



# SHIRE OF GNOWANGERUP

ONGERUP EFFLUENT SYSTEM

LONG TERM FINANCIAL PLAN  
2019-20 TO 2039-40

THIS PAGE IS INTENTIONALLY BLANK

# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>i</b>
<b>1.0 STRATEGIC OVERVIEW .....</b>	<b>1</b>
1.1 PURPOSE OF THE PLAN.....	1
1.2 LEGISLATIVE OBLIGATIONS .....	1
1.3 STRATEGIC ALIGNMENT .....	1
1.3.1 Strategic Community Plan.....	1
1.3.2 Corporate Business Plan.....	1
1.4 STRATEGIC FINANCIAL DIRECTION.....	2
<b>2.0 THE SHIRE IN PROFILE.....</b>	<b>3</b>
2.1 OUR AREA.....	3
2.2 OUR ECONOMY.....	3
2.3 OUR PEOPLE .....	3
<b>4.0 ASSET MANAGEMENT .....</b>	<b>4</b>
4.1 ASSET MANAGEMENT PLAN.....	4
4.2 ASSET REPLACEMENTS AND RENEWALS.....	5
4.3 FUNDING GAP .....	5
<b>5.0 FINANCIAL PRINCIPLES AND STRATEGIES.....</b>	<b>6</b>
5.1 FINANCIAL PRINCIPLES .....	6
5.2 FINANCIAL STRATEGIES .....	6
5.2.1 Rating Strategy .....	6
5.2.2 Investment of Surplus Cash .....	8
6.2.3 Borrowings.....	10

6.2.4	Reserves (Cash Backed) .....	10
6.2.5	Capital Investments.....	10
<b>7.0</b>	<b>LONG TERM FINANCIAL PLAN ASSUMPTIONS .....</b>	<b>12</b>
7.1	EXTERNAL INFLUENCES .....	12
7.2	INTERNAL INFLUENCES .....	12
7.3	ASSUMPTIONS.....	12
7.3.1	Population Growth.....	12
7.3.2	Cost Indices .....	12
7.3.3	Sanitary Rates .....	13
7.3.4	Loan Borrowings .....	14
7.3.5	Balanced Budget Approach.....	14
<b>8.0</b>	<b>CONCLUSION – IMPLEMENTATION AND REVIEW OF THE LTFP .....</b>	<b>15</b>
	<b>APPENDIX 1 – SOURCE AND APPLICATION OF FUNDS STATEMENT .....</b>	<b>17</b>
	<b>APPENDIX 2 – BASE CASE SCENARIO MODEL – CASH BACKED RESERVES .....</b>	<b>21</b>

## EXECUTIVE SUMMARY

The Shire of Gnowangerup's Ongerup Effluent System Long Term Financial Plan (LTFP) is an important part of Council's strategic long term planning. This LTFP demonstrates the Council's ability to fund the operations of the effluent system, including the replacement and renewal of associated infrastructure assets. It will form the basis for the preparation of Council's annual budgets.

The Long Term Financial Plan covers a 20 year planning period, from 2019-20 to 2039-40.

Projections contained in the schedules attached to this Plan reveal that over the next 20 years the Shire will require revenue from sanitary rates to grow at an average of 1.5% per annum over the life of the Plan.

In adopting such a strategy, the Shire will be able to fund all effluent system operational and maintenance costs, and set aside monies in the effluent reserve account to fund asset renewals and replacements due over the planning period.

THIS PAGE IS INTENTIONALLY BLANK

## 1.0 STRATEGIC OVERVIEW

### 1.1 PURPOSE OF THE PLAN

The Shire of Gnowangerup's Ongerup Effluent System Long Term Financial Plan (LTFP) is an important part of Council's strategic long term planning. This LTFP demonstrates the Council's ability to fund the operations of the effluent system, including the replacement and renewal of associated infrastructure assets. It will form the basis for the preparation of Council's annual budgets for this aspect of Council operations.

The LTFP covers a 20 year planning period, from 2019-2020 to 2039-2040. It allows for the modelling of various scenarios based on a range of assumptions, and assesses the Council's revenue capacity against the required funds for replacement and renewal of effluent system infrastructure assets.

### 1.2 LEGISLATIVE OBLIGATIONS

The Shire of Gnowangerup is required under the *Water Services Act 2012* and the *Water Services Licensing Act 1995*, to provide for and to maintain an asset management system in relation to the water services it operates. The asset management system is to set out the processes to be taken by the Shire to ensure the proper planning, operation, financing, maintenance, repair and renewal of its assets and for monitoring of its water services.

A key aspect of the asset management system is the financial planning of the water service, including sources of funds for capital expenditure and recurrent costs.

### 1.3 STRATEGIC ALIGNMENT

---

#### 1.3.1 Strategic Community Plan

The Shire of Gnowangerup's Strategic Community Plan (SCP) is a Council visionary document for the next 10 plus years, based on community input. The Shire's overarching Long Term Financial Plan activates the SCP priorities, and incorporates data from the Effluent System Long Term Financial Plan.

---

#### 1.3.2 Corporate Business Plan

The overarching Long Term Financial Plan informs the Corporate Business Plan (CBP) to activate the SCP priorities.

## 1.4 STRATEGIC FINANCIAL DIRECTION

The Shire of Gnowangerup, in developing the Effluent System LTFP, and in undertaking subsequent annual reviews, will develop and align the LTFP to the following-

- ⇒ Asset Management Plans
- ⇒ Rating Strategy
- ⇒ Borrowing Strategy
- ⇒ Cash Reserve Strategy
- ⇒ Capital Works Program



## 2.0 THE SHIRE IN PROFILE

### 2.1 OUR AREA

The Shire covers an area of 5,000 square kilometres. The Shire consists of three towns, being Borden, Gnowangerup and Ongerup. Gnowangerup contains the majority of the population. Within the Shire there are numerous facilities, a medical practice, indoor recreation centre, hospital, sporting complexes, swimming pool, and a sealed airstrip.

The effluent system provides waste water services to the residents of Ongerup.

### 2.2 OUR ECONOMY

The local economy is primarily agricultural farming, with a highly efficient livestock and cropping industry. There is limited retail industry, but a sound commercial base, with local businesses remaining relatively constant. The area has a series of tourist attractions and provides a unique lifestyle choice.

### 2.3 OUR PEOPLE

The estimated residential population for the Shire of Gnowangerup is 1,207<sup>1</sup>, with many of them living within the three towns. They are well supported with high quality facilities.

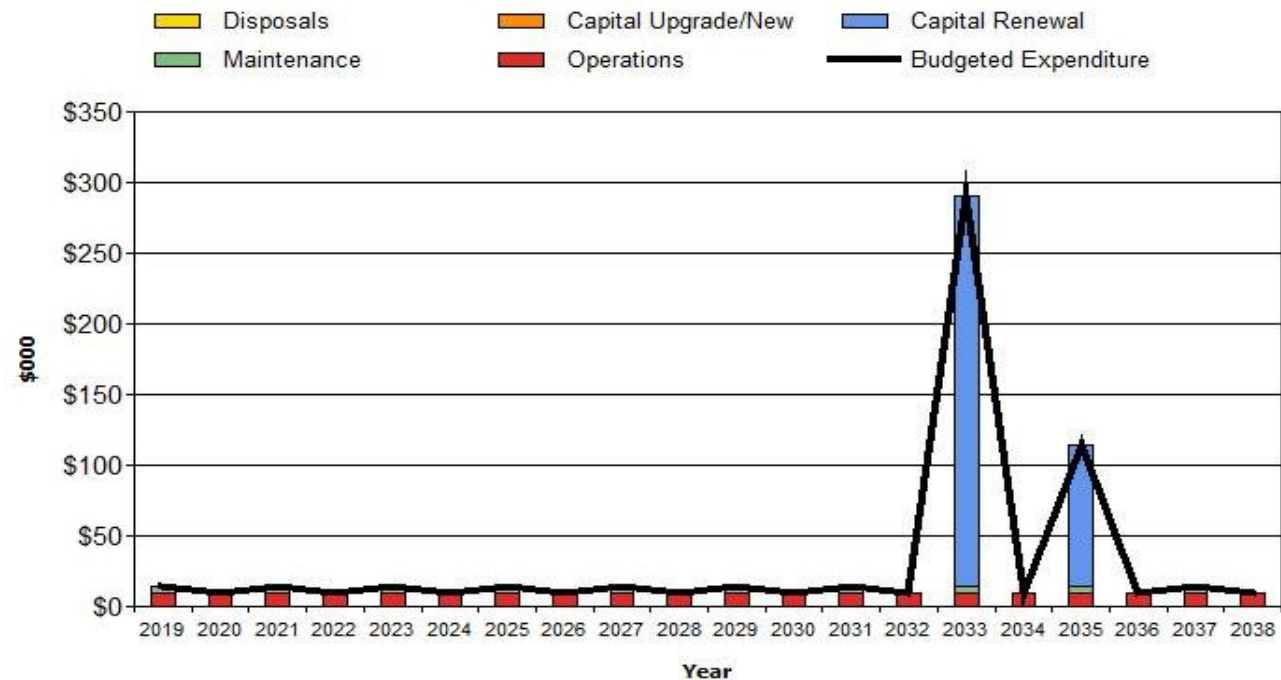
---

<sup>1</sup> Estimated Resident Population, ABS, 27 March 2019, <https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3218.02017-18?OpenDocument>

## 4.0 ASSET MANAGEMENT

### 4.1 ASSET MANAGEMENT PLAN

The Shire has prepared an Effluent System Asset Management Plan that details the estimated operating and maintenance expenditures, and renewal requirements, at the identified service levels. The Asset Management Plan was completed in 2019, and the results are summarised below.



## 4.2 ASSET REPLACEMENTS AND RENEWALS

The Asset Management Plan modelling projects that the following renewal and replacement of assets will take place over the next 20 years.

CATEGORY	YEAR	PROJECTED RENEWALS	PLANNED RENEWALS
		(\$'000)	(\$'000)
Replace fencing to waste water ponds	2019	\$10	\$10
Replace vitreous clay pipes and clean 4 ponds	2033	\$276	\$276
Replace 25 access chambers	2035	\$100	\$100

## 4.3 FUNDING GAP

The objective of Asset Management is to detail all the tasks and resources required to manage and maintain Council's effluent infrastructure asset portfolio to an agreed level of service. There are costs associated with the provision of infrastructure assets. These costs include operation and maintenance costs, renewal and upgrading of existing assets, and are projected over an extended planning period, of 10 or more years.

The funding gap in providing effluent infrastructure assets is determined by identifying the projected cost of providing the assets at an identified level of service, and then deducting Council's estimated available expenditure for the same period; usually over ten years.

Based on the Shire's effluent asset portfolio and initial asset data, modelling in 2018 indicated the Shire would need to spend an average of \$18,380 per year on effluent system asset renewals. This LTFP shows that the Shire has the capacity to fully fund the effluent system renewal requirements, resulting in no estimated renewal funding gap over the forecast 20 year period.

## 5.0 FINANCIAL PRINCIPLES AND STRATEGIES

### 5.1 FINANCIAL PRINCIPLES

In preparing this Long Term Financial Plan, the following principles have been applied.

- ⇒ Council to maintain its existing services and service levels to residents.
- ⇒ The Council to maintain its capacity to fund recurrent operations over the life of the Plan.
- ⇒ Council to maintain identified assets in a condition that will sustain existing service levels to its residents.
- ⇒ Borrowings not to be used to fund ongoing operations.

### 5.2 FINANCIAL STRATEGIES

#### 5.2.1 Rating Strategy

Sanitary rates are the sole source of revenue available to the Shire to fund the operation, maintenance and renewal expenses of the effluent system assets.

The following table shows the sanitary rates adopted for the last 6 years.

YEAR	EFFLUENT SYSTEM RATES		
	GRV RATE IN \$	GRV VALUATIONS	TOTAL RATES RAISED
2014-15	\$0.023280	\$429,555	\$10,000
2015-16	\$0.046560	\$429,555	\$20,000
2016-17	\$0.668530	\$448,743	\$30,000
2017-18	\$0.077996	\$448,743	\$35,000
2018-19	\$0.076540	\$457,274	\$35,000
2019-20 <sup>2</sup>	\$0.076541	\$457,274	\$35,000

<sup>2</sup> The 2019-20 figures are adopted budget figures.

The LTFP modelling estimates an average increase in sanitary rates of 1.5% per annum over the next 20 years will be required to ensure sufficient revenue is raised to meet projected operational and maintenance costs, forecast asset renewal and replacement requirements.

COST INDEX	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Sanitary Rate in Dollar Increase	0.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

COST INDEX	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Sanitary Rate in Dollar Increase	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%

The anticipated rate yield forecast is as follows:

	BUDGET	FORECAST									
SANITARY RATES	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ongerup Effluent System Rates	35,963	36,502	37,050	37,606	38,170	38,743	39,324	39,914	40,513	41,121	41,738

	FORECAST									
SANITARY RATES	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ongerup Effluent System Rates	42,364	42,999	43,644	44,299	44,963	45,637	46,322	47,017	47,722	48,438

---

## 5.2.2 Investment of Surplus Cash

Section 6.14 of the Local Government Act 1995 provides that money held in the Municipal or Trust Fund of a local government that is not required for any other purpose may be invested in accordance with Part III of the Trustees Act 1962. The *Local Government (Financial Management) Regulations 1996* provides for the establishment of internal control procedures for the control of investments, and disclosure requirements in the Annual Budget and the Annual Financial Report. Additional disclosure requirements are provided under the *Australian Accounting Standards*.

### 5.2.2.1 Local Government (Financial Management) Regulations 1996

---

Regulation 19(c) limits how a local government may invest surplus funds as follows-

- (a) Invest funds with authorised institutions as defined in the Banking Act 1959 (Commonwealth), section 5, of the WA Treasury Corporation;
- (b) Deposit for a fixed term of 12 months or less;
- (c) Invest in bonds guaranteed by the Commonwealth Government, or a State or Territory Government; or
- (d) Invest in Australian currency.

### 5.2.2.2 Trustees Act 1962

---

Section 17 of the *Trustees Act 1962*, states

*“a trustee may, unless expressly prohibited by the instrument creating the trust-*

- (a) invest trust funds in any form of investment; and*
- (b) at any time, vary an investment or realise an investment of trust funds and reinvest money resulting from the realisation in any form of investment”.*

Section 18(b) of the *Trustees Act 1962* includes a requirement to *“exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons”.*

Section 20(1)(a) – (o) of the *Trustees Act 1962* includes a list of factors to be taken into account by the investor *“so far as they are appropriate to the circumstances of the trust”* including-

- (i.) the risk of capital or income loss or depreciation (Trustees Act 1962 section 20(1)(e)); and*
- (ii.) the liquidity and marketability of the proposed investment during and on the determination of the term of the proposed investment (Trustees Act 1962 section 20(1)(j)).*

### 5.2.2.3 Shire's Investment Policy

---

**Objective:** The purpose of this policy is to establish criteria for the investment of Council funds by the Shire of Gnowangerup Officers. The aim of the policy is to;

Ensure that the protection of Council funds when investing is a priority;

Increase the level of return for investment of Council funds;

Provide reporting requirements for staff to Council.

**Procedure:**

Officers are to invest funds on behalf of Council to ensure the best return for its investment with the following criteria:

1. Investments are only to be made with -
  - (i) an authorised deposit-taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or
  - (ii) The Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986.
2. An appropriate cash flow is to be maintained for the continued good management of the Council.
3. Records of investment particulars are to be maintained in line with the Accounting Directions and details of investments are presented to Council as part of the Monthly Financial Report.
4. Investments that are not allowed are –
  - (i) Deposits with an institution except an authorised institution;
  - (ii) Deposits for a fixed term of more than 12 months;
  - (iii) Bonds that are not guaranteed by the Commonwealth Government, or a State or Territory Government;
  - (iv) Bonds with a term to maturity of more than 3 years; and
  - (v) Foreign currency.
5. Approved forms of investments are Term Deposits and Cash Management funds.
6. Any deviation from policy is to be approved by Council.

Investments for the purposes of this policy are defined as:

Any Council funds not held within Council's Municipal fund, Trust fund or Reserve account.

Future investments are also subject to annual budget requirements and are subject to Council adopting the annual budget.

Interest received on investments is received on two types of funding-

- ⇒ Municipal fund revenues raised through the year from all sources of revenue, excluding Reserve Funds.
- ⇒ Restricted investments held until expended.

The interest the Shire earns on Municipal Fund revenue is untied and forms part of Council's consolidated revenue for distribution across the services it provides.

---

#### 5.2.2.4 Impact on Interest Earned

Council's current Ongerup Effluent Cash Backed Reserve is held in term deposits. Council has chosen to remain conservative in forecasting interest rates for investments and has set a forecast rate of 2.0% to 3.0% over the life of the Plan.

---

#### 6.2.3 Borrowings

The Shire will be prudent and fiscally responsible when considering any proposals for new debt to deliver Council's objectives.

The Plan contains no new borrowings.

---

#### 6.2.4 Reserves (Cash Backed)

Section 6.11 of the *Local Government Act 1995* allows a local government to set aside money for use for a purpose in a future financial year. The local government is to establish and maintain a reserve account for each such purpose.

The Shire has established a reserve account for:

**Ongerup Effluent Reserve** - To be used to fund the maintenance and renewal of the Ongerup Effluent System.

Projected Cash Reserve balances over the life of the Plan are detailed in Appendix "2".

---

#### 6.2.5 Capital Investments

The following table summarises the investment in capital works program during the life of this Plan.



ASSET CLASS	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Ongerup Effluent	10,000	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

ASSET CLASS	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Ongerup Effluent	0	0	276,000	0	100,000	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>276,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 7.0 LONG TERM FINANCIAL PLAN ASSUMPTIONS

In preparing the Long Term Financial Plan (LTFP), the 2019-20 Annual Budget has been used as the forecasting base, together with the following assumptions.

### 7.1 EXTERNAL INFLUENCES

- ⇒ Cost indices (i.e. Local Government Cost Index (LGCI), and Wage Price Index (WPI));
- ⇒ Prevailing economic conditions impacting the financial markets for the investment and borrowing of funds; and
- ⇒ Demand for Shire services.

### 7.2 INTERNAL INFLUENCES

- ⇒ Shire workforce requirements (i.e. staff turnover, employment contract negotiations, wage increases).

### 7.3 ASSUMPTIONS

#### 7.3.1 Population Growth

Section 2.3 of this Plan details that the Shire's projected population of 1,207 will remain relatively constant over the life of the Plan.

It is considered that the Shire's current level of water services provided via the Ongerup effluent system will cater for the projected population's needs.

#### 7.3.2 Cost Indices

##### 7.3.2.1 Local Government Cost Index

Indicative forecasts for the Local Government Cost Index (LGCI) are detailed below:

COST INDEX	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
LGCI	2.10%	2.30%	2.75%	3.00%	3.00%	3.00%	3.25%	3.50%	3.50%	3.50%	2.70%

COST INDEX	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
------------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

LGCI	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

### 7.3.2.2 Wage Price Index and Enterprise Bargaining Agreement

---

Salaries and wages increases over the life of the Plan have been estimated as follows:

COST INDEX	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Wage Price Index	2.75%	3.00%	3.00%	3.00%	3.00%	3.25%	3.50%	3.50%	3.50%	3.50%	3.50%

COST INDEX	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
Wage Price Index	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%

### 7.3.3 Sanitary Rates

---

#### 7.3.3.1 Rate Increases

---

Projected rate increases over the life of the Plan are detailed in Section 5.2.1.

#### 7.3.3.3 Interest Charges on Late Payment of Rates, Instalment Interest and Administration Fees

---

The Council for the 2019-20 Annual Budget adopted the following charges:

- ⇒ Interest on the late payment of rates            11.0%
- ⇒ Interest on instalment payments for rates       5.5%
- ⇒ Administration Fee per instalment                \$10.00

---

### 7.3.4 Loan Borrowings

#### 7.3.4.1 Current Borrowings

---

The Shires has no loan borrowings for the Ongerup Effluent system.

#### 7.3.4.2 New Borrowings

---

Section 6.2.5 of this Plan details that no new loans are proposed over the life of the Plan.

---

### 7.3.5 Balanced Budget Approach

The Long Term Financial Plan has been prepared on the basis that a balanced budget will be achieved for each year of the Plan.

## 8.0 CONCLUSION – IMPLEMENTATION AND REVIEW OF THE LTFP

The Council will consider the content of the LTFP when preparing the Annual Budget for 2020-21 and subsequent years, and it is expected that adopted budgets will be closely aligned with the proposals in the LTFP and assumptions underpinning this.

A review of the LTFP will occur each year as budgets are prepared to account for performance information and changing circumstances.

THIS PAGE IS INTENTIONALLY BLANK

# **APPENDIX 1**

## **FINANCIAL MODEL**

### **SOURCE AND APPLICATION OF FUNDS**

THIS PAGE IS INTENTIONALLY BLANK



SHIRE OF GNOWANGERUP - ONGERUP EFFLUENT SYSTEM  
SOURCE AND APPLICATION OF FUNDS (RSS)

	PROPOSED ESTIMATES																				
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
<b>OPERATING REVENUE</b>																					
Ongerup Effluent System	35,963	36,502	37,050	37,606	38,170	38,743	39,324	39,914	40,513	41,121	41,738	42,364	42,999	43,644	44,299	44,963	45,637	46,322	47,017	47,722	48,438
<b>TOTAL REVENUE</b>	35,963	36,502	37,050	37,606	38,170	38,743	39,324	39,914	40,513	41,121	41,738	42,364	42,999	43,644	44,299	44,963	45,637	46,322	47,017	47,722	48,438
<b>OPERATING EXPENDITURE</b>																					
Ongerup Effluent System	(43,616)	(44,785)	(45,922)	(46,970)	(48,089)	(49,220)	(50,473)	(36,097)	(23,638)	(24,464)	(25,188)	(25,900)	(26,632)	(27,386)	(31,832)	(32,631)	(34,782)	(35,628)	(36,500)	(37,396)	(38,319)
<b>TOTAL EXPENSES</b>	(43,616)	(44,785)	(45,922)	(46,970)	(48,089)	(49,220)	(50,473)	(36,097)	(23,638)	(24,464)	(25,188)	(25,900)	(26,632)	(27,386)	(31,832)	(32,631)	(34,782)	(35,628)	(36,500)	(37,396)	(38,319)
<i>Increase/Decrease</i>	<b>(7,653)</b>	<b>(8,283)</b>	<b>(8,872)</b>	<b>(9,364)</b>	<b>(9,919)</b>	<b>(10,477)</b>	<b>(11,149)</b>	<b>3,817</b>	<b>16,875</b>	<b>16,657</b>	<b>16,550</b>	<b>16,464</b>	<b>16,367</b>	<b>16,258</b>	<b>12,467</b>	<b>12,332</b>	<b>10,855</b>	<b>10,694</b>	<b>10,517</b>	<b>10,326</b>	<b>10,119</b>
Non-cash amounts excluded from operating activities	25,093	25,795	26,394	26,856	27,372	27,866	28,407	13,259	0	0	0	0	0	0	3,671	3,671	5,001	5,001	5,001	5,001	5,001
<b>TOTAL AMOUNTS EXCLUDED</b>	25,093	25,795	26,394	26,856	27,372	27,866	28,407	13,259	0	0	0	0	0	0	3,671	3,671	5,001	5,001	5,001	5,001	5,001
<b>INVESTING ACTIVITIES</b>																					
Investment in Infrastructure Assets - Sewerage	(10,000)	0	0	0	0	0	0	0	0	0	0	0	0	(276,000)	0	(100,000)	0	0	0	0	0
	<b>(10,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(276,000)</b>	<b>0</b>	<b>(100,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINANCING ACTIVITIES</b>																					
Repayment of Debt - Loan Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from New Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to Reserve	(10,000)	(17,512)	(17,522)	(17,492)	(17,453)	(17,389)	(17,258)	(17,076)	(16,875)	(16,657)	(16,550)	(16,464)	(16,367)	(16,258)	(16,138)	(16,003)	(15,856)	(15,695)	(15,518)	(15,327)	(15,120)
Transfers From Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	276,000	0	100,000	0	0	0	0	0
	<b>(10,000)</b>	<b>(17,512)</b>	<b>(17,522)</b>	<b>(17,492)</b>	<b>(17,453)</b>	<b>(17,389)</b>	<b>(17,258)</b>	<b>(17,076)</b>	<b>(16,875)</b>	<b>(16,657)</b>	<b>(16,550)</b>	<b>(16,464)</b>	<b>(16,367)</b>	<b>259,742</b>	<b>(16,138)</b>	<b>83,997</b>	<b>(15,856)</b>	<b>(15,695)</b>	<b>(15,518)</b>	<b>(15,327)</b>	<b>(15,120)</b>
<b>TO BE FUNDED FROM GENERAL REVENUE</b>	<b>(2,560)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

THIS PAGE IS INTENTIONALLY BLANK

**APPENDIX 2**  
**BASE CASE SCENARIO MODEL**  
**CASH RESERVES**

THIS PAGE IS INTENTIONALLY BLANK

**ONGERUP EFFLUENT RESERVE**

Purpose - To be used for the maintenance and renewal of the Ongerup Effluent System.

	ACTUAL	PROPOSED ESTIMATES																				
	2018/19	2019/2020	2020/21	2021/22	2022/23	2023/24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
<b>Opening Balance</b>	54,629	65,370	76,677	95,723	115,159	134,955	155,781	177,065	199,281	222,335	245,880	269,914	294,561	319,862	345,825	96,458	115,489	34,957	51,862	69,113	86,704	104,632
<b>Transfer from Accumulated Surplus</b>																						
- Interest Earned	741	1,307	1,534	1,914	2,303	3,374	3,895	4,958	5,978	6,670	7,376	8,097	8,837	9,596	10,375	2,894	3,465	1,049	1,556	2,073	2,601	3,139
- Other Transfers	10,000	10,000	17,512	17,522	17,492	17,453	17,389	17,258	17,076	16,875	16,657	16,550	16,464	16,367	16,258	16,138	16,003	15,856	15,695	15,518	15,327	15,120
<b>Less Transfer to Accumulated Surplus</b>																						
-Transfer to Municipal Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(276,000)	0	(100,000)	0	0	0	0	0
<b>CLOSING BALANCE</b>	<b>65,370</b>	<b>76,677</b>	<b>95,723</b>	<b>115,159</b>	<b>134,955</b>	<b>155,781</b>	<b>177,065</b>	<b>199,281</b>	<b>222,335</b>	<b>245,880</b>	<b>269,914</b>	<b>294,561</b>	<b>319,862</b>	<b>345,825</b>	<b>96,458</b>	<b>115,489</b>	<b>34,957</b>	<b>51,862</b>	<b>69,113</b>	<b>86,704</b>	<b>104,632</b>	<b>122,891</b>

THIS PAGE IS INTENTIONALLY BLANK