



# **OBERON COUNCIL**

# **CONSOLIDATED & GENERAL FUNDS - LONG TERM FINANCIAL PLAN (LTFP)**

**2015/16 – 2024/25**

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# PREFACE

## 1 INTRODUCTION

### 1.1 Structure

The LTFP is structured into seven main sections.

- Section 1:** Section 1 provides a brief introduction to the plan and the objectives it aims to meet.
- Section 2:** Planning Assumptions and Sensitivities. This section details the financial assumptions and variables made in developing the LTFP.
- Section 3:** Revenue Forecasts. Section 3 details the Council's major sources of revenue and the assumptions used in the forecast figures.
- Section 4:** Expenditure Forecasts. This section details the Council's major areas of expenditure and the assumptions used in the forecast figures including asset management.
- Section 5:** Performance Monitoring. This section provides a number of key performance indicators to monitor Council's performance against the plan.
- Section 6:** Appendices. (Detailed budget forecasts)

### 1.2 Introduction & Objectives

The Long Term Financial Plan (LTFP) is a requirement under the Integrated Planning and Reporting framework for NSW Local Government. Council's long term financial plan provides a framework to assess its revenue building capacity to meet the activities and level of services outlined in its Community Strategic Plan. The Long Term Financial Plan is a decision-making and problem-solving tool. It is not intended that the Long Term Financial Plan is set in concrete – it is a guide for future action.

### 1.3 Timeframe

The Division of Local Government has set the minimum timeframe at ten years. The Oberon Council LTFP covers the time period from 2015/2016 to 2024/2025.

### 1.4 Goals

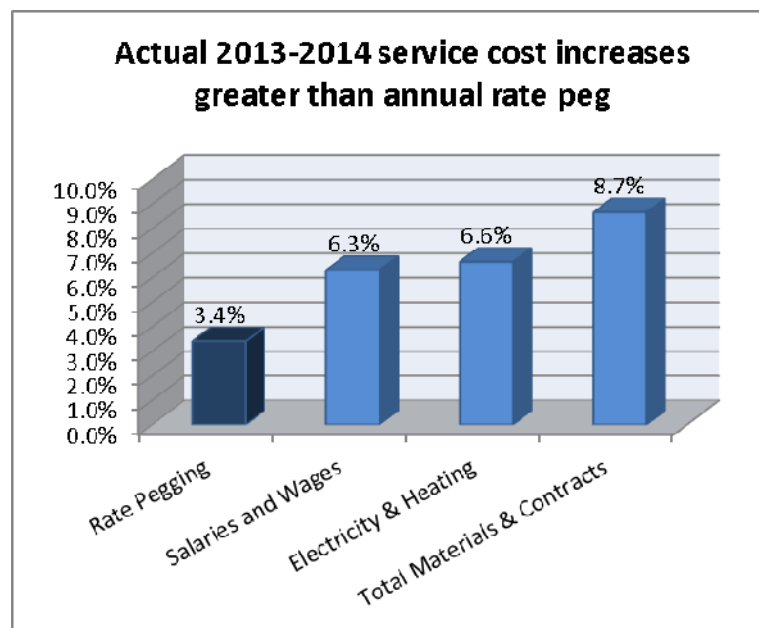
Oberon Council's long term goals include:

- establish greater transparency and accountability of Council to the community;
- provide an opportunity for early identification of financial issues and any likely impacts in the longer term;
- provide a mechanism to:
  - solve financial problems as a whole
  - see how various plans fit together
  - understand the impact of some decisions on other plans or strategies;
- provide a means of measuring Council's success in implementing strategies;
- build the capacity to progressively increase expenditure on required asset maintenance and address the current infrastructure backlog.
- confirm that Council can remain financially sustainable in the longer term.

## 2 PLANNING ASSUMPTIONS & SENSITIVITIES

A long term financial plan is dependent on a number of planning assumptions. In preparing the LTFP Council considered a range of matters when formulating the plan and tested a range of scenarios that impacts local government and the local government area of Oberon. Some of these are as follows:

- Constraint imposed by the NSW State Government on rate revenue by limiting the amount councils can increase rates by any given year, irrespective of the amount by which costs have increased. This has resulted in NSW having the lowest rates in Australia. The rate pegging limit imposed on Councils for the 15/16 financial year is 2.4% with council applying to IPART to increase this amount.
- For many years costs for NSW councils have increased at a faster rate than their ability to increase rate revenue. The impact on Oberon Council in the 2013-2014 financial year is shown below.



- Population Growth: Given the uncertainty in population growth in regional NSW it was concluded that growth in rate revenue or in additional revenue from fees and charges given the projected size of the market was negligible. Also, any increase in revenue may be offset against any increase in the costs of servicing a greater population base. As a result, the LTFP has been prepared on the assumption of a constant population base.
- Economic Growth: As per above, due to uncertainties in the growth of the local economy, the LTFP has been prepared on the assumption of a constant economic growth rate.

- Predictions of the Australian economy has a direct effect on Councils' investments, the interest rates have been quite volatile with current predictions of possible lowering of interest rates or staying at a constant rate in the near future affecting interest income. Due to the volatility of this source of revenue, the potential use of interest income as a source of revenue to balance the operational budget will have an impact.

As part of the planning process, Council has approached the community in regards to a special rate variation. Two different scenarios in the LTFP have now been considered by Council and are as follows:

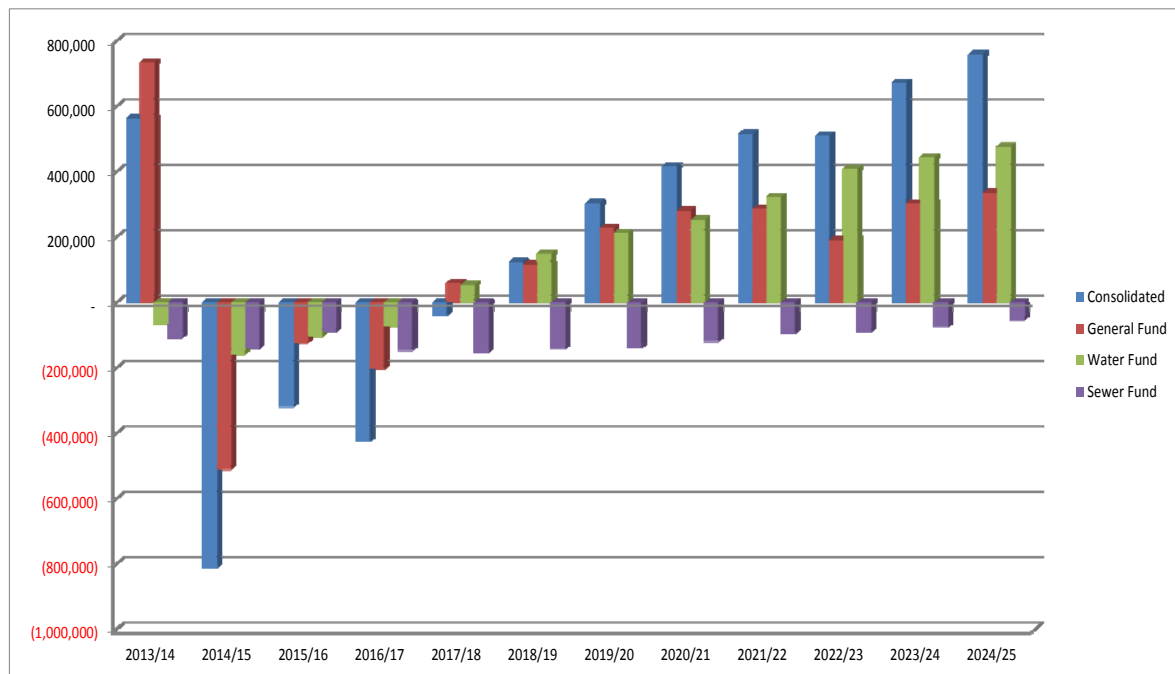
- IPART application for a 7.5% special rate variation (SRV)
- Rate peg only rise

## 2.1 IPART Application for a 7.5% SRV

A 7.5% special rate variation on the General Fund (excluding current special rates in force) starting from 2015/16 until 2019/20 is proposed.

The Net Operating Result before Grants and Contributions provided for Capital Purposes under the 7.5% SRV Application is provided in the table below.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Consolidated</b>	564,000	(810,221)	(318,388)	(424,198)	(38,496)	123,445	304,461	416,327	516,033	509,777	672,933	759,862
<b>General Fund</b>	735,000	(510,770)	(122,813)	(203,675)	58,930	116,198	228,846	281,572	286,571	191,055	303,710	335,827
<b>Water Fund</b>	(64,000)	(158,592)	(104,849)	(74,357)	54,054	148,916	213,434	253,021	322,561	408,977	444,048	476,907
<b>Sewer Fund</b>	(107,000)	(140,860)	(90,726)	(146,166)	(151,480)	(141,669)	(137,819)	(118,266)	(93,099)	(90,255)	(74,825)	(52,872)

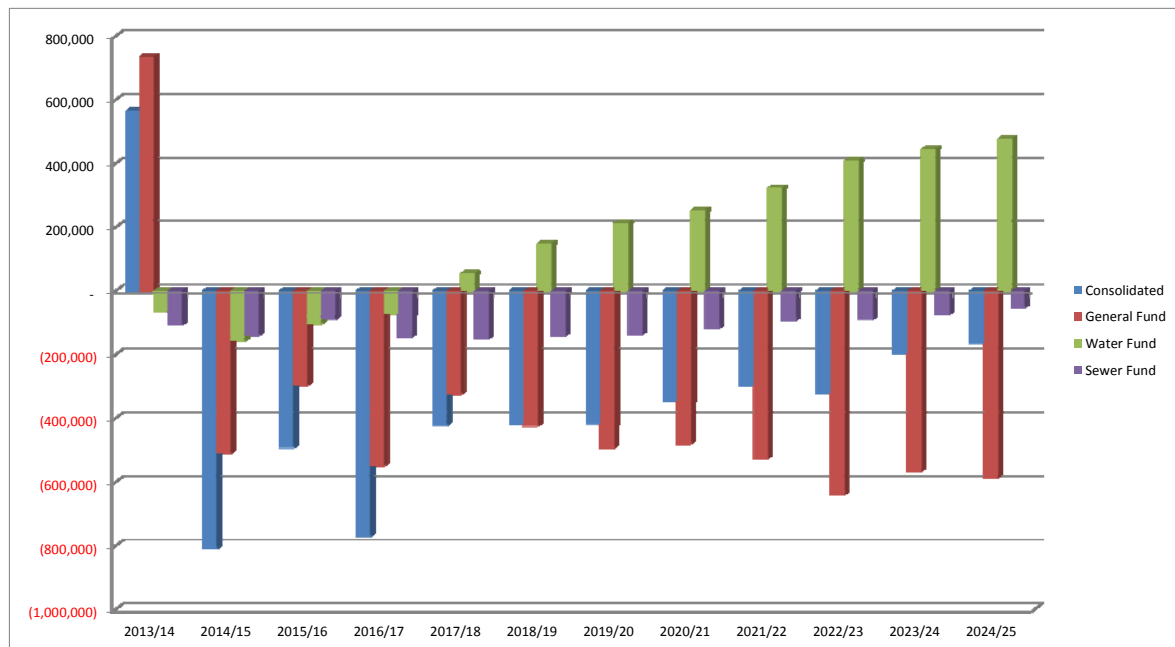


## 2.2 Rate peg rise only

A rate peg rise only, proposes that there be no increase to the General Rates above rate pegging.

The Net Operating Result before Grants and Contributions provided for Capital Purposes with only a rate peg rise is provided in the table below.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Consolidated</b>	564,000	(810,222)	(493,334)	(729,843)	(422,246)	(417,705)	(418,402)	(346,414)	(297,639)	(322,201)	(198,656)	(165,102)
<b>General Fund</b>	735,000	(510,770)	(297,758)	(509,320)	(324,821)	(424,953)	(494,018)	(481,170)	(527,101)	(640,923)	(567,880)	(589,138)
<b>Water Fund</b>	(64,000)	(158,592)	(104,849)	(74,357)	54,054	148,916	213,434	253,021	322,561	408,977	444,048	476,907
<b>Sewer Fund</b>	(107,000)	(140,860)	(90,726)	(146,166)	(151,480)	(141,669)	(137,819)	(118,266)	(93,099)	(90,255)	(74,825)	(52,872)



## 3 REVENUE FORECASTS

The major sources of revenue for councils are:

1. Rates and Annual Charges
2. User Charges and Fees
3. Grants & Contributions
4. Investment Revenue
5. Borrowings
6. Other Revenues

### 3.1 Rates and Annual Charges

The major component of a Councils' income is produced via the levying of rates. Oberon Council is proactive and determined to produce the most efficient and effective balance between rates levied on the population and the level of services that can be provided. The amount that is required to be raised from rating is determined by taking into account the long-term financial viability of the funds and then considering Councils' proposed capital works program.

An additional consideration is the limitation on rates income that is set by the Minister for Local Government. This limitation is known as Rate Pegging and involves a percentage cap on the income raised from ordinary and special rates from one year to another.

Section 492 of the Local Government Act 1993 provides two types of rates: Ordinary rates and Special rates.

Rates and Annual Charges revenue makes up 31% of the projected 2015/2016 operating revenue. The LTFP includes a permanent (S.508A) 5 year special rate variation across all categories starting from 2015/2016.

If these increases are not achieved, Council will need to adjust expenditure or revenue appropriately.

The LTFP modelling has been devised with scenarios that include the Special Rate Variation.

Any financial shocks or changed economic conditions have the ability to impact rate payer capacity to pay and in so doing will affect Councils' cash flow from rating.

Annual Charges, particularly domestic waste charges, are susceptible to significant cost increases as a result of legislative change in this area of operation (due to Federal and State climate change policies and other regulations).

#### 3.1.1 Ordinary Rates

By virtue of section 494 of the Act, Council is required to make and levy an ordinary rate for each year on all rateable land in its area. This is a mandatory requirement. Land is rated based upon the use of that land or the zoned use of that land. There are four main rating categories, within which Council can create additional sub-categories. The four broad categories provided by Section 493 of the Act are:

- Farmland
- Residential
- Business
- Mining

All rateable land is classed within one of the four categories unless it is deemed non-rateable, such as a church, school or similar institution.

#### 3.1.2 Special Rates

Council has discretion to levy special rates. Special rates must be made pursuant to section 495 of the Local Government Act 1993 but may be levied under either section 495 or the provisions of Division 2 of Part 5 of Chapter 15 of the Act. In the former instance, the special rates may be levied for works or services provided or proposed to be provided by Council (e.g. town improvement works benefiting a specific locality or tourism promotion benefiting a particular ratepayer sector) or for other specific purposes.



It is important to note that these rates will usually apply to specific rating categories or specific rating areas. Special rates are also capable of application across all ratepayers. For example, all ratepayers in a Council area could be made subject to a special rate, intended to finance a project that will benefit the whole of the Council area. Special rates can also be raised to fund sewer, water supply and waste management projects.

### 3.1.3 Rate Pegging

Rate pegging is a term that is commonly associated with section 506 and 509 of the Local Government Act 1993. This term refers to the practice of limiting the amount of revenue a Council can raise from ordinary and special rates by setting a limit on the increase of these rates from previous years. It is important to note that this limit (in the form of a percentage cap) does not apply to an individual's rate levy but rather the total rate levies raised from ordinary and special rates. The Independent Pricing and Regulatory Tribunal (IPART) advises Councils of the allowable rate pegging limit in November/December each year.

### 3.1.4 Special Rate Variation

Oberon Council has modelled its 10 year LTFF on section 508A of the *Local Government Act 1993*. The model allows for a permanent (S.508A) general increase of 7.5% across all categories for 5 years (2015/16 – 2019/20). This increase is inclusive of the rate pegging limit set by IPART and will require community support and a separate application to be completed. This decision will allow the alignment of Council services within the context of sustainability & improvement under the Community Strategic Plan.

In addressing the significant gap in Council's rapidly aging infrastructure, the special variation funding will be utilised to address infrastructure backlogs and to fund infrastructure maintenance/renewal programs for roads, bridges and building infrastructure.

Without a Special Rate Variation the community will see a further and continuing deterioration in roads, bridges, footpaths, kerbing, community buildings and various other assets, therefore no rate rise is not a viable option unless the community are willing to accept a lower level of service.

The table below shows the additional rate revenue that Council will receive each year as a result of the special rate variation, assuming a permanent increase (ongoing) to Councils rate base as per section 508 of the *Local Government Act 1993*.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>7.5% SRV</b>	169	335	519	720	943	971	1,000	1,030	1,061	1,093

## 3.2 User Charges & Fees

In accordance with Sections 496, 501 and 502 of the Local Government Act 1993, Council is able to charge for the provision of water, sewerage and domestic waste services.

### 3.2.1 Water & Sewerage Charges

The *NSW Best-Practice Management of Water Supply and Sewerage Framework* requires Council to prepare and implement a sound 20 to 30 year strategic business plan and financial plan in accordance with the *NSW Water and Sewerage Strategic Business Planning Guidelines*.

In the 2013/2014 financial year, Council received the final version of the Strategic Business Plan for Water Supply and Sewerage Services (SBP).

Best Practice requires the SBP be reviewed every four-five years and provides guidance for the future management of water & sewerage business.

Based on the SBP, Council has set charges to provide sufficient funds to operate and maintain water & sewerage services, to re-pay existing loans and to generate income to provide capital works and upgrades currently and into the future.

#### **For Residential Properties**

A uniform sewerage charge will be applied to all residential customers in accordance with the Department of Environment, Climate Change and Water Best Practice sewer pricing guidelines. A uniform access charge will be applied for the water system and a rate per kilolitre for consumption.

#### **For Non-Residential Properties**

A two-part tariff, being a connection charge and a usage charge will be applied. Non-residential properties include multiple occupancies, such as non-strata flats and units, and those properties which are categorised as “business” for rating purposes.

The connection charge is determined by the meter connection size and the usage charge is determined by multiplying the number of kilolitres of water consumed, by the SDF, and then by \$1.95 (2013/14).

Council will issue water & sewer usage charges every three months in arrears.

The SDF is a customer’s estimated volume discharged into the sewerage system to the customers total water consumption. For non-residential properties the SDF varies based on the usage requirements of a customer’s enterprise.

### **3.2.2 Waste Management Charges**

The Local Government Act 1993 requires that Domestic Waste Management Charges must reflect the actual cost of providing those services. The service is provided to the residents of the Oberon township. The service includes a weekly garbage collection.

### **3.2.3 Statutory Charges**

Council has no discretion to determine the amount of a fee for service when the amount is fixed by regulation or by another authority. Examples of statutory fees include development assessment fees and planning certificates.

The majority of statutory charges do not increase annually in line with CPI, however for the purposes of financial modelling these fees are assumed to increase in line with CPI over the long term.

### **3.2.4 Other Fees**

User fees and charges include office fees (photocopying, binding etc.), fees for use of Council facilities and other statutory and regulatory fees.

No significant new user charge or fee opportunities have been identified as part of the development of the CSP.

### 3.3 Grants & Contributions

In reviewing grants and contributions a conservative approach was taken in forecasting future grants. In the 2014-15 Federal Budget, the government announced that the indexation applied to the Financial Assistance Grant (FAG) programme would be paused for three years (2014-15 to 2016-17). The Roads to Recovery funding is now fixed for the next five years when the current Commonwealth Government commitment ends. It is unlikely that there will be any increase in grants, or provision of new grants, for current services. Any reduction or discontinuance of grants will be offset by a corresponding reduction in expenditure.

Council will continue to seek grant funding for a range of projects and programs, which will be reflected in budgets and the LTFP as and when specific arrangements are confirmed. While we expect to have success in acquiring new grants, we have adopted the prudent position of making no assumption that this source of funds can be relied upon for the purposes of forward forecasting of resourcing and financial sustainability. Successful increases in revenue through grants will be treated as windfalls, and will enable flow-on improvement in our position with respect to planned projects and programs, which will in turn be reflected in future LTFPs.

The Section 94 Developer Contribution Plan aims to generate contributions that will support the maintenance of levels of service for new community infrastructure to the present standard of facilities per head of existing population.

### 3.4 Investments Revenue

Council's investment strategy is to undertake investment of surplus funds, maximising earnings from authorised investments, whilst ensuring the security of Council funds.

Council also aims to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.

Forecast returns on Council's investment portfolio are based on the forecast 90 Day Bank Bill Swap Rate plus a small margin of 0.5% to reflect strategic investments in longer term investment products where appropriate.

### 3.5 Borrowings

Section 621 of the Local Government Act 1993 allows the Council to borrow (at any time and for any allowable purpose), at a level determined by the Council via approval of the Revenue Policy contained within the annual Operational Plan. Borrowing to build, renew and upgrade community assets is recognised by the Division of Local Government as a prudent financial strategy when used to fund long-lived assets. Known as the principle of "intergenerational equity", it spreads the burden of financing assets across generations.

In the financial modelling scenarios, the strategy to address identified funding gaps includes the raising of loans to fund, or part fund, some of the capital.

### 3.6 Other Revenue

The majority of other revenues are generated by rental income on Council properties and various other sources.

Rentals will vary according to supply and demand, however forecast fluctuations in supply and demand over ten year period, if available, are not considered reliable. Therefore assuming rents will increase in line with CPI over the long term is considered a reasonable approach.

'Other revenues' represent less than 2% of total revenues the potential margin of error of this assumption, and resultant impact on financial position, is considered immaterial.

### 3.7 Internal Cash Reserves

'Internal Cash Reserves' is money restricted by council to be used for future planned expenditure. A reason for this is to smooth out long term expenditure peaks and troughs. In combination with borrowings Council will use the reserves to fund ongoing asset maintenance and capital expenditure.

Council will need to carefully manage their cash reserves and not divert them for uses other than those originally intended for and be available when needed for the originally planned expenditure.

## 4 EXPENDITURE FORECASTS

### 4.1 Salaries, Wages and Employee On-costs

Council's long term forecast relating to staffing is contained in detail within the Workforce Strategy. The Workforce Strategy also identifies the human resources Oberon Council requires to continue its strategic direction and deliver services in an efficient and effective manner.

The local government award has set a 2.7% increase for the 15/16 financial year. This percentage was used in projecting future salary, wage and ELE costs, whilst also taking into account future staff competency/performance increases.

Employee on-costs are assigned to labour hours to recover fixed employment costs such as workers compensation and superannuation premiums, and provision of tools and equipment. Further, the attribution of other organisation support costs, such as human resource or IT support, may be distributed based on number of staff or labour hours.

Other employee on-costs e.g. training, protective clothing and travel costs are separately allocated against functions.

### 4.2 Loans / Debt Service Costs

The strategy to address identified funding gaps includes the raising of loans to fund, or part fund, some of the capital projects included in the capital works program.

The term of the loan will be matched against the future economic benefit of the assets. This means that the asset/borrowing will be paid for by residents who will consume the services provided by the asset over its useful life.

### 4.3 Materials, Contracts and Other Operating Costs

Expenditure on materials, contracts and other operating cost has been generally based on CPI. The exceptions to this are expenditures that are either, not recurrent every year, have been identified as increasing by an amount different to CPI or a result of increased services or service levels.

### 4.4 Asset Management

Infrastructure (assets) expenditure will progressively be mapped against maintenance and renewal programs recommended by respective asset management plans. In accordance with Council's asset management review, council has a strong focus on asset renewals as opposed to construction of new assets.

Subject to successful special rate variations and subsequent loan borrowings, assets should be maintained and renewed in accordance with the respective asset management plans and agreed condition intervention levels.

## 5 PERFORMANCE MEASURES

### 5.1 Financial Analysis

A number of key indicators have been developed to monitor performance against the LTFP to assess Council's long term sustainability. These key performance indicators will provide clear targets against which the council can report its progress to the community.

#### 5.1.1 Cash / Liquidity Position

Cash and cash management is vital for the short and long term survival of any business. The ability to convert an asset to cash quickly to meet current obligations/liabilities is an important part of managing Councils' day to day business needs.

#### Unrestricted Current Ratio

**Definition:**

$$\frac{\text{Unrestricted Current Assets}}{\text{Unrestricted Current Liabilities}}$$

**Description:**

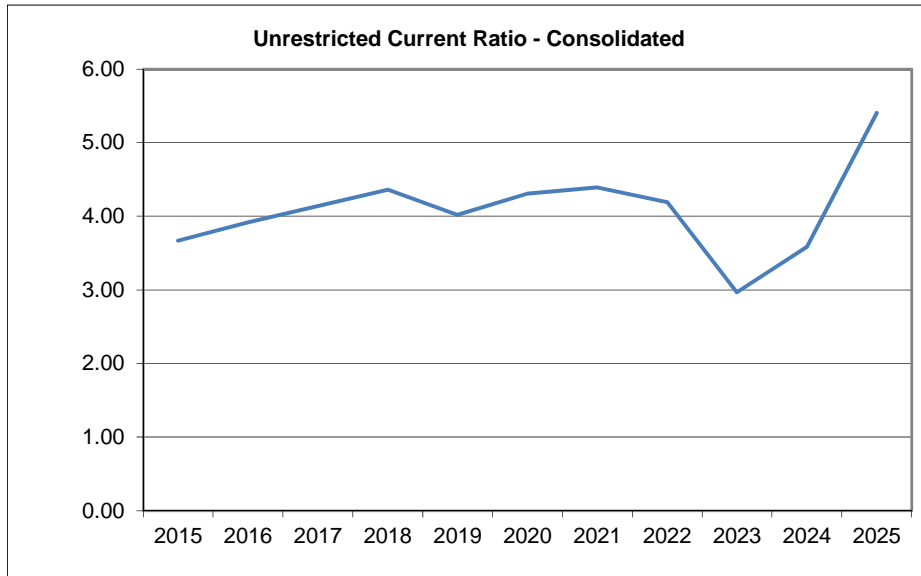
Measures the ability of Council to pay its debts as and when they fall due.

**Target:**

Council aims to maintain a ratio above 2.0 at all times.

**Projection:**

That the ratio remains above 2.0 for the duration of the LTFP.



### 5.1.2 Operating Performance Ratio

**Definition:**

Measures Councils' achievement of containing operating expenditure within operating revenue.

**Description:**

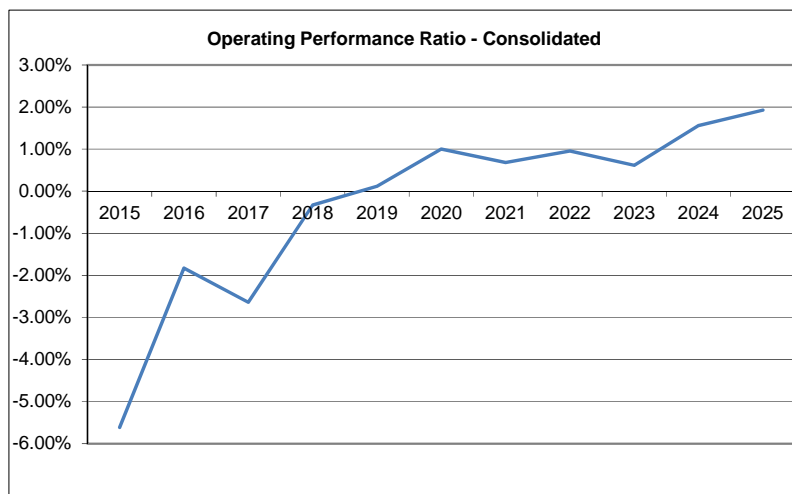
The ratio can indicate if council has the continued capacity to meet ongoing expenditure needs. Councils' operating result is normally regarded as an important criterion in measuring performance. The issue for Councils is whether the operating results can be maintained and in particular if those operating results can sustain the current level of services into the future.

**Target:**

To achieve an operating surplus by year 10 of the LTFP.

**Projection:**

The following graph projects the estimated result for each year of the LTFP.



### 5.1.3 Debt Management

Prudent financial management dictates that a council does not over commit itself to debts that it cannot fulfil. It is important to assess the ongoing risk that is associated with meeting any debt and interest commitments to ensure there are sufficient funds available to meet any current and future liabilities of Council.

#### Debt Service Ratio

**Definition:**

Net Debt Service Cost  
Total Revenue from Ordinary Activities

**Description:**

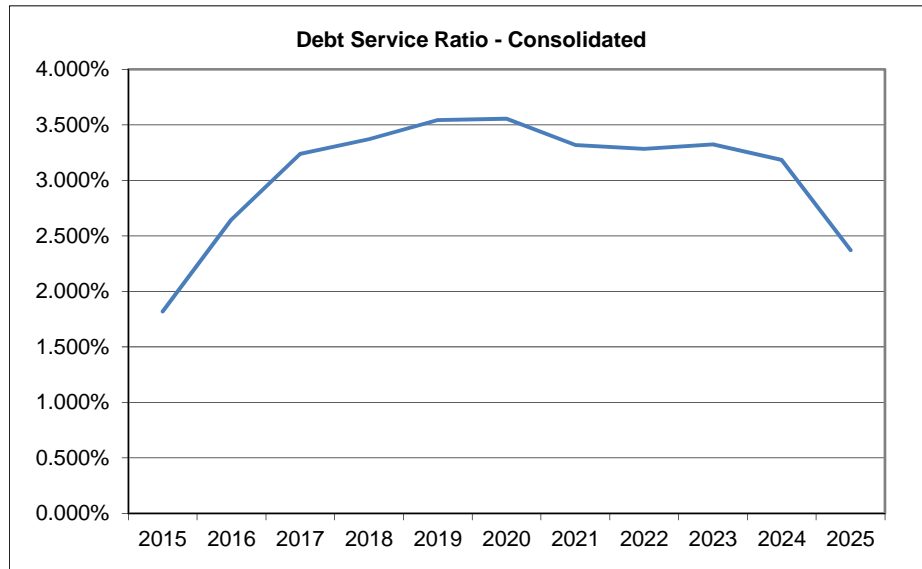
The Debt Service Ratio is used to show the percentage of annual revenue necessary to service annual debt obligations e.g. loan repayments. It also shows the commitment of future revenue necessary to fund long term obligations.

**Target:**

Council aims to maintain this ratio below 10% at all times.

**Projection:**

The following graph projects the estimated percentage of the LTFFP.



### 5.1.4 Dependence on Own Source Revenue

Councils throughout NSW can become reliant on grant income to meet the various costs associated with servicing their communities. This dependence highlights the need for Council to look for new opportunities to ensure long term sustainability.

### Own Source Revenue Ratio

**Definition:**

Operating Revenue less Grants  
Income from continuing Operations

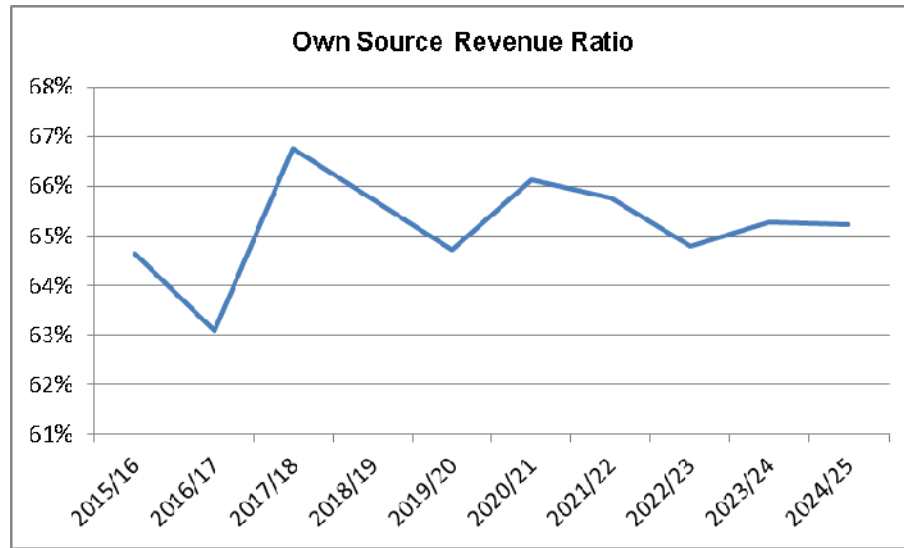
**Description:**

Purpose of this ratio is to measure the degree of reliance on external funding sources.

**Target:** TCorp recommend an average of 60% or greater.

**Projection:**

The following graph projects the estimated percentage of the Consolidated LTFP.



### 5.1.5 Building and Infrastructure Renewals

Councils throughout NSW have been underfunding the renewal of their asset infrastructure for many years now, resulting in an infrastructure backlog. The ability to fund this backlog is crucial to the long term sustainability for our industry. Through the application of a 7.5% special rate variation with IPART, Oberon Council is looking to reduce the Infrastructure Backlog.

#### Building and Infrastructure Renewals Ratio

**Definition:**

Asset Renewals (Building and Infrastructure)  
Depreciation, Amortisation and Impairment

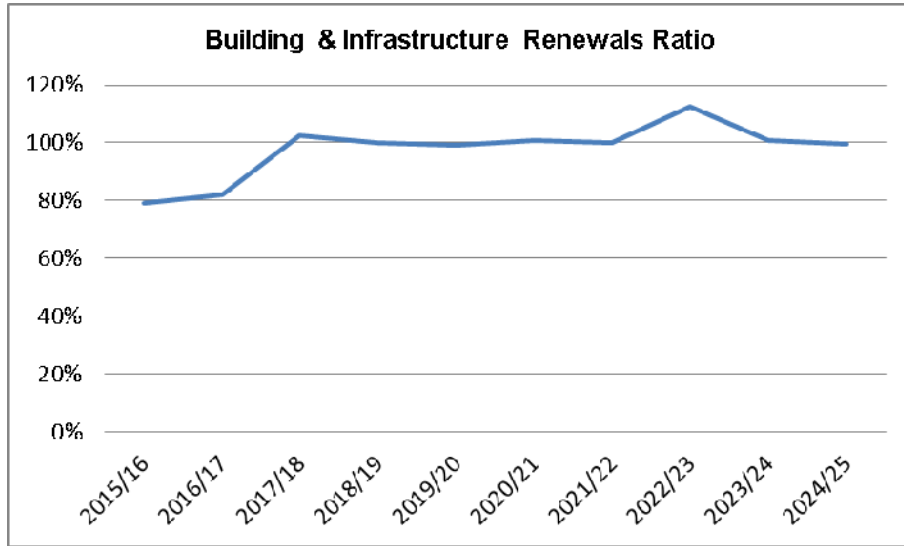
**Description:**

Purpose of this ratio is to assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Projection:**

The following graph projects the estimated percentage of the LTFP.





## 6 APPENDICES

## Budgeted Income Statement – 7.5% Ordinary Rate Rise (General)

Oberon Council												
10 Year Financial Plan for the Years ending 30 June 2025												
INCOME STATEMENT - GENERAL FUND												
Scenario: 7.5% Special Rate Variation												
	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	3,364,000	3,460,734	3,705,999	3,946,918	4,212,778	4,491,406	4,790,317	4,927,284	5,068,361	5,213,670	5,363,337	5,517,496
User Charges & Fees	4,750,000	3,138,608	2,820,111	1,887,883	3,056,189	2,475,043	1,994,464	2,714,467	2,535,070	2,056,291	2,278,148	2,300,662
Interest & Investment Revenue	300,000	115,176	200,336	231,430	250,785	318,135	335,943	344,101	363,826	354,281	390,273	406,969
Other Revenues	184,000	293,144	165,910	170,555	175,672	180,942	186,370	191,961	197,720	203,652	209,761	216,054
Grants & Contributions provided for Operating Purposes	3,354,000	3,813,839	4,071,834	4,068,949	4,063,751	4,168,790	4,276,841	4,387,523	4,501,332	4,627,083	4,756,486	4,889,676
Grants & Contributions provided for Capital Purposes	707,000	933,783	933,122	933,122	933,122	944,322	955,836	967,672	979,839	993,240	1,007,044	1,021,262
Other Income:												
Net gains from the disposal of assets	351,000	100,000	125,000	125,000	125,000	125,000	125,000	25,000	25,000	25,250	25,503	25,503
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>13,010,000</b>	<b>11,855,284</b>	<b>12,022,312</b>	<b>11,363,858</b>	<b>12,817,297</b>	<b>12,703,638</b>	<b>12,664,771</b>	<b>13,558,008</b>	<b>13,671,148</b>	<b>13,473,467</b>	<b>14,030,553</b>	<b>14,377,620</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	4,658,000	4,288,535	4,156,874	4,193,334	4,390,329	4,481,515	4,566,777	4,779,801	4,899,442	5,018,682	5,181,904	5,355,061
Borrowing Costs	8,000	17,825	66,954	61,230	55,045	48,595	42,070	34,780	27,327	19,705	11,678	3,268
Materials & Contracts	2,629,000	2,134,259	1,706,683	1,057,309	1,969,792	1,611,267	1,275,781	1,802,890	1,688,676	1,361,267	1,534,189	1,565,317
Depreciation & Amortisation	3,169,000	3,226,124	3,441,706	3,475,684	3,510,002	3,544,664	3,579,671	3,615,029	3,650,741	3,686,810	3,723,239	3,760,033
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,104,000	1,765,528	1,839,786	1,846,854	1,900,076	1,957,078	2,015,790	2,076,264	2,138,552	2,202,708	2,268,789	2,336,853
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>11,568,000</b>	<b>11,432,271</b>	<b>11,212,003</b>	<b>10,634,411</b>	<b>11,825,244</b>	<b>11,643,118</b>	<b>11,480,089</b>	<b>12,308,765</b>	<b>12,404,738</b>	<b>12,289,172</b>	<b>12,719,799</b>	<b>13,020,532</b>
<b>Operating Result from Continuing Operations</b>	<b>1,442,000</b>	<b>423,013</b>	<b>810,309</b>	<b>729,447</b>	<b>992,052</b>	<b>1,060,520</b>	<b>1,184,681</b>	<b>1,249,243</b>	<b>1,266,410</b>	<b>1,184,295</b>	<b>1,310,754</b>	<b>1,357,089</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>1,442,000</b>	<b>423,013</b>	<b>810,309</b>	<b>729,447</b>	<b>992,052</b>	<b>1,060,520</b>	<b>1,184,681</b>	<b>1,249,243</b>	<b>1,266,410</b>	<b>1,184,295</b>	<b>1,310,754</b>	<b>1,357,089</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	735,000	(510,770)	(122,813)	(203,675)	58,930	116,198	228,846	281,572	286,571	191,055	303,710	335,827

The applying for the 7.5% rate rise is part of a long term funding strategy of capital expenditure / asset renewals. To deliver a financially sustainable outcome this scenario is based on a permanent 5 year 7.5%p.a. special rate variation, excluding current special rate variations in force, commencing 2015/16.

## Budgeted Balance Sheet – 7.5% Ordinary Rate Rise (General)

Oberon Council												
10 Year Financial Plan for the Years ending 30 June 2025												
BALANCE SHEET - GENERAL FUND												
Scenario: 7.5% Special Rate Variation												
	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	(463,000)	-	447,806	816,751	1,217,613	1,394,827	1,715,873	2,047,140	2,492,400	2,507,869	2,908,394	3,447,658
Investments	6,435,000	1,390,454	1,390,454	1,390,454	1,390,454	1,540,769	1,691,085	1,841,400	1,991,715	2,142,031	2,292,346	2,442,661
Receivables	902,563	1,217,380	927,216	911,499	1,011,442	1,020,138	1,037,480	1,106,124	1,127,187	1,131,255	1,175,836	1,210,930
Inventories	713,000	855,027	881,293	898,495	1,083,747	1,130,692	1,180,213	1,237,850	1,225,677	1,190,302	1,209,404	1,213,077
Other	14,000	16,476	14,702	12,356	16,051	14,932	13,910	16,152	15,964	14,973	15,891	16,277
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>7,601,563</b>	<b>3,479,338</b>	<b>3,661,471</b>	<b>4,029,555</b>	<b>4,719,306</b>	<b>5,101,359</b>	<b>5,638,561</b>	<b>6,248,667</b>	<b>6,852,943</b>	<b>6,986,429</b>	<b>7,601,869</b>	<b>8,330,604</b>
<b>Non-Current Assets</b>												
Investments	700,000	3,234,669	3,234,669	3,234,669	3,234,669	3,584,354	3,934,038	4,283,723	4,633,407	4,983,092	5,332,777	5,682,461
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	341,000	268,798	308,608	348,418	388,229	428,039	467,849	467,849	467,849	467,849	467,849	467,849
Infrastructure, Property, Plant & Equipment	158,059,000	163,558,771	163,979,061	164,094,300	164,291,822	164,408,182	164,489,534	164,663,036	164,800,827	165,302,800	165,481,502	165,623,409
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>159,100,000</b>	<b>167,062,238</b>	<b>167,522,338</b>	<b>167,677,388</b>	<b>167,914,719</b>	<b>168,420,574</b>	<b>168,891,421</b>	<b>169,414,608</b>	<b>169,902,084</b>	<b>170,753,741</b>	<b>171,282,127</b>	<b>171,773,720</b>
<b>TOTAL ASSETS</b>	<b>166,701,563</b>	<b>170,541,576</b>	<b>171,183,809</b>	<b>171,706,942</b>	<b>172,634,025</b>	<b>173,521,933</b>	<b>174,529,981</b>	<b>175,663,275</b>	<b>176,755,027</b>	<b>177,740,170</b>	<b>178,883,997</b>	<b>180,104,324</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	(324,000)	-	-	-	-	-	-	-	-	-	-	-
Payables	398,000	405,870	369,688	300,992	379,825	357,467	337,612	385,730	382,592	362,583	382,826	391,933
Borrowings	70,563	131,893	137,618	143,803	150,253	156,778	164,068	171,521	179,143	187,170	145,866	(2)
Provisions	1,261,000	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,405,563</b>	<b>1,807,923</b>	<b>1,777,466</b>	<b>1,714,955</b>	<b>1,800,238</b>	<b>1,784,405</b>	<b>1,771,840</b>	<b>1,827,411</b>	<b>1,831,895</b>	<b>1,819,913</b>	<b>1,798,852</b>	<b>1,662,091</b>
<b>Non-Current Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	1,436,220	1,298,602	1,154,799	1,004,546	847,768	683,700	512,179	333,036	145,866	-	-
Provisions	277,000	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>277,000</b>	<b>1,704,060</b>	<b>1,566,442</b>	<b>1,422,639</b>	<b>1,272,386</b>	<b>1,115,608</b>	<b>951,540</b>	<b>780,019</b>	<b>600,876</b>	<b>413,706</b>	<b>267,840</b>	<b>267,840</b>
<b>TOTAL LIABILITIES</b>	<b>1,682,563</b>	<b>3,511,983</b>	<b>3,343,908</b>	<b>3,137,594</b>	<b>3,072,624</b>	<b>2,900,013</b>	<b>2,723,380</b>	<b>2,607,430</b>	<b>2,432,771</b>	<b>2,233,619</b>	<b>2,066,692</b>	<b>1,929,931</b>
<b>Net Assets</b>	<b>165,019,000</b>	<b>167,029,593</b>	<b>167,839,901</b>	<b>168,569,348</b>	<b>169,561,401</b>	<b>170,621,921</b>	<b>171,806,602</b>	<b>173,055,845</b>	<b>174,322,255</b>	<b>175,506,551</b>	<b>176,817,305</b>	<b>178,174,393</b>
<b>EQUITY</b>												
Retained Earnings	113,708,000	114,131,013	114,941,321	115,670,768	116,662,821	117,723,341	118,908,022	120,157,265	121,423,675	122,607,971	123,918,725	125,275,813
Revaluation Reserves	51,311,000	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580
Council Equity Interest	165,019,000	167,029,593	167,839,901	168,569,348	169,561,401	170,621,921	171,806,602	173,055,845	174,322,255	175,506,551	176,817,305	178,174,393
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>165,019,000</b>	<b>167,029,593</b>	<b>167,839,901</b>	<b>168,569,348</b>	<b>169,561,401</b>	<b>170,621,921</b>	<b>171,806,602</b>	<b>173,055,845</b>	<b>174,322,255</b>	<b>175,506,551</b>	<b>176,817,305</b>	<b>178,174,393</b>

The applying for the 7.5% rate rise is part of a long term funding strategy of capital expenditure / asset renewals. To deliver a financially sustainable outcome this scenario is based on a permanent 5 year 7.5%p.a. special rate variation, excluding current special rate variations in force, commencing 2015/16.

## Budgeted Cash Flow Statement – 7.5% Ordinary Rate Rise (General)

Oberon Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario: 7.5% Special Rate Variation												
	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
<b>Receipts:</b>												
Rates & Annual Charges	-	3,384,805	3,687,861	3,929,102	4,193,117	4,470,801	4,768,212	4,917,155	5,057,928	5,202,924	5,352,269	5,506,095
User Charges & Fees	-	3,134,864	2,835,408	1,932,657	3,000,076	2,502,955	2,017,545	2,679,886	2,543,686	2,079,286	2,267,493	2,299,581
Interest & Investment Revenue Received	-	129,470	198,000	225,597	245,207	312,091	328,567	338,493	358,101	350,273	384,249	400,496
Grants & Contributions	-	4,733,760	5,004,062	5,002,084	4,996,897	5,112,576	5,232,126	5,354,630	5,480,591	5,619,683	5,762,871	5,910,258
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	50,540	460,294	161,430	164,984	169,870	174,997	178,945	184,590	190,167	195,659	201,591
<b>Payments:</b>												
Employee Benefits & On-Costs	-	(4,343,152)	(4,157,770)	(4,213,821)	(4,390,329)	(4,481,515)	(4,566,777)	(4,779,801)	(4,899,442)	(5,018,682)	(5,181,904)	(5,355,061)
Materials & Contracts	-	(2,037,047)	(1,679,419)	(1,031,480)	(2,002,644)	(1,592,615)	(1,257,964)	(1,819,397)	(1,679,262)	(1,343,093)	(1,536,037)	(1,561,268)
Borrowing Costs	-	(17,825)	(66,954)	(61,230)	(55,045)	(48,595)	(42,070)	(34,780)	(27,327)	(19,705)	(11,678)	(3,268)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(1,765,528)	(1,839,786)	(1,846,854)	(1,900,076)	(1,957,078)	(2,015,790)	(2,076,264)	(2,138,552)	(2,202,708)	(2,268,789)	(2,336,853)
<b>Net Cash provided (or used in) Operating Activities</b>	-	3,269,888	4,441,695	4,097,486	4,252,188	4,488,491	4,638,847	4,758,868	4,880,312	4,858,145	4,964,133	5,061,571
<b>Cash Flows from Investing Activities</b>												
<b>Receipts:</b>												
Sale of Investment Securities	-	2,509,877	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Purchase of Investment Securities	-	-	-	-	-	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(7,138,315)	(3,861,996)	(3,590,923)	(3,707,523)	(3,661,023)	(3,661,023)	(3,763,532)	(3,763,532)	(4,163,532)	(3,876,438)	(3,876,438)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(4,628,438)	(3,861,996)	(3,590,923)	(3,707,523)	(4,161,023)	(4,161,023)	(4,263,532)	(4,263,532)	(4,663,532)	(4,376,438)	(4,376,438)
<b>Cash Flows from Financing Activities</b>												
<b>Receipts:</b>												
Proceeds from Borrowings & Advances	-	1,600,000	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>												
Repayment of Borrowings & Advances	-	(102,450)	(131,893)	(137,618)	(143,803)	(150,253)	(156,778)	(164,068)	(171,521)	(179,143)	(187,170)	(145,868)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	1,497,550	(131,893)	(137,618)	(143,803)	(150,253)	(156,778)	(164,068)	(171,521)	(179,143)	(187,170)	(145,868)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	139,000	447,806	368,945	400,861	177,215	321,046	331,268	445,259	15,470	400,524	539,265
plus: Cash, Cash Equivalents & Investments - beginning of year	-	(139,000)	(0)	447,806	816,751	1,217,613	1,394,827	1,715,873	2,047,140	2,492,400	2,507,869	2,908,394
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>(139,000)</b>	<b>(0)</b>	<b>447,806</b>	<b>816,751</b>	<b>1,217,613</b>	<b>1,394,827</b>	<b>1,715,873</b>	<b>2,047,140</b>	<b>2,492,400</b>	<b>2,507,869</b>	<b>2,908,394</b>	<b>3,447,658</b>
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>6,996,000</b>	<b>4,625,123</b>	<b>5,072,929</b>	<b>5,441,874</b>	<b>5,842,735</b>	<b>6,519,950</b>	<b>7,340,996</b>	<b>8,172,263</b>	<b>9,117,522</b>	<b>9,632,992</b>	<b>10,533,516</b>	<b>11,572,781</b>

## Budgeted Income Statement – No Rate Rise (General)

Oberon Council												
10 Year Financial Plan for the Years ending 30 June 2025												
INCOME STATEMENT - GENERAL FUND												
Scenario: Rate Peg increase only												
	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from Continuing Operations</b>												
Revenue:												
Rates & Annual Charges	3,364,000	3,460,734	3,542,255	3,626,218	3,719,733	3,809,383	3,916,922	4,027,688	4,141,776	4,259,287	4,380,324	4,504,991
User Charges & Fees	4,750,000	3,138,608	2,820,111	1,887,883	3,056,189	2,475,043	1,994,464	2,714,467	2,535,070	2,056,291	2,278,148	2,300,662
Interest & Investment Revenue	300,000	115,176	193,170	215,014	224,414	275,146	302,851	291,824	281,932	276,035	295,027	281,638
Other Revenues	184,000	293,144	165,910	170,555	175,672	180,942	186,370	191,961	197,720	203,652	209,761	216,054
Grants & Contributions provided for Operating Purposes	3,354,000	3,813,839	4,071,834	4,067,949	4,063,751	4,168,790	4,276,841	4,387,523	4,501,332	4,627,083	4,756,486	4,889,676
Grants & Contributions provided for Capital Purposes	707,000	933,783	933,122	933,122	933,122	944,322	955,836	967,672	979,839	993,240	1,007,044	1,021,262
<b>Other Income:</b>												
Net gains from the disposal of assets	351,000	100,000	125,000	125,000	125,000	125,000	125,000	25,000	25,000	25,250	25,503	25,503
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>13,010,000</b>	<b>11,855,284</b>	<b>11,851,402</b>	<b>11,025,741</b>	<b>12,297,880</b>	<b>11,978,626</b>	<b>11,758,284</b>	<b>12,606,134</b>	<b>12,662,669</b>	<b>12,440,839</b>	<b>12,952,293</b>	<b>13,239,785</b>
<b>Expenses from Continuing Operations</b>												
Employee Benefits & On-Costs	4,658,000	4,288,535	4,156,874	4,193,334	4,390,329	4,481,515	4,566,777	4,779,801	4,899,442	5,018,682	5,181,904	5,355,061
Borrowing Costs	8,000	17,825	66,954	61,230	55,045	48,595	42,070	34,780	27,327	19,705	11,678	3,268
Materials & Contracts	2,629,000	2,134,259	1,710,718	1,066,484	1,834,982	1,428,286	1,093,065	1,614,692	1,494,832	1,161,607	1,328,540	1,353,499
Depreciation & Amortisation	3,169,000	3,226,124	3,441,706	3,475,684	3,510,002	3,544,664	3,579,671	3,615,029	3,650,741	3,686,810	3,723,239	3,760,033
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,104,000	1,765,528	1,839,786	1,846,024	1,899,221	1,956,198	2,014,883	2,075,330	2,137,590	2,201,717	2,267,769	2,335,802
Interest & Investment Losses	-	-	-	-	-	-	-	-	-	-	-	-
Net Losses from the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Joint Ventures & Associated Entities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>11,568,000</b>	<b>11,432,271</b>	<b>11,216,038</b>	<b>10,642,756</b>	<b>11,689,579</b>	<b>11,459,256</b>	<b>11,296,466</b>	<b>12,119,633</b>	<b>12,209,932</b>	<b>12,088,522</b>	<b>12,513,129</b>	<b>12,807,662</b>
<b>Operating Result from Continuing Operations</b>	<b>1,442,000</b>	<b>423,013</b>	<b>635,364</b>	<b>382,985</b>	<b>608,301</b>	<b>519,369</b>	<b>461,818</b>	<b>486,501</b>	<b>452,738</b>	<b>352,317</b>	<b>439,164</b>	<b>432,123</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>1,442,000</b>	<b>423,013</b>	<b>635,364</b>	<b>382,985</b>	<b>608,301</b>	<b>519,369</b>	<b>461,818</b>	<b>486,501</b>	<b>452,738</b>	<b>352,317</b>	<b>439,164</b>	<b>432,123</b>
Net Operating Result before Grants and Contributions provided for Capital Purposes	735,000	(510,770)	(297,758)	(550,137)	(324,821)	(424,953)	(494,018)	(481,170)	(527,101)	(640,923)	(567,880)	(589,138)

An unsuccessful IPART application will require a review of loan borrowings and funding from reserves in conjunction with a review of service delivery / capital expenditure funding.

## Budgeted Balance Sheet – No Rate Rise (General)

Oberon Council												
10 Year Financial Plan for the Years ending 30 June 2025												
BALANCE SHEET - GENERAL FUND												
Scenario: Rate Peg increase only												
	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash & Cash Equivalents	(463,000)	-	286,872	323,460	570,232	934,170	1,259,266	1,547,360	1,898,875	1,700,674	1,956,365	2,297,726
Investments	6,435,000	1,390,454	1,390,454	1,390,454	1,390,454	1,390,454	1,390,454	1,390,454	1,390,454	1,540,769	1,540,769	1,540,769
Receivables	902,563	1,217,380	912,302	881,552	965,942	956,928	955,547	1,019,583	1,035,682	1,036,410	1,075,651	1,105,103
Inventories	713,000	855,027	881,293	898,495	1,067,444	1,108,458	1,157,312	1,214,262	1,201,381	1,165,277	1,183,628	1,186,528
Other	14,000	16,476	14,702	12,352	15,478	14,153	13,107	15,325	15,112	14,095	14,987	15,347
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>7,601,563</b>	<b>3,479,338</b>	<b>3,485,622</b>	<b>3,506,313</b>	<b>4,009,551</b>	<b>4,404,162</b>	<b>4,775,685</b>	<b>5,186,984</b>	<b>5,541,503</b>	<b>5,457,224</b>	<b>5,771,399</b>	<b>6,145,473</b>
<b>Non-Current Assets</b>												
Investments	700,000	3,234,669	3,234,669	3,234,669	3,234,669	3,234,669	3,234,669	3,234,669	3,234,669	3,584,354	3,584,354	3,584,354
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	341,000	268,798	308,608	348,418	388,229	428,039	467,849	467,849	467,849	467,849	467,849	467,849
Infrastructure, Property, Plant & Equipment	158,059,000	163,558,771	163,979,061	164,094,300	164,082,822	163,990,182	163,862,534	163,821,184	163,744,123	163,631,244	163,588,648	163,509,258
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>159,100,000</b>	<b>167,062,238</b>	<b>167,522,338</b>	<b>167,677,388</b>	<b>167,705,719</b>	<b>167,652,889</b>	<b>167,565,051</b>	<b>167,523,702</b>	<b>167,446,641</b>	<b>167,683,446</b>	<b>167,640,850</b>	<b>167,561,461</b>
<b>TOTAL ASSETS</b>	<b>166,701,563</b>	<b>170,541,576</b>	<b>171,007,961</b>	<b>171,183,701</b>	<b>171,715,271</b>	<b>172,057,051</b>	<b>172,340,736</b>	<b>172,710,686</b>	<b>172,908,145</b>	<b>173,140,671</b>	<b>173,412,249</b>	<b>173,706,934</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Bank Overdraft	(324,000)	-	-	-	-	-	-	-	-	-	-	-
Payables	398,000	405,870	368,785	299,158	366,229	338,893	317,539	365,055	361,297	340,649	360,234	368,663
Borrowings	70,563	131,893	137,618	143,803	150,253	156,778	164,068	171,521	179,143	187,170	145,866	(2)
Provisions	1,261,000	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160	1,270,160
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,405,563</b>	<b>1,807,923</b>	<b>1,776,563</b>	<b>1,713,121</b>	<b>1,786,642</b>	<b>1,765,831</b>	<b>1,751,767</b>	<b>1,806,736</b>	<b>1,810,600</b>	<b>1,797,979</b>	<b>1,776,260</b>	<b>1,638,821</b>
<b>Non-Current Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	1,436,220	1,298,602	1,154,799	1,004,546	847,768	683,700	512,179	333,036	145,866	-	-
Provisions	277,000	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840	267,840
Investments Accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as "held for sale"	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>277,000</b>	<b>1,704,060</b>	<b>1,566,442</b>	<b>1,422,639</b>	<b>1,272,386</b>	<b>1,115,608</b>	<b>951,540</b>	<b>780,019</b>	<b>600,876</b>	<b>413,706</b>	<b>267,840</b>	<b>267,840</b>
<b>TOTAL LIABILITIES</b>	<b>1,682,563</b>	<b>3,511,983</b>	<b>3,343,005</b>	<b>3,135,760</b>	<b>3,059,028</b>	<b>2,881,439</b>	<b>2,703,307</b>	<b>2,586,755</b>	<b>2,411,476</b>	<b>2,211,685</b>	<b>2,044,100</b>	<b>1,906,661</b>
<b>Net Assets</b>	<b>165,019,000</b>	<b>167,029,593</b>	<b>167,664,956</b>	<b>168,047,941</b>	<b>168,656,242</b>	<b>169,175,612</b>	<b>169,637,430</b>	<b>170,123,931</b>	<b>170,576,669</b>	<b>170,928,986</b>	<b>171,368,150</b>	<b>171,800,273</b>
<b>EQUITY</b>												
Retained Earnings	113,708,000	114,131,013	114,766,376	115,149,361	115,757,662	116,277,032	116,738,850	117,225,351	117,678,089	118,030,406	118,469,570	118,901,693
Revaluation Reserves	51,311,000	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580	52,898,580
Council Equity Interest	165,019,000	167,029,593	167,664,956	168,047,941	168,656,242	169,175,612	169,637,430	170,123,931	170,576,669	170,928,986	171,368,150	171,800,273
Minority Equity Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>165,019,000</b>	<b>167,029,593</b>	<b>167,664,956</b>	<b>168,047,941</b>	<b>168,656,242</b>	<b>169,175,612</b>	<b>169,637,430</b>	<b>170,123,931</b>	<b>170,576,669</b>	<b>170,928,986</b>	<b>171,368,150</b>	<b>171,800,273</b>

An unsuccessful IPART application will require a review of loan borrowings and funding from reserves in conjunction with a review of service delivery / capital expenditure funding.



## Budgeted Cash Flow Statement – No Rate Rise (General)

Oberon Council												
10 Year Financial Plan for the Years ending 30 June 2025												
CASH FLOW STATEMENT - GENERAL FUND												
Scenario: Rate Peg increase only												
	Actuals	Current Year	Projected Years									
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows from Operating Activities</b>												
Receipts:												
Rates & Annual Charges	-	3,384,805	3,536,226	3,620,008	3,712,817	3,802,753	3,908,969	4,019,496	4,133,339	4,250,597	4,371,373	4,495,772
User Charges & Fees	-	3,134,864	2,835,408	1,932,657	3,000,076	2,502,955	2,017,545	2,679,886	2,543,686	2,079,286	2,267,493	2,299,581
Interest & Investment Revenue Received	-	129,470	193,639	212,597	221,653	272,838	300,046	288,886	279,175	273,312	292,225	278,626
Grants & Contributions	-	4,733,760	5,004,062	5,001,089	4,996,892	5,112,576	5,232,126	5,354,630	5,480,591	5,619,683	5,762,871	5,910,258
Bonds & Deposits Received	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	50,540	459,391	160,570	164,029	168,828	173,942	178,801	184,441	190,014	195,501	201,428
Payments:												
Employee Benefits & On-Costs	-	(4,343,152)	(4,157,770)	(4,213,821)	(4,390,329)	(4,481,515)	(4,566,777)	(4,779,801)	(4,899,442)	(5,018,682)	(5,181,904)	(5,355,061)
Materials & Contracts	-	(2,037,047)	(1,683,454)	(1,040,718)	(1,861,773)	(1,407,429)	(1,075,001)	(1,630,946)	(1,485,157)	(1,143,165)	(1,330,111)	(1,349,165)
Borrowing Costs	-	(17,825)	(66,954)	(61,230)	(55,045)	(48,595)	(42,070)	(34,780)	(27,327)	(19,705)	(11,678)	(3,268)
Bonds & Deposits Refunded	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	(1,765,528)	(1,839,786)	(1,846,024)	(1,899,221)	(1,956,198)	(2,014,883)	(2,075,330)	(2,137,590)	(2,201,717)	(2,267,769)	(2,335,802)
<b>Net Cash provided (or used in) Operating Activities</b>	-	3,269,888	4,280,761	3,765,129	3,889,099	3,966,214	3,933,897	4,000,843	4,071,716	4,029,622	4,098,001	4,142,370
<b>Cash Flows from Investing Activities</b>												
Receipts:												
Sale of Investment Securities	-	2,509,877	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Purchase of Investment Securities	-	-	-	-	-	-	-	-	-	(500,000)	-	-
Purchase of Investment Property	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Infrastructure, Property, Plant & Equipment	-	(7,138,315)	(3,861,996)	(3,590,923)	(3,498,523)	(3,452,023)	(3,452,023)	(3,548,680)	(3,548,680)	(3,548,680)	(3,655,141)	(3,655,141)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used in) Investing Activities</b>	-	(4,628,438)	(3,861,996)	(3,590,923)	(3,498,523)	(3,452,023)	(3,452,023)	(3,548,680)	(3,548,680)	(4,048,680)	(3,655,141)	(3,655,141)
<b>Cash Flows from Financing Activities</b>												
Receipts:												
Proceeds from Borrowings & Advances	-	1,600,000	-	-	-	-	-	-	-	-	-	-
Proceeds from Finance Leases	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments:												
Repayment of Borrowings & Advances	-	(102,450)	(131,893)	(137,618)	(143,803)	(150,253)	(156,778)	(164,068)	(171,521)	(179,143)	(187,170)	(145,868)
Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Distributions to Minority Interests	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activity Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow provided (used in) Financing Activities</b>	-	1,497,550	(131,893)	(137,618)	(143,803)	(150,253)	(156,778)	(164,068)	(171,521)	(179,143)	(187,170)	(145,868)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	-	139,000	286,872	36,587	246,773	363,937	325,096	288,095	351,515	(198,201)	255,691	341,361
plus: Cash, Cash Equivalents & Investments - beginning of year	-	(139,000)	(0)	286,872	323,460	570,232	934,170	1,259,266	1,547,360	1,898,875	1,700,674	1,956,365
<b>Cash &amp; Cash Equivalents - end of the year</b>	<b>(139,000)</b>	<b>(0)</b>	<b>286,872</b>	<b>323,460</b>	<b>570,232</b>	<b>934,170</b>	<b>1,259,266</b>	<b>1,547,360</b>	<b>1,898,875</b>	<b>1,700,674</b>	<b>1,956,365</b>	<b>2,297,726</b>
<b>Cash, Cash Equivalents &amp; Investments - end of the year</b>	<b>6,996,000</b>	<b>4,625,123</b>	<b>4,911,995</b>	<b>4,948,582</b>	<b>5,195,355</b>	<b>5,559,293</b>	<b>5,884,388</b>	<b>6,172,483</b>	<b>6,523,998</b>	<b>6,825,796</b>	<b>7,081,487</b>	<b>7,422,849</b>

## Capital Works Program

<b>Oberon Council</b>											
<b>10 Year Long Term Financial Plan</b>											
<b>CAPITAL EXPENDITURE SUMMARY</b>											
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
<b><u>FURNITURE &amp; FIXTURES</u></b>	-	-	-	-	-	-	-	-	-	-	-
<b><u>ROADS</u></b>	2,007,000	2,082,175	2,657,175	2,657,175	2,657,175	2,731,576	2,731,576	3,131,576	2,813,523	2,813,523	
CHANGES REQUIRED IF NO RATE RISE	-	-	(209,000)	(209,000)	(209,000)	(214,852)	(214,852)	(614,852)	(221,298)	(221,298)	
<b><u>PLANT</u></b>	706,000	715,000	245,000	245,000	245,000	251,860	251,860	251,860	259,416	259,416	
<b><u>BUILDINGS &amp; OTHER STRUCTURES</u></b>	55,300	82,710	94,310	47,810	47,810	49,149	49,149	49,149	50,623	50,623	
<b><u>FIRE CONTROL CAPITAL EXPENDITURE</u></b>	410,000	410,000	410,000	410,000	410,000	421,480	421,480	421,480	434,124	434,124	
<b><u>LAND DEVELOPMENT</u></b>	-	-	-	-	-	-	-	-	-	-	
<b><u>WATER SUPPLY</u></b>	200,000	201,500	207,545	213,771	220,184	226,790	233,594	240,602	247,820	255,254	
<b><u>SEWERAGE</u></b>	892,000	560,000	710,000	393,792	76,006	78,286	447,524	390,354	28,515	14,685	
<b><u>WASTE MANAGEMENT</u></b>	394,500	4,613	4,613	4,613	4,613	4,742	4,742	4,742	4,884	4,884	
<b><u>TOWN IMPROVEMENTS</u></b>	289,196	296,426	296,426	296,426	296,426	304,726	304,726	304,726	313,868	313,868	
<b><u>TOTAL CAPITAL EXPENDITURE</u></b>	<b>4,953,996</b>	<b>4,352,423</b>	<b>4,625,068</b>	<b>4,268,587</b>	<b>3,957,214</b>	<b>4,068,609</b>	<b>4,444,650</b>	<b>4,794,487</b>	<b>4,152,773</b>	<b>4,146,377</b>	
CHANGES REQUIRED IF NO RATE RISE	-	-	(209,000)	(209,000)	(209,000)	(214,852)	(214,852)	(614,852)	(221,298)	(221,298)	
	<b>4,953,996</b>	<b>4,352,423</b>	<b>4,416,068</b>	<b>4,059,587</b>	<b>3,748,214</b>	<b>3,853,757</b>	<b>4,229,798</b>	<b>4,179,635</b>	<b>3,931,475</b>	<b>3,925,080</b>	

To deliver a financially sustainable outcome this scenario is based on a 5 year 7.5% p.a. special rate variation commencing 2015/16 financial year.

If no rate rise is approved Council will require a review of loan borrowings and funding from reserves in conjunction with a review of service delivery / capital expenditure funding priorities. Such reviews will be required for Council's determination on future funding of works and services. A reduction in maintenance budgets of approximately \$130,000 from years 2015/16 onwards is also required.