



**KEMPSEY**  
Shire Council



# Long Term Financial Plan

# 2020 – 2030

[www.kempsey.nsw.gov.au](http://www.kempsey.nsw.gov.au)

# 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.

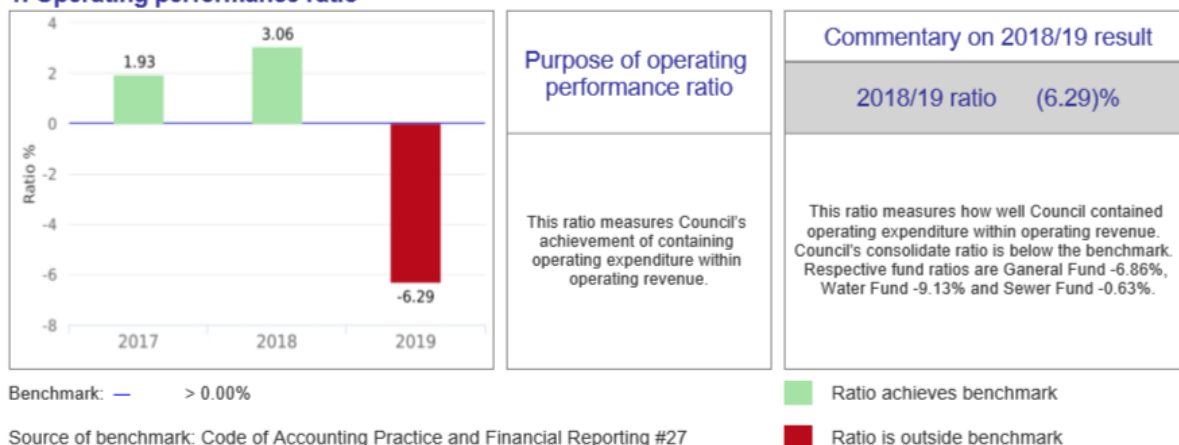
## Current Financial Position

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 lower operating expenditure levels as Council embarked on organisational transformation, resulted in an improved operating performance over the 2016-17 and 2017-18 financial years. However, the Operating Performance Ratio deteriorated in 2018-19 due in part to timing of the receipt of operating grants and cost increases associated with both historical staff competency assessments as well as Council adequately resourcing critical functions, such as asset management. Additionally, infrastructure measures continue to lag industry benchmarks and significant challenges still lay ahead.

### 1. Operating performance ratio



**Source:** 2018-19 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 2019 provide the starting point for reviewing the LTFP. The following tables summarise Council's most recently audited financial position:

Income Statement	2018-19 \$'000	2017-18 Restated \$'000
Income	80,174	145,528
Expenses	82,456	75,827
Net Operating Result for the Year	(2,282)	69,701
Net Operating Result before Grants and Contributions provided for Capital purposes	(12,232)	(2,856)

Statement of Financial Position	2018-19 \$'000	2017-18 Restated \$'000
Total Assets	1,146,505	1,147,747
Total Liabilities	56,060	59,766
Total Equity	1,090,445	1,087,981

Statement of Cash Flows	2018-19 \$'000	2017-18 \$'000
Cash, Cash Equivalents and Investments - Opening Balance	50,147	41,931
Cash, Cash Equivalents and Investments - Closing Balance	53,259	50,147
Movement for Year	3,112	8,216

**Note:** The above tables reflect consolidated financial results. The higher income and net operating result in 2017-18 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	2018-19	2017-18 Restated	Benchmark
Operating performance ratio	(6.3)%	3.1%	> 0%
Own source operating revenue ratio	72.7%	37.3%	> 60%
Unrestricted current ratio	2.61	2.51	> 1.5
Debt service cover ratio	3.63	4.35	> 2.0
Rates and annual charges outstanding ratio	6.1%	6.1%	< 10%
Cash expense cover ratio	11.33	11.03	> 3.0
Building and infrastructure renewal ratio	60.2%	96.1%	> 100%
Infrastructure backlog ratio	11.5%	6.7%	< 2%
Asset maintenance	82.6%	86.0%	> 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.



Significant financial 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. These financial outcomes cannot be sustained, and a range of measures are required to return the financial result to a surplus position that will enable Council to build longer term financial strength.

## 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 for Council to achieve financial sustainability. The goals as set out in the current 2020-21 to 2029-30 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 General Fund Net Operating Deficits of \$28M (excluding Capital Grants and Contributions) from 2020/21 to 2029/30. 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. Strong progress has been made over the past 12 months with Council implementing a range of new corporate business systems including a new finance system and making good progress in the implementation of asset management improvements (strategy, framework and systems). These are critical to Council being able to better manage its assets and overall financial performance. Council has established a Corporate Projects Team to implement the financial improvements initiatives needed to deliver the Financial Sustainability Strategy.

## Assumptions

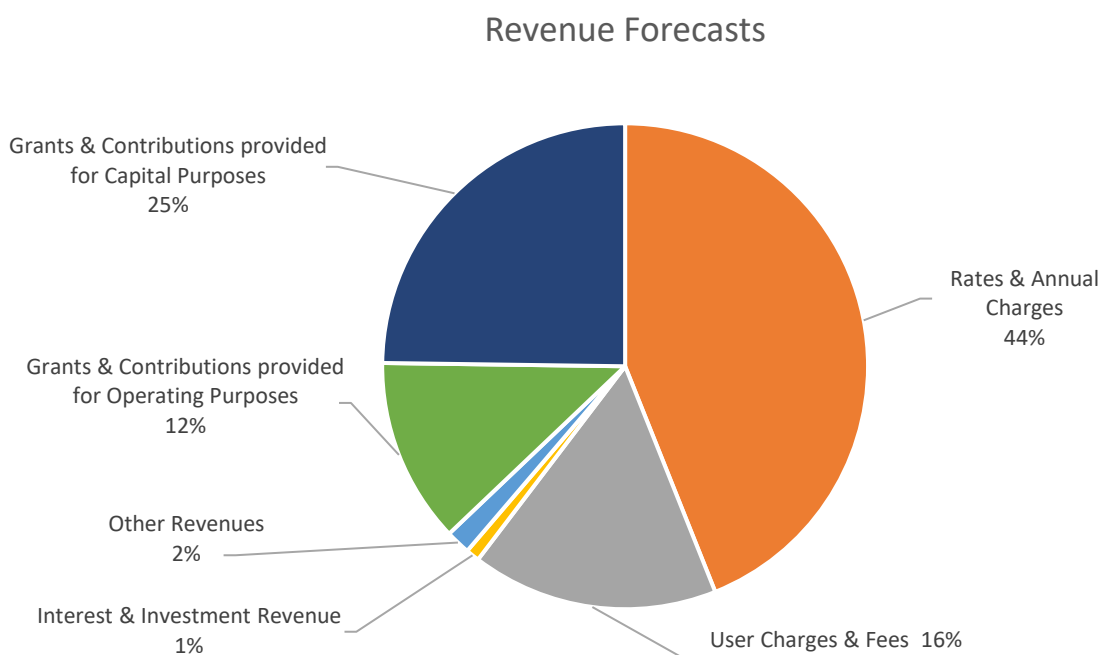
In seeking to project future financial position outcomes, the review of the LTFP included several options for consideration. Each of the options has been built on the same underlying planning assumptions as detailed below:

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	<p>The LTFP is based on a CPI range supplied by New South Wales Treasury Corporation (TCorp) and has an average rate of 2.16% across the ten-year period. CPI was provided to 22/23 and is under 2%, and an estimate of 2.3% was provided for the remaining years.</p> <p>Wages beyond the three-year period of the Local Government (State) Award 2020 have been forecast to grow at 3.0%.</p> <p>Rates have been forecast to grow at 2.6% in 2020-21 and then 2.3% for the remaining years. Discretionary fees and charges have been forecast to increase at CPI.</p>
Interest Rate Movements	While inflation remains low, interest rates will also remain low. Borrowing costs have been estimated at between 2.4% and 3.2% for all new loans. Existing loans are forecast at their existing rate.



## Revenue Forecasts and Assumptions

The following chart shows the composition of Council’s revenue for 2020-2021 and provides an indication of the reliance on the various revenue streams.



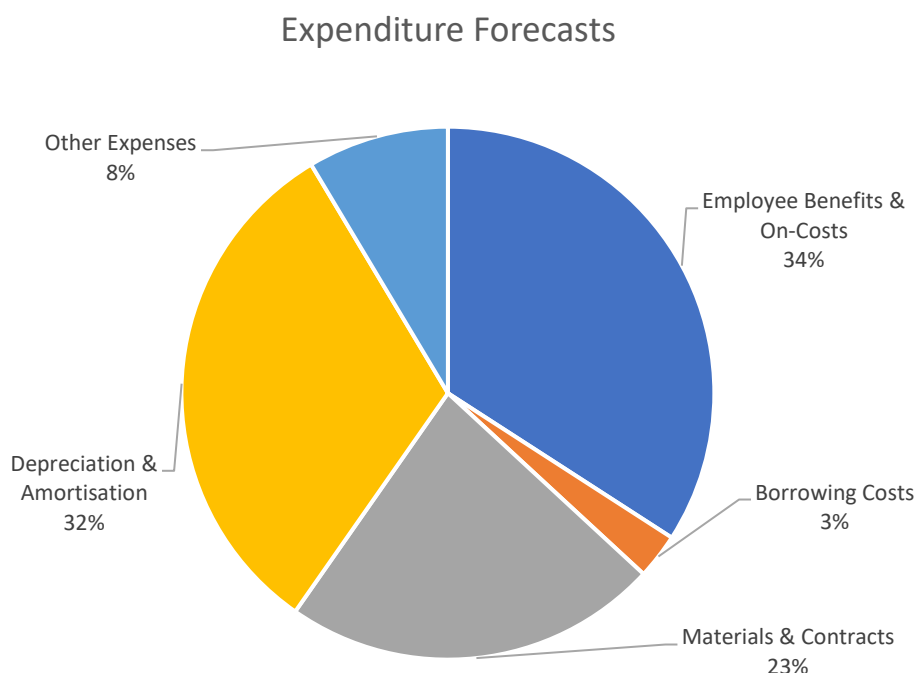
Key revenue related assumptions within the LTFP include the following:

Revenue area	Assumption Basis
Rates and Annual Charges	Rating is a major component of Council’s revenue base, contributing approximately 44% 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. It has been assumed that a continuation of the Environmental Levy Special Rate Variation, which is due to expire 30 June 2028, is approved.
(i) General Fund	From 2020-21 onwards, the maximum expected rate peg amount of 2.5% has been applied in the planned scenario.  Scenarios 1, 2 and 3 assume Special Rate Variations over two, three and four-year periods starting from 2023-24 to return the General Fund Net Operating Result (excluding Capital Grants and Contributions) from a deficit back to a surplus position. These have been included as illustrative scenarios to demonstrate the change that would be required to achieve a balanced budget position.

Revenue area	Assumption Basis
(ii) Water Fund	An increase of 5% has been assumed to 24/25 and then reverts to 3% thereafter.
(iii) Sewage Fund	An increase of 7% has been assumed to 24/25 and then reverts to 3% thereafter.
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 1.9%. Some fees and charges remained at 2019-20 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 2020-21 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 Grants 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 received and expended.
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 of 1.79% 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 2020-2021. 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 in accordance with the Local Government (State) Award 2020 plus 1% for salary progression for the 2020-21, 2021-22 and 2022-23 financial years and then 3.0% per annum over the remaining life of the LTFP.
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. These costs have been held at 2019-20 cost levels in the 2020-21 year and CPI has been applied for the remaining years. Holding these costs steady in the 2020-21 year enforces an efficiency target on Council to find savings equivalent to CPI.

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 ranging from 2.4% to 3.22%.
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 2020-30 LTFP.

### Rates and Annual Charges

Rates and annual charges make up approximately 44% of the budgeted 2020-2021 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 2020-21 the rate peg of 2.6% has been applied in the proposed scenario for General Fund rates. For all subsequent years a 2.3% increase has been assumed.

## 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 Grants 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 Grants and the Roads to Recovery Program will continue indefinitely based on the current arrangements.

## Employee Expenses

Employee costs make up 34% of the projected 2020-2021 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 2020-2021 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 and 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 2 years from 2023-24 of 12.5% 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 with assumed Special Rate Variation increases over 4 years from 2023-24 of 7.5% 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 3	Proposed case adjusted for \$0.3M of operational savings from 2020/21 combined with assumed Special Rate Variation increases over 3 years from 2023-24 of 8.5% 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 \$0.3M of operational savings per annum from 2020-21 onwards.

The scenarios have been included in the LTFP for illustrative purposes only to demonstrate the increase that would be required, outside of other financial improvement strategies, to reduce the forecast General Fund operating deficit back to a balanced budget position. 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. Several other strategies to address the Operating Deficit will continue to be investigated over the course of 2020-2021 before any of the scenarios are recommended.

If Council were to proceed with any 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 2030**  
**KEY PERFORMANCE INDICATORS - CONSOLIDATED**  
**Scenario: Proposed**

		Current Year 2019/20	Projected Years									
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Council's Target Benchmarks</b>												
<b>New Note 13 Ratios</b>												
Operating Performance Ratio 1)	Snapshot											
	Actual Ratio	1.77%	-2.35%	0.03%	2.27%	2.65%	3.62%	3.94%	4.49%	4.32%	5.35%	5.62%
Own Source Operating Revenue Ratio 1)	Snapshot											
	Actual Ratio	66.77%	62.90%	72.16%	74.45%	81.95%	82.38%	82.48%	82.57%	82.85%	83.36%	82.86%
Unrestricted Current Ratio	Snapshot											
	Actual Ratio	2.25	2.10	2.25	2.12	2.06	1.91	1.80	1.64	1.54	1.49	1.29
Debt Service Cover Ratio 1)	Snapshot											
	Actual Ratio	4.88	4.40	4.30	4.23	3.49	3.53	3.30	3.30	3.27	3.61	4.32
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	Snapshot											
	Actual Ratio	6.24%	6.27%	6.27%	6.28%	6.30%	6.31%	6.31%	6.31%	6.30%	6.30%	6.30%
Cash Expense Cover Ratio 1)	Snapshot											
	Actual Ratio	2.43	1.95	1.51	1.65	1.68	2.60	2.59	3.25	4.18	5.15	6.02

**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 2030														
INCOME STATEMENT - CONSOLIDATED														
Scenario: Proposed														
	Actuals	Current Year	2020/21				2021/22				Projected Years			
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
<b>Income from Continuing Operations</b>														
<b>Revenue:</b>														
Rates & Annual Charges	40,880	41,955	43,240	44,989	46,827	48,758	50,787	52,166	53,583	55,038	56,534	58,070		
User Charges & Fees	17,267	15,464	16,145	17,301	18,063	18,871	19,714	20,324	20,950	21,594	22,255	22,934		
Interest & Investment Revenue	1,576	1,008	891	1,047	1,091	1,138	1,188	1,241	1,299	1,360	1,426	1,496		
Other Revenues	500	1,430	1,608	1,639	1,673	1,711	1,749	1,788	1,829	1,870	1,912	1,955		
Grants & Contributions provided for Operating Purposes	11,146	17,481	12,120	10,914	11,141	11,391	11,647	11,909	12,187	12,451	12,731	13,018		
Grants & Contributions provided for Capital Purposes	9,950	12,304	24,384	14,151	12,082	4,137	4,058	4,132	4,209	4,082	3,666	4,447		
<b>Total Income from Continuing Operations</b>	<b>81,319</b>	<b>89,641</b>	<b>98,388</b>	<b>90,040</b>	<b>90,876</b>	<b>86,004</b>	<b>89,144</b>	<b>91,562</b>	<b>94,056</b>	<b>96,395</b>	<b>98,523</b>	<b>101,919</b>		
<b>Expenses from Continuing Operations</b>														
Employee Benefits & On-Costs	22,934	24,125	25,846	26,663	27,466	28,332	29,227	30,150	31,092	32,076	33,091	34,139		
Borrowing Costs	2,524	2,231	2,086	2,141	2,362	2,931	3,085	3,232	3,083	2,953	2,803	2,646		
Materials & Contracts	19,382	16,119	17,297	15,974	15,452	15,361	15,899	16,056	16,334	17,213	17,011	17,514		
Depreciation & Amortisation	26,406	26,767	24,019	24,461	24,968	26,157	26,730	27,315	27,914	28,526	29,152	29,792		
Impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-		
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-	-		
Other Expenses	4,540	6,729	6,499	6,624	6,762	6,914	7,070	7,229	7,391	7,558	7,728	7,901		
<b>Total Expenses from Continuing Operations</b>	<b>83,601</b>	<b>75,971</b>	<b>75,746</b>	<b>75,863</b>	<b>77,009</b>	<b>79,695</b>	<b>82,010</b>	<b>83,981</b>	<b>85,815</b>	<b>88,325</b>	<b>89,784</b>	<b>91,993</b>		
<b>Operating Result from Continuing Operations</b>	<b>(2,282)</b>	<b>13,670</b>	<b>22,642</b>	<b>14,177</b>	<b>13,866</b>	<b>6,309</b>	<b>7,134</b>	<b>7,581</b>	<b>8,242</b>	<b>8,070</b>	<b>8,739</b>	<b>9,927</b>		
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Net Operating Result for the Year</b>	<b>(2,282)</b>	<b>13,670</b>	<b>22,642</b>	<b>14,177</b>	<b>13,866</b>	<b>6,309</b>	<b>7,134</b>	<b>7,581</b>	<b>8,242</b>	<b>8,070</b>	<b>8,739</b>	<b>9,927</b>		
Net Operating Result before Grants and Contributions provided for Capital Purposes	(12,232)	1,366	(1,742)	26	1,785	2,172	3,076	3,448	4,033	3,988	5,073	5,480		

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
**INCOME STATEMENT - GENERAL FUND**  
Scenario: Proposed

	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					2029/30 \$'000
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	25,681	26,035	26,211	26,867	27,538	28,227	28,932	29,656	30,397	31,157	31,936	32,734
User Charges & Fees	8,166	6,195	6,523	7,171	7,398	7,642	7,891	8,147	8,408	8,675	8,949	9,229
Interest & Investment Revenue	1,417	833	721	867	900	936	974	1,014	1,058	1,104	1,154	1,207
Other Revenues	481	1,295	1,467	1,495	1,526	1,561	1,596	1,632	1,669	1,706	1,745	1,784
Grants & Contributions provided for Operating Purposes	10,675	16,456	11,392	10,172	10,383	10,617	10,855	11,100	11,359	11,605	11,866	12,132
Grants & Contributions provided for Capital Purposes	7,945	10,414	18,347	8,897	6,231	2,022	2,341	2,376	2,413	2,246	1,789	2,528
<b>Total Income from Continuing Operations</b>	<b>54,365</b>	<b>61,228</b>	<b>64,662</b>	<b>55,468</b>	<b>53,977</b>	<b>51,003</b>	<b>52,590</b>	<b>53,925</b>	<b>55,304</b>	<b>56,493</b>	<b>57,438</b>	<b>59,615</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	18,870	18,400	20,232	20,909	21,568	22,257	22,969	23,704	24,464	25,249	26,059	26,897
Borrowing Costs	349	205	229	376	563	742	882	995	1,077	1,184	1,255	1,311
Materials & Contracts	13,683	9,081	9,998	8,471	8,161	7,941	8,312	8,298	8,402	9,102	8,718	9,034
Depreciation & Amortisation	16,645	16,522	13,508	13,748	14,034	14,350	14,673	15,003	15,341	15,686	16,039	16,400
Impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	65	5,645	5,531	5,637	5,755	5,884	6,017	6,152	6,290	6,432	6,577	6,725
<b>Total Expenses from Continuing Operations</b>	<b>56,556</b>	<b>49,853</b>	<b>49,499</b>	<b>49,142</b>	<b>50,081</b>	<b>51,174</b>	<b>52,852</b>	<b>54,153</b>	<b>55,575</b>	<b>57,653</b>	<b>58,648</b>	<b>60,366</b>
<b>Operating Result from Continuing Operations</b>	<b>(2,191)</b>	<b>11,375</b>	<b>15,164</b>	<b>6,326</b>	<b>3,896</b>	<b>(171)</b>	<b>(262)</b>	<b>(228)</b>	<b>(271)</b>	<b>(1,159)</b>	<b>(1,210)</b>	<b>(752)</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>(2,191)</b>	<b>11,375</b>	<b>15,164</b>	<b>6,326</b>	<b>3,896</b>	<b>(171)</b>	<b>(262)</b>	<b>(228)</b>	<b>(271)</b>	<b>(1,159)</b>	<b>(1,210)</b>	<b>(752)</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(10,136)</b>	<b>961</b>	<b>(3,184)</b>	<b>(2,571)</b>	<b>(2,335)</b>	<b>(2,192)</b>	<b>(2,603)</b>	<b>(2,605)</b>	<b>(2,684)</b>	<b>(3,405)</b>	<b>(2,999)</b>	<b>(3,279)</b>

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
**INCOME STATEMENT - WATER FUND**  
Scenario: Proposed

	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	4,384	4,637	4,895	5,140	5,397	5,666	5,950	6,128	6,312	6,502	6,697	6,897
User Charges & Fees	7,801	7,891	8,192	8,601	9,031	9,483	9,957	10,256	10,563	10,880	11,207	11,543
Interest & Investment Revenue	118	150	145	153	162	171	181	191	202	214	227	241
Other Revenues	1	130	136	138	141	144	148	151	154	158	161	165
Grants & Contributions provided for Operating Purposes	353	308	313	319	326	333	340	348	356	364	372	381
Grants & Contributions provided for Capital Purposes	1,365	1,609	3,997	2,192	520	532	544	556	569	581	595	608
<b>Total Income from Continuing Operations</b>	<b>14,022</b>	<b>14,724</b>	<b>17,678</b>	<b>16,543</b>	<b>15,577</b>	<b>16,330</b>	<b>17,120</b>	<b>17,630</b>	<b>18,157</b>	<b>18,699</b>	<b>19,259</b>	<b>19,835</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	1,969	2,846	2,757	2,826	2,897	2,984	3,074	3,166	3,250	3,348	3,448	3,552
Borrowing Costs	1,168	1,077	977	958	1,068	1,010	917	823	723	618	518	403
Materials & Contracts	2,900	3,606	3,875	3,981	3,883	3,952	4,041	4,132	4,225	4,320	4,417	4,516
Depreciation & Amortisation	5,467	5,814	5,999	6,113	6,239	6,377	6,519	6,664	6,812	6,963	7,118	7,277
Impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,307	567	500	510	520	532	544	556	569	581	595	608
<b>Total Expenses from Continuing Operations</b>	<b>14,139</b>	<b>13,910</b>	<b>14,108</b>	<b>14,388</b>	<b>14,606</b>	<b>14,855</b>	<b>15,094</b>	<b>15,341</b>	<b>15,578</b>	<b>15,830</b>	<b>16,096</b>	<b>16,356</b>
<b>Operating Result from Continuing Operations</b>	<b>(117)</b>	<b>815</b>	<b>3,570</b>	<b>2,155</b>	<b>971</b>	<b>1,474</b>	<b>2,025</b>	<b>2,289</b>	<b>2,579</b>	<b>2,869</b>	<b>3,163</b>	<b>3,479</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>(117)</b>	<b>815</b>	<b>3,570</b>	<b>2,155</b>	<b>971</b>	<b>1,474</b>	<b>2,025</b>	<b>2,289</b>	<b>2,579</b>	<b>2,869</b>	<b>3,163</b>	<b>3,479</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(1,482)</b>	<b>(794)</b>	<b>(427)</b>	<b>(37)</b>	<b>450</b>	<b>942</b>	<b>1,481</b>	<b>1,733</b>	<b>2,010</b>	<b>2,288</b>	<b>2,568</b>	<b>2,871</b>

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
**INCOME STATEMENT - SEWER FUND**  
Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
<b>Income from Continuing Operations</b>												
<b>Revenue:</b>												
Rates & Annual Charges	10,815	11,283	12,134	12,983	13,892	14,864	15,905	16,382	16,874	17,380	17,901	18,438
User Charges & Fees	1,300	1,379	1,431	1,529	1,634	1,746	1,866	1,922	1,979	2,038	2,099	2,162
Interest & Investment Revenue	41	25	25	27	29	31	33	36	39	41	45	48
Other Revenues	18	5	5	5	5	5	5	6	6	6	6	6
Grants & Contributions provided for Operating Purposes	118	717	415	423	432	442	451	462	472	483	493	505
Grants & Contributions provided for Capital Purposes	640	281	2,039	3,062	5,331	1,583	1,173	1,200	1,227	1,254	1,282	1,311
<b>Total Income from Continuing Operations</b>	<b>12,932</b>	<b>13,689</b>	<b>16,048</b>	<b>18,029</b>	<b>21,322</b>	<b>18,671</b>	<b>19,435</b>	<b>20,007</b>	<b>20,596</b>	<b>21,202</b>	<b>21,827</b>	<b>22,470</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	2,095	2,878	2,857	2,928	3,001	3,091	3,184	3,280	3,378	3,479	3,584	3,691
Borrowing Costs	1,007	949	880	806	731	1,179	1,287	1,413	1,283	1,152	1,029	931
Materials & Contracts	2,799	3,433	3,423	3,522	3,408	3,468	3,546	3,626	3,708	3,791	3,876	3,964
Depreciation & Amortisation	4,294	4,431	4,512	4,599	4,695	5,430	5,538	5,648	5,761	5,876	5,995	6,115
Impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,168	518	468	477	487	498	509	521	532	544	557	569
<b>Total Expenses from Continuing Operations</b>	<b>12,906</b>	<b>12,209</b>	<b>12,140</b>	<b>12,333</b>	<b>12,323</b>	<b>13,666</b>	<b>14,064</b>	<b>14,487</b>	<b>14,662</b>	<b>14,843</b>	<b>15,040</b>	<b>15,270</b>
<b>Operating Result from Continuing Operations</b>	<b>26</b>	<b>1,480</b>	<b>3,909</b>	<b>5,696</b>	<b>8,999</b>	<b>5,005</b>	<b>5,371</b>	<b>5,520</b>	<b>5,934</b>	<b>6,359</b>	<b>6,786</b>	<b>7,200</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>26</b>	<b>1,480</b>	<b>3,909</b>	<b>5,696</b>	<b>8,999</b>	<b>5,005</b>	<b>5,371</b>	<b>5,520</b>	<b>5,934</b>	<b>6,359</b>	<b>6,786</b>	<b>7,200</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	(614)	1,200	1,869	2,634	3,669	3,422	4,198	4,320	4,707	5,105	5,504	5,888



# Appendix 3

## Financial Position

Kempsey Shire Council												
10 Year Financial Plan for the Years ending 30 June 2030												
BALANCE SHEET - CONSOLIDATED												
Scenario: Proposed												
	Actuals	Current Year	Projected Years					Projected Years				
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	10,272	10,422	8,848	7,033	7,716	8,317	13,257	13,701	17,675	23,377	29,129	34,146
Investments	42,987	15,962	20,904	18,885	18,763	17,459	17,459	17,459	17,459	19,851	23,736	28,199
Receivables	8,926	7,967	8,386	8,101	8,273	8,371	8,744	8,986	9,236	9,481	9,723	10,034
Inventories	484	378	432	366	359	356	371	374	380	406	398	411
Other	56	163	177	160	159	159	165	167	170	178	177	182
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>62,725</b>	<b>34,893</b>	<b>38,747</b>	<b>34,545</b>	<b>35,270</b>	<b>34,661</b>	<b>39,996</b>	<b>40,686</b>	<b>44,920</b>	<b>53,292</b>	<b>63,162</b>	<b>72,972</b>
<b>Non-Current Assets</b>												
Investments	-	26,262	20,904	18,885	18,763	17,459	17,459	17,459	17,459	19,851	23,736	28,199
Receivables	369	597	640	481	445	385	394	398	402	403	400	415
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	1,083,411	1,096,251	1,126,199	1,160,279	1,202,339	1,223,892	1,234,838	1,240,901	1,241,572	1,239,559	1,237,312	1,233,153
<b>Total Non-Current Assets</b>	<b>1,083,780</b>	<b>1,123,111</b>	<b>1,147,743</b>	<b>1,179,645</b>	<b>1,221,546</b>	<b>1,241,737</b>	<b>1,252,691</b>	<b>1,258,758</b>	<b>1,259,433</b>	<b>1,259,813</b>	<b>1,261,448</b>	<b>1,261,767</b>
<b>TOTAL ASSETS</b>	<b>1,146,505</b>	<b>1,158,005</b>	<b>1,186,491</b>	<b>1,214,189</b>	<b>1,256,816</b>	<b>1,276,398</b>	<b>1,292,687</b>	<b>1,299,444</b>	<b>1,304,353</b>	<b>1,313,106</b>	<b>1,324,610</b>	<b>1,334,739</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	4,979	6,572	7,285	6,960	7,244	7,547	7,912	8,141	8,328	8,851	9,089	9,403
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,994	3,347	3,880	4,340	5,853	6,142	6,967	7,478	7,752	7,446	6,048	6,869
Provisions	6,681	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>15,654</b>	<b>16,929</b>	<b>18,175</b>	<b>18,310</b>	<b>20,106</b>	<b>20,699</b>	<b>21,888</b>	<b>22,630</b>	<b>23,090</b>	<b>23,308</b>	<b>22,148</b>	<b>23,282</b>
<b>Non-Current Liabilities</b>												
Payables	676	906	983	889	884	885	914	925	942	987	981	1,009
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	37,901	34,555	39,075	52,556	79,525	92,205	100,141	98,565	94,755	95,175	99,106	98,146
Provisions	1,829	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>Total Non-Current Liabilities</b>	<b>40,406</b>	<b>36,961</b>	<b>41,558</b>	<b>54,945</b>	<b>81,909</b>	<b>94,589</b>	<b>102,554</b>	<b>100,990</b>	<b>97,197</b>	<b>97,662</b>	<b>101,587</b>	<b>100,655</b>
<b>TOTAL LIABILITIES</b>	<b>56,060</b>	<b>53,890</b>	<b>59,734</b>	<b>73,255</b>	<b>102,015</b>	<b>115,288</b>	<b>124,443</b>	<b>123,620</b>	<b>120,287</b>	<b>120,970</b>	<b>123,735</b>	<b>123,938</b>
<b>Net Assets</b>	<b>1,090,445</b>	<b>1,104,115</b>	<b>1,126,757</b>	<b>1,140,934</b>	<b>1,154,801</b>	<b>1,161,110</b>	<b>1,168,244</b>	<b>1,175,824</b>	<b>1,184,066</b>	<b>1,192,136</b>	<b>1,200,874</b>	<b>1,210,801</b>
<b>EQUITY</b>												
Retained Earnings	447,517	461,187	483,829	498,006	511,873	518,182	525,316	532,896	541,138	549,208	557,946	567,873
Revaluation Reserves	642,928	642,928	642,928	642,928	642,928	642,928	642,928	642,928	642,928	642,928	642,928	642,928
Council Equity Interest	1,090,445	1,104,115	1,126,757	1,140,934	1,154,801	1,161,110	1,168,244	1,175,824	1,184,066	1,192,136	1,200,874	1,210,801
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>1,090,445</b>	<b>1,104,115</b>	<b>1,126,757</b>	<b>1,140,934</b>	<b>1,154,801</b>	<b>1,161,110</b>	<b>1,168,244</b>	<b>1,175,824</b>	<b>1,184,066</b>	<b>1,192,136</b>	<b>1,200,874</b>	<b>1,210,801</b>

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
**BALANCE SHEET - GENERAL FUND**  
Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	9,778	6,942	5,371	5,533	5,810	5,636	4,919	4,462	4,241	4,355	6,105	5,878
Investments	22,991	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496
Receivables	5,335	3,789	4,007	3,487	3,412	3,247	3,343	3,425	3,511	3,586	3,654	3,786
Inventories	484	378	432	366	359	356	371	374	380	406	398	411
Other	56	163	177	160	159	159	165	167	170	178	177	182
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>38,644</b>	<b>22,768</b>	<b>21,483</b>	<b>21,042</b>	<b>21,236</b>	<b>20,893</b>	<b>20,293</b>	<b>19,923</b>	<b>19,798</b>	<b>20,021</b>	<b>21,830</b>	<b>21,752</b>
<b>Non-Current Assets</b>												
Investments	-	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496	11,496
Receivables	369	597	640	481	445	385	394	398	402	403	400	415
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	766,173	782,379	804,680	819,918	832,335	840,817	845,831	850,226	852,056	856,731	861,304	864,099
<b>Total Non-Current Assets</b>	<b>766,542</b>	<b>794,471</b>	<b>816,816</b>	<b>831,895</b>	<b>844,275</b>	<b>852,698</b>	<b>857,720</b>	<b>862,120</b>	<b>863,954</b>	<b>868,630</b>	<b>873,200</b>	<b>876,010</b>
<b>TOTAL ASSETS</b>	<b>805,186</b>	<b>817,240</b>	<b>838,299</b>	<b>852,937</b>	<b>865,511</b>	<b>873,591</b>	<b>878,013</b>	<b>882,043</b>	<b>883,751</b>	<b>888,651</b>	<b>895,029</b>	<b>897,763</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	4,791	6,373	7,098	6,770	7,050	7,350	7,710	7,935	8,118	8,636	8,869	9,178
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,157	807	1,086	1,419	1,872	1,607	1,881	2,162	2,371	2,618	2,761	3,052
Provisions	6,681	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010	7,010
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>12,629</b>	<b>14,190</b>	<b>15,194</b>	<b>15,199</b>	<b>15,932</b>	<b>15,968</b>	<b>16,601</b>	<b>17,108</b>	<b>17,499</b>	<b>18,264</b>	<b>18,640</b>	<b>19,240</b>
<b>Non-Current Liabilities</b>												
Payables	676	906	983	889	884	885	914	925	942	987	981	1,009
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,618	2,835	7,649	16,051	24,000	32,214	36,236	39,977	41,548	46,796	54,014	56,872
Provisions	1,829	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>Total Non-Current Liabilities</b>	<b>6,123</b>	<b>5,241</b>	<b>10,132</b>	<b>18,439</b>	<b>26,384</b>	<b>34,599</b>	<b>38,650</b>	<b>42,402</b>	<b>43,989</b>	<b>49,293</b>	<b>56,495</b>	<b>59,381</b>
<b>TOTAL LIABILITIES</b>	<b>18,752</b>	<b>19,431</b>	<b>25,326</b>	<b>33,638</b>	<b>42,316</b>	<b>50,567</b>	<b>55,251</b>	<b>59,509</b>	<b>61,488</b>	<b>67,547</b>	<b>75,136</b>	<b>78,620</b>
<b>Net Assets</b>	<b>786,434</b>	<b>797,809</b>	<b>812,973</b>	<b>819,299</b>	<b>823,195</b>	<b>823,024</b>	<b>822,762</b>	<b>822,534</b>	<b>822,263</b>	<b>821,104</b>	<b>819,894</b>	<b>819,142</b>
<b>EQUITY</b>												
Retained Earnings	342,117	353,492	368,656	374,982	378,878	378,707	378,445	378,217	377,946	376,787	375,577	374,825
Revaluation Reserves	444,317	444,317	444,317	444,317	444,317	444,317	444,317	444,317	444,317	444,317	444,317	444,317
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	786,434	797,809	812,973	819,299	823,195	823,024	822,762	822,534	822,263	821,104	819,894	819,142
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>786,434</b>	<b>797,809</b>	<b>812,973</b>	<b>819,299</b>	<b>823,195</b>	<b>823,024</b>	<b>822,762</b>	<b>822,534</b>	<b>822,263</b>	<b>821,104</b>	<b>819,894</b>	<b>819,142</b>

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
**BALANCE SHEET - WATER FUND**  
Scenario: Proposed

	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					2029/30 \$'000
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	262	1,000	1,000	1,000	1,406	2,181	4,752	7,605	10,696	14,022	18,024	23,268
Investments	9,696	4,467	4,258	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560
Receivables	2,321	3,020	3,148	3,297	3,454	3,618	3,791	3,903	4,018	4,136	4,258	4,383
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>12,279</b>	<b>8,487</b>	<b>8,406</b>	<b>7,857</b>	<b>8,419</b>	<b>9,359</b>	<b>12,103</b>	<b>15,068</b>	<b>18,274</b>	<b>21,718</b>	<b>25,841</b>	<b>31,211</b>
<b>Non-Current Assets</b>												
Investments	-	4,467	4,258	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	198,941	197,436	202,527	212,486	212,249	211,018	208,441	205,814	203,135	200,403	197,618	194,778
<b>Total Non-Current Assets</b>	<b>198,941</b>	<b>201,903</b>	<b>206,786</b>	<b>216,046</b>	<b>215,809</b>	<b>214,578</b>	<b>212,001</b>	<b>209,374</b>	<b>206,695</b>	<b>203,963</b>	<b>201,178</b>	<b>198,338</b>
<b>TOTAL ASSETS</b>	<b>211,220</b>	<b>210,390</b>	<b>215,192</b>	<b>223,902</b>	<b>224,228</b>	<b>223,937</b>	<b>224,104</b>	<b>224,442</b>	<b>224,969</b>	<b>225,681</b>	<b>227,019</b>	<b>229,549</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	107	117	115	116	118	120	123	126	129	132	135	138
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,632	1,265	1,446	1,647	1,768	1,861	1,954	2,055	2,160	1,827	952	1,408
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,739</b>	<b>1,383</b>	<b>1,560</b>	<b>1,763</b>	<b>1,886</b>	<b>1,981</b>	<b>2,077</b>	<b>2,181</b>	<b>2,288</b>	<b>1,959</b>	<b>1,087</b>	<b>1,546</b>
<b>Non-Current Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	17,993	16,704	17,759	24,111	23,344	21,483	19,529	17,474	15,314	13,487	12,535	11,127
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>17,993</b>	<b>16,704</b>	<b>17,759</b>	<b>24,111</b>	<b>23,344</b>	<b>21,483</b>	<b>19,529</b>	<b>17,474</b>	<b>15,314</b>	<b>13,487</b>	<b>12,535</b>	<b>11,127</b>
<b>TOTAL LIABILITIES</b>	<b>19,732</b>	<b>18,087</b>	<b>19,319</b>	<b>25,875</b>	<b>25,230</b>	<b>23,464</b>	<b>21,606</b>	<b>19,655</b>	<b>17,603</b>	<b>15,446</b>	<b>13,621</b>	<b>12,672</b>
<b>Net Assets</b>	<b>191,488</b>	<b>192,303</b>	<b>195,873</b>	<b>198,028</b>	<b>198,998</b>	<b>200,473</b>	<b>202,498</b>	<b>204,787</b>	<b>207,366</b>	<b>210,235</b>	<b>213,398</b>	<b>216,877</b>
<b>EQUITY</b>												
Retained Earnings	58,146	58,961	62,531	64,686	65,656	67,131	69,156	71,445	74,024	76,893	80,056	83,535
Revaluation Reserves	133,342	133,342	133,342	133,342	133,342	133,342	133,342	133,342	133,342	133,342	133,342	133,342
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	191,488	192,303	195,873	198,028	198,998	200,473	202,498	204,787	207,366	210,235	213,398	216,877
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>191,488</b>	<b>192,303</b>	<b>195,873</b>	<b>198,028</b>	<b>198,998</b>	<b>200,473</b>	<b>202,498</b>	<b>204,787</b>	<b>207,366</b>	<b>210,235</b>	<b>213,398</b>	<b>216,877</b>

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
BALANCE SHEET - SEWER FUND  
Scenario: Proposed

	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					2029/30 \$'000
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	232	2,480	2,477	500	500	500	3,586	1,633	2,738	5,000	5,000	5,000
Investments	10,300	-	5,150	3,829	3,707	2,404	2,404	2,404	2,404	4,796	8,680	13,143
Receivables	1,270	1,158	1,231	1,316	1,408	1,505	1,609	1,658	1,707	1,758	1,811	1,865
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>11,802</b>	<b>3,638</b>	<b>8,858</b>	<b>5,646</b>	<b>5,615</b>	<b>4,409</b>	<b>7,600</b>	<b>5,694</b>	<b>6,849</b>	<b>11,554</b>	<b>15,491</b>	<b>20,008</b>
<b>Non-Current Assets</b>												
Investments	-	10,300	5,150	3,829	3,707	2,404	2,404	2,404	2,404	4,796	8,680	13,143
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	118,297	116,437	118,992	127,875	157,755	172,058	180,566	184,861	186,381	182,425	178,390	174,276
<b>Total Non-Current Assets</b>	<b>118,297</b>	<b>126,737</b>	<b>124,142</b>	<b>131,704</b>	<b>161,462</b>	<b>174,462</b>	<b>182,970</b>	<b>187,265</b>	<b>188,785</b>	<b>187,220</b>	<b>187,070</b>	<b>187,419</b>
<b>TOTAL ASSETS</b>	<b>130,099</b>	<b>130,375</b>	<b>133,000</b>	<b>137,350</b>	<b>167,077</b>	<b>178,870</b>	<b>190,569</b>	<b>192,959</b>	<b>195,633</b>	<b>198,774</b>	<b>202,561</b>	<b>207,427</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	81	82	73	74	75	77	78	80	82	84	86	88
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,205	1,274	1,348	1,273	2,213	2,674	3,131	3,261	3,221	3,001	2,335	2,409
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,286</b>	<b>1,356</b>	<b>1,421</b>	<b>1,348</b>	<b>2,289</b>	<b>2,750</b>	<b>3,210</b>	<b>3,342</b>	<b>3,303</b>	<b>3,085</b>	<b>2,421</b>	<b>2,497</b>
<b>Non-Current Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Income received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	16,290	15,015	13,668	12,394	32,181	38,507	44,376	41,114	37,894	34,893	32,557	30,148
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>16,290</b>	<b>15,015</b>	<b>13,668</b>	<b>12,394</b>	<b>32,181</b>	<b>38,507</b>	<b>44,376</b>	<b>41,114</b>	<b>37,894</b>	<b>34,893</b>	<b>32,557</b>	<b>30,148</b>
<b>TOTAL LIABILITIES</b>	<b>17,576</b>	<b>16,372</b>	<b>15,088</b>	<b>13,742</b>	<b>34,470</b>	<b>41,258</b>	<b>47,586</b>	<b>44,456</b>	<b>41,196</b>	<b>37,978</b>	<b>34,978</b>	<b>32,645</b>
<b>Net Assets</b>	<b>112,523</b>	<b>114,003</b>	<b>117,912</b>	<b>123,608</b>	<b>132,608</b>	<b>137,613</b>	<b>142,984</b>	<b>148,503</b>	<b>154,437</b>	<b>160,796</b>	<b>167,583</b>	<b>174,782</b>
<b>EQUITY</b>												
Retained Earnings	47,254	48,734	52,643	58,339	67,339	72,344	77,715	83,234	89,168	95,527	102,314	109,513
Revaluation Reserves	65,269	65,269	65,269	65,269	65,269	65,269	65,269	65,269	65,269	65,269	65,269	65,269
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	112,523	114,003	117,912	123,608	132,608	137,613	142,984	148,503	154,437	160,796	167,583	174,782
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>112,523</b>	<b>114,003</b>	<b>117,912</b>	<b>123,608</b>	<b>132,608</b>	<b>137,613</b>	<b>142,984</b>	<b>148,503</b>	<b>154,437</b>	<b>160,796</b>	<b>167,583</b>	<b>174,782</b>

# Appendix 4

## Cash Flow Statement

Kempsey Shire Council 10 Year Financial Plan for the Years ending 30 June 2030 CASH FLOW STATEMENT - CONSOLIDATED Scenario: Proposed												
	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
<b>Cash Flows from Operating Activities</b>												
Receipts:												
Rates & Annual Charges	40,109	41,712	43,139	44,864	46,694	48,618	50,640	52,071	53,485	54,938	56,430	57,964
User Charges & Fees	16,405	15,990	16,019	17,104	17,896	18,695	19,530	20,204	20,827	21,467	22,124	22,799
Interest & Investment Revenue Received	1,493	1,081	891	1,050	1,087	1,139	1,189	1,243	1,299	1,360	1,419	1,497
Grants & Contributions	16,793	29,891	36,330	25,710	23,371	15,769	15,672	16,025	16,378	16,528	16,409	17,404
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	4,011	1,697	1,547	1,757	1,691	1,746	1,731	1,773	1,813	1,857	1,902	1,930
Payments:												
Employee Benefits & On-Costs	(22,759)	(24,125)	(25,846)	(26,663)	(27,466)	(28,332)	(29,227)	(30,150)	(31,092)	(32,076)	(33,091)	(34,139)
Materials & Contracts	(22,918)	(14,271)	(16,763)	(16,636)	(15,478)	(15,349)	(15,685)	(15,970)	(16,207)	(16,883)	(17,043)	(17,308)
Borrowing Costs	(2,457)	(2,301)	(1,896)	(1,816)	(2,049)	(2,635)	(2,925)	(3,082)	(3,017)	(2,749)	(2,529)	(2,529)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	(2,926)	(6,686)	(6,499)	(6,624)	(6,762)	(6,914)	(7,070)	(7,229)	(7,391)	(7,558)	(7,728)	(7,901)
<b>Net Cash provided (or used in) Operating Activities</b>	<b>27,751</b>	<b>42,988</b>	<b>46,923</b>	<b>38,746</b>	<b>38,985</b>	<b>32,735</b>	<b>33,855</b>	<b>34,886</b>	<b>36,095</b>	<b>36,884</b>	<b>37,893</b>	<b>39,715</b>
<b>Cash Flows from Investing Activities</b>												
Receipts:												
Sale of Investment Securities	-	762	417	4,038	244	2,607	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	1,214	-	1,085	526	666	468	619	652	504	627	690	456
Payments:												
Purchase of Investment Securities	(11,487)	-	-	-	-	-	-	-	-	(4,784)	(7,769)	(8,926)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(21,540)	(39,607)	(55,052)	(59,067)	(67,694)	(48,179)	(38,294)	(34,031)	(29,088)	(27,140)	(27,595)	(26,089)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	(92)	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	<b>(31,905)</b>	<b>(38,845)</b>	<b>(53,550)</b>	<b>(54,502)</b>	<b>(66,784)</b>	<b>(45,103)</b>	<b>(37,675)</b>	<b>(33,378)</b>	<b>(28,584)</b>	<b>(31,297)</b>	<b>(34,674)</b>	<b>(34,559)</b>
<b>Cash Flows from Financing Activities</b>												
Receipts:												
Proceeds from Borrowings & Advances	-	-	8,500	18,000	33,000	19,000	15,000	6,000	4,000	8,000	10,000	6,000
Payments:												
Repayment of Borrowings & Advances	(4,221)	(3,993)	(3,447)	(4,059)	(4,519)	(6,031)	(6,239)	(7,064)	(7,537)	(7,885)	(7,467)	(6,139)
<b>Net Cash Flow provided (used in) Financing Activities</b>	<b>(4,221)</b>	<b>(3,993)</b>	<b>5,053</b>	<b>13,941</b>	<b>28,481</b>	<b>12,969</b>	<b>8,761</b>	<b>(1,064)</b>	<b>(3,537)</b>	<b>115</b>	<b>2,533</b>	<b>(139)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>(8,375)</b>	<b>150</b>	<b>(1,574)</b>	<b>(1,815)</b>	<b>683</b>	<b>601</b>	<b>4,941</b>	<b>444</b>	<b>3,974</b>	<b>5,702</b>	<b>5,752</b>	<b>5,017</b>
plus: Cash, Cash Equivalents & Investments - beginning of year	18,647	10,272	10,422	8,848	7,033	7,716	8,317	13,257	13,701	17,675	23,377	29,129
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>10,272</b>	<b>10,422</b>	<b>8,848</b>	<b>7,033</b>	<b>7,716</b>	<b>8,317</b>	<b>13,257</b>	<b>13,701</b>	<b>17,675</b>	<b>23,377</b>	<b>29,129</b>	<b>34,146</b>
Cash & Cash Equivalents - end of the year	10,272	10,422	8,848	7,033	7,716	8,317	13,257	13,701	17,675	23,377	29,129	34,146
Investments - end of the year	42,987	42,225	41,808	37,770	37,526	34,918	34,918	34,918	34,918	39,702	47,471	56,398
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>53,259</b>	<b>52,647</b>	<b>50,655</b>	<b>44,802</b>	<b>45,241</b>	<b>43,235</b>	<b>48,176</b>	<b>48,619</b>	<b>52,594</b>	<b>63,079</b>	<b>76,600</b>	<b>90,543</b>
<b>Representing:</b>												
- External Restrictions	35,117	35,582	32,311	23,982	23,632	21,647	26,736	27,198	32,111	42,344	55,605	71,277
- Internal Restrictions	17,600	16,414	17,747	20,044	20,977	20,665	20,720	20,808	19,983	19,983	20,362	18,650
- Unrestricted	542	651	597	777	632	923	720	614	688	752	633	617
	<b>53,259</b>	<b>52,647</b>	<b>50,655</b>	<b>44,802</b>	<b>45,241</b>	<b>43,235</b>	<b>48,176</b>	<b>48,619</b>	<b>52,594</b>	<b>63,079</b>	<b>76,600</b>	<b>90,543</b>

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
CASH FLOW STATEMENT - GENERAL FUND  
Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	25,790	26,202	26,830	27,501	28,189	28,893	29,616	30,356	31,115	31,893	32,690
User Charges & Fees	-	7,194	6,494	7,113	7,378	7,620	7,869	8,124	8,385	8,652	8,925	9,204
Interest & Investment Revenue Received	-	906	721	870	897	937	975	1,016	1,059	1,104	1,147	1,208
Grants & Contributions	-	26,976	29,566	19,714	16,762	12,879	13,163	13,459	13,755	13,846	13,666	14,599
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	1,679	1,419	1,619	1,551	1,603	1,585	1,624	1,660	1,700	1,742	1,767
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(18,400)	(20,232)	(20,909)	(21,568)	(22,257)	(22,969)	(23,704)	(24,464)	(25,249)	(26,059)	(26,897)
Materials & Contracts	-	(7,244)	(9,453)	(9,135)	(8,190)	(7,932)	(8,103)	(8,216)	(8,279)	(8,777)	(8,755)	(8,834)
Borrowing Costs	-	(275)	(40)	(52)	(251)	(446)	(722)	(846)	(1,011)	(979)	(982)	(1,194)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(5,602)	(5,531)	(5,637)	(5,755)	(5,884)	(6,017)	(6,152)	(6,290)	(6,432)	(6,577)	(6,725)
<b>Net Cash provided (or used in) Operating Activities</b>	-	31,024	29,146	20,414	18,326	14,708	14,675	14,920	15,170	14,980	15,000	15,819
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	1,085	526	666	468	619	652	504	627	690	456
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(32,727)	(36,894)	(29,513)	(27,117)	(23,300)	(20,306)	(20,051)	(17,674)	(20,988)	(21,301)	(19,652)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(32,727)	(35,810)	(28,986)	(26,451)	(22,832)	(19,687)	(19,399)	(17,170)	(20,361)	(20,611)	(19,195)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	-	6,000	10,000	10,000	10,000	6,000	6,000	4,000	8,000	10,000	6,000
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(1,132)	(907)	(1,265)	(1,598)	(2,050)	(1,704)	(1,978)	(2,220)	(2,505)	(2,638)	(2,852)
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	(1,132)	5,093	8,735	8,402	7,950	4,296	4,022	1,780	5,495	7,362	3,148
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	(2,836)	(1,571)	162	277	(174)	(717)	(457)	(221)	113	1,750	(228)
plus: Cash, Cash Equivalents & Investments - beginning of year	-	9,778	6,942	5,371	5,533	5,810	5,636	4,919	4,462	4,241	4,355	6,105
<b>Cash &amp; Cash Equivalents - end of the year</b>	-	6,942	5,371	5,533	5,810	5,636	4,919	4,462	4,241	4,355	6,105	5,878
Cash & Cash Equivalents - end of the year	9,778	6,942	5,371	5,533	5,810	5,636	4,919	4,462	4,241	4,355	6,105	5,878
Investments - end of the year	22,991	22,991	22,991	22,991	22,991	22,991	22,991	22,991	22,991	22,991	22,991	22,991
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	32,769	29,933	28,362	28,524	28,801	28,627	27,910	27,453	27,232	27,346	29,096	28,869
<b>Representing:</b>												
- External Restrictions	14,627	12,868	10,017	7,703	7,192	7,039	6,470	6,032	6,749	6,611	8,101	9,603
- Internal Restrictions	17,600	16,414	17,747	20,044	20,977	20,665	20,720	20,808	19,795	19,983	20,362	18,650
- Unrestricted	542	651	597	777	632	923	720	614	688	752	633	617
	32,769	29,933	28,362	28,524	28,801	28,627	27,910	27,453	27,232	27,346	29,096	28,869



Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
CASH FLOW STATEMENT - WATER FUND  
Scenario: Proposed

	Actuals	Current Year	Projected Years									
	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000
<b>Cash Flows from Operating Activities</b>												
Receipts:												
Rates & Annual Charges	-	4,598	4,864	5,111	5,366	5,634	5,916	6,107	6,290	6,479	6,673	6,874
User Charges & Fees	-	7,482	8,107	8,487	8,911	9,356	9,824	10,172	10,477	10,792	11,115	11,449
Interest & Investment Revenue Received	-	150	145	153	162	171	181	191	202	214	227	241
Grants & Contributions	-	1,917	4,310	2,511	846	865	884	904	925	945	967	988
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(122)	123	133	136	138	141	144	148	151	154	158
Payments:												
Employee Benefits & On-Costs	-	(2,846)	(2,757)	(2,826)	(2,897)	(2,984)	(3,074)	(3,166)	(3,250)	(3,348)	(3,448)	(3,552)
Materials & Contracts	-	(3,595)	(3,878)	(3,980)	(3,881)	(3,950)	(4,038)	(4,129)	(4,222)	(4,317)	(4,414)	(4,513)
Borrowing Costs	-	(1,077)	(977)	(958)	(1,068)	(1,010)	(917)	(823)	(723)	(618)	(518)	(403)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(567)	(500)	(510)	(520)	(532)	(544)	(556)	(569)	(581)	(595)	(608)
<b>Net Cash provided (or used in) Operating Activities</b>	-	5,940	9,439	8,121	7,054	7,689	8,374	8,845	9,279	9,718	10,162	10,633
<b>Cash Flows from Investing Activities</b>												
Receipts:												
Sale of Investment Securities	-	762	417	1,397	-	-	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(4,309)	(11,090)	(16,072)	(6,002)	(5,146)	(3,942)	(4,037)	(4,133)	(4,232)	(4,333)	(4,437)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(3,546)	(10,673)	(14,675)	(6,002)	(5,146)	(3,942)	(4,037)	(4,133)	(4,232)	(4,333)	(4,437)
<b>Cash Flows from Financing Activities</b>												
Receipts:												
Proceeds from Borrowings & Advances	-	-	2,500	8,000	1,000	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(1,655)	(1,265)	(1,446)	(1,647)	(1,768)	(1,861)	(1,954)	(2,055)	(2,160)	(1,827)	(952)
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	(1,655)	1,235	6,554	(647)	(1,768)	(1,861)	(1,954)	(2,055)	(2,160)	(1,827)	(952)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	738	-	-	406	775	2,571	2,854	3,091	3,326	4,002	5,244
plus: Cash, Cash Equivalents & Investments - beginning of year	-	262	1,000	1,000	1,000	1,406	2,181	4,752	7,605	10,696	14,022	18,024
<b>Cash &amp; Cash Equivalents - end of the year</b>	-	1,000	1,000	1,000	1,406	2,181	4,752	7,605	10,696	14,022	18,024	23,268
Cash & Cash Equivalents - end of the year	262	1,000	1,000	1,000	1,406	2,181	4,752	7,605	10,696	14,022	18,024	23,268
Investments - end of the year	9,696	8,934	8,517	7,120	7,120	7,120	7,120	7,120	7,120	7,120	7,120	7,120
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>9,958</b>	<b>9,934</b>	<b>9,517</b>	<b>8,120</b>	<b>8,526</b>	<b>9,301</b>	<b>11,872</b>	<b>14,725</b>	<b>17,816</b>	<b>21,142</b>	<b>25,143</b>	<b>30,388</b>
<b>Representing:</b>												
- External Restrictions	4,298	4,981	4,581	4,181	3,781	3,781	3,781	3,781	3,781	3,781	3,781	3,781
- Internal Restrictions	5,660	4,438	4,451	3,134	4,072	5,060	7,098	10,136	13,424	16,712	20,500	25,788
- Unrestricted	(0)	515	484	805	672	460	992	808	611	649	862	819
	<b>9,958</b>	<b>9,934</b>	<b>9,517</b>	<b>8,120</b>	<b>8,526</b>	<b>9,301</b>	<b>11,872</b>	<b>14,725</b>	<b>17,816</b>	<b>21,142</b>	<b>25,143</b>	<b>30,388</b>

Kempsey Shire Council  
10 Year Financial Plan for the Years ending 30 June 2030  
CASH FLOW STATEMENT - SEWER FUND  
Scenario: Proposed

	Actuals 2018/19 \$'000	Current Year 2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	Projected Years					2029/30 \$'000
							2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	11,324	12,073	12,923	13,827	14,795	15,831	16,348	16,839	17,344	17,864	18,400
User Charges & Fees	-	1,314	1,418	1,504	1,607	1,718	1,836	1,908	1,965	2,023	2,084	2,146
Interest & Investment Revenue Received	-	25	25	27	29	31	33	36	39	41	45	48
Grants & Contributions	-	998	2,454	3,485	5,762	2,025	1,625	1,661	1,699	1,737	1,776	1,816
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	140	5	5	5	5	5	5	5	6	6	6
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(2,878)	(2,857)	(2,928)	(3,001)	(3,091)	(3,184)	(3,280)	(3,378)	(3,479)	(3,584)	(3,691)
Materials & Contracts	-	(3,431)	(3,433)	(3,521)	(3,407)	(3,467)	(3,545)	(3,624)	(3,706)	(3,789)	(3,874)	(3,962)
Borrowing Costs	-	(949)	(880)	(806)	(731)	(1,179)	(1,287)	(1,413)	(1,283)	(1,152)	(1,029)	(931)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(518)	(468)	(477)	(487)	(498)	(509)	(521)	(532)	(544)	(557)	(569)
<b>Net Cash provided (or used in) Operating Activities</b>	-	6,025	8,338	10,212	13,605	10,339	10,806	11,121	11,647	12,187	12,730	13,263
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	-	-	2,641	244	2,607	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	(4,784)	(7,769)	(8,926)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(2,571)	(7,067)	(13,482)	(34,575)	(19,733)	(14,046)	(9,943)	(7,281)	(1,920)	(1,960)	(2,001)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(2,571)	(7,067)	(10,841)	(34,331)	(17,125)	(14,046)	(9,943)	(7,281)	(6,704)	(9,729)	(10,927)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	-	-	-	22,000	9,000	9,000	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(1,205)	(1,274)	(1,348)	(1,273)	(2,213)	(2,674)	(3,131)	(3,261)	(3,221)	(3,001)	(2,335)
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	(1,205)	(1,274)	(1,348)	20,727	6,787	6,326	(3,131)	(3,261)	(3,221)	(3,001)	(2,335)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	2,248	(3)	(1,977)	-	-	3,086	(1,953)	1,105	2,262	-	(0)
<b>plus: Cash, Cash Equivalents &amp; Investments - beginning of year</b>	-	232	2,480	2,477	500	500	500	3,586	1,633	2,738	5,000	5,000
<b>Cash &amp; Cash Equivalents - end of the year</b>	-	2,480	2,477	500	500	500	3,586	1,633	2,738	5,000	5,000	5,000
<b>Cash &amp; Cash Equivalents - end of the year</b>	232	2,480	2,477	500	500	500	3,586	1,633	2,738	5,000	5,000	5,000
<b>Investments - end of the year</b>	10,300	10,300	10,300	7,659	7,415	4,807	4,807	4,807	4,807	9,591	17,361	26,287
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	10,532	12,780	12,777	8,159	7,915	5,307	8,394	6,441	7,545	14,591	22,361	31,287
<b>Representing:</b>												
- External Restrictions	2,297	2,897	2,897	2,897	2,897	2,897	2,897	2,897	2,897	2,897	2,897	2,897
- Internal Restrictions	6,743	9,512	9,452	4,487	4,311	2,024	4,848	2,917	4,140	10,860	19,080	27,799
- Unrestricted	1,492	371	428	775	707	386	649	627	508	834	384	591
	10,532	12,780	12,777	8,159	7,915	5,307	8,394	6,441	7,545	14,591	22,361	31,287

# Appendix 5

## Scenario Financial Statements – General Fund

Kempsey Shire Council												
10 Year Financial Plan for the Years ending 30 June 2030												
INCOME STATEMENT - GENERAL FUND												
Scenario: 1 SRV 12.5% rate increase - 2 years starting 2023-24												
	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
<b>Revenue:</b>												
Rates & Annual Charges	25,681,000	26,035,066	26,211,378	26,866,663	27,538,328	30,410,541	33,627,525	34,468,213	35,329,918	36,213,166	37,118,496	38,046,458
User Charges & Fees	8,166,000	6,194,649	6,522,764	7,170,697	7,398,017	7,641,756	7,891,213	8,146,528	8,407,833	8,675,270	8,948,984	9,229,125
Interest & Investment Revenue	1,417,000	832,925	721,413	866,704	900,123	935,751	973,774	1,014,392	1,057,824	1,104,308	1,154,103	1,207,492
Other Revenues	481,000	1,295,185	1,467,068	1,495,382	1,526,485	1,560,832	1,595,950	1,631,859	1,668,575	1,706,120	1,744,507	1,783,760
Grants & Contributions provided for Operating Purposes	10,675,000	16,455,673	11,392,125	10,171,537	10,383,037	10,616,581	10,855,382	11,099,557	11,359,224	11,604,511	11,865,541	12,132,445
Grants & Contributions provided for Capital Purposes	7,945,000	10,414,332	18,347,443	8,896,690	6,230,765	2,021,760	2,341,042	2,376,474	2,413,292	2,246,171	1,788,731	2,527,692
<b>Other Income:</b>												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>54,365,000</b>	<b>61,227,830</b>	<b>64,662,191</b>	<b>55,467,673</b>	<b>53,976,755</b>	<b>53,187,221</b>	<b>57,284,886</b>	<b>58,737,023</b>	<b>60,236,666</b>	<b>61,549,546</b>	<b>62,620,362</b>	<b>64,926,972</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	18,870,000	18,400,204	20,232,407	20,908,549	21,567,502	22,256,903	22,968,962	23,704,436	24,464,108	25,248,803	26,059,347	26,896,615
Borrowing Costs	349,000	205,151	229,396	376,471	563,047	718,003	772,615	763,342	735,345	706,627	705,110	689,890
Materials & Contracts	13,683,000	9,081,266	9,998,404	8,470,787	8,160,950	7,940,950	8,311,780	8,298,041	8,402,163	9,102,382	8,718,081	9,034,089
Depreciation & Amortisation	16,645,000	16,521,528	13,507,739	13,748,439	14,034,405	14,350,181	14,673,059	15,003,201	15,340,773	15,685,939	16,038,874	16,399,752
Impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	65,000	5,644,738	5,530,639	5,637,380	5,754,638	5,884,116	6,016,508	6,151,880	6,290,300	6,431,836	6,576,553	6,724,525
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	6,944,000	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>56,556,000</b>	<b>49,852,887</b>	<b>49,498,585</b>	<b>49,141,626</b>	<b>50,080,542</b>	<b>51,150,153</b>	<b>52,742,924</b>	<b>53,920,900</b>	<b>55,232,689</b>	<b>57,175,587</b>	<b>58,097,965</b>	<b>59,744,871</b>
<b>Operating Result from Continuing Operations</b>	<b>(2,191,000)</b>	<b>11,374,943</b>	<b>15,163,606</b>	<b>6,326,047</b>	<b>3,896,213</b>	<b>2,037,068</b>	<b>4,541,962</b>	<b>4,816,123</b>	<b>5,003,977</b>	<b>4,373,959</b>	<b>4,522,397</b>	<b>5,182,101</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>(2,191,000)</b>	<b>11,374,943</b>	<b>15,163,606</b>	<b>6,326,047</b>	<b>3,896,213</b>	<b>2,037,068</b>	<b>4,541,962</b>	<b>4,816,123</b>	<b>5,003,977</b>	<b>4,373,959</b>	<b>4,522,397</b>	<b>5,182,101</b>
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>(10,136,000)</b>	<b>960,611</b>	<b>(3,183,837)</b>	<b>(2,570,643)</b>	<b>(2,334,552)</b>	<b>15,308</b>	<b>2,200,920</b>	<b>2,439,649</b>	<b>2,590,685</b>	<b>2,127,788</b>	<b>2,733,666</b>	<b>2,654,409</b>

**Kempsey Shire Council**  
**10 Year Financial Plan for the Years ending 30 June 2030**  
**INCOME STATEMENT - GENERAL FUND**

Scenario: 2 - Rate increases of 7.5% for 4 years starting 2023-24

	Actuals 2018/19	Current Year 2019/20	2020/21	2021/22	2022/23	2023/24	Projected Years					2029/30
	\$	\$	\$	\$	\$	\$	2024/25	2025/26	2026/27	2027/28	2028/29	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	25,681,000	26,035,066	26,211,378	26,866,663	27,538,328	29,274,138	31,131,894	33,120,537	35,249,672	36,130,914	37,034,187	37,960,043
User Charges & Fees	8,166,000	6,194,649	6,522,764	7,170,697	7,398,017	7,641,756	7,891,213	8,146,528	8,407,833	8,675,270	8,948,984	9,229,125
Interest & Investment Revenue	1,417,000	832,925	721,413	866,704	900,123	935,751	973,774	1,014,392	1,057,824	1,104,308	1,154,103	1,207,492
Other Revenues	481,000	1,295,185	1,467,068	1,495,382	1,526,485	1,560,832	1,595,950	1,631,859	1,668,575	1,706,120	1,744,507	1,783,760
Grants & Contributions provided for Operating Purposes	10,675,000	16,455,673	11,392,125	10,171,537	10,383,037	10,616,581	10,855,382	11,099,557	11,359,224	11,604,511	11,865,541	12,132,445
Grants & Contributions provided for Capital Purposes	7,945,000	10,414,332	18,347,443	8,896,690	6,230,765	2,021,760	2,341,042	2,376,474	2,413,292	2,246,171	1,788,731	2,527,692
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>54,365,000</b>	<b>61,227,830</b>	<b>64,662,191</b>	<b>55,467,673</b>	<b>53,976,755</b>	<b>52,050,818</b>	<b>54,789,255</b>	<b>57,389,347</b>	<b>60,156,420</b>	<b>61,467,294</b>	<b>62,536,053</b>	<b>64,840,557</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	18,870,000	18,400,204	20,232,407	20,908,549	21,567,502	22,256,903	22,968,962	23,704,436	24,464,108	25,248,803	26,059,347	26,896,615
Borrowing Costs	349,000	205,151	229,396	376,471	563,047	729,944	832,050	882,345	875,332	840,569	832,848	811,260
Materials & Contracts	13,683,000	9,081,266	9,998,404	8,470,787	8,160,950	7,940,950	8,311,780	8,298,041	8,402,163	9,102,382	8,718,081	9,034,089
Depreciation & Amortisation	16,645,000	16,521,528	13,507,739	13,748,439	14,034,405	14,350,181	14,673,059	15,003,201	15,340,773	15,685,939	16,038,874	16,399,752
Impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	65,000	5,644,738	5,530,639	5,637,380	5,754,638	5,884,116	6,016,508	6,151,880	6,290,300	6,431,836	6,576,553	6,724,525
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	6,944,000	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>56,556,000</b>	<b>49,852,887</b>	<b>49,498,585</b>	<b>49,141,626</b>	<b>50,080,542</b>	<b>51,162,094</b>	<b>52,802,359</b>	<b>54,039,903</b>	<b>55,372,676</b>	<b>57,309,529</b>	<b>58,225,703</b>	<b>59,866,241</b>
<b>Operating Result from Continuing Operations</b>	<b>(2,191,000)</b>	<b>11,374,943</b>	<b>15,163,606</b>	<b>6,326,047</b>	<b>3,896,213</b>	<b>888,724</b>	<b>1,986,896</b>	<b>3,349,444</b>	<b>4,783,744</b>	<b>4,157,765</b>	<b>4,310,350</b>	<b>4,974,316</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>(2,191,000)</b>	<b>11,374,943</b>	<b>15,163,606</b>	<b>6,326,047</b>	<b>3,896,213</b>	<b>888,724</b>	<b>1,986,896</b>	<b>3,349,444</b>	<b>4,783,744</b>	<b>4,157,765</b>	<b>4,310,350</b>	<b>4,974,316</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	(10,136,000)	960,611	(3,183,837)	(2,570,643)	(2,334,552)	(1,133,036)	(354,146)	972,970	2,370,452	1,911,594	2,521,619	2,446,624

Kempsey Shire Council												
10 Year Financial Plan for the Years ending 30 June 2030												
INCOME STATEMENT - GENERAL FUND												
Scenario: 3 - ongoing \$300k operational savings from 2023-24 + 8.5% rate increase for 3 years from 2023-24												
	Actuals	Current Year	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	25,681,000	26,035,066	26,211,378	26,866,663	27,538,328	29,537,039	31,697,089	34,031,977	34,882,777	35,754,846	36,648,718	37,564,937
User Charges & Fees	8,166,000	6,194,649	6,522,764	7,170,697	7,398,017	7,641,756	7,891,213	8,146,528	8,407,833	8,675,270	8,948,984	9,229,125
Interest & Investment Revenue	1,417,000	832,925	721,413	866,704	900,123	935,751	973,774	1,014,392	1,057,824	1,104,308	1,154,103	1,207,492
Other Revenues	481,000	1,295,185	1,467,068	1,495,382	1,526,485	1,560,832	1,595,950	1,631,859	1,668,575	1,706,120	1,744,507	1,783,760
Grants & Contributions provided for Operating Purposes	10,675,000	16,455,673	11,392,125	10,171,537	10,383,037	10,616,581	10,855,382	11,099,557	11,359,224	11,604,511	11,865,541	12,132,445
Grants & Contributions provided for Capital Purposes	7,945,000	10,414,332	18,347,443	8,896,690	6,230,765	2,021,760	2,341,042	2,376,474	2,413,292	2,246,171	1,788,731	2,527,692
Other Income:												
Net gains from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Fair value increment on investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment losses on receivables	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>54,365,000</b>	<b>61,227,830</b>	<b>64,662,191</b>	<b>55,467,673</b>	<b>53,976,755</b>	<b>52,313,719</b>	<b>55,354,450</b>	<b>58,300,787</b>	<b>59,789,525</b>	<b>61,091,226</b>	<b>62,150,584</b>	<b>64,445,451</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	18,870,000	18,400,204	20,232,407	20,908,549	21,567,502	22,256,903	22,968,962	23,704,436	24,464,108	25,248,803	26,059,347	26,896,615
Borrowing Costs	349,000	205,151	229,396	376,471	563,047	718,003	808,879	846,953	828,509	809,489	830,462	822,865
Materials & Contracts	13,683,000	9,081,266	9,998,404	8,470,787	8,160,950	7,940,950	8,311,780	8,298,041	8,402,163	9,102,382	8,718,081	9,034,089
Depreciation & Amortisation	16,645,000	16,521,528	13,507,739	13,748,439	14,034,405	14,050,181	14,366,309	14,689,549	15,020,063	15,358,013	15,703,570	16,056,904
Impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-
Impairment of receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	65,000	5,644,738	5,530,639	5,637,380	5,754,638	5,884,116	6,016,508	6,151,880	6,290,300	6,431,836	6,576,553	6,724,525
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	6,944,000	-	-	-	-	-	-	-	-	-	-	-
Revaluation decrement/impairment of IPPE	-	-	-	-	-	-	-	-	-	-	-	-
Fair value decrement on investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>56,556,000</b>	<b>49,852,887</b>	<b>49,498,585</b>	<b>49,141,626</b>	<b>50,080,542</b>	<b>50,850,153</b>	<b>52,472,438</b>	<b>53,690,859</b>	<b>55,005,143</b>	<b>56,950,523</b>	<b>57,888,013</b>	<b>59,534,998</b>
<b>Operating Result from Continuing Operations</b>	<b>(2,191,000)</b>	<b>11,374,943</b>	<b>15,163,606</b>	<b>6,326,047</b>	<b>3,896,213</b>	<b>1,463,566</b>	<b>2,882,012</b>	<b>4,609,928</b>	<b>4,784,382</b>	<b>4,140,703</b>	<b>4,262,571</b>	<b>4,910,453</b>
Discontinued Operations - Profit/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>(2,191,000)</b>	<b>11,374,943</b>	<b>15,163,606</b>	<b>6,326,047</b>	<b>3,896,213</b>	<b>1,463,566</b>	<b>2,882,012</b>	<b>4,609,928</b>	<b>4,784,382</b>	<b>4,140,703</b>	<b>4,262,571</b>	<b>4,910,453</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	(10,136,000)	960,611	(3,183,837)	(2,570,643)	(2,334,552)	(558,194)	540,970	2,233,454	2,371,090	1,894,532	2,473,840	2,382,761

## 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.
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.
Cash Expenses Cover	This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash flow.



## Appendix 7

### Capital Projects Greater Than \$50,000<sup>1</sup>

Fund	Work Order No.	Work Order Description	2020/21 Total Budget
GENERAL FUND	W1051	Fleet Capital Program	2,639,878
GENERAL FUND	W1638	Flood Mitigation Structure - Environmental Levy	100,000
GENERAL FUND	W1650	South West Rocks High Performance Centre - Safer Country Communities Fund	2,750,359
GENERAL FUND	W1651	Frederickton Toilets - Safer Countries Communities Fund	199,648
GENERAL FUND	W1663	Crescent Head Cabin Replacement Program	1,850,000
GENERAL FUND	W1761	Airport Apron Hardstand with Fuel Water Interceptor	730,000
GENERAL FUND	W2193	SRR Reg MR 75 Armidale Rd (Sherwood Rd to Bellbrook) - Road safety improvements, guardrail	655,000
GENERAL FUND	W2195	SRR South West Rocks Rd (2.5km to 3.5km south of Plummers Ln)	450,000
GENERAL FUND	W2208	URR Hickeys Creek Road (End Bitumen to End - 9.9Km)	367,000
GENERAL FUND	W2295	Gladstone Wharf Refurbishment	200,000
GENERAL FUND	W2298	Edgar St, Frederickton Stormwater (Stage 1 kerb and gutter and drainage)	305,000
GENERAL FUND	W2407	Blackspot Program MR 7737 Crescent Head Rd - 2020 Curve cross fall adjustment	400,000
GENERAL FUND	W2966	NDF Bushfire Grant Nov - Dec 2019 - Butlers Bridge - Warbo Brook Rd	127,050
GENERAL FUND	W2967	NDF Bushfire Grant Nov - Dec 2019 - Lewis Creek Bridge - Toms Gully Rd	234,135
GENERAL FUND	W2968	NDF Bushfire Grant Nov - Dec 2019 - Maineys Bridge - Dowling Falls Rd	277,200
GENERAL FUND	W2971	NDF Bushfire Grant Nov - Dec 2019 Harrys Gully Bridge - Carri Rd	269,280
GENERAL FUND	W3077	South West Rocks Brigade Shed	725,000
GENERAL FUND	W3128	Bridges on URR Roses Bridge, Nulla Nulla Rd	665,000
GENERAL FUND	W3422	Sealing Point Plomer Rd (6.2km between Crescent Head and Big Hill)	3,410,000
GENERAL FUND	W3439	Airport Water and Sewer Infrastructure Compliance Upgrades	100,000
GENERAL FUND	W3440	Bridges on URR Refurbishment	276,880
GENERAL FUND	W3449	Depot - Relocation/Refurbishment	60,000

<sup>1</sup> These projects make up \$50M of the \$54M total capital program

Fund	Work Order No.	Work Order Description	2020/21 Total Budget
GENERAL FUND	W3450	Flood Mitigation, Rock Protection, Plummers Ln Opposite No. 503 – Environmental Levy	60,000
GENERAL FUND	W3454	SRR South West Rocks Road (3.5km to 5.0km south of Plummers Ln)	1,150,000
GENERAL FUND	W3455	Bellbrook Hall - Construct Inclusive Amenities	120,000
GENERAL FUND	W3457	Construction of Cell 20/21	1,000,000
GENERAL FUND	W3459	URR Barbers Ln (Rogers Ln to end - 1.78km) Gravel Resheeting Program	98,000
GENERAL FUND	W3460	URR Mines Road (Armidale Rd for 2.0km northward) Resheeting Program	114,000
GENERAL FUND	W3461	URR Nook Creek Rd 1.5km Gravel Resheeting Program	82,500
GENERAL FUND	W3463	URR Upper Smith Creek Rd (Pacific Hwy to end - 4.0km) Gravel Resheeting Program	225,000
GENERAL FUND	W3468	Smithtown Nestle Park (Riverside Park) New Amenities	208,150
GENERAL FUND	W3469	Kempsey Library internal upgrade	460,785
GENERAL FUND	W3470	External refurbishment Gladstone Hall & Art Gallery	125,000
GENERAL FUND	W3478	Willawarrin Playground replacement	178,708
GENERAL FUND	W3488	SRR Intersection South West Rocks and Hat Head Roads Safer Rds RMS (TfNSW)	429,000
GENERAL FUND	W3489	SRR Reg MR 75 Armidale Rd (from Ferrier Dr to 2.9km westward) - Part TfNSW Funded RMS	932,500
GENERAL FUND	W3490	Verge/Eden Sts Sports Complex Implement Masterplan Regional Sports Infrastructure Fund	2,000,000
GENERAL FUND	W3492	Crescent Head Amenities	200,000
GENERAL FUND	W3493	Crescent Head Additional Duplex Studios x4	300,000
GENERAL FUND	W3494	Crescent Head Camp Kitchen	200,000
GENERAL FUND	W3496	Phone System (Infrastructure Replacement Program)	165,000
GENERAL FUND	W3497	UPS (Infrastructure Replacement Program)	55,000
GENERAL FUND	W3499	Civic Centre Cluster (Infrastructure Replacement Program)	132,000
GENERAL FUND	W3500	Depot Cluster (Infrastructure Replacement Program)	132,000
GENERAL FUND	W3501	Firewalls (Infrastructure Replacement Program)	99,000
GENERAL FUND	W3503	Access Switches (Infrastructure Replacement Program)	104,500
GENERAL FUND	W3505	Wi-Fi (Infrastructure Replacement Program)	52,800
GENERAL FUND	W3506	Wireless Link - Civic Centre to Depot (Infrastructure Replacement Program)	55,000
GENERAL FUND	W3507	Phone (Access Device Replacement Program)	66,000

Fund	Work Order No.	Work Order Description	2020/21 Total Budget
GENERAL FUND	W3553	Kempsey (Riverside Park) to Kemp Street, West Kempsey - Shared path/cycleway	385,000
GENERAL FUND	W3568	SRR Plummers Lane - 1.9km (works commence approx. 1.4km from MVW)	1,870,000
GENERAL FUND	W3572	SRR Reg MR 7740 Stuarts Point Rd Hunters Road to Browns Road (3.1km)	1,353,000
GENERAL FUND	W3573	Kerb and guttering at Albert Street, South Kempsey - Estimated length 170m	68,000
GENERAL FUND	W3584	Riverside Park Erosion Control Measures (Stage 1) - Design and structural engineering plans	60,000
GENERAL FUND	W3586	CBD Floodplain Risk Management Flood warning gauge review and upgrade	60,000
GENERAL FUND	W3592	Urban Sealed Roads	232,038
GENERAL FUND	W3724	Crescent Head Masterplan: Foreshore revitalisation - Killick Creek path	200,000
GENERAL FUND	W3725	Willawarrin Showground - Refurbish showground canteen, goal posts	220,800
GENERAL FUND	W3728	Rankine Street, Crescent Head - CBD footpath renewal - LRCIP funded	400,000
GENERAL FUND	W3730	Horseshoe Bay Masterplan: Paths / Enhancements - LRCIP funded	60,000
GENERAL FUND	W3732	Crescent Head Holiday Park stormwater upgrades	90,000
GENERAL FUND	W3737	2020 Flood Gauge	90,000
GENERAL FUND	W492	Stuarts Point Boat Ramp and associated facilities upgrade	240,954
GENERAL FUND	W494	Pontoon, Amenities, Boat Trailer/Car Parking - Back Creek (off Gordon Young Dr)	400,000
GENERAL FUND	W710	Community Park – FACS	54,000
GENERAL FUND	W841	URR Bridges Saleyards Rd - Bridge Christmas Creek	100,000
GENERAL FUND	W868	Clyde St Mall Carpark Renewal - Stronger Country Communities Fund	888,691
GENERAL FUND	W969	UR Innes St, East Kempsey (Bissett St to Gill St - 0.45Km)	600,000
GENERAL FUND	W980	Computer PC Program	195,000
GENERAL FUND	W982	Corporate Business System	280,965
GENERAL FUND	W987	Civic Centre Upgrade	700,000
GENERAL FUND	W998	Clyde St Mall Toilets Refurbishment - Stronger Country Communities Fund	300,000
SEWERAGE FUND	W1455	SF Service Renewals - Macleay all areas	90,000
SEWERAGE FUND	W1463	SF Stuarts Point - Sewerage System	948,000
SEWERAGE FUND	W1469	SF South Kempsey Pressure Sewer	2,203,000
SEWERAGE FUND	W1480	SF South West Rocks Telemetry Mast	150,000

Fund	Work Order No.	Work Order Description	2020/21 Total Budget
SEWERAGE FUND	W1481	SF South West Rocks STP Scada Upgrade	300,000
SEWERAGE FUND	W3355	SF South West Rocks Surface Aeration to Pasveer Upgrade (Stage 3)	200,000
SEWERAGE FUND	W3406	SF Low Pressure Sewer System (E-One) purchase	100,000
SEWERAGE FUND	W3510	SF Convert Frederickton and Gladstone 3G sites to private radio network	75,000
SEWERAGE FUND	W3521	SF Crescent Head Caustic System Installation	100,000
SEWERAGE FUND	W3523	SF Sherwood to North St Transfer	100,000
SEWERAGE FUND	W3526	SF Sherwood to Old Gaol Line	250,000
SEWERAGE FUND	W3528	SF R2 Sewer Pump Station Upgrade	80,000
SEWERAGE FUND	W3529	SF K6 ABS safety Upgrade and Well Refurb	250,000
SEWERAGE FUND	W3531	SF H1 Pump Refurbishment	220,000
SEWERAGE FUND	W3564	SF K6 Catchment Renewal	100,000
SEWERAGE FUND	W3677	SF K6 Catchment Infiltration	100,000
SEWERAGE FUND	W3678	SF East Kempsey Survey	125,000
SEWERAGE FUND	W3679	SF South Kempsey Survey	125,000
SEWERAGE FUND	W3711	SF New Central Sewage Treatment Scheme (Stage 1)	690,000
SEWERAGE FUND	W3735	SF Manhole Survey (East and South)	55,000
WATER FUND	W1254	WF Meter Replacements - Kempsey and Lower Macleay	150,000
WATER FUND	W1255	WF Crescent Head WTP	3,620,000
WATER FUND	W1284	WF Telemetry Upgrades/Instrumentation	100,000
WATER FUND	W1285	WF Service Connections	150,000
WATER FUND	W1291	WF South West Rocks WTP	200,000
WATER FUND	W1344	WF Willawarrin WTP	573,620
WATER FUND	W1803	WF Stuarts Point Reservoir	100,000
WATER FUND	W3024	WF Bellbrook WTP Augmentation	270,000
WATER FUND	W3244	WF Stuart McIntyre Dam Emergency Water Treatment Plant	2,026,500
WATER FUND	W3245	WF Feasibility Costs for Water Desalination	180,000

Fund	Work Order No.	Work Order Description	2020/21 Total Budget
WATER FUND	W3394	WF Innes St Main	100,000
WATER FUND	W3534	WF Hat Head Chemical and Facilities Upgrade	100,000
WATER FUND	W3535	WF SWR Bore 5 Switchboard	70,000
WATER FUND	W3536	WF Stuarts Point Bore 2 Switchboard Renewal	70,000
WATER FUND	W3538	WF Greenhill Res Site Safety Upgrade	60,000
WATER FUND	W3539	WF Gregory St Res Site Access & Drainage Upgrade	250,000
WATER FUND	W3540	WF Green Hill Res WQ Instrument Install	70,000
WATER FUND	W3549	WF Water Supply Flowmeter Investigation Audit, Certification, Replacement	200,000
WATER FUND	W3563	WF Belmore Right Bank Main	240,000
WATER FUND	W3680	WF Hutchinson St, Hat Head	100,000
WATER FUND	W3681	WF Longworth Cast Replacement	330,000
WATER FUND	W3682	WF Nancy Ellis to Frank Archibald	105,000
WATER FUND	W3683	WF Frank Archibald to Central Kempsey WTP site	95,000
WATER FUND	W3684	WF Heyson St	95,000
WATER FUND	W3753	WF 2020 New Water Filling Station	87,500
WATER FUND	W3754	WF 2020 Water Filling Stations Replacements	87,500
<b>Grand Total</b>			<b>50,075,941</b>