633	740,570,714	742,409,680	744,884,527	747,794,724	751,977,449

Forecast Statement of Funding

For the period 2023 - 2033

	2020-21	2021-22	Base	1	2	3	4	5	6	7	8	9	10
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING													
Revenues													
Rates	26,384,819	27,517,466	29,052,559	30,795,713	31,873,560	32,989,135	34,143,756	35,338,789	36,575,645	37,855,793	39,180,745	40,552,070	41,971,391
Operating grants, subsidies and contributions	4,768,183	6,013,796	4,163,563	3,697,068	3,789,495	3,884,232	3,981,337	4,080,869	4,182,890	4,287,461	4,394,648	4,504,514	4,617,127
Profit on Asset Disposal	107,085	112,335	44,966	-	-	-	-	-	-	-	-	-	-
Fees and charges	32,312,502	35,941,723	42,973,349	45,122,016	46,250,066	47,706,317	48,898,975	50,121,449	51,374,485	52,658,847	53,975,319	55,324,702	56,707,820
Service charges	751,613	799,523	796,855	836,698	857,615	879,055	901,031	923,557	946,646	970,312	994,570	1,019,434	1,044,920
Interest earnings - General	653,230	652,435	1,360,319	1,232,661	1,407,010	1,420,012	1,455,512	1,469,171	1,505,900	1,520,251	1,558,258	1,573,336	1,612,669
Interest earnings - Reserves	205,138	103,950	332,602	851,741	484,410	503,788	535,939	611,377	365,830	380,464	395,681	447,510	525,411
Other revenue	2,324,484	4,104,151	2,889,188	3,033,648	3,109,489	3,187,226	3,266,906	3,348,578	3,432,292	3,518,100	3,606,052	3,696,202	3,788,607
	67,507,054	75,245,379	81,613,401	85,569,545	87,771,645	90,569,765	93,183,456	95,893,790	98,383,688	101,191,228	104,105,273	107,117,768	110,267,945
Expenses													
Employee costs	(23,447,336)	(24,988,914)	(27,384,495)	(28,457,934)	(29,573,761)	(30,313,105)	(31,070,933)	(31,847,708)	(32,643,900)	(33,459,997)	(34,296,498)	(35,153,910)	(36,032,758)
Materials and contracts	(18,575,607)	(21,138,495)	(26,303,125)	(23,852,894)	(24,449,215)	(25,060,444)	(25,686,958)	(26,329,132)	(26,987,362)	(27,662,045)	(28,353,596)	(29,062,435)	(29,788,996)
Utility charges (electricity, gas, water etc.)	(3,814,431)	(4,196,368)	(4,455,855)	(4,656,369)	(4,772,778)	(4,892,098)	(5,014,399)	(5,139,759)	(5,268,253)	(5,399,960)	(5,534,959)	(5,673,334)	(5,815,168)
Depreciation on non-current assets	(12,927,810)	(15,391,406)	(26,499,783)	(26,224,306)	(27,291,419)	(28,424,413)	(29,342,784)	(30,294,791)	(30,313,155)	(31,222,534)	(31,945,380)	(32,932,614)	(33,185,630)
Loss on Asset Disposal	(36,690)	(2,065,972)	(1,107,000)	-	-	-	-	-	-	-	-	-	-
Interest Expense	(653,773)	(1,361,956)	(1,386,045)	(780,416)	(1,912,416)	(2,427,397)	(2,558,300)	(2,575,404)	(2,385,733)	(2,200,633)	(2,031,514)	(1,853,879)	(1,666,776)
Insurance expense	(840,383)	(874,552)	(954,356)	(997,302)	(1,022,235)	(1,047,791)	(1,073,986)	(1,100,836)	(1,128,357)	(1,156,566)	(1,185,480)	(1,215,117)	(1,245,495)
Other expenditure	(816,731)	(635,975)	(1,071,772)	(1,120,002)	(1,148,002)	(1,176,702)	(1,206,120)	(1,236,273)	(1,267,180)	(1,298,860)	(1,331,332)	(1,364,615)	(1,398,730)
	(61,112,761)	(70,653,638)	(89,162,431)	(86,089,223)	(90,169,826)	(93,341,950)	(95,953,480)	(98,523,903)	(99,993,940)	(102,400,595)	(104,678,759)	(107,255,904)	(109,133,553)
NET OPERATIONS	6,394,293	4,591,741	(7,549,030)	(519,678)	(2,398,181)	(2,772,185)	(2,770,024)	(2,630,113)	(1,610,252)	(1,209,367)	(573,486)	(138,136)	1,134,392
Funding Position Adjustments													
Depreciation on non-current assets	12,927,810	15,391,406	26,499,783	26,224,306	27,291,419	28,424,413	29,342,784	30,294,791	30,313,155	31,222,534	31,945,380	32,932,614	33,185,630
Net profit and losses on Disposal	(70,395)	1,953,637	1,062,034	-	-	-	-	-	-	-	-	-	-
Movement in Accruals	(25,227,541)	(1,690,287)	(539,918)	3,118	2,868	2,950	3,035	3,122	(54,623)	(57,022)	-	-	-
Movement in Deferred Pensioner Rates (Non-Current)	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in Employee Benefit Provisions (Non-curre)	24,927,867	696,146	539,839	-	-	-	-	-	-	-	-	-	-
Write-off of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
FUNDING FROM GENERAL OPERATIONS	18,952,034	20,942,643	20,012,708	25,707,746	24,896,106	25,655,178	26,575,795	27,667,800	28,648,280	29,956,145	31,371,894	32,794,478	34,320,022
CAPITAL													
Asset Acquisitions and Construction													
Purchase of land held for resale	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Property Plant and Equipment	(5,183,314)	(10,487,464)	(20,633,558)	(19,518,998)	(12,992,500)	(12,681,998)	(6,435,498)	(5,354,500)	(4,367,500)	(6,701,998)	(5,815,000)	(6,319,998)	(6,800,000)
Infrastructure	(8,991,160)	(24,803,301)	(42,074,315)	(54,347,037)	(30,448,277)	(32,435,077)	(25,876,603)	(32,420,000)	(24,600,000)	(22,730,000)	(24,260,000)	(24,610,000)	(24,580,000)
Proceeds on Disposal	338,755	354,642	4,212,540	-	-	-	-	-	-	-	-	-	-
Non-Operating grants, subsidies and contributions	3,346,718	5,356,827	12,215,806	15,096,926	11,472,851	17,510,051	7,679,402	7,720,000	3,048,333	3,048,333	3,048,333	3,048,333	3,048,333
NET FUNDING BEFORE FINANCING	(10,489,001)	(29,579,296)	(46,279,527)	(58,769,109)	(31,967,926)	(27,607,024)	(24,632,699)	(30,054,500)	(25,919,167)	(26,383,665)	(27,026,667)	(27,881,665)	(28,331,667)

Forecast Statement of Funding

For the period 2023 - 2033

	2020-21	2021-22	Base	1 2023-24	2 2024-25	3 2025-26	4 2026-27	5 2027-28	6 2028-29	7 2029-30	8 2030-31	9 2031-32	10 2032-33
Financing													
Inflows													
Transfer from Reserves	6,401,634	15,353,258	18,131,762	10,035,000	-	-	-	9,000,000	-	-	-	-	-
New Borrowings	-	-	10,847,830	20,850,000	9,855,000	5,316,000	3,560,000	-	-	-	-	-	-
Self Supporting Loan	109,126	102,249	121,759	99,669	102,537	105,487	108,522	111,644	57,022	-	-	-	-
Outflows													
Transfer to Reserves	(12,016,797)	(6,733,950)	(3,192,928)	(851,741)	(484,410)	(803,788)	(1,885,939)	(2,861,377)	(365,833)	(380,467)	(1,295,681)	(1,947,510)	(2,625,411)
Advances to Community Groups	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Past Borrowings	(1,198,627)	(1,194,239)	(1,333,091)	(1,539,469)	(2,542,292)	(3,100,849)	(3,483,271)	(3,805,946)	(2,809,492)	(2,899,176)	(3,053,703)	(3,216,465)	(3,387,902)
NET FINANCING	(6,704,664)	7,527,318	24,575,332	28,593,459	6,930,835	1,516,850	(1,700,688)	2,444,321	(3,118,303)	(3,279,643)	(4,349,384)	(5,163,975)	(6,013,313)
ACCOUNTING PERIOD BALANCES													
Opening Balance	6,194,993	7,953,362	6,844,027	5,152,540	684,636	543,651	108,655	351,063	408,684	19,494	312,331	308,174	57,012
Closing Balance	<u>7,953,362</u>	<u>6,844,027</u>	<u>5,152,540</u>	<u>684,636</u>	<u>543,651</u>	<u>108,655</u>	<u>351,063</u>	<u>408,684</u>	<u>19,494</u>	<u>312,331</u>	<u>308,174</u>	<u>57,012</u>	<u>32,054</u>
PROOF OF CLOSING POSITION													
CURRENT ASSETS													
Unrestricted Cash and Equivalents	10,961,060	22,140,355	7,680,027	3,209,005	3,065,152	2,627,206	2,866,579	2,921,078	2,586,511	2,936,370	2,932,213	2,681,051	2,656,093
Restricted Cash and Cash Equivalent	44,851,665	28,853,379	21,293,523	12,110,264	12,594,674	13,398,462	15,284,401	9,145,778	9,511,611	9,892,078	11,187,759	13,135,269	15,760,680
Non-Cash Investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables	16,931,767	17,915,896	10,536,918	10,542,573	10,548,391	10,554,376	10,560,533	10,509,033	10,397,388	10,340,366	10,340,366	10,340,366	10,340,366
Inventories	140,669	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576	189,576
CURRENT LIABILITIES													
Trade and Other Payables	(19,923,392)	(27,537,328)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)	(15,730,138)
Reserves	(44,851,665)	(36,232,357)	(21,293,523)	(12,110,264)	(12,594,674)	(13,398,462)	(15,284,401)	(9,145,778)	(9,511,611)	(9,892,078)	(11,187,759)	(13,135,269)	(15,760,680)
Current Self Supporting Loans Receivable	(156,742)	(104,117)	(100,000)	(102,537)	(105,487)	(108,522)	(111,644)	(57,022)	-	-	-	-	-
Add back current debentures and leave provisions	-	1,618,623	2,576,157	2,576,157	2,576,157	2,576,157	2,576,157	2,576,157	2,576,157	2,576,157	2,576,157	2,576,157	2,576,157
Land Held for resale - Development costs	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>7,953,362</u>	<u>6,844,027</u>	<u>5,152,540</u>	<u>684,636</u>	<u>543,651</u>	<u>108,655</u>	<u>351,063</u>	<u>408,684</u>	<u>19,494</u>	<u>312,331</u>	<u>308,174</u>	<u>57,012</u>	<u>32,054</u>

Disclaimer

The LTFP is subject to the following disclaimer: “Disclaimer The 10-Year Financial Plan is a planning tool. It is based on many assumptions. It also includes projects and proposals that in some cases:

- Have been approved by Council and are in progress;
- Have been considered by Council but are yet to receive final approval;
- Have only been considered by Elected Members at a strategy level;
- Have only been considered by members of staff; and
- Are operational in nature and based on the continued provision of services and maintenance of City assets and infrastructure.

Any of the assumptions and any of the projects or proposals not already approved could prove to be inaccurate both as to likely requirement, timing and financial estimates or may not come to pass at all. They have, however, been included based on the best available information and knowledge to hand at this time in relation to likely requirement, timing and financial estimates. Adoption of the 10 Year Financial Plan by Council does not constitute a commitment or agreement to any of the projects or proposals that have not already been approved.





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