



**San Lawrenz Local Council**

**5-Year Cash Flow Forecast**

**2017 - 2021**

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## Overview and Summary

In preparing these financial forecasts for the next 5 years, we relied on information obtained from previous and current financials and these financial forecasts were prepared in accordance with the assumptions made using the prudence concept.

It must be emphasized that financial projections necessarily depend on subjective judgement. They are, to a greater or lesser extent, depending on the nature of the activity and the period covered, subject to substantial inherent uncertainties. In consequence, financial projections are not capable of being substantiated or audited in the same way as financial statements, which present results of accounting records.

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**Noel Formosa**  
Mayor



**Marianne Sagona**  
Deputy Executive Secretary

**CASH FLOW FORECAST**

ACCT NO	DESCRIPTION						
		ACTUAL	PROJECTED				
		2016	2017	2018	2019	2020	2021
		(Jan - Dec)	Forecast	Forecast	Forecast	Forecast	Forecast
		€	€	€	€	€	€
Income							
0000	Government						
0001	Annual	152,967.00	162,967.00	162,967.00	162,967.00	162,967.00	162,967.00
0002	Supplementary	3,008.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
0003	Special needs	0.00	0.00	0.00	0.00	0.00	0.00
0004	Public/government delegations	0.00	0.00	0.00	0.00	0.00	0.00
0005	Other	0.00	0.00	0.00	0.00	0.00	0.00
		155,975.00	165,967.00	165,967.00	165,967.00	165,967.00	165,967.00
0020	Bye-Laws						
0021	Community services	5,339.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
0036	Contravention of bye-laws	258.00	250.00	250.00	250.00	250.00	250.00
0056	Sponsorships	0.00	0.00	0.00	0.00	0.00	0.00
0066	General	6,572.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
		12,169.00	11,250.00	11,250.00	11,250.00	11,250.00	11,250.00
0090	Investment						
0091	Bank interest	43.00	40.00	40.00	40.00	40.00	40.00
0096	Government securities	0.00	0.00	0.00	0.00	0.00	0.00
		43.00	40.00	40.00	40.00	40.00	40.00
0100	General						
0110	Donations	0.00	0.00	0.00	0.00	0.00	0.00
0120	Contributions	4,632.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
		4,632.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
	TOTAL INCOME	172,819.00	181,757.00	181,757.00	181,757.00	181,757.00	181,757.00
Expenditure							
1000	Personal Emoluments						
1100	Mayor's allowance	7,229.00	7,400.00	7,548.00	7,698.96	7,852.94	8,010.00
1200	Employee salaries and wages	33,521.00	42,307.00	43,153.14	44,016.20	44,896.53	45,794.46
1300	Bonuses	0.00	0.00	0.00	0.00	0.00	0.00
1400	Income supplements	0.00	0.00	0.00	0.00	0.00	0.00
1500	Social Security Contributions	2,054.00	3,717.17	3,791.51	3,867.34	3,944.69	4,023.58
1600	Allowances	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00
1700	Overtime	0.00	0.00	0.00	0.00	0.00	0.00
		49,204.00	59,824.17	60,892.65	61,982.51	63,094.16	64,228.04
2000	Operations and maintenance						
2100	Utilities	5,538.00	5,000.00	5,100.00	5,202.00	5,306.04	5,412.16
2200	Materials and supplies	3,255.00	3,200.00	3,264.00	3,329.28	3,395.87	3,463.78
2300	Repair and upkeep	10,739.00	10,500.00	10,710.00	10,924.20	11,142.68	11,365.54

2400	Rent	950.00	950.00	950.00	950.00	950.00	950.00
2500	National/International memberships	520.00	520.00	529.00	529.00	529.00	529.00
2600	Office services	5,197.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
2700	Transport	423.00	450.00	450.00	450.00	450.00	450.00
2800	Travel	1,366.00	0.00	0.00	0.00	0.00	0.00
2900	Information services	970.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
3000	Contractual services	29,363.00	29,500.00	30,090.00	30,691.80	31,305.64	31,931.75
3100	Professional services	2,626.00	2,700.00	2,754.00	2,809.08	2,865.26	2,922.57
3200	Training	0.00	0.00	0.00	0.00	0.00	0.00
3300	Community and hospitality	14,861.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
3400	Incidental expenses	0.00	0.00	0.00	0.00	0.00	0.00
3500	Asset Disposal Account	0.00	0.00	0.00	0.00	0.00	0.00
3600	Local Enforcement Expenditure	0.00	0.00	0.00	0.00	0.00	0.00
3701	Penalties - DLG	0.00	0.00	0.00	0.00	0.00	0.00
	Provision for Bad Debts	114.00	0.00	0.00	0.00	0.00	0.00
		<b>75,922.00</b>	<b>70,820.00</b>	<b>71,847.00</b>	<b>72,885.36</b>	<b>73,944.49</b>	<b>75,024.80</b>
<b>7000</b>	Capital expenditure						
7001	Acquisition of property	0.00	0.00	0.00	0.00	0.00	0.00
7100	Construction	0.00	0.00	0.00	0.00	0.00	0.00
7200	Improvements	1,319.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
7300	Equipment	9,851.00	0.00	0.00	0.00	0.00	0.00
7500	Special programmes	49,554.00	0.00	27,786.74	0.00	0.00	0.00
		<b>60,724.00</b>	<b>2,000.00</b>	<b>29,786.74</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>2,000.00</b>
	<b>TOTAL EXPENDITURE</b>	<b>185,850.00</b>	<b>132,644.17</b>	<b>162,526.39</b>	<b>136,867.87</b>	<b>139,038.64</b>	<b>141,252.84</b>

**ASSUMPTIONS**

In the following assumptions we have used the prudence concept to arrive at reasonable financials for the next 5 financial years based on previous as well as current data.

**Income**

The annual government allocation was estimated to remain the same for the next five years. In relation to community services, administration fee on contraventions and contributions receivable, we have estimated a lower income assuming that lesser tickets and permits will be paid to the council and cultural activities will be curtailed in these next years.

**Expenditure**

Payroll has been estimated to increase slightly mainly due to the cost of living increase for each year.

Repairs and upkeep services as well as utilities and materials and supplies expenditure has been estimated to remain on the same levels as in previous years. Rent will remain fixed for the next financial years while information services will decrease slightly as costs will be contained. The major expenditure undertaken by the council are professional services, contractual services and community and hospitality services. The professional services and contractual services are based on costs quoted in tenders and quotations currently in place. A 2% increase each year has been projected mainly due to tenders and quotations to be renewed in 2017 for another 3 years so slight variations may arise. Community and hospitality expenses will be curtailed in the next years as the Council has agreed to contain these costs to the minimum indispensable in order to have available funds to pay accounts payables.

**Capital Expenditure**

Estimates have been taken into consideration for resurfacing of 4 roads namely, Wileg Street, Ta Gona Street, Merill Street, Main Street totaling Eur 277,867 of which 10% has been included in the projections since it will be the outflow of the council.

**Accounts Receivable**

Amounts have been estimated as to customer balances as at each financial year end. This will mainly consists of Lesa, Regional Committees and Water services balances.

**Accounts Payables**

Amounts have been estimated as to supplier balances as at each financial year end. This will mainly consists of 1 major creditor which is the contractor of cleaning services. As mentioned above, yearly expenditure will be minimized in order to pay outstanding creditors.