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Long Term Financial Plan

2021-2031

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.

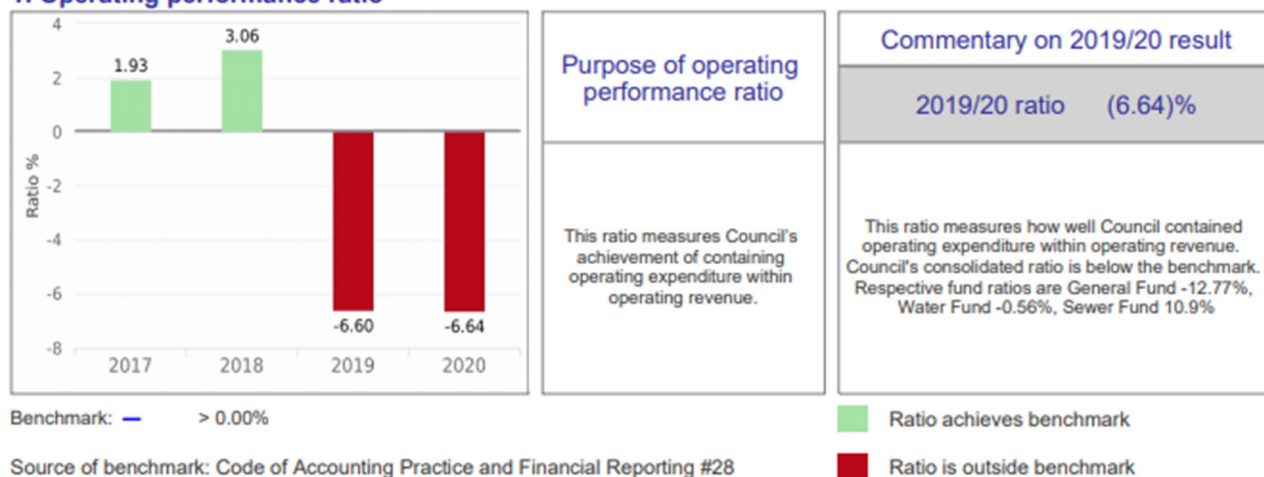
Current Financial Position

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 and 2019-20 due in part to timing of the receipt of operating grants and cost increases associated with historical staff competency assessments, as well as Council adequately resourcing critical functions, such as asset management.

1. Operating performance ratio



Source: 2019-20 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 2020 provide the starting point for reviewing the LTFP. The following tables summarise Council's most recently audited financial position:

Income Statement	2019-20 \$'000	2018-19 Restated \$'000
Income	89,837	80,174
Expenses	83,244	82,674
Net Operating Result for the Year	6,593	(2,500)
Net Operating Result before Grants and Contributions provided for Capital purposes	(8,078)	(12,450)

Statement of Financial Position	2019-20 \$'000	2018-19 Restated \$'000
Total Assets	1,150,228	1,158,856
Total Liabilities	57,222	57,010
Total Equity	1,093,006	1,101,846

Statement of Cash Flows	2019-20 \$'000	2018-19 \$'000
Cash, Cash Equivalents and Investments - Opening Balance	53,259	50,147
Cash, Cash Equivalents and Investments - Closing Balance	55,068	53,259
Movement for Year	1,809	3,112

Note: The above tables reflect consolidated financial results. The difference in the reported net operating result from 2018-19 to 2019-20 is mainly due to reduced losses on the disposal of assets and higher grant revenue received.

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	2019-20	2018-19 Restated	Benchmark
Operating performance ratio	(6.6)%	(6.6)%	> 0%
Own source operating revenue ratio	67.2%	73.7%	> 60%
Unrestricted current ratio	1.69	2.63	> 1.5
Debt service cover ratio	3.75	3.63	> 2.0
Rates and annual charges outstanding ratio	10.3%	8.2%	< 10%
Cash expense cover ratio	10.76	11.33	> 3.0
Building and infrastructure renewal ratio	77.9%	59.6%	> 100%
Infrastructure backlog ratio	9.8%	11.4%	< 2%
Asset maintenance	86.9%	82.6%	> 100%

Note: The above indicators reflect consolidated results. The operating performance ratio is consistent across the two years as it excludes the annual fluctuations seen in grant and contributions income for capital purposes as well as the losses on disposal of assets.

The unfavourable operating performance ratio is one of Council's major challenges. This is made even more difficult due to the asset maintenance ratio being below benchmark which means more operating costs are required to meet this target which in turn will further negatively impact the operating performance ratio.

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 in the General Fund, 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 2021-22 to 2030-31 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 are forecast within the 10-year LTFP mainly due to surpluses in Water and Sewer funds which offset the losses in the General Fund. Water and Sewer funds are both forecasting moderate profits. Higher rates have been forecast to generate additional cash, which along with additional borrowings are required to fund a large capital program focussed on renewing long-life aging Water and Sewer infrastructure across the region. The LTFP forecasts accumulated General Fund Net Operating Deficits of \$29M (excluding Capital Grants and Contributions) from 2021/22 to 2030/31. This forecast result is consistent with actual historical financial results and represents current operating revenue and expenditure levels.

The 21/22 year has an unusually large capital program across all three funds. Further to the large capital program in Water and Sewer, General fund has some large grant funded

project projects, which have been driven by recovery funding from the bushfires and COVID-19 stimulus funding.

The 21/22 General Fund operating expenditure included some one-off expenditure items relating to election expenses, implementation of required cyber-security measures and strategic planning costs required for the long-term development of the region. These items drop off in the 22/23 year but due to increased staff levels required to build internal capabilities in key areas the overall expenditure is in excess of the revenue generated by the 2% rate peg increases and hence losses continue to be seen across the ten years. To minimise these losses other expenditure items have been held flat or only been forecast to increase at a rate of half that of CPI.

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 24 months with Council implementing a range of new corporate business systems including:

- A new finance system
- Implementation of asset management improvements, including strategy, increasing internal capability and systems to improve asset data capture
- A project management framework to assist in project prioritisation, governance and reporting related to project delivery.
- A range of process improvements and training leveraging existing technologies

These are critical to Council being able to better manage its assets and overall financial performance.

Critically, Council has established a Corporate Performance Team to implement the financial improvements initiatives needed to deliver the Financial Sustainability Strategy. A report on the progress of the implementation of the Financial Sustainability Strategy is reported to Council on a quarterly basis.

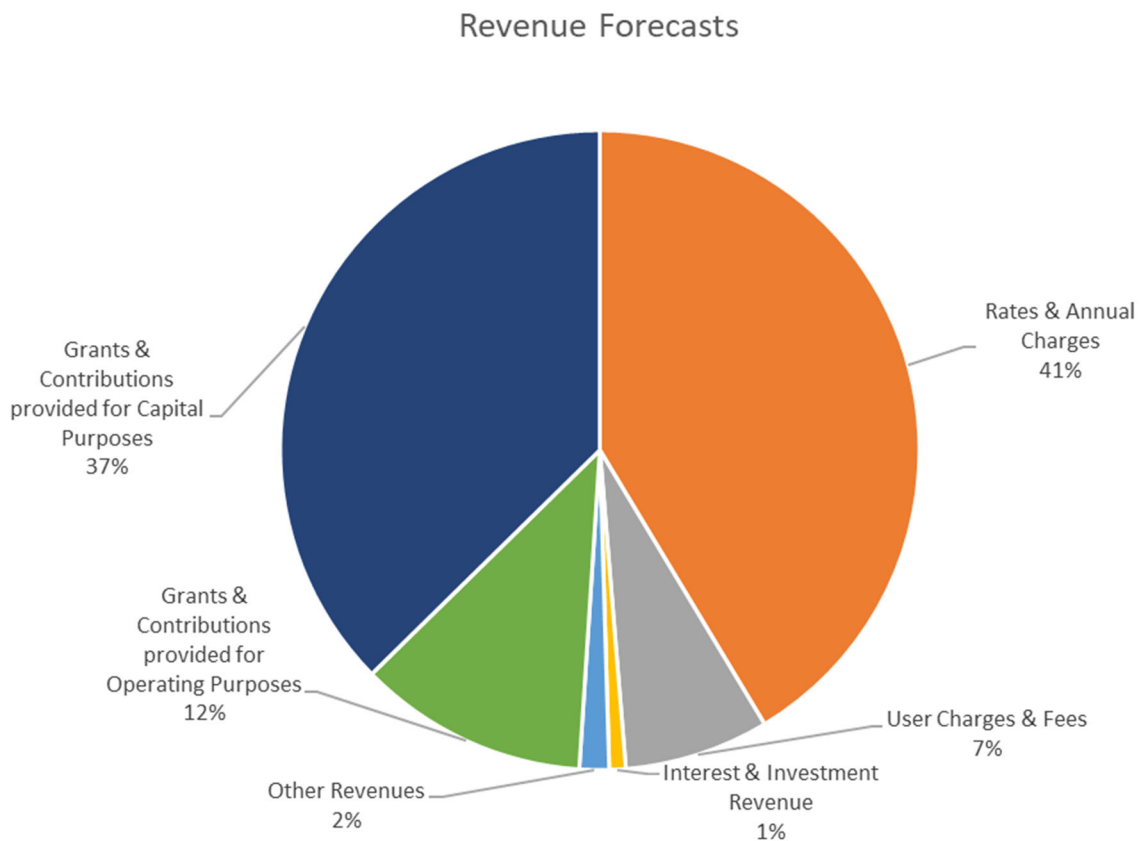
Assumptions

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

Planning Assumption	Assumption Basis
Population	Population growth within the local government area has been forecast to remain static over the life of the LTFP. This is a conservative financial planning assumption for the purpose of the LTFP.
Economic Growth	Economic growth within the local government area has been forecast to remain static over the life of the LTFP. This is a conservative financial planning assumption for the purpose of the LTFP.
Inflation	The LTFP is based on a CPI range supplied by New South Wales Treasury Corporation (TCorp) and has an average rate of 2.00% across the ten-year period. CPI for 21/22 is 1.5%, and gradually increases to 2.5% at the end of the ten years. Wages beyond the three-year period of the Local Government (State) Award 2020 have been forecast to grow from 3.0% to 3.5% over the ten years. Rates have been forecast to grow at 2.0% for all ten years, consistent with rate peg for 21/22. Discretionary fees and charges have been forecast to increase at CPI.
Interest Rate Movements	While inflation remains low, interest rates will also remain low. Borrowing costs have been estimated at between 2.3% and 4.8% 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 2021-22 and provides an indication of the reliance on the various revenue streams.



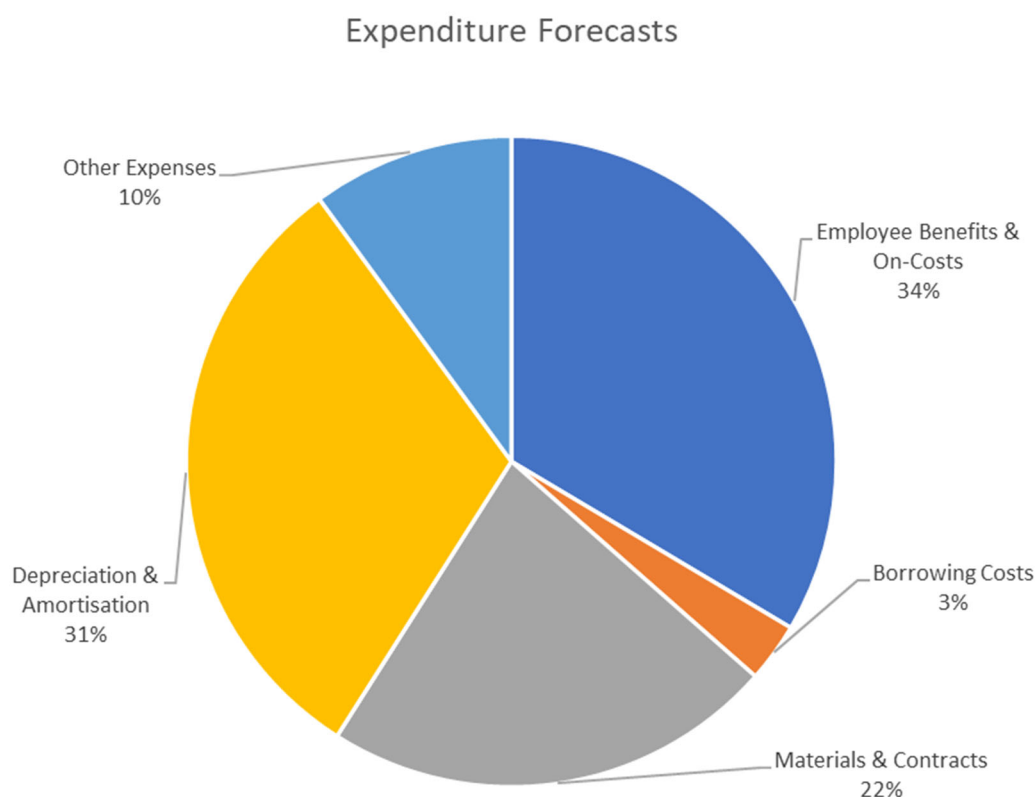
Key revenue related assumptions within the LTFP include the following:

Revenue area	Assumption Basis
Rates and Annual Charges	Rating is a major component of Council's revenue base, contributing approximately 41% 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 2021-22 onwards, the maximum expected rate peg amount of 2.0% has been applied in the planned scenario. Scenarios 1, 2 and 3 assume Special Rate Variations (SRV) over a one and three-year time-frame starting from 2023-24. The scenarios are illustrative only and show what price increases would be required to bring the General Fund Net Operating Result (excluding Capital Grants and Contributions) from a deficit back to varying levels of surplus.
(ii) Water Fund	An increase of 5% has been assumed to 24/25 and then reverts to 2% thereafter.
(iii) Sewage Fund	An increase of 7% has been assumed to 24/25 and then reverts to 2% 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 1.5%. Some fees and charges remained at 2020-21 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 2021-22 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 0.6% increasing to 3.8% over the ten years has been applied to all of Council's investments.

Revenue area	Assumption Basis
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 2021-22. 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 0.5% for salary progression for the 2021-22, 2022-23 and 2023-24 financial years and then 2.75% to 3.5% 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 2020-21 cost level in the 2021-22 year and then only half of CPI has been applied for the remaining years. Holding these costs steady in the 2021-22 year and only applying half CPI increases (0.7% to 1.25%) in the outer years enforces an efficiency target on Council to find savings across all ten years.

Expenditure area	Assumption Basis
Depreciation	Council is required to revalue its assets on a five-year rolling program. The LTFP assumes relatively flat depreciation (except for new assets) as improvements in the accuracy of our asset management data has seen recent actual depreciation drop. Council acknowledges that replacing historical assets will be more expensive in future years in line with potential future revaluations but this is likely to be offset by more accurate asset data becoming available.
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 2.3% to 4.8%.
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 2021-31 LTFP.

Rates and Annual Charges

Rates and annual charges make up approximately 41% of the budgeted 2021-22 operating revenue for Council. Council is generally limited to a maximum increase for Rate 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.

The rate peg of 2.0% for the 21/22 year has been conservatively applied for all ten years.

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 general fund revenue (excluding Capital Grant 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 2021-22 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.

Council's ability to engage the necessary workforce to achieve the community's expectations are 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 2021-22 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 events that increase 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 Financial Sustainability Program, have not been included in the proposed case scenario.
Scenario 1	Proposed case with an assumed Special Rate Variation (SRV) increase in the 2023-24 year of 20.6% (including rate peg).	Represents a one-year rate increase in revenue required to return the General Fund from the current proposed position to an average surplus of \$1.5M in the years after the SRV.

Scenario 2	Proposed case with an assumed Special Rate Variation (SRV) increase over three years starting in the 2023-24 year of 7.8% each year (including rate peg).	Represents a three year rate increase in revenue required to return the General Fund from the current proposed position to an average surplus of \$1.5M in the years after the SRV.
Scenario 3	Proposed case with an assumed Special Rate Variation (SRV) increase in the 2023-24 year of 18.5% (including rate peg).	Represents a one-year rate increase in revenue required to return the General Fund from the current proposed position to an average surplus of \$1.0M in the years after the SRV. This demonstrates a rate sensitivity of about 2.5% for every \$0.5M in deficit or surplus when compared to Scenario 1.

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 modest budget position.

As detailed above, it is expected that Council's Financial Sustainability Program will deliver efficiencies and operating expenditure reductions in future years, however, the extent of these are difficult to accurately quantify. Several other strategies to address the Operating Deficit will continue to be investigated over the course of 2021-22 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 2031
KEY PERFORMANCE INDICATORS - CONSOLIDATED
Scenario: Proposed

		Current Year 2020/21	Projected Years									
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
			Within green benchmark (green min and/or green max) Within amber benchmark (amber min and/or amber max) Not within benchmark (amber min and/or amber max)					Within green benchmark above green maximum and below amber maximum below green minimum and above amber minimum above amber maximum below amber minimum				
New Note 13 Ratios												
Operating Performance Ratio 1)	Snapshot											
	Actual Ratio	0.73%	-0.89%	0.99%	3.55%	4.97%	5.39%	5.11%	4.73%	5.13%	6.02%	5.26%
Own Source Operating Revenue Ratio 1)	Snapshot											
	Actual Ratio	63.88%	55.10%	62.94%	80.41%	78.25%	75.60%	82.20%	82.32%	82.62%	82.90%	83.21%
Unrestricted Current Ratio	Snapshot											
	Actual Ratio	1.72	0.87	0.72	0.56	0.59	0.34	0.69	0.59	0.40	0.42	0.47
Debt Service Cover Ratio 1)	Snapshot											
	Actual Ratio	4.66	3.73	3.76	3.46	3.51	3.12	2.63	2.55	2.69	3.11	2.68
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	Snapshot											
	Actual Ratio	9.03%	9.11%	9.08%	9.06%	9.04%	9.02%	9.03%	9.03%	9.03%	9.03%	9.03%
Cash Expense Cover Ratio 1)	Snapshot											
	Actual Ratio	4.01	1.44	0.69	0.47	1.11	1.18	2.04	2.35	2.54	3.41	4.11

Appendix 2

Income Statement

Kempsey Shire Council 10 Year Financial Plan for the Years ending 30 June 2031 INCOME STATEMENT - CONSOLIDATED Scenario: Proposed												
	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	41,707	43,341	45,509	47,229	49,036	50,937	51,955	52,995	54,054	55,136	56,238	57,363
User Charges & Fees	16,054	17,616	18,015	18,644	19,323	20,033	20,433	20,842	21,259	21,708	22,166	22,659
Other Revenues	1,574	1,739	1,650	1,675	1,704	1,734	1,769	1,804	1,840	1,882	1,924	1,972
Grants & Contributions provided for Operating Purposes	14,772	15,386	12,781	11,914	11,930	11,946	11,771	11,787	11,805	11,822	11,840	11,858
Grants & Contributions provided for Capital Purposes	14,671	20,488	41,072	28,303	5,506	8,691	12,819	5,131	5,131	5,131	5,131	5,131
Interest & Investment Revenue	1,059	748	911	741	1,507	1,551	2,028	2,515	1,725	1,851	1,960	2,231
Other Income:												
Total Income from Continuing Operations	89,837	99,318	119,938	108,505	89,006	94,892	100,775	95,075	95,815	97,529	99,260	101,215
Expenses from Continuing Operations												
Employee Benefits & On-Costs	25,572	25,917	26,685	27,149	27,802	28,566	29,362	30,316	31,301	32,397	33,531	34,705
Borrowing Costs	2,425	2,137	2,345	2,581	2,959	3,233	3,835	4,969	4,897	4,710	4,503	5,777
Materials & Contracts	19,603	19,558	17,924	16,507	16,571	16,651	16,624	16,718	16,812	16,919	17,027	17,149
Depreciation & Amortisation	26,702	24,019	24,615	25,417	25,447	25,449	25,623	25,571	25,603	25,597	25,606	25,599
Other Expenses	5,857	6,624	8,001	7,755	7,759	8,014	7,769	7,775	7,780	8,036	7,793	7,800
Net Losses from the Disposal of Assets	3,085	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	83,244	78,256	79,569	79,409	80,538	81,913	83,214	85,348	86,394	87,660	88,460	91,030
Net Operating Result for the Year	6,593	21,062	40,369	29,096	8,468	12,979	17,561	9,727	9,421	9,870	10,800	10,185
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,078)	574	(703)	793	2,962	4,288	4,743	4,596	4,290	4,739	5,669	5,054

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
INCOME STATEMENT - GENERAL FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	25,742	26,413	27,237	27,782	28,338	28,904	29,482	30,072	30,673	31,287	31,913	32,551
User Charges & Fees	6,499	7,413	8,053	8,174	8,317	8,462	8,631	8,804	8,980	9,182	9,389	9,624
Other Revenues	1,395	1,734	1,645	1,670	1,699	1,729	1,764	1,799	1,835	1,876	1,918	1,966
Grants & Contributions provided for Operating Purposes	14,279	14,958	12,381	11,578	11,589	11,600	11,419	11,430	11,442	11,453	11,465	11,478
Grants & Contributions provided for Capital Purposes	11,752	16,575	31,710	23,077	4,331	4,331	4,331	4,331	4,331	4,331	4,331	4,331
Interest & Investment Revenue	598	578	396	385	755	803	1,019	906	982	959	854	873
Other Income:												
Total Income from Continuing Operations	60,265	67,671	81,422	72,666	55,029	55,830	56,646	57,342	58,243	59,089	59,870	60,823
Expenses from Continuing Operations												
Employee Benefits & On-Costs	19,945	20,304	20,713	21,027	21,528	22,120	22,722	23,460	24,223	25,070	25,948	26,856
Borrowing Costs	411	232	408	465	606	740	850	1,020	1,252	1,357	1,436	1,554
Materials & Contracts	15,050	12,007	9,695	8,545	8,599	8,669	8,630	8,711	8,793	8,886	8,980	9,086
Depreciation & Amortisation	17,304	13,508	15,194	15,985	16,008	16,008	16,031	15,734	15,616	15,609	15,617	15,609
Other Expenses	2,148	5,656	6,867	6,621	6,626	6,880	6,636	6,641	6,646	6,903	6,659	6,667
Net Losses from the Disposal of Assets	2,362	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	57,220	51,707	52,878	52,644	53,366	54,417	54,868	55,567	56,530	57,825	58,640	59,771
Net Operating Result for the Year	3,045	15,964	28,544	20,022	1,662	1,413	1,778	1,775	1,713	1,264	1,231	1,051
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,707)	(612)	(3,166)	(3,055)	(2,669)	(2,919)	(2,553)	(2,556)	(2,618)	(3,067)	(3,100)	(3,280)

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
INCOME STATEMENT - WATER FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	4,662	4,749	5,218	5,479	5,753	6,040	6,161	6,284	6,410	6,538	6,669	6,802
User Charges & Fees	8,191	8,532	8,662	9,081	9,523	9,986	10,186	10,390	10,597	10,810	11,028	11,250
Other Revenues	85	-	-	-	-	-	-	-	-	-	-	-
Grants & Contributions provided for Operating Purposes	379	313	290	224	227	230	233	236	239	242	246	249
Grants & Contributions provided for Capital Purposes	1,812	2,346	4,964	527	500	500	500	500	500	500	500	500
Interest & Investment Revenue	238	145	425	276	192	206	247	284	333	392	469	553
Other Income:												
Total Income from Continuing Operations	15,367	16,085	19,559	15,587	16,194	16,962	17,326	17,693	18,080	18,483	18,911	19,355
Expenses from Continuing Operations												
Employee Benefits & On-Costs	2,757	2,757	3,065	3,142	3,220	3,309	3,408	3,519	3,633	3,760	3,892	4,028
Borrowing Costs	1,066	1,026	1,089	1,004	1,033	973	936	830	720	615	496	475
Materials & Contracts	2,211	4,079	4,399	4,266	4,272	4,278	4,284	4,290	4,297	4,304	4,312	4,320
Depreciation & Amortisation	5,601	5,999	5,610	5,611	5,612	5,613	5,633	5,634	5,634	5,635	5,636	5,636
Other Expenses	1,996	500	612	612	612	612	612	612	612	612	612	612
Net Losses from the Disposal of Assets	466	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	14,097	14,360	14,775	14,634	14,749	14,784	14,872	14,885	14,896	14,927	14,947	15,071
Net Operating Result for the Year	1,270	1,724	4,784	953	1,445	2,178	2,454	2,808	3,183	3,556	3,964	4,284
Net Operating Result before Grants and Contributions provided for Capital Purposes	(542)	(621)	(181)	426	945	1,678	1,954	2,308	2,683	3,056	3,464	3,784

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
INCOME STATEMENT - SEWER FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	11,303	12,179	13,054	13,968	14,946	15,992	16,312	16,638	16,971	17,311	17,657	18,010
User Charges & Fees	1,364	1,671	1,300	1,389	1,483	1,584	1,616	1,648	1,681	1,715	1,750	1,785
Other Revenues	94	5	5	5	5	5	5	5	6	6	6	6
Grants & Contributions provided for Operating Purposes	114	115	110	112	114	117	119	121	124	126	129	131
Grants & Contributions provided for Capital Purposes	1,107	1,567	4,398	4,699	675	3,860	7,988	300	300	300	300	300
Interest & Investment Revenue	223	25	90	79	560	541	762	1,326	411	500	637	805
Other Income:												
Total Income from Continuing Operations	14,205	15,562	18,958	20,252	17,784	22,100	26,802	20,040	19,493	19,958	20,478	21,037
Expenses from Continuing Operations												
Employee Benefits & On-Costs	2,870	2,857	2,907	2,979	3,054	3,138	3,232	3,337	3,446	3,566	3,691	3,820
Borrowing Costs	948	880	847	1,112	1,320	1,520	2,050	3,118	2,925	2,738	2,572	3,748
Materials & Contracts	2,342	3,471	3,829	3,695	3,700	3,705	3,711	3,716	3,722	3,729	3,735	3,743
Depreciation & Amortisation	3,797	4,512	3,811	3,821	3,827	3,827	3,959	4,202	4,353	4,353	4,354	4,354
Other Expenses	1,713	468	522	522	522	522	522	522	522	522	522	522
Net Losses from the Disposal of Assets	257	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	11,927	12,188	11,916	12,130	12,423	12,712	13,473	14,896	14,968	14,908	14,874	16,187
Net Operating Result for the Year	2,278	3,374	7,041	8,122	5,361	9,388	13,329	5,143	4,525	5,050	5,605	4,850
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,171	1,806	2,643	3,423	4,686	5,528	5,342	4,843	4,225	4,750	5,305	4,550

Appendix 3

Financial Position

Kempsey Shire Council 10 Year Financial Plan for the Years ending 30 June 2031 BALANCE SHEET - CONSOLIDATED Scenario: Proposed												
	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	18,083	18,754	7,360	3,500	2,465	5,917	6,531	11,787	13,846	15,201	20,254	25,532
Investments	36,985	39,404	34,572	37,080	34,908	39,671	42,121	24,539	26,076	28,486	32,305	35,434
Receivables	9,713	10,282	11,126	10,916	10,274	10,630	10,792	10,997	11,181	11,367	11,570	11,782
Inventories	507	563	503	456	458	460	459	462	464	467	471	474
Contract assets	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314
Contract cost assets	-	-	-	-	-	-	-	-	-	-	-	-
Other	130	163	159	147	147	150	148	148	149	151	150	151
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	67,732	71,480	56,034	54,414	50,567	59,142	62,365	50,248	54,031	57,986	67,064	75,686
Non-Current Assets												
Investments	-	13,135	11,524	12,360	11,636	13,224	14,040	8,180	8,692	9,495	10,768	11,811
Receivables	106	305	427	336	154	154	152	152	152	152	152	153
Infrastructure, Property, Plant & Equipment	1,082,309	1,112,786	1,170,476	1,228,307	1,247,366	1,268,274	1,303,883	1,328,131	1,329,708	1,328,658	1,326,191	1,323,065
Right of use assets	81	81	81	81	81	81	81	81	81	81	81	81
Total Non-Current Assets	1,082,496	1,126,307	1,182,508	1,241,083	1,259,237	1,281,733	1,318,156	1,336,543	1,338,633	1,338,386	1,337,192	1,335,110
TOTAL ASSETS	1,150,228	1,197,787	1,238,542	1,295,497	1,309,804	1,340,875	1,380,521	1,386,791	1,392,664	1,396,373	1,404,256	1,410,796
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	6,365	8,775	8,668	8,580	8,759	9,029	9,015	9,300	9,492	9,624	9,709	9,853
Contract liabilities	3,149	3,877	6,085	5,173	1,939	2,922	4,174	1,809	1,811	1,813	1,815	1,817
Lease liabilities	39	-	-	-	-	-	-	-	-	-	-	-
Borrowings	3,329	4,634	4,507	6,022	6,091	7,112	8,273	8,669	8,279	6,936	7,736	6,640
Provisions	7,158	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457
Total Current Liabilities	20,040	24,743	26,718	27,232	24,246	26,521	28,920	27,236	27,039	25,830	26,716	25,767
Non-Current Liabilities												
Payables	446	908	884	817	820	832	821	825	828	842	836	841
Lease liabilities	71	110	110	110	110	110	110	110	110	110	110	110
Borrowings	34,571	56,163	54,599	82,011	90,833	106,638	126,334	124,558	121,203	116,237	112,440	109,740
Provisions	2,094	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795
Total Non-Current Liabilities	37,182	58,976	57,388	84,733	93,557	109,375	129,060	127,288	123,936	118,983	115,181	112,485
TOTAL LIABILITIES	57,222	83,719	84,106	111,965	117,803	135,896	157,980	154,523	150,975	144,814	141,897	138,252
Net Assets	1,093,006	1,114,068	1,154,436	1,183,533	1,192,000	1,204,980	1,222,541	1,232,268	1,241,689	1,251,559	1,262,359	1,272,544
EQUITY												
Retained Earnings	463,238	484,300	524,668	553,765	562,232	575,212	592,773	602,500	611,921	621,791	632,591	642,776
Revaluation Reserves	629,768	629,768	629,768	629,768	629,768	629,768	629,768	629,768	629,768	629,768	629,768	629,768
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	1,093,006	1,114,068	1,154,436	1,183,533	1,192,000	1,204,980	1,222,541	1,232,268	1,241,689	1,251,559	1,262,359	1,272,544
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	1,093,006	1,114,068	1,154,436	1,183,533	1,192,000	1,204,980	1,222,541	1,232,268	1,241,689	1,251,559	1,262,359	1,272,544

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
BALANCE SHEET - GENERAL FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	10,280	5,000	1,000	1,000	1,000	1,668	1,000	5,000	3,063	1,000	1,386	2,170
Investments	19,864	23,491	17,065	16,148	15,035	15,035	13,255	13,718	13,718	13,157	13,157	13,157
Receivables	5,174	5,889	6,687	6,233	5,331	5,413	5,471	5,570	5,644	5,720	5,810	5,905
Inventories	507	563	503	456	458	460	459	462	464	467	471	474
Contract assets	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314	2,314
Contract cost assets	-	-	-	-	-	-	-	-	-	-	-	-
Other	130	163	159	147	147	150	148	148	149	151	150	151
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	38,269	37,420	27,727	26,298	24,285	25,040	22,646	27,212	25,353	22,809	23,287	24,171
Non-Current Assets												
Investments	-	7,830	5,688	5,383	5,012	5,012	4,418	4,573	4,573	4,386	4,386	4,386
Receivables	106	305	427	336	154	154	152	152	152	152	152	153
Infrastructure, Property, Plant & Equipment	766,601	793,891	833,838	860,936	866,463	871,012	876,191	878,814	885,626	889,764	892,438	894,405
Right of use assets	81	81	81	81	81	81	81	81	81	81	81	81
Total Non-Current Assets	766,788	802,108	840,035	866,735	871,709	876,258	880,843	883,620	890,431	894,382	897,057	899,024
TOTAL ASSETS	805,057	839,528	867,762	893,033	895,994	901,299	903,489	910,831	915,784	917,192	920,344	923,195
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	6,189	8,602	8,479	8,391	8,570	8,840	8,825	9,110	9,301	9,433	9,518	9,662
Contract liabilities	2,773	3,359	4,697	3,692	1,696	1,697	1,678	1,679	1,680	1,681	1,683	1,684
Lease liabilities	39	-	-	-	-	-	-	-	-	-	-	-
Borrowings	791	1,499	1,440	1,799	1,310	1,512	1,616	1,881	1,973	2,097	2,290	2,491
Provisions	7,158	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457	7,457
Total Current Liabilities	16,950	20,918	22,073	21,338	19,033	19,506	19,576	20,127	20,411	20,669	20,947	21,294
Non-Current Liabilities												
Payables	446	908	884	817	820	832	821	825	828	842	836	841
Lease liabilities	71	110	110	110	110	110	110	110	110	110	110	110
Borrowings	2,825	17,162	15,722	21,772	25,375	28,780	29,134	34,147	37,098	36,971	38,620	40,069
Provisions	2,094	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795	1,795
Total Non-Current Liabilities	5,436	19,975	18,511	24,494	28,100	31,517	31,860	36,876	39,831	39,717	41,361	42,814
TOTAL LIABILITIES	22,386	40,893	40,584	45,833	47,132	51,024	51,436	57,003	60,242	60,387	62,308	64,108
Net Assets	782,671	798,635	827,178	847,200	848,862	850,275	852,053	853,828	855,542	856,805	858,036	859,088
EQUITY												
Retained Earnings	354,384	370,348	398,891	418,913	420,575	421,988	423,766	425,541	427,255	428,518	429,749	430,801
Revaluation Reserves	428,287	428,287	428,287	428,287	428,287	428,287	428,287	428,287	428,287	428,287	428,287	428,287
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	782,671	798,635	827,178	847,200	848,862	850,275	852,053	853,828	855,542	856,805	858,036	859,088
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	782,671	798,635	827,178	847,200	848,862	850,275	852,053	853,828	855,542	856,805	858,036	859,088

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
BALANCE SHEET - WATER FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	3,598	12,254	4,860	1,000	1,215	2,749	4,031	6,537	9,283	12,701	17,367	21,862
Investments	7,806	5,855	5,855	2,749	2,749	2,749	2,749	2,749	2,749	2,749	2,749	2,749
Receivables	3,213	2,969	3,067	3,216	3,374	3,539	3,610	3,682	3,756	3,831	3,908	3,987
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	14,617	21,077	13,781	6,965	7,338	9,037	10,390	12,968	15,788	19,280	24,024	28,597
Non-Current Assets												
Investments	-	1,952	1,952	916	916	916	916	916	916	916	916	916
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	198,006	200,452	210,753	221,879	222,041	221,980	220,896	218,835	216,797	214,787	212,804	210,849
Right of use assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	198,006	202,403	212,705	222,795	222,957	222,897	221,812	219,751	217,714	215,703	213,720	211,765
TOTAL ASSETS	212,623	223,480	226,486	229,760	230,295	231,934	232,202	232,719	233,501	234,983	237,744	240,362
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	96	103	111	112	112	112	112	112	112	113	113	113
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,264	1,787	1,678	1,910	2,040	2,186	2,292	2,401	2,074	1,204	1,665	827
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	1,360	1,890	1,790	2,021	2,152	2,298	2,404	2,513	2,186	1,316	1,778	940
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	16,729	25,332	23,654	25,744	24,704	24,018	21,727	19,325	17,251	16,047	14,382	13,555
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	16,729	25,332	23,654	25,744	24,704	24,018	21,727	19,325	17,251	16,047	14,382	13,555
TOTAL LIABILITIES	18,089	27,222	25,444	27,766	26,856	26,316	24,130	21,839	19,438	17,364	16,160	14,495
Net Assets	194,534	196,258	201,042	201,995	203,439	205,618	208,072	210,880	214,064	217,619	221,584	225,867
EQUITY												
Retained Earnings	59,377	61,101	65,885	66,838	68,282	70,461	72,915	75,723	78,907	82,462	86,427	90,710
Revaluation Reserves	135,157	135,157	135,157	135,157	135,157	135,157	135,157	135,157	135,157	135,157	135,157	135,157
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	194,534	196,258	201,042	201,995	203,439	205,618	208,072	210,880	214,064	217,619	221,584	225,867
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	194,534	196,258	201,042	201,995	203,439	205,618	208,072	210,880	214,064	217,619	221,584	225,867

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
BALANCE SHEET - SEWER FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	Projected Years									
			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	2030/31 \$'000
ASSETS												
Current Assets												
Cash & Cash Equivalents	4,205	1,500	1,500	1,500	250	1,500	1,500	250	1,500	1,500	1,500	1,500
Investments	9,315	10,058	11,653	18,184	17,125	21,887	26,117	8,072	9,610	12,580	16,400	19,528
Receivables	1,326	1,425	1,372	1,467	1,569	1,678	1,712	1,746	1,781	1,816	1,853	1,890
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Contract assets	-	-	-	-	-	-	-	-	-	-	-	-
Contract cost assets	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	14,846	12,983	14,525	21,151	18,944	25,065	29,329	10,068	12,890	15,897	19,752	22,918
Non-Current Assets												
Investments	-	3,353	3,884	6,061	5,708	7,296	8,706	2,691	3,203	4,193	5,467	6,509
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, Property, Plant & Equipment	117,702	118,443	125,884	145,492	158,862	175,282	206,795	230,482	227,285	224,107	220,949	217,811
Right of use assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Assets	117,702	121,796	129,769	151,553	164,570	182,578	215,501	233,172	230,488	228,301	226,415	224,320
TOTAL ASSETS	132,548	134,779	144,294	172,704	183,514	207,643	244,830	243,240	243,379	244,197	246,168	247,238
LIABILITIES												
Current Liabilities												
Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Payables	80	69	78	78	78	78	78	78	78	78	78	79
Contract liabilities	376	518	1,388	1,482	243	1,225	2,496	130	131	131	132	133
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	1,274	1,348	1,389	2,313	2,741	3,414	4,366	4,387	4,233	3,635	3,781	3,322
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	1,730	1,935	2,855	3,872	3,062	4,716	6,940	4,595	4,441	3,845	3,991	3,533
Non-Current Liabilities												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	15,017	13,669	15,223	34,494	40,753	53,839	75,473	71,086	66,854	63,219	59,438	56,116
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	15,017	13,669	15,223	34,494	40,753	53,839	75,473	71,086	66,854	63,219	59,438	56,116
TOTAL LIABILITIES	16,747	15,604	18,078	38,367	43,815	58,556	82,414	75,681	71,295	67,063	63,429	59,649
Net Assets	115,801	119,175	126,216	134,338	139,699	149,087	162,416	167,559	172,084	177,134	182,739	187,589
EQUITY												
Retained Earnings	49,477	52,851	59,892	68,014	73,375	82,763	96,092	101,235	105,760	110,810	116,415	121,265
Revaluation Reserves	66,324	66,324	66,324	66,324	66,324	66,324	66,324	66,324	66,324	66,324	66,324	66,324
Other Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Council Equity Interest	115,801	119,175	126,216	134,338	139,699	149,087	162,416	167,559	172,084	177,134	182,739	187,589
Non-controlling equity interests	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	115,801	119,175	126,216	134,338	139,699	149,087	162,416	167,559	172,084	177,134	182,739	187,589

Appendix 4

Cash Flow Statement

Kempsey Shire Council 10 Year Financial Plan for the Years ending 30 June 2031 CASH FLOW STATEMENT - CONSOLIDATED Scenario: Proposed											
	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years				
			2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000			
Cash Flows from Operating Activities											
Receipts:											
Rates & Annual Charges	41,834	43,304	45,323	47,088	48,888	50,781	51,875	52,912	53,970	55,050	56,151
User Charges & Fees	15,724	17,160	18,020	18,511	19,182	19,884	20,357	20,765	21,180	21,625	22,082
Investment & Interest Revenue Received	1,125	724	959	751	1,515	1,544	2,039	2,497	1,733	1,862	1,958
Grants & Contributions	26,322	36,166	55,440	39,772	15,128	21,619	25,851	14,553	16,937	16,955	16,991
Bonds & Deposits Received	132	-	-	-	-	-	-	-	-	-	-
Other	5,361	1,738	1,483	1,790	1,925	1,731	1,788	1,801	1,837	1,878	1,920
Payments:											
Employee Benefits & On-Costs	(25,077)	(25,926)	(26,693)	(27,147)	(27,797)	(28,560)	(29,356)	(30,308)	(31,293)	(32,388)	(33,521)
Materials & Contracts	(23,834)	(18,618)	(19,423)	(18,293)	(17,985)	(18,001)	(18,119)	(18,126)	(18,220)	(18,264)	(18,493)
Borrowing Costs	(2,361)	(1,537)	(2,408)	(2,310)	(2,827)	(3,080)	(3,816)	(4,746)	(4,769)	(4,710)	(4,425)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-
Other	(6,145)	(6,443)	(7,968)	(7,782)	(7,751)	(7,993)	(7,772)	(7,762)	(7,768)	(8,011)	(7,790)
Net Cash provided (or used in) Operating Activities	33,081	46,569	64,733	52,380	30,258	37,905	42,828	31,585	33,608	33,996	34,855
Cash Flows from Investing Activities											
Receipts:											
Sale of Investment Securities	5,039	-	8,569	5,364	2,896	-	2,374	24,060	-	749	-
Sale of Infrastructure, Property, Plant & Equipment	241	1,085	898	898	898	898	898	898	898	898	898
Deferred Debtors Receipts	197	-	-	-	-	-	-	-	-	-	-
Payments:											
Purchase of Investment Securities	963	(15,553)	(2,127)	(6,707)	-	(6,350)	(5,640)	(618)	(2,050)	(3,961)	(5,063)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	(27,621)	(54,327)	(81,777)	(82,720)	(43,978)	(45,828)	(60,703)	(49,290)	(26,852)	(24,018)	(22,610)
Deferred Debtors & Advances Made	(80)	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	(21,261)	(68,795)	(74,437)	(85,165)	(40,184)	(51,280)	(63,071)	(24,949)	(27,804)	(26,332)	(26,805)
Cash Flows from Financing Activities											
Receipts:											
Proceeds from Borrowings & Advances	-	26,500	3,000	34,000	15,000	23,000	28,000	7,000	5,000	2,000	4,000
Payments:											
Repayment of Borrowings & Advances	(3,965)	(3,603)	(4,691)	(5,074)	(6,109)	(6,173)	(7,143)	(8,380)	(8,745)	(8,310)	(6,997)
Repayment of lease liabilities (principal repayments)	(14)	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(4,009)	22,897	(1,691)	28,926	8,891	16,827	20,857	(1,380)	(3,745)	(6,310)	(2,997)
Net Increase/(Decrease) in Cash & Cash Equivalents	7,811	671	(11,394)	(3,860)	(1,035)	3,452	614	5,256	2,059	1,354	5,053
plus: Cash & Cash Equivalents - beginning of year	10,272	18,083	18,754	7,380	3,500	2,465	5,917	6,531	11,787	13,846	15,201
Cash & Cash Equivalents - end of the year	18,083	18,754	7,360	3,500	2,465	5,917	6,531	11,787	13,846	15,201	20,254
Cash & Cash Equivalents - end of the year	18,083	18,754	7,360	3,500	2,465	5,917	6,531	11,787	13,846	15,201	20,254
Investments - end of the year	36,985	52,538	46,097	46,440	46,544	52,894	56,161	32,719	34,769	37,981	43,074
Cash, Cash Equivalents & Investments - end of the year	55,068	71,292	53,456	52,940	49,010	58,812	62,692	44,506	48,615	53,182	63,327
Representing:											
- External Restrictions	46,413	51,537	42,024	41,478	38,250	46,282	51,933	29,278	32,435	39,859	50,474
- Internal Restrictions	8,126	3,897	1,828	509	84	84	87	87	88	88	90
- Unrestricted	529	15,858	9,605	10,953	10,676	12,445	10,672	15,141	16,082	13,235	12,764
	55,068	71,292	53,456	52,940	49,010	58,812	62,692	44,506	48,615	53,182	63,327

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
CASH FLOW STATEMENT - GENERAL FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 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	2030/31 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	26,128	27,178	27,743	28,298	28,864	29,441	30,030	30,631	31,243	31,868	32,505
User Charges & Fees	-	7,080	7,976	8,184	8,307	8,452	8,620	8,792	8,968	9,169	9,375	9,608
Investment & Interest Revenue Received	-	554	444	396	763	796	1,030	888	989	989	852	870
Grants & Contributions	-	31,884	44,808	34,117	14,851	15,931	15,740	15,762	15,774	15,785	15,797	15,810
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	1,733	1,478	1,785	1,920	1,726	1,762	1,795	1,831	1,872	1,914	1,961
Payments:												
Employee Benefits & On-Costs	-	(20,312)	(20,721)	(21,025)	(21,522)	(22,113)	(22,716)	(23,452)	(24,214)	(25,061)	(25,938)	(26,846)
Materials & Contracts	-	(10,835)	(10,960)	(10,079)	(9,761)	(9,787)	(9,872)	(9,867)	(9,949)	(9,979)	(10,194)	(10,237)
Borrowing Costs	-	369	(471)	(195)	(474)	(588)	(830)	(797)	(1,123)	(1,357)	(1,358)	(1,484)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(5,475)	(6,834)	(6,648)	(6,617)	(6,859)	(6,638)	(6,629)	(6,634)	(6,878)	(6,656)	(6,652)
Net Cash provided (or used in) Operating Activities	-	30,905	42,897	34,276	15,763	16,443	16,537	16,522	16,272	15,763	15,660	15,535
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	8,569	1,222	1,484	-	2,374	-	-	749	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	1,085	898	898	898	898	898	898	898	898	898	898
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	(11,457)	-	-	-	-	-	(618)	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(40,858)	(54,865)	(42,806)	(21,259)	(20,281)	(20,934)	(18,080)	(22,151)	(19,470)	(18,014)	(17,299)
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	-	(51,230)	(45,398)	(40,685)	(18,877)	(19,382)	(17,662)	(17,800)	(21,252)	(17,823)	(17,116)	(16,401)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	16,000	-	8,000	5,000	5,000	2,000	7,000	5,000	2,000	4,000	4,000
Payments:												
Repayment of Borrowings & Advances	-	(955)	(1,499)	(1,591)	(1,886)	(1,392)	(1,543)	(1,722)	(1,957)	(2,003)	(2,158)	(2,350)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	15,045	(1,499)	6,409	3,114	3,608	457	5,278	3,043	(3)	1,842	1,650
Net Increase/(Decrease) in Cash & Cash Equivalents	-	(5,280)	(4,000)	(0)	0	668	(668)	4,000	(1,937)	(2,063)	386	784
plus: Cash & Cash Equivalents - beginning of year	-	10,280	5,000	1,000	1,000	1,000	1,668	1,000	5,000	3,063	1,000	1,386
Cash & Cash Equivalents - end of the year	-	5,000	1,000	1,000	1,000	1,668	1,000	5,000	3,063	1,000	1,386	2,170
Cash & Cash Equivalents - end of the year	10,280	5,000	1,000	1,000	1,000	1,668	1,000	5,000	3,063	1,000	1,386	2,170
Investments - end of the year	19,884	31,321	22,753	21,530	20,047	20,047	17,673	18,291	18,291	17,542	17,542	17,542
Cash, Cash Equivalents & Investments - end of the year	30,144	36,321	23,753	22,530	21,047	21,715	18,673	23,291	21,354	18,542	18,928	19,712
Representing:												
- External Restrictions	21,489	16,566	12,320	11,068	10,287	9,185	7,914	8,063	5,174	5,220	6,075	6,925
- Internal Restrictions	8,126	3,897	1,828	509	84	84	87	87	88	88	90	90
- Unrestricted	529	15,858	9,605	10,953	10,676	12,445	10,672	15,141	16,092	13,235	12,764	12,697
Cash, Cash Equivalents & Investments - end of the year	30,144	36,321	23,753	22,530	21,047	21,715	18,673	23,291	21,354	18,542	18,928	19,712

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
CASH FLOW STATEMENT - WATER FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	4,993	5,155	5,444	5,716	6,002	6,145	6,268	6,393	6,521	6,651	6,784
User Charges & Fees	-	8,532	8,626	8,967	9,402	9,859	10,131	10,334	10,541	10,752	10,968	11,190
Investment & Interest Revenue Received	-	145	425	276	192	206	247	284	333	392	469	553
Grants & Contributions	-	2,659	5,254	751	727	730	733	736	739	742	746	749
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Employee Benefits & On-Costs	-	(2,757)	(3,065)	(3,142)	(3,220)	(3,309)	(3,408)	(3,519)	(3,633)	(3,760)	(3,892)	(4,028)
Materials & Contracts	-	(4,215)	(4,541)	(4,416)	(4,422)	(4,428)	(4,434)	(4,440)	(4,447)	(4,454)	(4,462)	(4,470)
Borrowing Costs	-	(1,026)	(1,089)	(1,004)	(1,033)	(973)	(936)	(830)	(720)	(615)	(496)	(475)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(500)	(612)	(612)	(612)	(612)	(612)	(612)	(612)	(612)	(612)	(612)
Net Cash provided (or used in) Operating Activities	-	7,831	10,153	6,264	6,750	7,476	7,866	8,220	8,594	8,965	9,373	9,691
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	-	4,141	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(8,301)	(15,761)	(16,586)	(5,625)	(5,402)	(4,399)	(3,422)	(3,447)	(3,474)	(3,502)	(3,532)
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	-	(8,301)	(15,761)	(12,445)	(5,625)	(5,402)	(4,399)	(3,422)	(3,447)	(3,474)	(3,502)	(3,532)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	10,500	-	4,000	1,000	1,500	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(1,374)	(1,787)	(1,678)	(1,910)	(2,040)	(2,186)	(2,292)	(2,401)	(2,074)	(1,204)	(1,665)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	9,126	(1,787)	2,322	(910)	(540)	(2,186)	(2,292)	(2,401)	(2,074)	(1,204)	(1,665)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	8,656	(7,394)	(3,860)	215	1,534	1,282	2,506	2,746	3,417	4,667	4,494
plus: Cash & Cash Equivalents - beginning of year	-	3,598	12,254	4,860	1,000	1,215	2,749	4,031	6,537	9,283	12,701	17,367
Cash & Cash Equivalents - end of the year	-	12,254	4,860	1,000	1,215	2,749	4,031	6,537	9,283	12,701	17,367	21,862
Cash & Cash Equivalents - end of the year	3,598	12,254	4,860	1,000	1,215	2,749	4,031	6,537	9,283	12,701	17,367	21,862
Investments - end of the year	7,806	7,806	7,806	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665	3,665
Cash, Cash Equivalents & Investments - end of the year	11,404	20,060	12,666	4,665	4,880	6,414	7,696	10,202	12,948	16,366	21,032	25,527
Representing:												
- External Restrictions	5,180	2,849	3,017	3,219	3,428	3,644	3,900	4,166	4,442	4,730	5,029	5,340
- Internal Restrictions	6,223	5,201	1	1	1	2	2	3	3	4	4	5
- Unrestricted	1	12,010	9,648	1,445	1,452	2,769	3,794	6,034	8,503	11,632	15,999	20,181
	11,404	20,060	12,666	4,665	4,880	6,414	7,696	10,202	12,948	16,366	21,032	25,527

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
CASH FLOW STATEMENT - SEWER FUND
Scenario: Proposed

	Actuals 2019/20 \$'000	Current Year 2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	Projected Years					
							2025/26 \$'000	2026/27 \$'000	2027/28 \$'000	2028/29 \$'000	2029/30 \$'000	2030/31 \$'000
Cash Flows from Operating Activities												
Receipts:												
Rates & Annual Charges	-	12,183	12,990	13,901	14,874	15,915	16,289	16,614	16,947	17,286	17,631	17,984
User Charges & Fees	-	1,567	1,418	1,361	1,453	1,552	1,606	1,638	1,671	1,705	1,739	1,774
Investment & Interest Revenue Received	-	25	90	79	560	541	762	1,326	411	500	637	805
Grants & Contributions	-	1,824	5,378	4,904	(449)	4,958	9,378	(1,945)	425	427	430	432
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	5	5	5	5	5	5	5	6	6	6	6
Payments:												
Employee Benefits & On-Costs	-	(2,857)	(2,907)	(2,979)	(3,054)	(3,138)	(3,232)	(3,337)	(3,446)	(3,566)	(3,691)	(3,820)
Materials & Contracts	-	(3,567)	(3,922)	(3,797)	(3,802)	(3,807)	(3,812)	(3,818)	(3,824)	(3,830)	(3,837)	(3,844)
Borrowing Costs	-	(880)	(847)	(1,112)	(1,320)	(1,520)	(2,050)	(3,118)	(2,925)	(2,738)	(2,572)	(3,748)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(468)	(522)	(522)	(522)	(522)	(522)	(522)	(522)	(522)	(522)	(522)
Net Cash provided (or used in) Operating Activities	-	7,833	11,682	11,840	7,746	13,986	18,424	6,843	8,742	9,267	9,821	9,066
Cash Flows from Investing Activities												
Receipts:												
Sale of Investment Securities	-	-	-	-	1,412	-	-	24,060	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Debtors Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	(4,096)	(2,127)	(8,707)	-	(6,350)	(5,640)	-	(2,050)	(3,961)	(5,093)	(4,172)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(5,168)	(11,151)	(23,327)	(17,095)	(20,145)	(35,370)	(27,787)	(1,054)	(1,074)	(1,094)	(1,114)
Deferred Debtors & Advances Made	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided (or used in) Investing Activities	-	(9,264)	(13,278)	(32,035)	(15,682)	(26,495)	(41,011)	(3,727)	(3,104)	(5,034)	(6,186)	(5,286)
Cash Flows from Financing Activities												
Receipts:												
Proceeds from Borrowings & Advances	-	-	3,000	22,000	9,000	16,500	26,000	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(1,274)	(1,404)	(1,805)	(2,313)	(2,741)	(3,414)	(4,366)	(4,387)	(4,233)	(3,635)	(3,781)
Repayment of lease liabilities (principal repayments)	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	-	(1,274)	1,596	20,195	6,687	13,759	22,586	(4,366)	(4,387)	(4,233)	(3,635)	(3,781)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	(2,705)	0	-	(1,250)	1,250	-	(1,250)	1,250	-	(0)	(0)
plus: Cash & Cash Equivalents - beginning of year	-	4,205	1,500	1,500	1,500	250	1,500	1,500	250	1,500	1,500	1,500
Cash & Cash Equivalents - end of the year	-	1,500	1,500	1,500	250	1,500	1,500	250	1,500	1,500	1,500	1,500
Cash & Cash Equivalents - end of the year	4,205	1,500	1,500	1,500	250	1,500	1,500	250	1,500	1,500	1,500	1,500
Investments - end of the year	9,315	13,411	15,538	24,245	22,833	29,183	34,823	10,763	12,813	16,774	21,866	26,038
Cash, Cash Equivalents & Investments - end of the year	13,520	14,911	17,038	25,745	23,083	30,683	36,323	11,013	14,313	18,274	23,366	27,538
Representing:												
- External Restrictions	3,264	3,883	4,205	4,541	4,949	5,390	5,887	6,402	6,936	7,491	8,068	8,666
- Internal Restrictions	10,256	10,942	8,870	4	4	4	4	4	86	168	250	332
- Unrestricted	-	88	3,962	21,200	18,130	25,288	30,432	4,607	7,291	10,614	15,049	18,540
13,520	14,911	17,038	25,745	23,083	30,683	36,323	11,013	14,313	18,274	23,366	27,538	

Appendix 5

Scenario Financial Statements – General Fund

Kempsey Shire Council 10 Year Financial Plan for the Years ending 30 June 2031 INCOME STATEMENT - GENERAL FUND Scenario: 1-SRV of 20.6% increase in 23/24 year only												
	Actuals 2019/20	Current Year 2020/21	2021/22	2022/23	2023/24	2024/25	Projected Years					
	\$	\$	\$	\$	\$	\$	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
							\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	25,742,000	26,413,378	27,237,170	27,781,915	32,372,009	33,019,449	33,679,837	34,353,436	35,040,502	35,741,314	36,456,139	37,185,262
User Charges & Fees	6,499,000	7,412,933	8,052,809	8,173,606	8,316,641	8,462,181	8,631,427	8,804,051	8,980,133	9,162,184	9,348,789	9,529,506
Other Revenues	1,395,000	1,733,993	1,845,410	1,670,096	1,699,320	1,729,055	1,763,638	1,798,908	1,834,889	1,876,169	1,918,386	1,966,345
Grants & Contributions provided for Operating Purposes	14,279,000	14,957,628	12,381,161	11,578,114	11,588,775	11,599,650	11,418,810	11,430,124	11,441,665	11,453,436	11,465,443	11,477,690
Grants & Contributions provided for Capital Purposes	11,752,000	16,575,233	31,709,647	23,076,947	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212
Interest & Investment Revenue	598,000	577,825	395,717	385,413	755,061	803,231	1,018,641	905,667	981,663	958,740	853,792	872,945
Total Income from Continuing Operations	60,265,000	67,670,990	81,421,914	72,666,091	59,063,018	59,944,778	60,843,565	61,623,398	62,610,064	63,543,055	64,413,761	65,456,960
Expenses from Continuing Operations												
Employee Benefits & On-Costs	19,945,000	20,303,706	20,712,949	21,027,488	21,527,595	22,119,600	22,721,741	23,460,193	24,222,648	25,070,438	25,947,910	26,856,082
Borrowing Costs	411,000	232,148	407,893	465,487	605,751	740,180	849,675	1,020,085	1,251,856	1,357,204	1,435,609	1,553,903
Materials & Contracts	15,050,000	12,007,404	9,695,477	8,545,126	8,598,952	8,668,511	8,629,787	8,710,844	8,792,758	8,885,852	8,980,051	9,085,934
Depreciation & Amortisation	17,304,000	13,507,739	15,194,402	15,985,074	16,008,474	16,008,474	16,031,474	15,734,474	15,615,852	15,608,678	15,616,678	15,608,678
Other Expenses	2,148,000	5,656,408	6,867,410	6,621,195	6,625,685	6,880,226	6,635,550	6,640,949	6,646,474	6,902,781	6,659,264	6,666,607
Net Losses from the Disposal of Assets	2,362,000	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	57,220,000	51,707,405	52,878,130	52,644,370	53,366,457	54,416,991	54,868,227	55,566,545	56,529,588	57,824,953	58,639,511	59,771,204
Operating Result from Continuing Operations	3,045,000	15,963,585	28,543,784	20,021,721	5,696,561	5,527,787	5,975,338	6,056,853	6,080,476	5,718,102	5,774,250	5,685,756
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,707,000)	(611,648)	(3,165,863)	(3,055,226)	1,365,349	1,196,575	1,644,126	1,725,641	1,749,264	1,386,890	1,443,038	1,354,544

Kempsey Shire Council 10 Year Financial Plan for the Years ending 30 June 2031 INCOME STATEMENT - GENERAL FUND Scenario: 2-SRV starting in 23/24 for 3 years at 7.8% per annum												
	Actuals 2019/20	Current Year 2020/21	2021/22	2022/23	2023/24	2024/25	Projected Years					
	\$	\$	\$	\$	\$	\$	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
							\$	\$	\$	\$	\$	\$
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	25,742,000	26,413,378	27,237,170	27,781,915	29,599,286	31,551,774	33,649,805	34,322,803	35,009,256	35,709,443	36,423,630	37,152,104
User Charges & Fees	6,499,000	7,412,933	8,052,809	8,173,606	8,316,641	8,462,181	8,631,427	8,804,051	8,980,133	9,182,184	9,388,789	9,623,506
Other Revenues	1,395,000	1,733,993	1,645,410	1,670,096	1,699,320	1,729,055	1,763,638	1,798,908	1,834,889	1,876,169	1,918,386	1,966,345
Grants & Contributions provided for Operating Purposes	14,279,000	14,957,628	12,381,161	11,578,114	11,588,775	11,599,650	11,418,810	11,430,124	11,441,665	11,453,436	11,465,443	11,477,690
Grants & Contributions provided for Capital Purposes	11,752,000	16,575,233	31,709,647	23,076,947	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212
Interest & Investment Revenue	598,000	577,825	395,717	385,413	755,061	803,231	1,018,641	905,667	981,663	958,740	853,792	872,945
Total Income from Continuing Operations	60,265,000	67,670,990	81,421,914	72,666,091	56,290,295	58,477,103	60,813,533	61,592,765	62,578,818	63,511,184	64,381,252	65,423,802
Expenses from Continuing Operations												
Employee Benefits & On-Costs	19,945,000	20,303,706	20,712,949	21,027,488	21,527,595	22,119,600	22,721,741	23,460,193	24,222,648	25,070,438	25,947,910	26,856,082
Borrowing Costs	411,000	232,148	407,893	465,487	605,751	740,180	849,675	1,020,085	1,251,856	1,357,204	1,435,609	1,553,903
Materials & Contracts	15,050,000	12,007,404	9,695,477	8,545,126	8,598,952	8,668,511	8,629,787	8,710,844	8,792,758	8,885,852	8,980,051	9,085,934
Depreciation & Amortisation	17,304,000	13,507,739	15,194,402	15,985,074	16,008,474	16,008,474	16,031,474	15,734,474	15,615,852	15,608,678	15,616,678	15,608,678
Other Expenses	2,148,000	5,656,408	6,867,410	6,621,195	6,625,685	6,880,226	6,635,550	6,640,949	6,646,474	6,902,781	6,659,264	6,666,607
Net Losses from the Disposal of Assets	2,362,000	-	-	-	-	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	57,220,000	51,707,405	52,878,130	52,644,370	53,366,457	54,416,991	54,868,227	55,566,545	56,529,588	57,824,953	58,639,511	59,771,204
Operating Result from Continuing Operations	3,045,000	15,963,585	28,543,784	20,021,721	2,923,838	4,060,112	5,945,306	6,026,220	6,049,230	5,686,231	5,741,741	5,652,598
Net Operating Result for the Year	3,045,000	15,963,585	28,543,784	20,021,721	2,923,838	4,060,112	5,945,306	6,026,220	6,049,230	5,686,231	5,741,741	5,652,598
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,707,000)	(611,648)	(3,165,863)	(3,055,226)	(1,407,374)	(271,100)	1,614,094	1,695,008	1,718,018	1,355,019	1,410,529	1,321,386

Kempsey Shire Council
10 Year Financial Plan for the Years ending 30 June 2031
INCOME STATEMENT - GENERAL FUND
Scenario: 3-SRV of 18.5% increase in 23/24 year only

	Actuals 2019/20	Current Year 2020/21	2021/22	2022/23	2023/24	2024/25	Projected Years					
	\$	\$	\$	\$	\$	\$	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Income from Continuing Operations												
Revenue:												
Rates & Annual Charges	25,742,000	26,413,378	27,237,170	27,781,915	31,910,447	32,548,656	33,199,627	33,863,622	34,540,891	35,231,711	35,936,344	36,655,072
User Charges & Fees	6,499,000	7,412,933	8,052,809	8,173,606	8,316,641	8,462,181	8,631,427	8,804,051	8,980,133	9,182,184	9,388,789	9,623,506
Other Revenues	1,395,000	1,733,993	1,645,410	1,670,096	1,699,320	1,729,055	1,763,638	1,798,908	1,834,889	1,876,169	1,918,386	1,966,345
Grants & Contributions provided for Operating Purposes	14,279,000	14,957,628	12,381,161	11,578,114	11,588,775	11,599,650	11,418,810	11,430,124	11,441,665	11,453,436	11,465,443	11,477,690
Grants & Contributions provided for Capital Purposes	11,752,000	16,575,233	31,709,647	23,076,947	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212	4,331,212
Interest & Investment Revenue	598,000	577,825	395,717	385,413	755,061	803,231	1,018,641	905,667	981,663	958,740	853,792	872,945
Total Income from Continuing Operations	60,265,000	67,670,990	81,421,914	72,666,091	58,601,456	59,473,985	60,363,355	61,133,584	62,110,453	63,033,452	63,893,966	64,926,770
Expenses from Continuing Operations												
Employee Benefits & On-Costs	19,945,000	20,303,706	20,712,949	21,027,488	21,527,595	22,119,600	22,721,741	23,460,193	24,222,648	25,070,438	25,947,910	26,856,082
Borrowing Costs	411,000	232,148	407,893	465,487	605,751	740,180	849,675	1,020,085	1,251,856	1,357,204	1,435,609	1,553,903
Materials & Contracts	15,050,000	12,007,404	9,695,477	8,545,126	8,598,952	8,668,511	8,629,787	8,710,844	8,792,758	8,885,852	8,980,051	9,085,934
Depreciation & Amortisation	17,304,000	13,507,739	15,194,402	15,985,074	16,008,474	16,008,474	16,031,474	15,734,474	15,615,852	15,608,678	15,616,678	15,608,678
Other Expenses	2,148,000	5,656,408	6,867,410	6,621,195	6,625,685	6,880,226	6,635,550	6,640,949	6,646,474	6,902,781	6,659,264	6,666,607
Total Expenses from Continuing Operations	57,220,000	51,707,405	52,878,130	52,644,370	53,366,457	54,416,991	54,868,227	55,566,545	56,529,588	57,824,953	58,639,511	59,771,204
Net Operating Result for the Year	3,045,000	15,963,585	28,543,784	20,021,721	5,234,999	5,056,994	5,495,128	5,567,039	5,580,865	5,208,499	5,254,455	5,155,566
Net Operating Result before Grants and Contributions provided for Capital Purposes	(8,707,000)	(611,648)	(3,165,863)	(3,055,226)	903,787	725,782	1,163,916	1,235,827	1,249,653	877,287	923,243	824,354

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.