

LONG TERM FINANCIAL P L A N

kempsey.nsw.gov.au



2019-2029



Introduction

The Integrated Planning and Reporting Framework requires every NSW council to undertake strategic planning that is based on community engagement and ensures that its activities are informed by long term plans for their finances, assets and workforces.

The Integrated Planning and Reporting framework is designed so that the council and community both have a clear picture of:

1. Where we want to go (Community Strategic Plan);
2. How we plan to get there (Delivery Program, Operating Plan and Resourcing Strategy, including the Long Term Financial Plan); and
3. How we will measure our progress (quarterly and annual reporting and the End of Term Report).

The planning and reporting process ensures that Council's planning is aligned with the community's vision for the future, and that the planning process and the implementation of the Delivery Plan is transparent and those charged with its delivery held accountable.



The Long Term Financial Plan (LTFP) is an important part of Council's strategic planning process. The LTFP is where Council projects the financial implications of delivering the community's vision for the future. It outlines the pressures and economic drivers behind Council's expected long-term future. Expected growth rates are aligned with community expectations of service delivery and community projects and the social outcomes outlined in the Community Strategic Plan.

Council will seek to answer the following questions with the LTFP:

- Can we survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- What efficiencies are we aiming for?
- How can we achieve the anticipated outcomes?

When developing the LTFP, consideration is given to:

- Planning assumptions used to develop the plan;
- Projected income and expenditure, balance sheet and cash flow statement;
- Sensitivity analysis (factors/assumptions most likely to affect the plan);
- Financial modelling for different scenarios; and
- Methods of monitoring financial performance.

The LTFP must be for a minimum of 10 years and is updated annually as part of the development of the Operating Plan. It will also be reviewed in detail as part of the four-yearly review of the Delivery Program as part of the Community Strategic Plan.

The objectives of the Kempsey Shire Council LTFP are to:

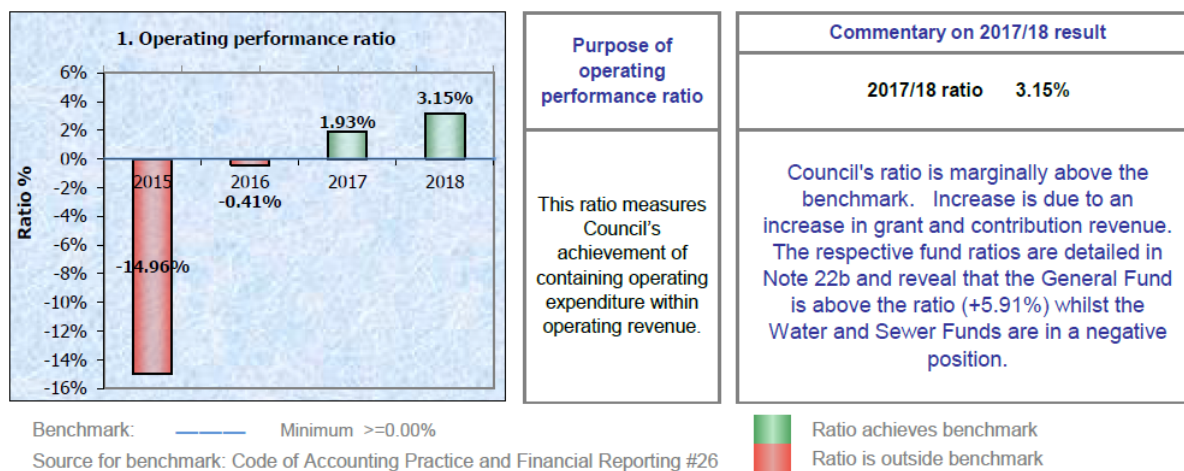
- Respond to the changing aspirations and needs of the Macleay Valley, particularly as they are identified and prioritised in the Community Strategic Plan;
- Reflect the true financial position based on the current service levels;
- Ensure the financial sustainability of Council's services for the community;
- Support the implementation of Council's Community Strategic Plan and Delivery Program as an integral component of Council's Resourcing Strategy;
- Guide our future Operating Plan and Council's ability to invest in new services and infrastructure, and maintain existing assets; and
- Address Council's legislative requirements for integrated planning and reporting.

Current Financial Position

In March 2013 NSW Treasury Corporation issued a report on the independent assessment of Kempsey Shire Council's financial capacity and its future sustainability.

The report observed that Kempsey Shire Council was in a weak and deteriorating operating position. This observation was largely a factor of consecutive operating deficits that had been posted (when capital grants and contributions were excluded). Additionally, NSW Treasury Corporation noted that there had been an increase in the Infrastructure Backlog and that the Asset Maintenance was consistently below benchmark.

Since the time of the NSW Treasury Corporation report a 37.54% cumulative increase in rates, as agreed with the community, has been implemented. The rate rise was approved by IPART to sustain service levels to the community and to meet infrastructure maintenance costs (particularly the road network). This, along with some operating expenditure reductions, has resulted in an improved operating performance. However, whilst the Operating Performance Ratio has improved to 2017-18, infrastructure measures continue to lag industry benchmarks and significant challenges still lay ahead.



Source: 2017-18 Annual Report.

Note: The above chart reflects the consolidated result for all three funds (General, Water and Sewer).

Audited Financial Position

Council's audited financial reports for the year ended 30 June 2018 provide the starting point for reviewing the LTFP. The following tables summarise Council's most recently audited financial position:

Income Statement	2017-18 \$'000	2016-17 \$'000
Income	138,297	73,268
Expenses	75,760	72,884
Net Operating Result for the Year	62,537	384
Net Operating Result before Grants and Contributions provided for Capital purposes	(2,789)	(3,836)

Statement of Financial Position	2017-18 \$'000	2016-17 \$'000
Total Assets	1,134,724	1,064,919
Total Liabilities	59,766	58,965
Total Equity	1,074,958	1,005,954

Statement of Cash Flows	2017-18 \$'000	2016-17 \$'000
Cash, Cash Equivalents and Investments - Opening Balance	41,931	35,550
CCash, Cash Equivalents and Investments - Closing Balance	50,147	41,931
Movement for Year	8,216	6,381

Note: The above tables reflect consolidated financial results. The increased income and net operating result in 2017-18 relative to 2016-17 was predominantly due to non-cash dedications from the RMS of various assets associated with the old Pacific Highway (Macleay Valley Way – Frederickton to Eungai) totalling \$58.8M. Council also received \$2.1M for the South Kempsey Village Bypass.

Financial Performance Indicators

Included within the audited Financial Statements are the following ratios which indicate Council's performance compared to the previous year, together with the associated benchmarks.

Indicator	2017-18	2016-17	Benchmark
Operating performance ratio	3.2%	1.9%	> 0%
Own source operating revenue ratio	39.3%	72.6%	> 60%
Unrestricted current ratio	2.51	2.65	> 1.5
Debt service cover ratio	4.35	3.81	> 2.0
Rates and annual charges outstanding ratio	6.1%	6.7%	< 10%
Cash expense cover ratio	11.03	9.28	> 3.0
Building and infrastructure renewal ratio	96.4%	38.9%	> 100%
Infrastructure backlog ratio	6.7%	10.6%	< 2%
Asset maintenance	86.0%	107.0%	> 100%

Note: The above indicators reflect consolidated results. The Own Source Operating Revenue Ratio was negatively impacted by the non-cash dedications from RMS totalling \$58.8M in 2017-18. The

ratio would have been consistent with prior years and exceeded benchmark without these dedications.

While recent performance has been sound, further improvements are needed in the future to ensure Kempsey Shire Council is financially sustainable on a longer-term basis. Current forecasts within the LTFP are consistent with historical financial performance trends, where operating expenditure exceeds operating revenue and the Net Operating Result excluding Capital Grants and Contributions is in a deficit position.

Longer Term Financial Position

The outlook of Council's Long Term Financial Plan highlights continued significant challenges ahead for Council and requires a holistic improvement program to be implemented in order for Council to achieve financial sustainability. The goals as set out in the current 2019 to 2029 LTFP are:

- Modest operating surpluses to insulate Council from unforeseen events across the three funds
- The provision of current service levels and where appropriate increased service levels to meet community expectations
- Reduce or eliminate the infrastructure backlog
- Maintain adequate levels of debt/equity funding
- A program of activity that see Council's assets appropriately leveraged for the long-term benefit of the Macleay Valley community
- Ensure appropriate levels of cash reserves are maintained for future projects and asset renewal management
- Ensure appropriate investment in the maintenance of assets

On a consolidated basis Operating Surpluses have not been forecast within the 10-year LTFP. The LTFP forecasts accumulated Net Operating Deficits (excluding Capital Grants and Contributions) of \$103M from FY20 to FY29. This forecast result is consistent with actual historical financial results and represents current operating revenue and expenditure levels.

Financial Sustainability

In response to the forecast Net Operating Deficits, Council has developed a Financial Sustainability Strategy. 'The Strategy', has been developed to deliver a step change to the underpinning fundamentals of Council and deliver long term financial sustainability. Moving towards financial sustainability is achievable, however extensive consultation with the community will be required to define the community's expectations on delivery of best value services. This combined with an innovative approach to delivering better practices and excelling in financial management will all contribute towards Council achieving financial sustainability.

The key objectives of Council's Financial Sustainability Strategy are:

1. To provide Council and the Executive Leadership Team with a program that will deliver financial sustainability for Kempsey Shire Council; and
2. To achieve financial sustainability for Council through:
 - the integration and alignment of service and financial outcomes through the Long Term Financial Plan, the Community Strategic Plan and Council Delivery Program;
 - enabling a culture of innovation, financial literacy and accountability to ensure decision making at every level is aligned to positive community outcomes;
 - working with the community on determining service level expectations and agreed associated funding sources; and
 - the development of better practices, enabling systems and processes.

Council’s Financial Sustainability Strategy is supported by a detailed ‘Financial Sustainability Strategy Roadmap’ that has identified 28 key initiatives that are designed to deliver long term financial sustainability. The Roadmap map is structured into 3 core themes as summarised below.



A copy of the Financial Sustainability Strategy (2019-2023) and the Financial Sustainability Strategy Roadmap can be accessed on Council’s website.

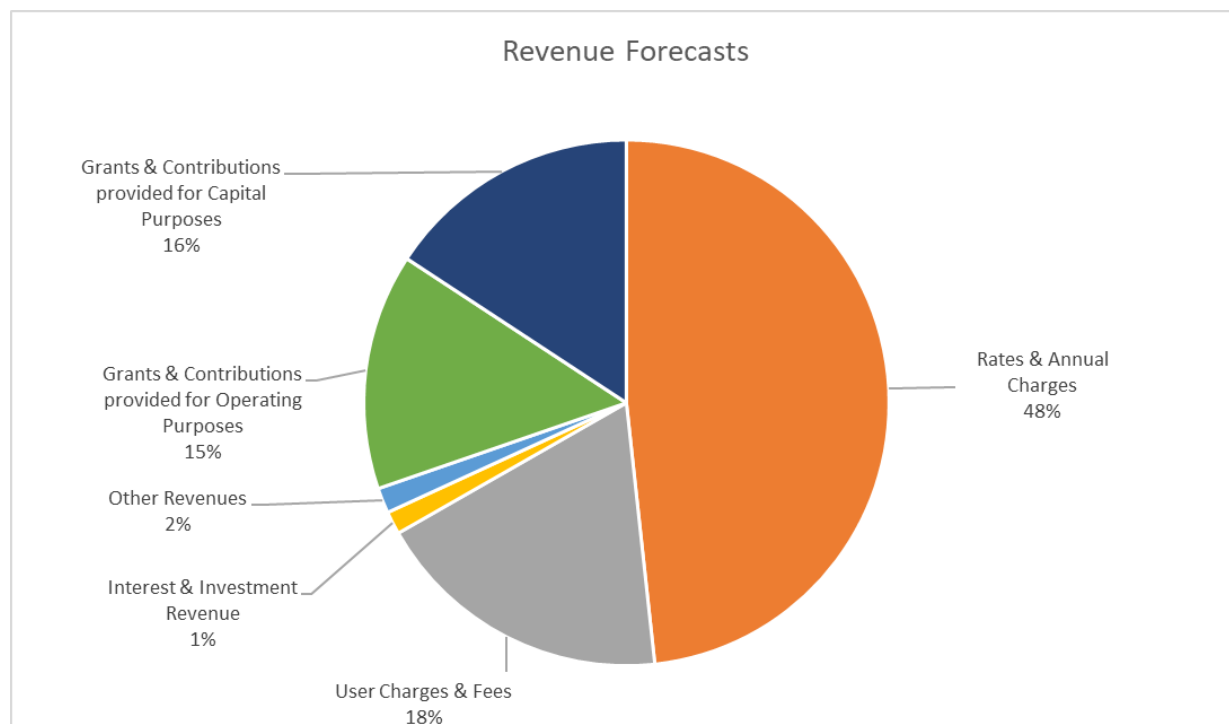
Assumptions

In seeking to project future financial position outcomes, the review of the LTFP included several options for consideration. Each of the options has been built on the same underlying planning assumptions as detailed below:

Planning Assumption	Assumption Basis
Population*	Population growth within the local government area has been forecast to remain static over the life of the LTFP. This is a conservative financial planning assumption for the purpose of the LTFP.
Economic Growth*	Economic growth within the local government area has been forecast to remain static over the life of the LTFP. This is a conservative financial planning assumption for the purpose of the LTFP.
Inflation	The LTFP is based on a CPI range supplied by New South Wales Treasury Corporation (TCorp) and has an average rate of 2.33% across the ten-year period; being slighter lower than 2.5% in years 2019-20 through 2021-22 and then reverts to 2.5% for the remaining years. In the area of General Fund operational material budgets, this has been reduced to zero for the period 2019-20 to 2023-24 to enforce operational savings. Wages has been forecast to grow at 4% representing indexation at 2.5% plus a 1.5% salary progression component. Rates has been forecast to grow at 2.7% in 2019/20 and 2.5% thereafter. Discretionary fees and charges have been forecast to increase at 3% for 2019-20 and 2020-21, thereafter by CPI (2.5%).
Interest Rate Movements	While inflation remains low, interest rates will also remain low. A borrowing cost ranging between 5% to 6.30% has been used as the basis for determining all new borrowing costs. Existing loans are forecast at their existing rate. A loan review will be undertaken to access low cost loan arrangements.

Revenue Forecasts and Assumptions

The following chart shows the composition of Council’s revenue for 2019-20 and provides an indication of the reliance of the various revenue streams.



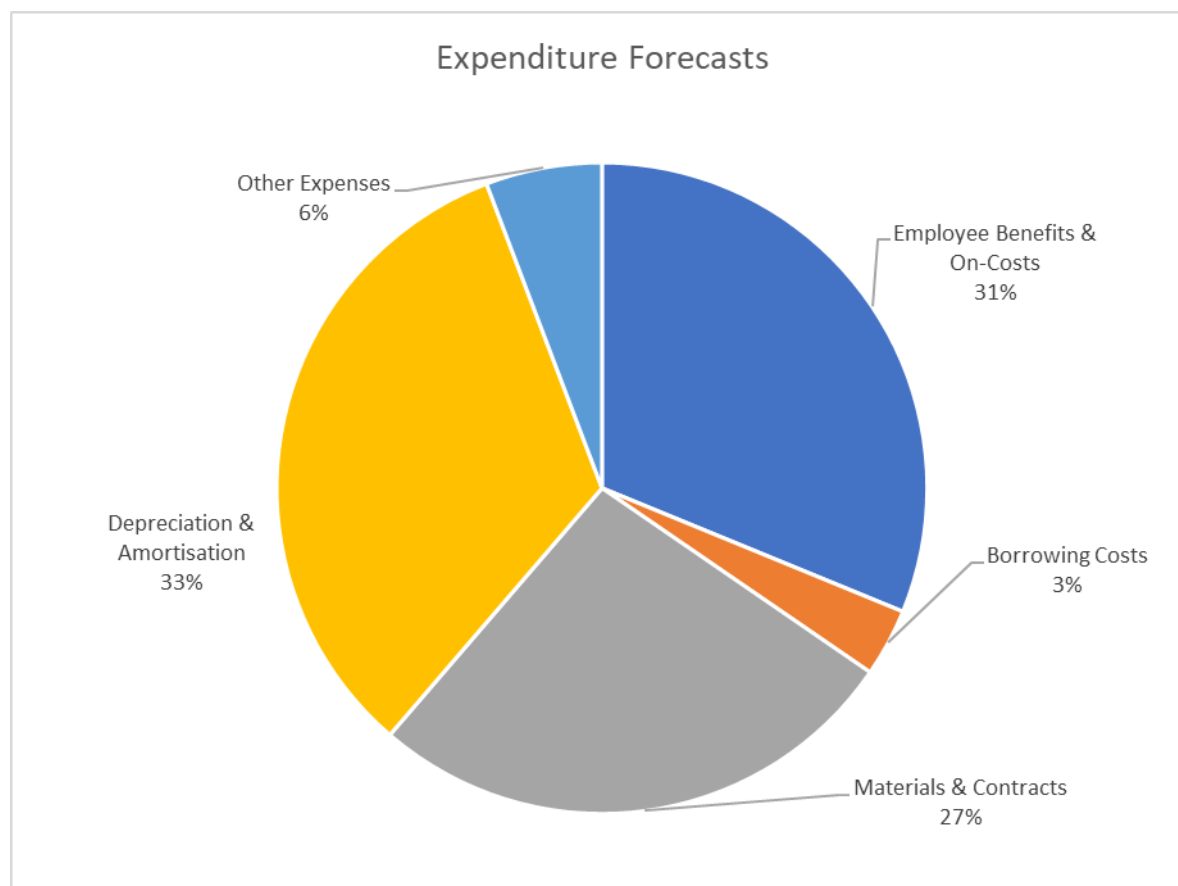
Key revenue related assumptions within the LTFP include the following:

Revenue area	Assumption Basis
Rates and Annual Charges	Rating is a major component of Council’s revenue base, contributing approximately 48% of Council’s revenue. The preparation of the LTFP includes an assessment of the community’s capacity and willingness to pay rates and whether there is potential for change in that capacity. Council has undertaken a number of engagement strategies to talk to the community regarding the financial options available for Council to continue to meet the community’s identified priorities in the long term financial plan.
(i) General Fund	From 2019-20 onwards, the maximum expected rate peg amount of 2.7% has been applied in the planned scenario. Scenarios 1 and 2, assume Special Rate Variations over three years from 2021-22 to 2023-24 to return the Net Operating Result (excluding Capital Grants and Contributions) from a deficit back to a surplus position.

Revenue area	Assumption Basis
(ii) Water Fund	An increase of 7% has been assumed for 2019-20 to 2020-21. From 2021-22 proposed annual increases are assumed to be between 2.3% and 5% per annum
(iii) Sewage Fund	An increase of 5% has been assumed for all years.
User Charges and Fees	Council annually establishes its fees and charges in accordance with the provisions of the Local Government Act 1993. A review of fees and charges has been undertaken with most fees and charges increasing at or around the CPI assumption of 2.5%. Some fees and charges remained at 2018-19 levels due to legislative or other reasons, while certain categories of fees and charges increased by greater than CPI to reflect the cost of providing the service. A further detailed review of User Charges and Fees has been scheduled to occur during 2019-20 to ensure all fees and charges are set at appropriate levels.
Grants – Operating and Capital	Council receives general purpose Financial Assistance Grants from the Commonwealth Government along with other grants and subsidies specific to programs. The LTFP assumes that the Federal Government Financial Assistance and the Roads to Recovery Program will continue indefinitely based on the current arrangements. Other specific project grant income is included in the LTFP according to the year that the grant is forecast to be expended. Increases assumed for grants range from 0% to 6%, although there are years when one-off grants result in an overall decrease in overall grant funding in the following year.
Interest on Investments	Interest on investments will vary depending on the amount of Council investments at any point in time. The LTFP calculates the interest on investments based on an average of the beginning and ending investment balance in any one year. An assumed interest rate range of 2.25% to 4.0% over the life of the plan has been applied to all of Council's investments.
Other Revenues	Other revenue income has been budgeted based on increases in line with the CPI forecast.

Expenditure Forecasts and Assumptions

The following chart shows the composition of Council's expenditure for 2019-20. Much of Council's expenditure is regular and on-going.



Key expenditure related assumptions within the LTFP include the following:

Expenditure area	Assumption Basis
Employee Costs	Employee costs cover wages, all leave types, training, superannuation and associated costs. The LTFP assumes growth in employee costs of 4% per annum over the life of the LTFP. The 4% increase represents indexation of 2.5% and an average salary progression component of 1.5% per annum across the workforce.
Materials and Contracts	Materials and contracts costs cover all materials used in operational activities and major ongoing operational contracts, such as the domestic waste contract. Contracted costs have generally been indexed in line with CPI, while uncontracted costs in General Fund have been held at 2019-20 levels for the first five years of the LTFP and then increased by CPI. Holding the uncontracted materials and contract costs to current level is an efficiency based cost saving initiative.

Expenditure area	Assumption Basis
Depreciation	Council is required to revalue its assets on a five-year rolling program. The LTFP conservatively assumes that depreciation expense increases at CPI acknowledging that replacing historical assets will be more expensive in future years in line with potential future revaluations. Determining depreciation forecasts is currently the subject of industry debate given the annual revaluation processes and re-assessment of useful lives.
Borrowing Costs	Borrowing costs for each of Council's current loans have been calculated for each year and included in the LTFP. Borrowing costs for new loans assume an interest rate of 5% to 6.30%
Other Expenses	Generally, other expenses have been budgeted to increase in line with the CPI forecast.

Scenarios and Sensitivities

Long-term financial plans are inherently uncertain as they contain a wide range of assumptions that are influenced by market forces beyond Council's control (for example interest rates and inflation). While some assumptions have a relatively limited impact if they are wrong, others could have a major impact on future financial plans.

Sensitivity analysis looks at "what if" scenarios. For example, what happens to Council's financial position if salary and wages increases are 1% higher than forecast, growth is half that forecast, or investment returns are 1% less than forecast in plan.

Should the assumptions be inaccurate, Council will need to reconsider the current strategies on expenditure and revenue and realign the LTFP to fund any changes in expenses or revenues.

The following includes key areas of assumptions for potential impact in the 2019-29 LTFP.

Rates and Annual Charges

Rates and annual charges make up approximately 48% of the budgeted 2019-20 operating revenue for Council. Council is generally limited to a maximum increase for Rates and Annual Charges in line with the rate peg limit determined by the Independent Pricing and Regulatory Tribunal (IPART) unless approval is given for a Special Rate Variation (SRV) for General Fund rate income.

For 2019-20 the rate peg of 2.7% has been applied in the proposed scenario for General Fund rates, and then reverts to CPI in years 2020-2021 onwards.

Investments and Interest on Investments

The downturn in the investment market will continue to place pressure on Council's forecast investment revenues for some time.

Grants and Contributions

Council relies on income from both grants and contributions. The Federal Government Financial Assistance and the Roads to Recovery grant programs combined constitute approximately 10% of Councils total revenue.

Money provided under the Roads to Recovery Program is not intended to replace council spending on roads but to assist councils in their local road construction or maintenance. The Roads to Recovery Program is based on a five-year program which is due to expire in 2021. However, due to the heavy reliance of this program throughout NSW, there has been much lobbying for the continuation of this program.

The LTFP has been prepared with the assumption that the Federal Government Financial Assistance and the Roads to Recovery Program will continue indefinitely based on the current arrangements.

Employee Expenses

Employee costs make up 31% of the projected 2019-20 operating expenditure. This is reflective of the service-based nature of a significant proportion of Councils activities as well as the construction and maintenance of the considerable infrastructure owned and operated by Council.

Councils ability to engage the necessary workforce to achieve the community's expectations is affected by internal and external forces. These include:

- Rising cost of employment
- Skills Shortage
- Staff turnover
- Attraction and retention of quality staff
- Projected superannuation increases
- Movements in rates of pay being determined through industry wide award negotiations.
- Award salary increases above CPI and rate pegging
- Changes in service levels

Any significant changes in expenditure related to employee expenses will have a significant impact of Councils LTFP. Council will need to quickly adapt its original planned operations and offset a movement in this area.

Materials and Contracts

Materials and contracts make up a significant portion of projected 2019-20 operating expenditure. This is reflective of the considerable number of assets maintained by the Council and places the Council under considerable pressure from rising material costs including fuel. Any major unplanned increases in these costs will also impact on the LTFP. Local government expenditure usually includes relatively high levels of materials and contracts expenditure. This places the Council under considerable pressure if things such as oil prices rise which impacts on both fuel and material prices. In addition, any new assets constructed or acquired will also increase material and contracts expenditure due to increased maintenance requirements.

Council Capital Works Program

The capital works program reflected in the LTFP is particularly sensitive to changes in the construction index. The construction index measures changes over time in the price of new construction, other than houses. Given that the renewal and construction of new infrastructure forms a substantial proportion of the budget any variations in the underlying pressures have the potential to significantly impact on Councils LTFP and / or the ability to deliver the capital works program.

Scenarios

Several scenarios have been included within Appendix 5 of the LTFP. These scenarios, as detailed in the table below, relate to the General Fund only are projections only.

Scenario	Description	Rationale
Proposed case	Proposed case as per budget and LTFP assumptions	Scenario representing the current best estimate of actual revenue and expenditure forecasts. This is a conservative estimate and operational efficiencies resulting from the various initiatives being implemented by Council, including the Corporate Improvement Program, have not been included in the proposed case scenario
Scenario 1	Proposed case with assumed Special Rate Variation increases over 3 years from 2021-22 of 13% each year (including rate peg).	Represents increase in revenue required to return the General Fund back to a surplus / balanced budget position based on the current proposed case
Scenario 2	Proposed case adjusted for \$1M of operational savings with assumed Special Rate Variation increases over 3 years from 2021-22 of 12% each year (including rate peg).	Represents increase in revenue required to return the General Fund back to a surplus / balanced budget position based on the current proposed case less an assumed \$1M of operational savings per annum from 2021-22 onwards

Scenario	Description	Rationale
Scenario 3	Proposed case adjusted for the transfer of responsibility for regional roads to the State Government	Scenario reflecting the transfer of responsibility for regional roads to the State Government, resulting in reduced depreciation expense and operations and maintenance expenditure

The scenarios have been included in the LTFP for illustrative purposes only. As detailed above, it is expected that Council's Corporate Improvement Program (CIP) will deliver efficiencies and operating expenditure reductions in future years, however, it is too early to accurately quantify and include these efficiencies / cost reductions in the LTFP. A number of other strategies to address the Operating Deficit will continue to be investigated over the course of 2019-20 before any of the scenarios are recommended.

If Council were to proceed with either of the SRV scenarios a significant amount of community engagement would be carried out as part of any Special Rate Variation application process.

Appendix 1

Ratios

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
KEY PERFORMANCE INDICATORS - CONSOLIDATED
Scenario: Proposed

		Current Year 2018/19	Projected Years									
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
			Within green benchmark (green min and/or green max) Within amber benchmark (amber min and/or amber max) Not within benchmark (amber min and/or amber max)	Within green benchmark above green maximum and below amber maximum below green minimum and above amber minimum above amber maximum below amber minimum								
Council's Target Benchmarks												
New Note 13 Ratios												
Operating Performance Ratio 1)	Snapshot											
	Actual Ratio	-9.08%	-13.07%	-10.02%	-10.00%	-11.67%	-12.69%	-12.53%	-12.43%	-12.45%	-11.38%	-10.98%
Own Source Operating Revenue Ratio 1)	Snapshot											
	Actual Ratio	75.52%	69.73%	72.92%	72.65%	72.90%	75.30%	77.60%	77.77%	78.04%	77.88%	78.56%
Debt Service Cover Ratio 1)	Snapshot											
	Actual Ratio	3.19	2.92	3.37	3.00	2.38	2.03	2.12	2.08	1.98	1.99	2.28
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	Snapshot											
	Actual Ratio	5.87%	5.93%	5.95%	5.96%	5.97%	5.98%	5.97%	5.97%	5.98%	6.00%	6.01%
Cash Expense Cover Ratio 1)	Snapshot											
	Actual Ratio	6.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note: The asset related indicators are currently being reviewed as part of Council's *Corporate Improvement Program (CIP)*. Additionally, the unrestricted current ratio is under review.

Appendix 2

Income Statement

Kempsey Shire Council 10 Year Financial Plan for the Years ending 30 June 2029 INCOME STATEMENT - CONSOLIDATED Scenario: Proposed												
	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	37,390	39,523	41,173	42,693	44,181	45,727	47,334	48,849	50,420	52,209	54,069	56,004
User Charges & Fees	15,566	15,104	15,650	16,430	17,065	17,728	18,418	18,911	19,418	20,178	20,971	21,798
Interest & Investment Revenue	1,237	1,371	1,407	1,455	1,506	1,558	1,613	1,671	1,731	1,795	1,862	1,932
Other Revenues	153	1,303	1,327	1,367	1,401	1,436	1,472	1,508	1,546	1,585	1,624	1,665
Grants & Contributions provided for Operating Purposes	18,625	12,237	12,388	11,330	11,531	11,784	11,994	12,258	12,478	12,702	13,471	13,167
Grants & Contributions provided for Capital Purposes	65,326	6,342	13,464	11,672	12,618	12,918	10,591	8,219	8,417	6,620	8,628	9,042
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	138,297	75,881	85,409	84,947	88,301	91,150	91,422	91,417	94,010	97,090	100,826	103,609
Expenses from Continuing Operations												
Employee Benefits & On-Costs	20,642	21,374	26,374	26,192	27,090	28,020	29,039	30,097	31,194	32,341	33,540	34,785
Borrowing Costs	2,487	2,758	2,747	2,922	3,522	5,400	6,766	6,731	6,754	7,231	7,417	7,168
Materials & Contracts	18,924	19,727	21,755	19,352	19,503	19,656	19,829	20,323	20,829	21,347	21,879	22,424
Depreciation & Amortisation	24,818	26,356	26,776	27,356	28,234	29,277	30,318	31,209	32,061	33,035	33,959	34,764
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	3,802	5,637	4,699	4,793	4,901	5,011	5,136	5,265	5,396	5,531	5,669	5,811
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	5,087	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	75,760	75,852	81,351	80,615	83,250	87,363	91,089	93,625	96,233	99,485	102,465	104,952
Operating Result from Continuing Operations	62,537	29	4,058	4,333	5,052	3,787	333	(2,208)	(2,223)	(2,396)	(1,639)	(1,343)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	62,537	29	4,058	4,333	5,052	3,787	333	(2,208)	(2,223)	(2,396)	(1,639)	(1,343)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(2,789)	(6,313)	(9,406)	(7,340)	(7,567)	(9,131)	(10,258)	(10,427)	(10,641)	(11,016)	(10,468)	(10,384)

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
INCOME STATEMENT - GENERAL FUND
Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	23,404	24,585	25,238	25,869	26,516	27,179	27,858	28,555	29,269	30,000	30,750	31,519
User Charges & Fees	7,005	6,940	7,053	7,261	7,442	7,628	7,819	8,014	8,215	8,420	8,630	8,846
Interest & Investment Revenue	1,045	1,196	1,232	1,270	1,309	1,349	1,391	1,435	1,481	1,528	1,577	1,629
Other Revenues	153	1,179	1,215	1,251	1,282	1,314	1,347	1,381	1,415	1,451	1,487	1,524
Grants & Contributions provided for Operating Purposes	18,056	11,727	11,962	10,899	11,093	11,340	11,543	11,801	12,014	12,231	12,992	12,682
Grants & Contributions provided for Capital Purposes	63,848	5,257	5,770	6,204	7,376	7,247	7,969	6,921	7,092	7,266	7,446	7,629
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	113,511	50,885	52,471	52,754	55,019	56,057	57,928	58,107	59,484	60,897	62,883	63,829
Expenses from Continuing Operations												
Employee Benefits & On-Costs	17,023	17,091	20,128	20,762	21,457	22,176	22,963	23,778	24,622	25,507	26,433	27,394
Borrowing Costs	298	273	310	567	734	674	615	567	539	509	479	448
Materials & Contracts	14,012	13,991	15,366	12,835	12,840	12,835	12,838	13,157	13,484	13,819	14,162	14,514
Depreciation & Amortisation	14,957	16,287	16,531	16,779	17,157	17,543	17,981	18,431	18,892	19,364	19,848	20,344
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	43	4,483	3,636	3,708	3,792	3,877	3,974	4,073	4,175	4,280	4,387	4,496
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	3,323	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	49,656	52,124	55,971	54,652	55,980	57,105	58,372	60,006	61,712	63,479	65,309	67,197
Operating Result from Continuing Operations	63,855	(1,239)	(3,500)	(1,898)	(961)	(1,048)	(443)	(1,899)	(2,228)	(2,582)	(2,426)	(3,368)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	63,855	(1,239)	(3,500)	(1,898)	(961)	(1,048)	(443)	(1,899)	(2,228)	(2,582)	(2,426)	(3,368)
Net Operating Result before Grants and Contributions provided for Capital Purposes	7	(6,495)	(9,270)	(8,102)	(8,337)	(8,295)	(8,413)	(8,820)	(9,319)	(9,849)	(9,872)	(10,998)

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
INCOME STATEMENT - WATER FUND

Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	4,148	4,091	4,627	4,951	5,199	5,459	5,732	5,863	5,998	6,298	6,613	6,944
User Charges & Fees	7,269	7,022	7,402	7,918	8,312	8,727	9,162	9,390	9,625	10,105	10,608	11,137
Interest & Investment Revenue	149	148	150	159	168	178	189	200	212	226	240	256
Other Revenues	-	119	108	110	113	116	119	122	125	128	131	135
Grants & Contributions provided for Operating Purposes	435	393	308	311	315	319	322	326	330	334	338	342
Grants & Contributions provided for Capital Purposes	928	200	3,870	2,180	650	665	681	698	716	734	752	771
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	12,929	11,973	16,465	15,630	14,757	15,463	16,204	16,600	17,006	17,824	18,683	19,584
Expenses from Continuing Operations												
Employee Benefits & On-Costs	1,681	2,136	2,711	2,806	2,911	3,020	3,141	3,267	3,398	3,533	3,675	3,822
Borrowing Costs	1,158	1,465	1,456	1,345	1,470	1,376	1,284	1,180	1,074	961	842	470
Materials & Contracts	2,149	2,532	2,861	2,919	2,984	3,053	3,129	3,208	3,288	3,370	3,454	3,540
Depreciation & Amortisation	5,596	5,714	5,814	5,962	6,140	6,309	6,493	6,670	6,833	7,000	7,171	7,347
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,997	591	546	557	569	582	597	611	627	642	658	675
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	843	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	13,424	12,438	13,388	13,588	14,075	14,341	14,643	14,936	15,219	15,507	15,801	15,854
Operating Result from Continuing Operations	(495)	(465)	3,077	2,042	683	1,122	1,561	1,664	1,787	2,317	2,882	3,731
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(495)	(465)	3,077	2,042	683	1,122	1,561	1,664	1,787	2,317	2,882	3,731
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,423)	(665)	(793)	(138)	33	457	880	966	1,071	1,584	2,130	2,960

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
INCOME STATEMENT - SEWER FUND
Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	9,838	10,847	11,307	11,873	12,466	13,089	13,744	14,431	15,153	15,910	16,706	17,541
User Charges & Fees	1,292	1,142	1,195	1,251	1,311	1,373	1,438	1,506	1,578	1,653	1,732	1,815
Interest & Investment Revenue	43	27	25	27	29	31	33	36	39	41	45	48
Other Revenues	-	5	5	5	5	5	6	6	6	6	6	6
Grants & Contributions provided for Operating Purposes	134	117	117	120	123	125	128	131	134	137	140	144
Grants & Contributions provided for Capital Purposes	550	885	3,824	3,288	4,592	5,006	1,940	600	610	620	631	642
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	11,857	13,023	16,473	16,564	18,526	19,630	17,289	16,710	17,519	18,369	19,260	20,195
Expenses from Continuing Operations												
Employee Benefits & On-Costs	1,938	2,147	2,535	2,623	2,721	2,823	2,936	3,053	3,174	3,301	3,432	3,569
Borrowing Costs	1,031	1,021	981	1,011	1,319	3,350	4,867	4,985	5,141	5,760	6,096	6,249
Materials & Contracts	2,763	3,205	3,528	3,598	3,679	3,767	3,862	3,958	4,057	4,159	4,262	4,369
Depreciation & Amortisation	4,265	4,355	4,431	4,615	4,936	5,425	5,844	6,108	6,336	6,671	6,940	7,073
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,762	563	518	528	540	552	566	580	594	609	624	640
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	921	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	12,680	11,291	11,992	12,375	13,195	15,917	18,074	18,683	19,302	20,499	21,355	21,901
Operating Result from Continuing Operations	(823)	1,732	4,481	4,189	5,330	3,713	(785)	(1,973)	(1,783)	(2,131)	(2,095)	(1,705)
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	(823)	1,732	4,481	4,189	5,330	3,713	(785)	(1,973)	(1,783)	(2,131)	(2,095)	(1,705)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,373)	848	657	901	738	(1,293)	(2,725)	(2,573)	(2,393)	(2,751)	(2,726)	(2,347)

Appendix 3

Financial Position

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
BALANCE SHEET - CONSOLIDATED
Scenario: Proposed

	Actuals 2017/18 \$'000	Current Year 2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	Projected Years					2028/29 \$'000
							2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	
ASSETS												
Current Assets												
Cash & Cash Equivalents	18,647	23,101	10,517	8,980	7,855	9,936	8,910	11,336	14,182	16,287	18,944	22,634
Investments	31,500	5,875	5,474	7,202	7,202	7,202	7,159	7,150	7,150	7,150	7,150	7,150
Receivables	8,083	6,227	6,465	6,720	7,022	7,288	7,600	7,769	7,995	8,315	8,672	8,993
Inventories	525	538	546	471	473	475	478	489	502	514	527	540
Other	101	173	169	150	151	153	154	158	162	166	170	174
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	58,856	35,914	23,171	23,524	22,704	25,054	24,300	26,903	29,990	32,432	35,464	39,492
Non-Current Assets												
Investments	-	24,537	23,335	21,607	21,607	21,607	21,477	21,451	21,451	21,451	21,451	21,451
Receivables	379	445	456	447	467	468	482	470	476	482	495	493
Inventories	-	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)
Infrastructure, Property, Plant & Equipment	1,075,489	1,082,579	1,104,989	1,121,162	1,159,653	1,184,924	1,185,897	1,182,222	1,184,452	1,182,404	1,177,999	1,174,332
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	1,075,868	1,106,985	1,128,204	1,142,641	1,181,151	1,206,424	1,207,281	1,203,568	1,205,804	1,203,762	1,199,370	1,195,701
TOTAL ASSETS	1,134,724	1,142,900	1,151,375	1,166,165	1,203,855	1,231,478	1,231,581	1,230,471	1,235,794	1,236,194	1,234,834	1,235,193
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	5,863	15,359	13,941	13,398	13,557	13,722	13,912	14,233	14,561	14,897	15,240	15,596
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,106	4,161	3,907	4,554	5,362	6,456	6,274	6,833	7,592	8,116	6,708	6,034
Provisions	6,801	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	16,770	26,332	24,660	24,764	25,731	26,989	26,997	27,877	28,964	29,824	28,759	28,442
Non-Current Liabilities												
Payables	670	1,103	1,074	955	963	970	979	1,003	1,029	1,054	1,081	1,108
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	42,010	40,173	46,292	56,764	88,427	110,998	110,750	110,943	117,378	119,288	120,606	122,598
Provisions	316	305	305	305	305	305	305	305	305	305	305	305
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	42,996	41,582	47,671	58,024	89,696	112,274	112,035	112,252	118,712	120,647	121,992	124,011
TOTAL LIABILITIES	59,766	67,913	72,331	82,788	115,426	139,262	139,032	140,130	147,676	150,472	150,752	152,453
Net Assets	1,074,958	1,074,987	1,079,044	1,083,377	1,088,429	1,092,216	1,092,549	1,090,341	1,088,118	1,085,722	1,084,083	1,082,740
EQUITY												
Retained Earnings	439,005	439,034	443,091	447,424	452,476	456,263	456,596	454,388	452,165	449,769	448,130	446,787
Revaluation Reserves	635,953	635,953	635,953	635,953	635,953	635,953	635,953	635,953	635,953	635,953	635,953	635,953
Council Equity Interest	1,074,958	1,074,987	1,079,044	1,083,377	1,088,429	1,092,216	1,092,549	1,090,341	1,088,118	1,085,722	1,084,083	1,082,740
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,074,958	1,074,987	1,079,044	1,083,377	1,088,429	1,092,216	1,092,549	1,090,341	1,088,118	1,085,722	1,084,083	1,082,740

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
BALANCE SHEET - GENERAL FUND
Scenario: Proposed

	Actuals 2017/18 \$'000	Current Year 2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	Projected Years					
							2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	16,456	18,724	4,345	2,316	827	1,846	2,550	4,852	6,626	7,989	9,238	9,287
Investments	15,000	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Receivables	4,595	2,641	2,667	2,680	2,782	2,838	2,930	2,954	3,028	3,103	3,203	3,253
Inventories	525	538	546	471	473	475	478	489	502	514	527	540
Other	101	173	169	150	151	153	154	158	162	166	170	174
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	36,677	25,826	11,476	9,367	7,963	9,062	9,861	12,203	14,068	15,521	16,887	17,004
Non-Current Assets												
Investments	-	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
Receivables	379	445	456	447	467	468	482	470	476	482	495	493
Inventories	-	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)	(575)
Infrastructure, Property, Plant & Equipment	758,176	765,551	781,867	784,397	783,770	780,671	778,411	773,991	769,681	765,408	761,347	757,719
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	758,555	776,671	792,998	795,518	794,912	791,815	789,568	785,136	780,832	776,564	772,518	768,888
TOTAL ASSETS	795,232	802,497	804,474	804,885	802,895	800,876	799,429	797,339	794,900	792,086	789,405	785,892
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	5,659	15,173	13,740	13,192	13,346	13,507	13,692	14,007	14,329	14,659	14,997	15,347
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,445	1,086	1,051	1,217	1,165	1,224	557	585	614	645	548	576
Provisions	6,801	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812	6,812
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	13,905	23,070	21,602	21,221	21,323	21,542	21,060	21,403	21,755	22,115	22,356	22,734
Non-Current Liabilities												
Payables	670	1,103	1,074	955	963	970	979	1,003	1,029	1,054	1,081	1,108
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	4,774	3,690	10,665	13,474	12,335	11,138	10,607	10,049	9,461	8,842	8,320	7,771
Provisions	316	305	305	305	305	305	305	305	305	305	305	305
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	5,760	5,098	12,044	14,735	13,603	12,414	11,892	11,358	10,795	10,202	9,707	9,184
TOTAL LIABILITIES	19,665	28,168	33,646	35,955	34,926	33,955	32,952	32,761	32,550	32,317	32,063	31,918
Net Assets	775,567	774,328	770,828	768,930	767,969	766,921	766,478	764,579	762,351	759,768	757,342	753,974
EQUITY												
Retained Earnings	333,479	332,240	328,740	326,842	325,881	324,833	324,390	322,491	320,263	317,680	315,254	311,886
Revaluation Reserves	442,088	442,088	442,088	442,088	442,088	442,088	442,088	442,088	442,088	442,088	442,088	442,088
Council Equity Interest	775,567	774,328	770,828	768,930	767,969	766,921	766,478	764,579	762,351	759,768	757,342	753,974
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	775,567	774,328	770,828	768,930	767,969	766,921	766,478	764,579	762,351	759,768	757,342	753,974

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
BALANCE SHEET - WATER FUND

Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2017/18 \$'000	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	2027/28 \$'000	2028/29 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	1,001	1,377	1,000	1,603	1,886	3,326	3,360	3,484	3,631	4,114	5,044	8,004
Investments	8,500	2,125	1,724	1,724	1,724	1,724	1,724	1,724	1,724	1,724	1,724	1,724
Receivables	2,445	2,586	2,755	2,945	3,091	3,244	3,405	3,488	3,574	3,751	3,937	4,132
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	11,946	6,088	5,479	6,272	6,701	8,295	8,489	8,697	8,930	9,590	10,706	13,861
Non-Current Assets												
Investments	-	6,375	5,173	5,173	5,173	5,173	5,173	5,173	5,173	5,173	5,173	5,173
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	198,029	197,332	200,370	204,111	202,651	200,562	200,219	199,863	199,498	199,124	198,740	198,661
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	198,029	203,707	205,543	209,284	207,824	205,735	205,392	205,036	204,671	204,297	203,913	203,834
TOTAL ASSETS	209,975	209,794	211,022	215,557	214,525	214,030	213,882	213,733	213,601	213,887	214,619	217,695
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	116	100	109	111	114	116	119	122	125	128	132	135
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,553	1,859	1,509	1,717	1,620	1,712	1,816	1,922	2,035	2,153	658	692
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	1,669	1,958	1,618	1,828	1,734	1,829	1,935	2,044	2,160	2,282	790	827
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	19,709	19,704	18,195	20,478	18,858	17,146	15,330	13,408	11,373	9,220	8,561	7,869
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	19,709	19,704	18,195	20,478	18,858	17,146	15,330	13,408	11,373	9,220	8,561	7,869
TOTAL LIABILITIES	21,378	21,662	19,813	22,306	20,592	18,975	17,265	15,452	13,533	11,502	9,351	8,696
Net Assets	188,597	188,132	191,209	193,251	193,933	195,055	196,616	198,281	200,068	202,385	205,267	208,998
EQUITY												
Retained Earnings	58,269	57,804	60,881	62,923	63,605	64,727	66,288	67,953	69,740	72,057	74,939	78,670
Revaluation Reserves	130,328	130,328	130,328	130,328	130,328	130,328	130,328	130,328	130,328	130,328	130,328	130,328
Council Equity Interest	188,597	188,132	191,209	193,251	193,933	195,055	196,616	198,281	200,068	202,385	205,267	208,998
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	188,597	188,132	191,209	193,251	193,933	195,055	196,616	198,281	200,068	202,385	205,267	208,998

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029

BALANCE SHEET - SEWER FUND

Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2017/18 \$'000	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	2027/28 \$'000	2028/29 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	1,190	3,000	5,171	5,061	5,142	4,764	3,000	3,000	3,924	4,184	4,662	5,343
Investments	8,000	-	-	1,728	1,728	1,728	1,685	1,676	1,676	1,676	1,676	1,676
Receivables	1,043	1,001	1,044	1,095	1,149	1,206	1,265	1,327	1,392	1,461	1,533	1,608
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	10,233	4,001	6,215	7,884	8,019	7,698	5,949	6,003	6,992	7,321	7,871	8,626
Non-Current Assets												
Investments	-	6,912	6,912	5,184	5,184	5,184	5,054	5,027	5,027	5,027	5,027	5,027
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	119,284	119,696	122,752	132,654	173,232	203,691	207,267	208,369	215,273	217,673	217,912	217,953
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	119,284	126,608	129,663	137,838	178,415	208,874	212,321	213,396	220,300	222,900	222,940	222,980
TOTAL ASSETS	129,517	130,609	135,879	145,723	186,434	216,572	218,270	219,399	227,292	230,221	230,810	231,606
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	88	86	92	94	96	99	101	104	106	109	112	114
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,108	1,217	1,347	1,621	2,578	3,520	3,901	4,326	4,943	5,318	5,501	4,766
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	1,196	1,303	1,439	1,715	2,674	3,618	4,002	4,430	5,049	5,427	5,613	4,881
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	17,527	16,779	17,432	22,812	57,234	82,714	84,813	87,487	96,544	101,226	103,724	106,958
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	17,527	16,779	17,432	22,812	57,234	82,714	84,813	87,487	96,544	101,226	103,724	106,958
TOTAL LIABILITIES	18,723	18,082	18,872	24,527	59,908	86,333	88,815	91,917	101,593	106,653	109,337	111,839
Net Assets	110,794	112,526	117,007	121,196	126,526	130,239	129,454	127,482	125,699	123,568	121,473	119,768
EQUITY												
Retained Earnings	47,257	48,989	53,470	57,659	62,989	66,702	65,917	63,945	62,162	60,031	57,936	56,231
Revaluation Reserves	63,537	63,537	63,537	63,537	63,537	63,537	63,537	63,537	63,537	63,537	63,537	63,537
Council Equity Interest	110,794	112,526	117,007	121,196	126,526	130,239	129,454	127,482	125,699	123,568	121,473	119,768
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	110,794	112,526	117,007	121,196	126,526	130,239	129,454	127,482	125,699	123,568	121,473	119,768

Appendix 4

Cash Flow Statement

Kempsey Shire Council												
10 Year Financial Plan for the Years ending 30 June 2029												
CASH FLOW STATEMENT - CONSOLIDATED												
Scenario: Proposed												
	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	37,470	39,491	41,047	42,586	44,080	45,622	47,225	48,753	50,320	52,087	53,942	55,872
User Charges & Fees	16,118	15,045	15,518	16,252	16,924	17,579	18,263	18,815	19,319	20,006	20,791	21,609
Interest & Investment Revenue Received	1,233	1,368	1,448	1,462	1,510	1,555	1,611	1,664	1,725	1,791	1,858	1,932
Grants & Contributions	25,075	18,981	25,815	23,033	24,083	24,596	22,540	20,516	20,876	21,004	22,254	22,215
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	3,363	2,786	1,331	1,369	1,383	1,430	1,458	1,512	1,538	1,576	1,610	1,661
Payments:												
Employee Benefits & On-Costs	(21,608)	(21,374)	(25,374)	(26,192)	(27,090)	(28,020)	(29,039)	(30,097)	(31,194)	(32,341)	(33,540)	(34,785)
Materials & Contracts	(21,945)	(9,815)	(23,439)	(20,021)	(19,300)	(19,448)	(19,593)	(19,976)	(20,473)	(20,983)	(21,505)	(22,041)
Borrowing Costs	(2,617)	(2,827)	(2,613)	(2,822)	(3,562)	(5,438)	(6,807)	(6,749)	(6,772)	(7,251)	(7,438)	(7,185)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(4,147)	(5,637)	(4,699)	(4,793)	(4,901)	(5,011)	(5,136)	(5,265)	(5,396)	(5,531)	(5,669)	(5,811)
Net Cash provided (or used in) Operating Activities	33,002	38,018	29,135	30,875	33,127	32,966	30,521	29,173	29,943	30,658	32,301	33,468
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	1,088	1,602	-	-	-	174	35	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	575	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,598	410	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	(31,500)	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(26,566)	(33,896)	(49,186)	(43,530)	(66,724)	(54,548)	(31,291)	(27,534)	(34,290)	(30,987)	(29,554)	(31,097)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(56,467)	(31,783)	(47,584)	(43,530)	(66,724)	(54,548)	(31,117)	(27,499)	(34,290)	(30,987)	(29,554)	(31,097)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	4,500	2,600	10,000	15,000	37,000	29,000	6,000	7,000	14,000	10,000	8,000	8,000
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	(4,319)	(4,382)	(4,135)	(3,881)	(4,528)	(5,336)	(6,429)	(6,248)	(6,807)	(7,566)	(8,090)	(6,681)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	181	(1,782)	5,865	11,119	32,472	23,664	(429)	752	7,193	2,434	(90)	1,319
Net Increase/(Decrease) in Cash & Cash Equivalents	(23,204)	4,454	(12,584)	(1,536)	(1,125)	2,061	(1,026)	2,426	2,846	2,105	2,657	3,689
plus: Cash, Cash Equivalents & Investments - beginning of year	41,931	18,647	23,101	10,517	8,980	7,855	9,936	8,910	11,336	14,182	16,287	18,944
Cash & Cash Equivalents - end of the year	18,647	23,101	10,517	8,980	7,855	9,936	8,910	11,336	14,182	16,287	18,944	22,634
Cash & Cash Equivalents - end of the year	18,647	23,101	10,517	8,980	7,855	9,936	8,910	11,336	14,182	16,287	18,944	22,634
Investments - end of the year	31,500	30,412	28,809	28,809	28,809	28,809	28,601	28,601	28,601	28,601	28,601	28,601
Cash, Cash Equivalents & Investments - end of the year	50,147	53,513	39,326	37,790	36,664	38,746	37,546	39,937	42,783	44,888	47,545	51,235
Representing:												
- External Restrictions	32,790	32,596	28,481	27,344	26,513	27,509	25,161	26,496	28,921	31,115	34,072	36,122
- Internal Restrictions	13,792	15,415	7,740	8,256	6,016	6,011	7,990	9,002	8,046	9,123	10,236	11,364
- Unrestricted	3,565	5,502	3,105	2,190	4,136	3,226	4,394	4,439	5,816	4,650	3,237	1,729
	50,147	53,513	39,326	37,790	36,664	38,746	37,546	39,937	42,783	44,888	47,545	51,235

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
CASH FLOW STATEMENT - GENERAL FUND
Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	24,608	25,203	25,835	26,481	27,143	27,822	28,517	29,230	29,961	30,710	31,478
User Charges & Fees	-	6,989	7,048	7,250	7,433	7,619	7,809	8,004	8,205	8,410	8,620	8,835
Interest & Investment Revenue Received	-	1,192	1,273	1,277	1,313	1,346	1,389	1,428	1,475	1,523	1,573	1,629
Grants & Contributions	-	17,387	17,696	17,134	18,403	18,581	19,468	18,760	19,087	19,479	20,392	20,317
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	2,597	1,214	1,254	1,266	1,310	1,335	1,385	1,408	1,443	1,474	1,522
Payments:												
Employee Benefits & On-Costs	-	(17,091)	(20,128)	(20,762)	(21,457)	(22,176)	(22,963)	(23,778)	(24,622)	(25,507)	(26,433)	(27,394)
Materials & Contracts	-	(4,060)	(17,066)	(13,508)	(12,642)	(12,633)	(12,608)	(12,816)	(13,134)	(13,460)	(13,795)	(14,137)
Borrowing Costs	-	(341)	(76)	(466)	(774)	(712)	(656)	(584)	(529)	(499)	(466)	(466)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(4,483)	(3,636)	(3,708)	(3,792)	(3,877)	(3,974)	(4,073)	(4,175)	(4,280)	(4,387)	(4,496)
Net Cash provided (or used in) Operating Activities	-	26,799	11,528	14,305	16,232	16,601	17,623	16,844	16,915	17,040	17,656	17,287
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	575	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	410	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(24,072)	(32,847)	(19,309)	(16,531)	(14,444)	(15,721)	(14,011)	(14,582)	(15,090)	(15,788)	(16,716)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	-	(23,087)	(32,847)	(19,309)	(16,531)	(14,444)	(15,721)	(14,011)	(14,582)	(15,090)	(15,788)	(16,716)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	8,000	4,000	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(1,444)	(1,060)	(1,025)	(1,191)	(1,139)	(1,197)	(531)	(569)	(568)	(619)	(522)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	(1,444)	6,940	2,975	(1,191)	(1,139)	(1,197)	(531)	(569)	(568)	(619)	(522)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	2,268	(14,379)	(2,029)	(1,489)	1,019	704	2,303	1,774	1,362	1,249	49
plus: Cash, Cash Equivalents & Investments - beginning of year	-	16,456	18,724	4,345	2,316	827	1,846	2,550	4,852	6,626	7,989	9,238
Cash & Cash Equivalents - end of the year	-	18,724	4,345	2,316	827	1,846	2,550	4,852	6,626	7,989	9,238	9,287
Cash & Cash Equivalents - end of the year	16,456	18,724	4,345	2,316	827	1,846	2,550	4,852	6,626	7,989	9,238	9,287
Investments - end of the year	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Cash, Cash Equivalents & Investments - end of the year	31,456	33,724	19,345	17,316	15,827	16,846	17,550	19,852	21,626	22,989	24,238	24,287
Representing:												
- External Restrictions	14,099	12,807	8,500	6,871	5,675	5,609	5,165	6,412	7,765	9,215	10,765	11,175
- Internal Restrictions	13,792	15,415	7,740	8,256	6,016	8,011	7,990	9,002	8,046	9,123	10,236	11,384
- Unrestricted	3,565	5,502	3,105	2,190	4,136	3,226	4,394	4,439	5,816	4,650	3,237	1,729
	31,456	33,724	19,345	17,316	15,827	16,846	17,550	19,852	21,626	22,989	24,238	24,287

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
CASH FLOW STATEMENT - WATER FUND
Scenario: Proposed

	Actuals 2017/18 \$'000	Current Year 2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	Projected Years					
							2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	4,961	4,566	4,914	5,171	5,429	5,701	5,848	5,983	6,264	6,577	6,906
User Charges & Fees	-	6,948	7,290	7,765	8,196	8,604	9,033	9,323	9,556	9,963	10,460	10,981
Interest & Investment Revenue Received	-	146	150	159	168	178	189	200	212	226	240	256
Grants & Contributions	-	593	4,178	2,491	965	963	1,004	1,024	1,046	1,068	1,090	1,113
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	82	112	109	112	115	118	121	124	127	130	133
Payments:												
Employee Benefits & On-Costs	-	(2,136)	(2,711)	(2,806)	(2,911)	(3,020)	(3,141)	(3,267)	(3,398)	(3,533)	(3,675)	(3,822)
Materials & Contracts	-	(2,548)	(2,852)	(2,916)	(2,982)	(3,050)	(3,126)	(3,205)	(3,285)	(3,367)	(3,451)	(3,537)
Borrowing Costs	-	(1,465)	(1,456)	(1,345)	(1,470)	(1,376)	(1,284)	(1,180)	(1,074)	(961)	(842)	(700)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(591)	(546)	(557)	(569)	(582)	(597)	(611)	(627)	(642)	(658)	(675)
Net Cash provided (or used in) Operating Activities	-	5,092	8,731	7,816	6,680	7,281	7,896	8,254	8,537	9,144	9,871	10,885
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	1,602	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(5,017)	(8,852)	(9,704)	(4,680)	(4,221)	(6,150)	(6,314)	(6,468)	(6,626)	(6,787)	(7,267)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	-	(5,017)	(7,250)	(9,704)	(4,680)	(4,221)	(6,150)	(6,314)	(6,468)	(6,626)	(6,787)	(7,267)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	2,100	-	4,000	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(1,800)	(1,859)	(1,509)	(1,717)	(1,620)	(1,712)	(1,816)	(1,922)	(2,035)	(2,153)	(658)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	300	(1,859)	2,491	(1,717)	(1,620)	(1,712)	(1,816)	(1,922)	(2,035)	(2,153)	(658)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	376	(377)	603	283	1,440	34	124	147	483	930	2,960
plus: Cash, Cash Equivalents & Investments - beginning of year	-	1,001	1,377	1,000	1,603	1,886	3,326	3,360	3,484	3,631	4,114	5,044
Cash & Cash Equivalents - end of the year	-	1,377	1,000	1,603	1,886	3,326	3,360	3,484	3,631	4,114	5,044	8,004
Cash & Cash Equivalents - end of the year	1,001	1,377	1,000	1,603	1,886	3,326	3,360	3,484	3,631	4,114	5,044	8,004
Investments - end of the year	8,500	8,500	6,898	6,898	6,898	6,898	6,898	6,898	6,898	6,898	6,898	6,898
Cash, Cash Equivalents & Investments - end of the year	9,501	9,877	7,898	8,501	8,784	10,224	10,258	10,382	10,529	11,012	11,942	14,902
Representing:												
- External Restrictions	2,230	2,747	6,724	6,988	7,439	9,054	7,639	5,384	5,451	5,720	6,200	7,899
- Internal Restrictions	7,270	7,130	1,174	1,019	864	709	2,165	4,597	4,721	4,966	5,496	6,826
- Unrestricted	1	(0)	(0)	493	481	461	435	400	357	306	246	177
	9,501	9,877	7,898	8,501	8,784	10,224	10,258	10,382	10,529	11,012	11,942	14,902

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
CASH FLOW STATEMENT - SEWER FUND
Scenario: Proposed

	Actuals 2017/18 \$'000	Current Year 2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	Projected Years					2028/29 \$'000
							2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	10,821	11,278	11,836	12,428	13,050	13,702	14,387	15,107	15,862	16,655	17,488
User Charges & Fees	-	1,109	1,181	1,236	1,295	1,366	1,421	1,488	1,559	1,633	1,711	1,793
Interest & Investment Revenue Received	-	27	25	27	29	31	33	36	39	41	45	48
Grants & Contributions	-	1,002	3,941	3,408	4,715	5,131	2,068	731	744	758	771	785
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	106	5	5	5	5	5	6	6	6	6	6
Payments:												
Employee Benefits & On-Costs	-	(2,147)	(2,535)	(2,623)	(2,721)	(2,823)	(2,936)	(3,053)	(3,174)	(3,301)	(3,432)	(3,569)
Materials & Contracts	-	(3,207)	(3,521)	(3,596)	(3,677)	(3,765)	(3,859)	(3,956)	(4,054)	(4,156)	(4,260)	(4,366)
Borrowing Costs	-	(1,021)	(981)	(1,011)	(1,319)	(3,350)	(4,867)	(4,985)	(5,141)	(5,760)	(6,096)	(6,249)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(563)	(518)	(528)	(540)	(552)	(566)	(580)	(594)	(609)	(624)	(640)
Net Cash provided (or used in) Operating Activities	-	6,127	8,875	8,754	10,215	9,084	5,002	4,075	4,490	4,474	4,775	5,295
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	1,088	-	-	-	-	174	35	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Disposal Groups	-	-	-	-	-	-	-	-	-	-	-	-
Distributions Received from Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(4,767)	(7,487)	(14,517)	(45,514)	(35,884)	(9,420)	(7,210)	(13,240)	(9,271)	(6,979)	(7,114)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Interests in Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Contributions Paid to Joint Ventures & Associates	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	-	(3,679)	(7,487)	(14,517)	(45,514)	(35,884)	(9,247)	(7,175)	(13,240)	(9,271)	(6,979)	(7,114)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	500	2,000	7,000	37,000	29,000	6,000	7,000	14,000	10,000	8,000	8,000
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(1,138)	(1,217)	(1,347)	(1,621)	(2,578)	(3,520)	(3,501)	(4,326)	(4,943)	(5,318)	(5,501)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	(638)	783	5,653	35,379	26,422	2,480	3,099	9,674	5,057	2,682	2,499
Net Increase/(Decrease) in Cash & Cash Equivalents	-	1,810	2,171	(110)	81	(378)	(1,764)	0	924	260	478	680
plus: Cash, Cash Equivalents & Investments - beginning of year	-	1,190	3,000	5,171	5,061	5,142	4,764	3,000	3,000	3,924	4,184	4,662
Cash & Cash Equivalents - end of the year	-	3,000	5,171	5,061	5,142	4,764	3,000	3,000	3,924	4,184	4,662	5,343
Cash & Cash Equivalents - end of the year	1,190	3,000	5,171	5,061	5,142	4,764	3,000	3,000	3,924	4,184	4,662	5,343
Investments - end of the year	8,000	6,912	6,912	6,912	6,912	6,912	6,738	6,703	6,703	6,703	6,703	6,703
Cash, Cash Equivalents & Investments - end of the year	9,190	9,912	12,083	11,973	12,054	11,676	9,738	9,703	10,627	10,887	11,365	12,046
Representing:												
- External Restrictions	3,990	4,065	4,015	3,965	3,915	3,865	3,815	3,765	3,715	3,665	3,615	3,565
- Internal Restrictions	5,200	5,846	8,067	8,007	8,138	7,810	5,922	5,937	6,912	7,222	7,750	8,480
- Unrestricted	-	0	0	0	0	0	0	0	(0)	(0)	(0)	(0)
	9,190	9,912	12,083	11,973	12,054	11,676	9,738	9,703	10,627	10,887	11,365	12,046

Appendix 5

Scenario Financial Statements – General Fund

Kempsey Shire Council												
10 Year Financial Plan for the Years ending 30 June 2029												
INCOME STATEMENT - GENERAL FUND												
Scenario: 1 - SRV, 13% increase from 20-21 to 23-23												
	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	23,404	24,585	25,238	25,869	29,249	33,070	37,391	38,325	39,284	40,266	41,272	42,304
User Charges & Fees	7,005	6,940	7,053	7,261	7,442	7,628	7,819	8,014	8,215	8,420	8,630	8,846
Interest & Investment Revenue	1,045	1,195	1,232	1,270	1,309	1,349	1,391	1,435	1,481	1,528	1,577	1,629
Other Revenues	153	1,179	1,215	1,251	1,282	1,314	1,347	1,381	1,415	1,451	1,487	1,524
Grants & Contributions provided for Operating Purposes	18,056	11,727	11,962	10,899	11,093	11,340	11,543	11,801	12,014	12,231	12,992	12,682
Grants & Contributions provided for Capital Purposes	63,848	5,257	5,770	6,204	7,376	7,247	7,969	6,921	7,092	7,266	7,446	7,629
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	113,511	50,885	52,471	52,754	57,752	61,949	67,461	67,877	69,499	71,162	73,405	74,614
Expenses from Continuing Operations												
Employee Benefits & On-Costs	17,023	17,091	20,128	20,762	21,457	22,176	22,963	23,778	24,622	25,507	26,433	27,394
Borrowing Costs	298	273	310	567	734	674	615	567	539	509	479	448
Materials & Contracts	14,012	13,991	15,366	12,835	12,840	12,835	12,838	13,157	13,484	13,819	14,162	14,514
Depreciation & Amortisation	14,957	16,287	16,531	16,779	17,157	17,543	17,981	18,431	18,892	19,364	19,848	20,344
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	43	4,483	3,636	3,708	3,792	3,877	3,974	4,073	4,175	4,280	4,387	4,496
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	3,323	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	49,656	52,124	55,971	54,652	55,980	57,105	58,372	60,006	61,712	63,479	65,309	67,197
Operating Result from Continuing Operations	63,855	(1,239)	(3,500)	(1,898)	1,772	4,843	9,089	7,872	7,787	7,683	8,096	7,417
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	63,855	(1,239)	(3,500)	(1,898)	1,772	4,843	9,089	7,872	7,787	7,683	8,096	7,417
Net Operating Result before Grants and Contributions provided for Capital Purposes	7	(5,496)	(9,270)	(8,102)	(5,604)	(2,404)	1,120	951	696	416	650	(213)

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
INCOME STATEMENT - GENERAL FUND
Scenario: 2: SRV 12% from 21/22 to 23/24 + \$1M savings

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	23,404	24,585	25,238	25,869	26,986	32,478	36,391	37,300	38,233	39,189	40,168	41,173
User Charges & Fees	7,005	6,940	7,053	7,261	7,442	7,628	7,819	8,014	8,215	8,420	8,630	8,846
Interest & Investment Revenue	1,045	1,196	1,232	1,270	1,309	1,349	1,391	1,435	1,481	1,528	1,577	1,629
Other Revenues	153	1,179	1,215	1,251	1,282	1,314	1,347	1,381	1,415	1,451	1,487	1,524
Grants & Contributions provided for Operating Purposes	18,056	11,727	11,962	10,899	11,093	11,340	11,543	11,801	12,014	12,231	12,992	12,682
Grants & Contributions provided for Capital Purposes	63,848	5,257	5,770	6,204	7,376	7,247	7,969	6,921	7,092	7,266	7,446	7,629
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	113,511	50,885	52,471	52,754	57,488	61,357	66,461	66,852	68,445	70,085	72,301	73,483
Expenses from Continuing Operations												
Employee Benefits & On-Costs	17,023	17,091	20,128	20,762	21,457	22,176	22,963	23,778	24,622	25,507	26,433	27,394
Borrowing Costs	298	273	310	567	734	674	615	567	539	509	479	448
Materials & Contracts	14,012	13,991	15,366	11,835	11,840	11,835	11,838	12,132	12,433	12,742	13,059	13,383
Depreciation & Amortisation	14,957	16,287	16,531	16,779	17,157	17,543	17,981	18,431	18,892	19,364	19,848	20,344
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	43	4,483	3,636	3,708	3,792	3,877	3,974	4,073	4,175	4,280	4,387	4,496
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	3,323	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	49,656	52,124	55,971	53,652	54,980	56,105	57,372	58,981	60,662	62,402	64,205	66,066
Operating Result from Continuing Operations	63,855	(1,239)	(3,500)	(898)	2,509	5,251	9,089	7,872	7,787	7,683	8,096	7,417
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	63,855	(1,239)	(3,500)	(898)	2,509	5,251	9,089	7,872	7,787	7,683	8,096	7,417
Net Operating Result before Grants and Contributions provided for Capital Purpose	7	(6,496)	(9,270)	(7,102)	(4,868)	(1,996)	1,120	951	696	416	650	(213)

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2029
INCOME STATEMENT - GENERAL FUND
Scenario: Excluding Regional Roads

	Actuals	Current Year	Projected Years									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	23,404	24,585	25,238	25,869	26,516	27,179	27,858	28,555	29,269	30,000	30,750	31,519
User Charges & Fees	7,005	6,940	7,164	7,374	7,558	7,747	7,941	8,139	8,343	8,552	8,765	8,984
Interest & Investment Revenue	1,045	1,196	1,027	1,060	1,093	1,129	1,165	1,203	1,243	1,284	1,328	1,373
Other Revenues	153	1,179	1,215	1,251	1,282	1,314	1,347	1,381	1,415	1,451	1,487	1,524
Grants & Contributions provided for Operating Purposes	18,056	11,727	11,962	8,499	8,638	8,828	8,974	9,172	9,325	9,480	10,178	9,803
Grants & Contributions provided for Capital Purposes	63,848	5,257	5,750	5,067	5,041	5,847	7,069	6,021	5,992	5,766	5,846	5,829
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Income from Continuing Operations	113,511	50,885	52,356	49,120	50,129	52,044	54,355	54,471	55,586	56,534	58,354	59,033
Expenses from Continuing Operations												
Employee Benefits & On-Costs	17,023	17,091	19,481	20,094	20,764	21,456	22,214	22,999	23,813	24,665	25,558	26,483
Borrowing Costs	298	273	310	567	734	674	615	567	539	509	479	448
Materials & Contracts	14,012	13,991	15,115	10,435	10,440	10,435	10,438	10,697	10,963	11,235	11,513	11,799
Depreciation & Amortisation	14,957	16,287	8,641	8,771	8,968	9,170	9,399	9,634	9,875	10,122	10,375	10,634
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	43	4,483	3,636	3,708	3,792	3,877	3,974	4,073	4,175	4,280	4,387	4,496
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	3,323	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	49,656	52,124	47,184	43,575	44,697	45,613	46,641	47,971	49,364	50,810	52,311	53,861
Operating Result from Continuing Operations	63,855	(1,239)	5,172	5,545	5,432	6,431	7,714	6,501	6,222	5,723	6,043	5,171
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Result for the Year	63,855	(1,239)	5,172	5,545	5,432	6,431	7,714	6,501	6,222	5,723	6,043	5,171
Net Operating Result before Grants and Contributions provided for Capital Purposes	7	(6,496)	(578)	478	391	585	645	480	230	(43)	197	(658)

Appendix 6

Ratio Explanations

Ratio	Description
Operating Performance	The purpose of this ratio is to measure a council's achievement in containing operating expenditure within operating revenue.
Own Source Revenue	This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. A Council's financial flexibility improves the higher the level of its own source revenue.
Unrestricted Current Ratio	This ratio is designed to represent Council's ability to meet short term obligations as they fall due.
Debt Service Cover	This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.
Cash Expenses Cover	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash flow.
Rates and annual charges outstanding percentage	This ratio assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.
Infrastructure Backlog Ratio	This ratio shows what proportion the backlog is against the total value of Council's infrastructure.
Asset Maintenance	This ratio compares actual versus required annual maintenance, as detailed in Special Schedule 7 (of the annual financial statements).
Building and Infrastructure Renewals Ratio	This ratio compares the proportion spent on infrastructure asset renewals and each asset's deterioration measured by its accounting depreciation.