



MIDCOAST
council



LONG TERM FINANCIAL PLAN 2018 - 2028

Version 2 - revised November 2018



Mid-Coast Council

Long Term Financial Plan 2018-2028

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Introduction

On 12 May 2016 the NSW Government proclaimed the creation of Mid-Coast Council. This was the result of the amalgamation of the former Gloucester Shire Council, Great Lakes Council and Greater Taree City Council.

This was followed by a further Proclamation that took effect on 1 July 2017 that saw the former MidCoast County Council (MidCoast Water) dissolved with its functions and responsibilities to be undertaken by Mid-Coast Council.

The new Council operated under a period of administration until local government elections took place in September 2017.

That election saw 11 new Councillors elected to Mid-Coast Council for a period of 3 years.

Council is required to prepare the full suite of Integrated Planning and Reporting documents that will guide the Council during its 3 year term.

Those documents are:

A **Community Strategic Plan** which identifies the long term aspirations our communities want to see delivered in the Mid-Coast Council area. The Strategic Plan stretches across 20 years, identifying the outcomes and long term strategic responses needed to achieve the agreed directions. It demands strong leadership from Council in working with others to grow our area into the future.

A **3 year Delivery Program** which links the 'planning' in the long term Strategic Plan with the 'implementing' in the annual **Operational Plan**. It is the strategic document that guides the organisation's work program over the term of Council. The Delivery Program sets out clear priorities, ongoing activities and specific actions Council will undertake, within its responsibilities and capacity, towards achieving the community's outcomes.

An annual **Operational Plan** which is the 'implementing' part of Council's key strategic documents, and outlines all of Council's services. All services deliver a range of ongoing service activities, and may also identify specific tasks to be undertaken in the year ahead. Both ongoing activities and specific tasks contribute to the implementation of Council's Delivery Program.

A **Resourcing Strategy** which outlines Council's capacity to manage assets and deliver services over the next ten years. The Strategy includes three key elements - a Workforce Management Plan, an Asset Management Plan, and a Long Term Financial Plan. To prepare the Resourcing Strategy, Council determines its capacity and how to effectively manage its finances, the sustainability of its workforce, and the overall cost and condition of its community assets.

The financial positions and policies of the former councils inform the financial position of the new Council and it is important to understand how that contributes to the current and future financial sustainability of the new Council.

This is extremely important for the new organisation given that the purpose of a Long Term Financial Plan is to provide a framework to assist future decision making that will secure the financial sustainability of the organisation and ensure adequate funds are generated into the future to achieve outcomes desired by the community.

The Long Term Financial Plan contains guiding philosophies to promote a consistent financial direction spanning multiple financial years and council terms.

The Plan will be reviewed and updated annually as part of the development of the annual Operational Plan and multi-year Delivery Program.

This is the second Long Term Financial Plan developed by Mid-Coast Council and covers a ten year timeframe commencing in the 2018/2019 financial year. This plan also includes

modelling of the water and sewer operations that were transferred from the former MidCoast Water on 1 July 2017.

Update

Version 2 of the Long Term Financial Plan was presented to Council in June 2018. Council deferred consideration of the LTFP for further review. This revised version has amended both the Base Case and \$100 million Road Program scenarios through the incorporation of approximately \$8.5 million in capital grants and contributions. This amendment acknowledges that the initial position for the development of LTFP models was overly conservative and did not reflect the actual results that were achieved and reported in Council's Financial Statements.

Objectives and Structure of the Plan

The objectives of the Long Term Financial Plan are to:

- Provide a transparent account of Council's financial position to the community
- Analyse the cumulative financial effects of Council's high level plans and policies
- Identify the financial opportunities and challenges confronting Council
- Provide a basis for sound and strategic decision making
- Achieve a balanced budget over the long term, and
- Meet the requirements of the Office of Local Government's (OLG) Integrated Planning and Reporting Framework

The Plan has been structured in four main sections.

Section 1 - Provides a brief introduction to the Plan, the objectives it aims to meet and the service structure and costs of Council.

Section 2 - Details the policy context within which the Long Term Financial Plan has been developed. It provides an overview of other strategies, plans, policies and other documents which have implications for the long term financial future of the Council.

Section 3 - Details the financial scenarios developed by Council. 2 scenarios for General Fund have been developed using the 2018/2019 budget as the starting position. A single scenario for both the water and sewer funds has been developed.

For the General Fund a Base Case or 'Business as Usual' scenario and a \$100 million Road Program scenario have been developed.

For 2017/2018 2 scenarios have been developed:

1. "Base Case" (or Business as Usual) - this scenario shows the financial results of delivering the current levels of service whilst working under the approved special rate variation and the anticipated rate pegging limits over the next ten years.
2. \$100 million Road Program Scenario - this scenario shows the impact of Council borrowing \$50 million over 4 years to match the funding provided by the NSW Government. Repayment of these borrowings is to be financed from the special rate variation approved by the IPART in 2017.

This Section sets out:

- the assumptions by which each scenario was created
- the value added by each scenario
- the financial outcomes which result from the application of the relevant assumptions
- any opportunities and threats which may make the scenario sensitive to variation

Section 4 - Draws conclusions from the financial modelling and proposes methods for resolving financial shortfalls.

SECTION 1

Current Financial Position of Council

As mentioned above Mid-Coast Council was created on 12 May 2016, being an amalgamation of 3 former councils. Responsibility for the provision of water and sewerage services was transferred to Council from 1 July 2017 following the dissolution of the former MidCoast County Council (Midcoast Water).

The first set of audited financial statements were prepared for Mid-Coast Council and covered the financial period from 13 May 2016 to 30 June 2017. The final set of financial reports for MidCoast Water as a standalone entity covered the financial period from 1 July 2016 to 30 June 2017.

The financial positions for those entities are shown below. These figures have not been consolidated due to the different accounting periods that applied to the entities. The financial reports prepared for the 2017/2018 financial year will be the first set of consolidated reports for the new combined council.

The major sources of income for the 2016/2017 financial periods were:

Item	MidCoast Council (13/5/16 - 30/6/17)	MidCoast Water - Water Fund (1/7/16 - 30/6/17)	MidCoast Water - Sewer Fund (1/7/16 - 30/6/17)
Rates & Annual Charges	89,554,000	10,476,000	35,221,000
User Charges & Fees	17,069,000	25,667,000	3,768,000
Interest & Investment Revenue	4,407,000	181,000	840,000
Other Revenues	5,195,000	374,000	237,000
Grants & Contributions - Operating Purposes	58,706,000	489,000	454,000
Grants & Contributions - Capital Purposes	35,116,000	7,300,000	3,092,000
Other Income	1,185,000	0	0
Total Operating Income	211,232,000	44,487,000	43,612,000

The break-up of the operating expenditure for the same periods was:

Item	MidCoast Council (13/5/16 - 30/6/17)	MidCoast Water - Water Fund (1/7/16 - 30/6/17)	MidCoast Water - Sewer Fund (1/7/16 - 30/6/17)
Employee Benefits & On-costs	58,048,000	9,719,000	9,669,000
Borrowing Costs	4,104,000	6,977,000	5,366,000
Materials & Contracts	40,282,000	5,678,000	5,582,000
Depreciation & Amortisation	50,106,000	14,418,000	15,317,000
Other Expenses	22,175,000	4,690,000	3,435,000
Total Operating Expenses	174,715,000	41,482,000	39,369,000

The net operating general fund surplus for MidCoast Council for this financial period was \$36.517 million with a net operating surplus before capital grants and contributions of \$1.401 million.

The projected consolidated income statement for 2017/2018 as reported in the March 2018 Quarterly Budget Review Statement is shown below.

Income	Consolidated	General Fund	Water Fund	Sewer Fund
Rates & Annual Charges	141,638,000	90,981,000	12,378,000	38,279,000
User Charges & Fees	43,188,000	15,677,000	24,793,000	2,718,000
Other Revenues	4,377,000	3,756,000	90,000	531,000
Grants & Contributions - Operating Purposes	31,936,000	24,525,000	5,515,000	1,896,000
Grants & Contributions - Capital Purposes	23,129,000	23,129,000	0	0
Other Income	6,893,000	6,560,000	179,000	154,000
Total Operating Income	251,161,000	164,628,000	42,955,000	43,578,000
Expenses				
Employee Benefits & On-Costs	73,022,000	51,877,000	10,446,000	10,699,000
Borrowing Costs	14,942,000	3,393,000	6,554,000	4,995,000
Materials & Contracts	65,724,000	47,193,000	9,167,000	9,364,000
Depreciation & Amortisation	79,030,000	48,173,000	15,588,000	15,269,000
Other Expenses	22,334,000	18,722,000	2,059,000	1,553,000
Total Operating Expenses	255,052,000	169,358,000	43,814,000	41,880,000

This results in a projected consolidated net operating deficit of \$3,891,000 for the financial year.

A significant depreciation charge is the major contributor to this deficit result and attention needs to be given to the accuracy of this item during 2018/2019.

SECTION 2

Policy Context

Historical Circumstances & Actions

Mid-Coast Council was created by the NSW State Government on 12 May 2016.

It was an amalgamation of the former Gloucester Shire Council, Great Lakes Council and Greater Taree City Council.

Since the merger, Long Term Financial Plans have been prepared to assess the combined position of the new Council on Day 1 of operations by remodelling the existing LTFFPs and using common indexation factors. This was followed by the development of an LTFFP that modelled a proposed special rate variation.

This LTFFP consists of a General Fund Base Case and a scenario that models the impact of a \$100 million road program which is funded on a 50 / 50 basis with the State Government. It also includes a Base Case scenario for both the water and sewer funds that has been prepared drawing information from the 'Future Directions (2018 - 2048) Financial Plan' for the Water Services Division.

Existing Special Rate Variations at merger

Each of the former councils had an existing special rate variation within their rate structures.

Gloucester Shire Council had received approval for a 3 X 13% permanent increase in its general income base covering the period from 2015/2016 to 2017/2018.

Great Lakes Council had received approval for a 13.92% increase in 2013/2014. This amount included a temporary 6% Environmental / Dredging Levy that would expire after 7 years (2019/2020). The balance of the increase was a permanent addition to council's general income base.

Greater Taree City Council had received approval for a 7.30% increase in 2014/2015 (including the rate peg of 2.30%). This included a temporary 5.00% Environmental Levy that would expire after 5 years (2018/2019).

In addition both Great Lakes Council and Greater Taree City Council had lodged special rate variation applications with the IPART that would have taken effect in 2016/2017 if approved. Gloucester Shire Council had also given notice to their community that they would be seeking a second 3 X 13% variation at the expiry of the existing approval.

All of these applications were targeted at addressing infrastructure renewal works and infrastructure backlogs.

The announcement of the amalgamation preceded the IPART's determination of these applications and as a result no determination was made in respect of the Great Lakes & Greater Taree applications.

2016/2017

During 2016/2017 Council received approval to lodge an application with IPART for a special rate variation. A section 508A multi-year special variation application was prepared that sought to address several issues. The application sought approval to increase general income by the following amounts (including an assumed rate peg of 2.5%):
2017/2018 - 11%

2018/2019 - 5%
2019/2020 - 5%
2020/2021 - 5%

The application also sought to harmonise the existing environmental levies (and extend into the former Gloucester area) at 6% of general income and raise funds for infrastructure works on the sealed rural road network (2.5% per year for 4 years).

Council was successful with its application with a 1% reduction to the amount sought in the first year i.e. 10% approved.

In conjunction with this application Council was pursuing opportunities to source additional funding from the NSW Government to address Council's significant road infrastructure backlog. A proposal to partner with the NSW Government whereby Council would match any funding provided was developed. The proposal was that Council would borrow funds and utilise the revenue generated from the road component of the special rate variation to meet the repayments.

Asset Management

Council's Asset Management Strategy specifies what is required to improve Council's asset management capability and meet its objectives, while its asset management plans set the parameters around the condition of assets to be modelled and costed.

The costs identified in Council's Asset Management Plans are capital costs such as for new assets, renewals, rehabilitation and non-capital expenditure such as maintenance, operating costs and depreciation.

Prior to the amalgamation all 3 of the former councils had been refining their asset information and had adopted Asset Management Strategies and Plans. They had also identified that there was a shortfall in funding to address annual asset renewal requirements and to decrease the accumulated backlog.

After the amalgamation Council engaged Morrison Low to undertake a high-level external review of Council's infrastructure asset position.

This review concluded that Council had a combined asset backlog of approximately \$180M, and was underfunding asset renewal works for roads and bridges by approximately \$5 million annually.

The external review also recommended a high level asset strategy targeting sealed roads and bridges. That strategy is to:

- Continue to maintain assets across Mid-Coast Council in their current condition
- Ensure that condition 3 roads do not deteriorate into condition 4 & 5
- Prioritise the renewal of roads in condition 4 & 5 based on risk and economic benefit considerations
- Pursue additional grant funding for regional roads and major transport routes
- Seek a Special Variation to fund the annual \$5 million gap in renewal program funding for the sealed road and bridge network

As indicated above, Council was successful in obtaining approval from the IPART to increase its general income above the rate peg with a 2.5% increase per annum for 4 years specifically for renewal works on the sealed road and bridge network.

Council staff continue to undertake condition-based reviews of the entire road network and external consultants have been engaged to conduct inspections and testing of many of Council's bridges.

Reviews are also being undertaken of Council's combined building asset base and recreation assets. This is resulting in a harmonised data on which to base infrastructure decisions and

will provide more reliable figures of the quantum of backlog and maintenance and renewal requirements.

Performance Measures

To assess its long term financial sustainability, Council will refer to a series of performance indicators. These indicators are based on Council's financial strategies as identified in the Long Term Financial Plan and provide a benchmark for Council's performance.

For the purposes of this LTFP the following performance ratios have been calculated.

Operating Performance Ratio

This ratio is a core measure of a Council's financial sustainability. It measures Council's ability to contain operating expenditure within operating revenue.

It is important to note that this ratio is focussing on operating performance and hence capital grants and contributions, fair value adjustments and reversal of revaluation decrements are excluded.

The ratio is calculated as follows:

$$\frac{\text{(Operating revenue excluding capital grants \& contributions - operating expenses)}}{\text{operating revenue excluding capital grants \& contributions}}$$

The OLG benchmark is that Council should record a breakeven operating position or better (over 0%).

Own Source Operating Revenue Ratio

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.

The ratio is calculated as follows:

$$\frac{\text{Rates \& Annual Charges}}{\text{Income from Continuing Operations}}$$

The OLG benchmark is for own source revenue to be greater than 60%.

Unrestricted Current Ratio

This ratio is a measure of Council's ability to meet its financial obligations such as paying for goods and services supplied. It assesses the level of liquidity and the ability to satisfy obligations as they fall due in the short term.

The ratio is calculated as follows:

$$\frac{\text{Current assets less all external restrictions}}{\text{current liabilities less specific purpose liabilities}}$$

The OLG determines that a ratio of greater than 1.5:1 is satisfactory and shows that Council has sufficient liquid assets on hand to meet its short term liabilities.

Debt Service Cover Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.

The ratio is calculated as follows:

Operating results before capital excluding interest and depreciation / Principal repayments
(source: Statement of Cash Flows) + borrowing costs (source: Income Statement)

The OLG benchmark is greater than 2.

Debt Service Ratio

This ratio assesses the degree to which revenues from continuing operations are committed to the repayment of debt. The ratio is generally higher for councils in growth areas where loans have been required to fund infrastructure such as roads. The Office of Local Government accepted that a benchmark of <10% is satisfactory, 10% to 20% is fair and >20% is of concern.

Cash Expense Cover Ratio

This ratio is a measure of Council's liquidity and indicates the number of months that Council can continue to pay its immediate expenses without additional cashflow.

The ratio is calculated as follows:

Current year cash & cash equivalents / monthly average payments for operating and investing activities.

The OLG benchmark is for greater than 3 months.

SECTION 3

Scenarios

Current Situation

As previously discussed Council was successful in receiving approval for its section 508A special rate variation application. That approval provides for Council to increase its general income by the following amounts:

- 2017/2018 10.00%
- 2018/2019 5.00%
- 2019/2020 5.00%
- 2020/2021 5.00%

This approval provided for the permanent establishment, within the rate base, of an environmental levy initially struck as being 6% of the general income for the 2017/2018. It also provided for an amount equivalent to 2.5% of general income to be raised for road infrastructure purposes with the same percentage increase approved for the following 3 years (2018/2019, 2019/2020, 2020/2021).

During June 2018 Council was advised that the NSW Government had agreed to provide \$50 million in funding towards improving Council's regional road network, with this amount to be matched by Council. This is a 4 year funding commitment and Council will borrow funds to meet its obligations with funds raised through the special rate variation being utilised to meet repayments.

As a result of this announcement this Long Term Financial Plan contains 2 scenarios; one that reflects the 'Business as Usual' situation that Council had budgeted to operate during 2018/2019 and a second one that reflects the position that will apply following the NSW Government's announcement.

2018/2019 General Base Case Scenario

The Base Case scenario has been developed on the premise of carrying on business as usual. It reflects Council's modelling of its future financial position based on the draft 2018/2019 budget.

The projections made in this scenario include adjustments made to ensure that time specific projects only impact on the model for the appropriate period (i.e. a three year funded project only impacts on the model for three years and is not projected out for the entire duration of the model.)

The model has been prepared at the lowest accounting level within each of the 3 general ledger systems currently in operation. At this level, certain accounts are coded for manual adjustment rather than global percentage increases. It is therefore not possible to simply multiply the previous year's base by a percentage and achieve the same outcomes as presented.

A number of assumptions have been made for the indexation of the various revenue and expenditure items that form Council's budget. These assumptions are outlined below:

Revenue Assumptions

Ordinary Rates - based on the assumption that following the expiry of the current special rate variation and for the remaining duration of the Plan the rating pegging limit will generally reflect the OLG & IPART advised index of 2.5%.

This index has been applied from 2021/2022.

A small annual allowance has been made for the **growth in rateable properties** across the duration of the Plan. For 2018/2019 a growth amount of \$40,000 per annum has been incorporated into the Plan.

Growth in rateable assessments has remained slow for a considerable period of time. While there is some movement in the property development area which may indicate that activity is starting to increase there is not enough evidence of a significant change at this point in time that warrants a larger projected increase.

Annual Charges have been projected to increase by 2.5% across the duration of the Plan.

In relation to Waste Management Charges it is proposed to freeze the charges for a period of three years (2017/2018 to 2019/2020) and then resume indexation at 3% per annum. A review of the reasonable cost to provide services and the accumulated funds held in relation to this function will be conducted over the next 12 months as waste management service levels are harmonised across the 3 former areas.

User Charges & Fees and Charges - These revenues for the next twelve months are detailed in Council's Fees and Charges Schedule and Statement of Revenue Policy, both of which form part of Council's Delivery Program and Operational Plan. The Base Case model generally provides for an increase of 3.0% per annum for discretionary fees and charges across the life of the Plan. These fees represent a small component of the total.

Regulatory fees and charges, being set by State Government, have shown little movement and are indexed to increase by 0.5% per annum.

General and Specific Purpose Operating Grants - These grants represent a significant proportion of Council's operating revenue. They include the Financial Assistance Grant from the Commonwealth Government which is affected by movements in the Consumer Price Index and Estimated Resident Population.

As a merged council, the NSW Grants Commission has advised that Council will continue to receive a Financial Assistance Grant (FAG) allocation equivalent to that which would have been allocated to the former councils had the merger not occurred.

The Federal Government advised through the 2017 Budget that indexation of the FAG would recommence, having been frozen for the previous 3 years.

The amount estimated for 2018/2019 has been indexed to grow by 1% over the 2017/2018 level with this figure applied consistently over the life of the plan.

This is considered to be a reasonable position given the NSW Grants Commission's position of reallocating FAG funding from regional councils to smaller rural councils.

Some operational grants have been increased on a case by case basis where the continuation of funding is highly likely.

Interest of Investments - This scenario assumes that Council will continue to have a level of invested funds similar to that currently under investment. It is anticipated that there will be modest growth in interest income across the 10 years of the Plan due to a slow rise in interest rates and some growth over time in the quantum of invested funds held. Discussions with

Council's financial institutions indicate a market expectation of a flat yield curve for a number of years. An indexation figure of 0.25% growth has been applied.

Capital Grants & Contributions - Council has generally taken a very conservative approach to its estimation of capital grants and contributions on the basis that there is no guarantee that these funds will be received from year to year. Council's budget has not included non-cash contributions that are received each year (like developer contributed infrastructure and RFS equipment). This has led to the projected budget result being extremely conservative when compared with the actual result reported at year end.

A change in the methodology for preparing this part of the budget and LTFP has been adopted and these non-cash items are now being included. Estimates are also being included for grants and contributions received in cash by estimating future receipts based on historical averages for particular types of grants i.e RMS capital grants, RFS capital grants etc.

An indexation factor of between 0.5% and 1.0% has been applied to these items across the duration of the Plan.

Expenditure Assumptions

Employee Benefits & On-costs - Employee costs for 2018/2019 and future years have been indexed to take into account anticipated Local Government Award movements and Salary System Performance Review progressions. The Plan reflects an annualised wage increase of 3.25% for 2018/2019 and beyond. This consists of 2 components being 2.50% Award increase which has been based on assessment of costs and current inflation and 0.75% Enterprise Agreement increases. This lower figure reflects the percentage of staff who have "topped-out" in their respective salary systems and are only eligible for Award increases.

This scenario is based on the current staff structures for Council and existing salary systems. A Mid-Coast Council salary system will be developed in the future which may have an impact on this expenditure item. It is not possible to forecast the impact of that salary system at this point in time.

Council's commitment to meet its Superannuation obligations was to increase from 1 July 2013 following the previous Commonwealth Government's decision to increase the superannuation guarantee from 9% to 12% by 2019/20. However the 2014/2015 Federal Budget froze those increases. The current requirements see superannuation paid at a rate of 9.5% until 1 July 2021 at which time it will increase by 0.5% per year until it reaches 12%.

Council has also reviewed its commitment for those staff who are members of the Local Government Retirement Superannuation Scheme - a defined benefits scheme. This has led to a reduction in the overall superannuation cost as older staff retire and the commitment by Council to this scheme falls away and new staff are engaged under the current 9.5% arrangements.

The total amount of superannuation payable is indexed to grow at 3.25% per annum in line with wages growth.

Borrowings –

The Base Case provides that Council will continue to fund relevant capital works and projects from loan borrowings. In 2018/2019 this is projected to be \$1.7 million. The amount of borrowings per year is projected to settle between \$1.6 - \$1.8 million per annum for the term of the plan.

The interest rate forecast to be payable on borrowings for 2018/2019 is 4.00% rising to 4.30% for 2022/2023, 4.50% for 2023/2024, 5.00% from 2025/2026.

Debt ratios indicate that Council has capacity to make greater use of debt funding particularly in the mid to later years of the LTFP. Council is looking at its capital works program to identify projects that would be suitable for funding from this source.

Materials & Contracts – This is one of the largest items on Council's Income Statement. It covers all materials used in operational activities along with major ongoing operational contracts such as the domestic waste collection contract.

Budgets in the operational plan reflect all known information in relation to contracts and the Plan assumes a 2.5% increase in these expenses across the life of the Plan. Actual cost increases may in fact be greater than the inflation index.

Depreciation & Amortisation – The former councils had completed the process of valuing all of their assets classes at fair value.

Mid-Coast Council is now going through a process of reviewing all of its asset information and harmonising the policies and practices that impact on recording and measurement of asset information.

For the purposes of this plan the asset values and depreciation of the former councils have been consolidated and projected forward at a rate of 0.45% growth per year. This recognises the general growth in the asset base over time.

However it is expected that there will be changes to the underlying depreciation expense moving forward as data is reviewed and a common set of policies and processes are applied. Proposed changes to accounting standards, valuation and depreciation methods are also likely to impact on the current estimate of depreciation across the term of the Plan.

Other Expenses – This category includes a number of utility expense items including electricity costs, water and sewerage charges, waste charges etc. In general the Plan provides that these utility expenses will increase by 5.0% for the life of the Plan. Other general expenses are projected to increase by 2.5% per annum.

\$100 million Road Program Scenario

This scenario is based on the recent NSW Government announcement that it would provide \$50 million to Council for road infrastructure works. Council as part of its proposal to the government undertook to match this funding. Council's contribution would be sourced from additional borrowings with the repayments to be made from the roads infrastructure component of the recently approved special variation.

This scenario models the impact of that change to Council's 2018/2019 budget and across the term of this LTFP. The funding is to be provided over a 4 year period and for the purposes of this Plan (based on initial discussions with the NSW RMS) will be for the following amounts:

- 2018/2019 - \$18 million including \$9 million in borrowings
- 2019/2020 - \$22 million including \$11 million in borrowings
- 2020/2021 - \$30 million including \$15 million in borrowings
- 2021/2022 - \$30 million including \$15 million in borrowings

The actual flow of funds from the Government, timing of the delivery of the works and reporting frameworks are still being discussed and future versions of the LTFP will reflect the final agreed financial arrangements for this program.

The balance of this scenario is based on the same assumptions as the Base Case with the following exceptions.

Borrowings - There are additional borrowings proposed to match the government funding. The models proposes that funds will be borrowed over a 10 year term at the rates indicated (2018/2019 - 4.30%, 2019/2020 - 4.55%, 2020/2021 - 4.80%, 2021/2022 - 5.3%) with 2 quarterly repayments made in the year of borrowing.

However the amount raised via the infrastructure component of the special rate variation exceeds (in the early years) the amount required to meet loan commitments. An opportunity exists to allocate an amount equivalent to the proposed Base Case borrowings (approximately \$1.7 million) in 2018/2019 from this source on a permanent basis. This has the effect of replacing the 10 years of new borrowings proposed in the base case with revenue funding and removes the need to undertake those borrowings. The removal of the Base Case borrowings has been modelled in this scenario.

Works Program and funding - The scenario includes the total works proposed under this program as capital works for each year and the capital grant income and loan borrowings are also included. The amount raised from the infrastructure component of the special rate variation is transferred to a restricted investment each year and then re-introduced into the model as required to meet ongoing loan commitments over the long term.

Water Fund Base Case Scenario

The Water Fund Base Case has been developed with reference to the 30 year Long Term Financial Plan for Water Services. Capital expenditure has been forecast across the 10 year horizon of this Plan based on the detail contained within the 30 year plan.

Indexation has been applied to the 2018/2019 draft budget as follows:

- Annual Charges: 8% (2018/2019), 3.2% (2019/2020 to 2027/2028)
- User Charges: 8% (2018/2019), 3.2% (2019/2020 to 2027/2028)
- Interest: 2.5% for the duration of the Plan
- Other Revenues: 3.0% for the duration of the Plan
- Operating Grants: 2.5% for the duration of the Plan
- Employee Costs: 2.5% for the duration of the Plan
- Materials & Contracts: 2.5% for the duration of the Plan
- Depreciation: 2.5% for the duration of the Plan
- Interest on Borrowings: Actual repayments

Sewer Fund Base Case Scenario

The Sewer Fund Base Case has been developed with reference to the 30 year Long Term Financial Plan for Water Services. Capital expenditure has been forecast across the 10 year horizon of this Plan based on the detail contained within the 30 year plan.

Indexation has been applied to the 2018/2019 draft budget as follows:

- Annual Charges: 0% (2018/2019), 0.7% (2019/2020 to 2020/20201), 3.2% (2019/2020 to 2027/2028)
- User Charges: 0% (2018/2019), 0.7% (2019/2020 to 2020/20201), 3.2% (2019/2020 to 2027/2028)
- Interest: 0% for the duration of the Plan
- Other Revenues: 2.5% for the duration of the Plan
- Operating Grants: 2.5% for the duration of the Plan
- Employee Costs: 2.5% for the duration of the Plan
- Materials & Contracts: 2.5% for the duration of the Plan
- Depreciation: 2.5% for the duration of the Plan
- Interest on Borrowings: Actual repayments

SECTION 4

Modelling

Base Case Scenario - 2018/2018 Budget

The Base Case model indicates that Council will move to a position of surplus over the next 10 years on a consolidated basis. However this is based on the generation of surplus results in the Water and Sewer funds. The General Fund is predicted to record small deficits (less than \$2 million) for most years across the life of the Plan.

The projected General Fund deficits are on average less than 2% of the total General Fund Operating Expenses. In the context of where Council is in its amalgamation transition journey these projected results are encouraging. However that does not lessen the need for Council to move to a surplus position to meet the Fit for the Future benchmarks set by the NSW Government and to reinforce its long term financial sustainability.

As mentioned above there is significant work required to review and confirm the quantum of Council's depreciation expense as the 4 former asset methodologies are harmonised and asset condition assessment and useful lives are reviewed.

As financial and system integration continues opportunities will arise and efficiencies will be achieved that will reduce the level of Council's operating expenditure or reallocate it to capital programs. The development of the 2019/2020 budget will provide Council with the opportunity to review current settings and make changes that will strengthen the financial position of the organisation.

The net operating results, based on Council's base case position, is set out below on a fund and consolidated basis

Surplus / (Deficit) ('000's)	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
General Fund	(11,258)	(4,371)	(3,276)	(1,428)	(1,320)	(1,241)	(2,149)	(1,496)	(1,688)	(1,906)
Water Fund	(1,545)	(553)	(2,383)	508	(1,071)	2,146	2,996	3,765	4,614	5,500
Sewer Fund	1,439	686	425	983	1,628	2,376	3,213	4,057	4,870	5,594
Consolidated	(11,364)	(4,238)	(5,234)	63	(763)	3,281	4,060	6,325	7,796	9,188

\$100 million Road Program Scenario

This scenario indicates that Council will record surplus results on a consolidated basis for most years of the Plan. The General Fund position projects reasonable surplus results while the Government Funding is being received before returning to relatively small deficits (when compared with the overall size of Council's operating Expenses budget) from 2022/2023.

It should be noted that the Water and Sewer Funds are not impacted by this scenario and as such the projected results outlined for those funds are the same as for the Base Case scenario.

The comments provided above in respect of Base Case scenario are also applicable to this scenario. The opportunity to remove annual borrowings for transport related infrastructure as a result of this Program and the special rate variation strengthens the underlying structure of the budget.

The budget results, based on Council's \$100 million Road Program, are as follows:

Surplus / (Deficit) ('000's)	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
General Fund	(2,449)	6,343	10,956	12,227	(2,823)	(2,486)	(3,127)	(2,204)	(2,112)	(2,043)
Water Fund	(1,545)	(553)	(2,383)	508	(1,071)	2,146	2,996	3,765	4,614	5,500
Sewer Fund	1,439	686	425	983	1,628	2,376	3,213	4,057	4,870	5,594
Consolidated	(2,555)	6,476	8,998	13,718	(2,266)	2,036	3,082	5,618	7,372	9,051

Sensitivity Analysis

Long term financial plans are inherently uncertain. They contain a wide range of assumptions, including assumptions about interest rates and the potential effect of inflation on revenues and expenditure. Some of these assumptions have a relatively limited impact if they are wrong, others can have a major impact on future financial plans. If the assumptions above are found to be inaccurate then it will be necessary for Council to reconsider current strategies on expenditure and revenue and realign the Plan to fund any changes in costs or revenues.

At the present time growth in rate revenue is projected to increase at the rate of 2.5% per annum. It should be noted that the 'rate peg' as announced by the IPART has not, until recently, not matched this estimate. This has an impact on Council's long term forecasts and should this trend continue into the future it will be necessary to revise this major driver of the Plan.

By way of example each 0.1% of rate peg below the estimate equates to approximately \$70,000. Over the life of the Plan this equates to in excess of \$700,000.

Council is currently developing a new salary system and given the existing wage differentials between staff currently on legacy salary systems there is an expectation that a percentage of existing staff will transition across to this new system. This has the potential to impact on this Plan as wages are a major component of Council's cost structure.

Council will also review and update relevant sections and projections of the Long Term Financial Plan on an annual basis.

SECTION 5

Scenario 1 - 2018-2019 Consolidated Budget - Base Case (10 Year Financial Projections)

Income Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
INCOME STATEMENT - CONSOLIDATED

Scenario: Consolidated Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	145,277,775	149,575,612	154,070,488	158,293,630	162,634,235	167,095,619	171,681,195	176,394,473	181,239,062	186,218,677
User Charges & Fees	40,782,823	41,921,833	43,095,817	44,371,315	45,686,565	47,042,819	48,441,366	49,883,539	51,370,711	52,904,297
Interest & Investment Revenue	3,936,303	3,946,371	3,956,521	3,966,754	3,977,071	3,987,475	3,997,967	4,008,548	4,019,222	4,029,989
Other Revenues	12,471,090	12,558,223	12,896,309	13,244,294	13,602,470	13,971,137	14,350,601	14,741,182	15,143,206	15,557,008
Grants & Contributions provided for Operating Purposes	38,536,379	38,944,092	39,421,105	39,906,054	40,441,820	41,018,327	41,623,605	42,241,056	42,870,976	43,513,669
Grants & Contributions provided for Capital Purposes	5,164,941	8,942,910	9,030,339	9,118,684	9,207,954	9,298,160	9,389,314	9,481,426	9,574,506	9,668,567
Total Income from Continuing Operations	246,169,311	255,889,042	262,470,579	268,900,731	275,550,115	282,413,537	289,484,049	296,750,225	304,217,683	311,892,208
Expenses from Continuing Operations										
Employee Benefits & On-Costs	76,119,181	78,441,078	80,834,637	83,302,093	85,845,748	88,467,981	91,171,243	93,958,063	96,831,047	99,792,887
Borrowing Costs	13,510,385	11,743,481	10,787,846	10,177,691	9,395,433	8,556,221	7,822,015	7,136,791	6,560,166	6,128,307
Materials & Contracts	54,775,458	57,148,966	60,835,835	59,531,833	63,369,697	62,482,309	64,032,588	65,711,468	67,339,917	68,968,338
Depreciation & Amortisation	78,959,021	79,946,884	80,955,006	81,983,874	83,033,986	84,105,853	85,199,999	86,316,960	87,457,287	88,621,542
Other Expenses	34,169,273	32,846,946	34,290,861	33,842,251	34,668,934	35,520,519	37,197,849	37,301,794	38,233,260	39,193,182
Total Expenses from Continuing Operations	257,533,317	260,127,355	267,704,185	268,837,742	276,313,799	279,132,884	285,423,695	290,425,076	296,421,677	302,704,257
Operating Result from Continuing Operations	(11,364,006)	(4,238,313)	(5,233,606)	62,989	(763,684)	3,280,653	4,060,355	6,325,149	7,796,005	9,187,950
Net Operating Result for the Year	(11,364,006)	(4,238,313)	(5,233,606)	62,989	(763,684)	3,280,653	4,060,355	6,325,149	7,796,005	9,187,950
Net Operating Result before Grants and Contributions provided for Capital Purposes	(16,528,947)	(13,181,223)	(14,263,945)	(9,055,695)	(9,971,638)	(6,017,507)	(5,328,959)	(3,156,277)	(1,778,501)	(480,617)

Balance Sheet

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
BALANCE SHEET - CONSOLIDATED

Scenario: Consolidated Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	27,885,526	23,627,059	28,558,460	29,927,720	40,708,803	50,505,779	70,159,577	90,454,064	121,817,207	156,151,568
Investments	77,658,119	77,658,119	77,658,119	77,658,119	77,658,119	77,309,900	75,727,464	75,727,464	75,727,464	75,727,464
Receivables	27,137,281	28,048,883	28,733,574	29,454,999	30,233,600	31,027,282	31,871,336	32,747,266	33,680,351	34,648,303
Inventories	4,699,499	4,757,784	4,899,536	4,827,697	4,974,532	4,916,711	4,963,738	5,015,825	5,065,221	5,114,098
Other	1,654,109	1,639,525	1,696,398	1,696,999	1,740,899	1,786,002	1,852,829	1,879,957	1,928,884	1,979,148
Total Current Assets	139,034,533	135,731,370	141,546,087	143,565,533	155,315,953	165,545,673	184,574,943	205,824,575	238,219,126	273,620,581
Non-Current Assets										
Investments	18,386,811	18,386,811	18,386,811	18,386,811	18,386,811	18,367,988	18,282,451	18,282,451	18,282,451	18,282,451
Receivables	448,072	464,844	482,460	494,243	506,320	518,699	531,388	544,394	557,726	571,391
Inventories	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181
Infrastructure, Property, Plant & Equipment	2,894,535,523	2,881,465,821	2,865,555,155	2,853,279,415	2,832,444,282	2,813,896,909	2,788,521,518	2,763,577,821	2,732,267,801	2,700,806,633
Investments Accounted for using the equity method	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Investment Property	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Intangible Assets	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000
Total Non-Current Assets	2,936,319,587	2,923,266,658	2,907,373,608	2,895,109,650	2,874,286,594	2,855,732,778	2,830,284,539	2,805,353,848	2,774,057,159	2,742,609,657
TOTAL ASSETS	3,075,354,120	3,058,998,028	3,048,919,695	3,038,675,183	3,029,602,547	3,021,278,451	3,014,859,482	3,011,178,423	3,012,276,286	3,016,230,237
LIABILITIES										
Current Liabilities										
Payables	27,315,917	27,059,421	28,010,554	27,838,869	28,555,447	28,739,249	29,443,943	29,712,169	30,255,914	30,824,351
Income received in advance	918,449	931,990	955,461	979,609	1,004,454	1,030,015	1,056,315	1,083,374	1,111,216	1,139,863
Borrowings	19,964,889	18,930,099	18,292,109	17,201,324	14,970,255	14,399,140	13,504,787	10,485,750	9,047,104	9,241,604
Provisions	26,579,801	27,932,901	29,286,001	30,639,101	31,992,201	33,345,301	34,698,401	36,051,501	37,404,601	38,757,701
Total Current Liabilities	74,779,055	74,854,412	76,544,125	76,658,903	76,522,356	77,513,705	78,703,446	77,332,794	77,818,835	79,963,519
Non-Current Liabilities										
Payables	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105
Borrowings	192,905,494	180,712,359	174,177,917	163,755,639	155,583,235	142,987,136	131,318,072	122,682,516	115,498,333	108,119,651
Provisions	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399
Total Non-Current Liabilities	207,260,998	195,067,863	188,533,422	178,111,144	169,938,739	157,342,641	145,673,576	137,038,020	129,853,837	122,475,155
TOTAL LIABILITIES	282,040,054	269,922,275	265,077,547	254,770,047	246,461,095	234,856,346	224,377,022	214,370,814	207,672,672	202,438,674
Net Assets	2,793,314,067	2,789,075,754	2,783,842,147	2,783,905,136	2,783,141,452	2,786,422,105	2,790,482,460	2,796,807,608	2,804,603,614	2,813,791,564
EQUITY										
Retained Earnings	2,333,180,067	2,328,941,754	2,323,708,147	2,323,771,136	2,323,007,452	2,326,288,105	2,330,348,460	2,336,673,608	2,344,469,614	2,353,657,564
Revaluation Reserves	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000
Total Equity	2,793,314,067	2,789,075,754	2,783,842,147	2,783,905,136	2,783,141,452	2,786,422,105	2,790,482,460	2,796,807,608	2,804,603,614	2,813,791,564

Cash Flow Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
CASH FLOW STATEMENT - CONSOLIDATED

Scenario: Consolidated Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	144,655,178	149,324,448	153,808,625	157,998,421	162,330,465	166,783,036	171,359,539	176,063,477	180,898,451	185,868,169
User Charges & Fees	40,896,691	41,755,727	42,924,542	44,183,001	45,492,293	46,842,400	48,234,605	49,670,234	51,150,653	52,677,273
Interest & Investment Revenue Received	3,913,049	3,933,348	3,911,680	3,947,134	3,925,649	3,944,259	3,927,822	3,928,866	3,905,390	3,904,978
Grants & Contributions	44,863,712	47,496,123	48,396,060	48,968,456	49,587,354	50,251,358	50,944,952	51,653,212	52,374,880	53,110,269
Other	11,913,933	13,817,662	14,103,937	14,447,759	14,801,620	15,165,086	15,539,788	15,925,659	16,322,835	16,731,648
Payments:										
Employee Benefits & On-Costs	(76,062,512)	(78,416,810)	(80,809,580)	(83,276,221)	(85,819,036)	(88,440,401)	(91,142,767)	(93,928,660)	(96,800,689)	(99,761,543)
Materials & Contracts	(51,871,043)	(57,154,634)	(60,201,191)	(59,575,493)	(62,864,433)	(62,164,429)	(63,410,945)	(65,456,884)	(66,884,858)	(68,501,944)
Borrowing Costs	(13,630,109)	(11,811,083)	(10,814,840)	(10,252,469)	(9,468,415)	(8,655,756)	(7,917,880)	(7,226,412)	(6,626,202)	(6,184,772)
Other	(34,173,920)	(32,847,558)	(34,288,474)	(33,842,226)	(34,667,091)	(35,518,627)	(37,195,045)	(37,300,656)	(38,231,207)	(39,191,073)
Net Cash provided (or used in) Operating Activities	70,504,979	76,097,224	77,030,758	82,598,363	83,318,405	88,206,925	90,340,069	93,328,835	96,109,252	98,653,005
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	8,842,847	-	-	-	-	367,041	1,667,974	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	2,176,900	1,857,667	2,149,020	2,197,577	2,722,235	2,221,127	2,336,157	2,027,925	2,280,925	2,409,925
Payments:										
Purchase of Infrastructure, Property, Plant & Equipment	(58,306,969)	(68,985,433)	(67,075,946)	(71,913,617)	(64,856,083)	(67,830,905)	(62,126,985)	(63,407,680)	(58,404,205)	(59,544,386)
Net Cash provided (or used in) Investing Activities	(47,287,222)	(67,127,766)	(64,926,926)	(69,716,040)	(62,133,848)	(65,242,736)	(58,122,854)	(61,379,755)	(56,123,280)	(57,134,461)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	2,882,350	6,644,043	11,664,747	6,686,125	6,704,929	1,710,121	1,742,802	1,757,273	1,770,000	1,770,000
Payments:										
Repayment of Borrowings & Advances	(20,845,165)	(19,800,117)	(18,837,178)	(18,199,188)	(17,108,403)	(14,877,334)	(14,306,219)	(13,411,866)	(10,392,829)	(8,954,183)
Repayment of Finance Lease Liabilities	(92,150)	(71,851)	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(18,054,965)	(13,227,925)	(7,172,431)	(11,513,063)	(10,403,474)	(13,167,213)	(12,563,417)	(11,654,593)	(8,622,829)	(7,184,183)
Net Increase/(Decrease) in Cash & Cash Equivalents	5,162,792	(4,258,466)	4,931,401	1,369,260	10,781,083	9,796,976	19,653,798	20,294,487	31,363,143	34,334,361
plus: Cash, Cash Equivalents & Investments - beginning of year	22,722,734	27,885,526	23,627,059	28,558,460	29,927,720	40,708,803	50,505,779	70,159,577	90,454,064	121,817,207
Cash & Cash Equivalents - end of the year	27,885,526	23,627,059	28,558,460	29,927,720	40,708,803	50,505,779	70,159,577	90,454,064	121,817,207	156,151,568
Cash & Cash Equivalents - end of the year	27,885,526	23,627,059	28,558,460	29,927,720	40,708,803	50,505,779	70,159,577	90,454,064	121,817,207	156,151,568
Investments - end of the year	96,044,930	96,044,930	96,044,930	96,044,930	96,044,930	95,677,889	94,009,915	94,009,915	94,009,915	94,009,915
Cash, Cash Equivalents & Investments - end of the year	123,930,456	119,671,989	124,603,390	125,972,650	136,753,733	146,183,668	164,169,491	184,463,979	215,827,122	250,161,483

Financial Performance Indicators

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
FINANCIAL PERFORMANCE INDICATORS

Scenario: Consolidated Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Note 13 Ratios										
Operating Performance Ratio	-6.86%	-5.34%	-5.63%	-3.49%	-3.74%	-2.20%	-1.90%	-1.10%	-0.60%	-0.16%
Own Source Operating Revenue Ratio	82.25%	81.29%	81.54%	81.77%	81.98%	82.18%	82.38%	82.57%	82.76%	82.95%
Unrestricted Current Ratio	1.20	1.17	1.33	1.40	1.75	1.89	2.28	2.67	3.09	3.53
Debt Service Cover Ratio	2.20	2.48	2.62	2.93	3.11	3.70	3.96	4.39	5.44	6.25
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	6.89%	6.85%	6.84%	6.84%	6.85%	6.85%	6.86%	6.86%	6.87%	6.87%
Cash Expense Cover Ratio	1.70	1.42	1.67	1.75	2.33	2.89	3.93	4.99	6.68	8.42
Debt Service Ratio	15.18%	13.58%	12.39%	11.58%	10.54%	9.08%	8.36%	7.56%	6.08%	5.27%

2018-2019 General Fund Budget - 10 Year Financial Projections

Income Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
INCOME STATEMENT - GENERAL FUND

Scenario: MCC General Purpose Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	93,630,535	97,232,635	101,016,210	103,541,615	106,130,156	108,783,409	111,502,995	114,290,569	117,147,834	120,076,530
User Charges & Fees	11,670,163	11,942,106	12,221,728	12,509,254	12,804,919	13,108,960	13,421,624	13,743,165	14,073,845	14,413,931
Interest & Investment Revenue	3,331,303	3,338,871	3,346,458	3,354,065	3,361,690	3,369,334	3,376,997	3,384,680	3,392,381	3,400,102
Other Revenues	12,234,090	12,314,581	12,645,836	12,986,799	13,337,753	13,698,994	14,070,824	14,453,553	14,847,504	15,253,005
Grants & Contributions provided for Operating Purposes	34,057,379	34,353,117	34,715,355	35,082,661	35,457,889	35,909,799	36,387,363	36,873,908	37,369,649	37,874,809
Grants & Contributions provided for Capital Purposes	5,164,941	8,942,910	9,030,339	9,118,684	9,207,954	9,298,160	9,389,314	9,481,426	9,574,506	9,668,567
Total Income from Continuing Operations	160,088,411	168,124,220	172,975,927	176,593,077	180,300,360	184,168,656	188,149,116	192,227,301	196,405,719	200,686,944
Expenses from Continuing Operations										
Employee Benefits & On-Costs	55,855,627	57,670,935	59,545,241	61,480,461	63,478,576	65,541,630	67,671,733	69,871,065	72,141,874	74,486,485
Borrowing Costs	2,796,006	2,482,635	1,927,174	1,518,838	1,186,505	931,743	858,290	803,242	768,098	735,981
Materials & Contracts	33,948,641	34,701,479	35,478,410	35,950,473	36,838,053	37,747,674	38,679,887	39,635,250	40,614,343	41,617,175
Depreciation & Amortisation	48,103,043	48,319,507	48,536,945	48,755,361	48,974,760	49,195,146	49,416,524	49,638,899	49,862,274	50,086,654
Other Expenses	30,642,664	29,320,337	30,764,252	30,315,642	31,142,325	31,993,910	33,671,240	33,775,185	34,706,651	35,666,573
Total Expenses from Continuing Operations	171,345,980	172,494,892	176,252,022	178,020,775	181,620,219	185,410,104	190,297,675	193,723,640	198,093,241	202,592,869
Operating Result from Continuing Operations	(11,257,569)	(4,370,672)	(3,276,095)	(1,427,698)	(1,319,859)	(1,241,448)	(2,148,558)	(1,496,339)	(1,687,522)	(1,905,924)
Net Operating Result for the Year	(11,257,569)	(4,370,672)	(3,276,095)	(1,427,698)	(1,319,859)	(1,241,448)	(2,148,558)	(1,496,339)	(1,687,522)	(1,905,924)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(16,422,510)	(13,313,582)	(12,306,434)	(10,546,382)	(10,527,812)	(10,539,608)	(11,537,872)	(10,977,765)	(11,262,028)	(11,574,492)

Balance Sheet

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
BALANCE SHEET - GENERAL FUND

Scenario: MCC General Purpose Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	-	6,968,312	13,375,640	23,271,600	33,705,733	47,676,878	60,361,160	73,755,811	86,976,694	99,774,285
Investments	68,170,940	68,170,940	68,170,940	68,170,940	68,170,940	68,170,940	68,170,940	68,170,940	68,170,940	68,170,940
Receivables	16,101,969	16,810,594	17,255,281	17,644,592	18,044,939	18,470,424	18,904,897	19,351,498	19,808,478	20,275,563
Inventories	4,223,134	4,249,841	4,277,402	4,294,148	4,325,635	4,357,903	4,390,973	4,424,864	4,459,597	4,495,172
Other	1,654,109	1,639,525	1,696,398	1,696,999	1,740,899	1,786,002	1,852,829	1,879,957	1,928,884	1,979,148
Total Current Assets	90,150,151	97,839,211	104,775,661	115,078,278	125,988,145	140,462,146	153,680,798	167,583,069	181,344,592	194,695,108
Non-Current Assets										
Investments	17,873,991	17,873,991	17,873,991	17,873,991	17,873,991	17,873,991	17,873,991	17,873,991	17,873,991	17,873,991
Receivables	448,072	464,844	482,460	494,243	506,320	518,699	531,388	544,394	557,726	571,391
Inventories	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181
Infrastructure, Property, Plant & Equipment	1,997,908,444	1,977,348,121	1,961,100,516	1,944,261,290	1,929,347,383	1,912,607,717	1,896,918,801	1,881,049,165	1,865,688,158	1,851,037,878
Investments Accounted for using the equity method	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Investment Property	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Total Non-Current Assets	2,036,991,688	2,016,448,137	2,000,218,148	1,983,390,704	1,968,488,874	1,951,761,588	1,936,085,360	1,920,228,731	1,904,881,055	1,890,244,441
TOTAL ASSETS	2,127,141,839	2,114,287,348	2,104,993,809	2,098,468,982	2,094,477,020	2,092,223,734	2,089,766,159	2,087,811,800	2,086,225,648	2,084,939,549
LIABILITIES										
Current Liabilities										
Payables	21,615,818	21,171,917	21,844,236	21,846,251	22,340,985	22,740,137	23,452,354	23,713,598	24,233,759	24,772,604
Income received in advance	918,449	931,990	955,461	979,609	1,004,454	1,030,015	1,056,315	1,083,374	1,111,216	1,139,863
Borrowings	11,143,525	9,824,002	8,255,438	6,342,632	4,592,693	4,236,356	3,949,618	3,662,654	3,163,687	2,965,744
Provisions	18,365,676	19,718,776	21,071,876	22,424,976	23,778,076	25,131,176	26,484,276	27,837,376	29,190,476	30,543,576
Total Current Liabilities	52,043,467	51,646,685	52,127,011	51,593,468	51,716,208	53,137,684	54,942,562	56,297,002	57,699,137	59,421,786
Non-Current Liabilities										
Payables	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105
Borrowings	45,501,161	37,414,123	30,916,353	26,352,767	23,557,924	21,124,609	19,010,714	17,198,255	15,897,489	14,794,666
Provisions	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525
Total Non-Current Liabilities	59,793,790	51,706,752	45,208,983	40,645,397	37,850,553	35,417,239	33,303,344	31,490,885	30,190,119	29,087,296
TOTAL LIABILITIES	111,837,257	103,353,438	97,335,994	92,238,865	89,566,761	88,554,923	88,245,906	87,787,886	87,889,256	88,509,082
Net Assets	2,015,304,582	2,010,933,910	2,007,657,815	2,006,230,117	2,004,910,258	2,003,668,811	2,001,520,252	2,000,023,913	1,998,336,392	1,996,430,467
EQUITY										
Retained Earnings	2,015,304,582	2,010,933,910	2,007,657,815	2,006,230,117	2,004,910,258	2,003,668,811	2,001,520,252	2,000,023,913	1,998,336,392	1,996,430,467
Revaluation Reserves	-	-	-	-	-	-	-	-	-	-
Total Equity	2,015,304,582	2,010,933,910	2,007,657,815	2,006,230,117	2,004,910,258	2,003,668,811	2,001,520,252	2,000,023,913	1,998,336,392	1,996,430,467

Cash Flow Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
CASH FLOW STATEMENT - GENERAL FUND

Scenario: MCC General Purpose Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	93,497,868	97,052,242	100,826,729	103,415,143	106,000,521	108,650,534	111,366,798	114,150,968	117,004,742	119,929,860
User Charges & Fees	11,926,979	11,924,676	12,203,806	12,490,826	12,785,969	13,089,473	13,401,584	13,722,557	14,052,651	14,392,134
Interest & Investment Revenue Received	3,322,798	3,289,282	3,295,265	3,306,777	3,312,385	3,311,269	3,321,263	3,326,646	3,334,065	3,342,054
Grants & Contributions	40,003,695	42,918,529	43,704,025	44,159,121	44,622,799	45,157,722	45,723,976	46,301,711	46,889,591	47,487,848
Other	11,240,169	13,580,735	13,860,371	14,197,366	14,544,206	14,900,454	15,267,734	15,645,972	16,035,300	16,436,044
Payments:										
Employee Benefits & On-Costs	(55,798,958)	(57,646,667)	(59,520,184)	(61,454,590)	(63,451,864)	(65,514,049)	(67,643,256)	(69,841,662)	(72,111,516)	(74,455,141)
Materials & Contracts	(32,677,059)	(34,889,312)	(34,999,726)	(35,955,167)	(36,492,176)	(37,391,738)	(38,122,016)	(39,449,792)	(40,226,285)	(41,217,786)
Borrowing Costs	(2,829,892)	(2,523,899)	(1,962,831)	(1,547,467)	(1,206,595)	(944,075)	(868,902)	(812,523)	(776,054)	(741,731)
Other	(30,647,311)	(29,320,949)	(30,761,865)	(30,315,617)	(31,140,482)	(31,992,018)	(33,668,436)	(33,774,047)	(34,704,598)	(35,664,464)
Net Cash provided (or used in) Operating Activities	38,038,289	44,384,638	46,645,588	48,296,391	48,974,764	49,267,574	48,778,743	49,269,829	49,497,895	49,508,819
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	8,842,847	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	2,176,900	1,857,667	2,149,020	2,197,577	2,722,235	2,221,127	2,336,157	2,027,925	2,280,925	2,409,925
Payments:										
Purchase of Infrastructure, Property, Plant & Equipment	(41,300,101)	(29,867,433)	(34,320,946)	(34,121,617)	(36,718,083)	(34,727,905)	(36,029,985)	(35,803,680)	(36,758,205)	(37,820,386)
Net Cash provided (or used in) Investing Activities	(30,280,354)	(28,009,766)	(32,171,926)	(31,924,040)	(33,995,848)	(32,506,778)	(33,693,828)	(33,775,755)	(34,477,280)	(35,410,461)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	2,882,350	1,644,043	1,664,747	1,686,125	1,704,929	1,710,121	1,742,802	1,757,273	1,770,000	1,770,000
Payments:										
Repayment of Borrowings & Advances	(10,548,135)	(10,978,753)	(9,731,081)	(8,162,517)	(6,249,711)	(4,499,772)	(4,143,435)	(3,856,697)	(3,569,733)	(3,070,766)
Repayment of Finance Lease Liabilities	(92,150)	(71,851)	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(7,757,935)	(9,406,561)	(8,066,334)	(6,476,392)	(4,544,782)	(2,789,651)	(2,400,633)	(2,099,424)	(1,799,733)	(1,300,766)
Net Increase/(Decrease) in Cash & Cash Equivalents	0	6,968,312	6,407,328	9,895,959	10,434,133	13,971,145	12,684,282	13,394,651	13,220,883	12,797,592
plus: Cash, Cash Equivalents & Investments - beginning of year	0	0	6,968,312	13,375,640	23,271,600	33,705,733	47,676,878	60,361,160	73,755,811	86,976,694
Cash & Cash Equivalents - end of the year	0	6,968,312	13,375,640	23,271,600	33,705,733	47,676,878	60,361,160	73,755,811	86,976,694	99,774,285
Cash & Cash Equivalents - end of the year	0	6,968,312	13,375,640	23,271,600	33,705,733	47,676,878	60,361,160	73,755,811	86,976,694	99,774,285
Investments - end of the year	86,044,930	86,044,930	86,044,930	86,044,930	86,044,930	86,044,930	86,044,930	86,044,930	86,044,930	86,044,930
Cash, Cash Equivalents & Investments - end of the year	86,044,930	93,013,242	99,420,570	109,316,530	119,750,663	133,721,808	146,406,090	159,800,741	173,021,624	185,819,215

Financial Performance Indicators

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
FINANCIAL PERFORMANCE INDICATORS - GENERAL FUND

Scenario: MCC General Purpose Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Note 13 Ratios										
Operating Performance Ratio	-10.60%	-8.36%	-7.51%	-6.30%	-6.15%	-6.03%	-6.45%	-6.01%	-6.03%	-6.06%
Own Source Operating Revenue Ratio	75.50%	74.25%	74.71%	74.97%	75.23%	75.45%	75.67%	75.89%	76.10%	76.31%
Unrestricted Current Ratio	1.52	1.78	1.98	2.36	2.70	2.96	3.12	3.30	3.47	3.56
Debt Service Cover Ratio	2.57	2.77	3.27	4.10	5.33	7.29	7.74	8.47	9.08	10.31
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	5.63%	5.64%	5.64%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%
Cash Expense Cover Ratio	0.00	0.62	1.17	2.03	2.92	4.08	5.01	5.99	6.89	7.72
Debt Service Ratio	9.24%	9.05%	7.56%	6.14%	4.61%	3.29%	2.97%	2.70%	2.46%	2.11%

2018-2019 Water Fund Budget - Base Case 10 Year Financial Projections

Income Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
INCOME STATEMENT - WATER FUND

Scenario: Water Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	13,368,240	13,796,024	14,237,496	14,693,096	15,163,275	15,648,500	16,149,252	16,666,028	17,199,341	17,749,720
User Charges & Fees	26,531,160	27,380,157	28,256,322	29,160,524	30,093,661	31,056,658	32,050,471	33,076,087	34,134,521	35,226,826
Interest & Investment Revenue	100,000	102,500	105,063	107,689	110,381	113,141	115,969	118,869	121,840	124,886
Other Revenues	143,500	147,805	152,239	156,806	161,511	166,356	171,347	176,487	181,782	187,235
Grants & Contributions provided for Operating Purposes	2,995,000	3,069,875	3,146,622	3,225,287	3,305,920	3,388,568	3,473,282	3,560,114	3,649,117	3,740,345
Total Income from Continuing Operations	43,137,900	44,496,361	45,897,742	47,343,404	48,834,748	50,373,223	51,960,321	53,597,584	55,286,601	57,029,012
Expenses from Continuing Operations										
Employee Benefits & On-Costs	10,052,987	10,304,312	10,561,919	10,825,967	11,096,617	11,374,032	11,658,383	11,949,842	12,248,589	12,554,803
Borrowing Costs	6,080,734	5,082,295	5,015,863	4,949,750	4,662,627	4,363,042	4,054,881	3,760,849	3,502,225	3,271,715
Materials & Contracts	10,945,377	11,669,011	14,309,487	12,257,224	14,924,404	12,837,215	13,157,845	13,576,491	13,913,353	14,218,637
Depreciation & Amortisation	15,588,333	15,978,041	16,377,492	16,786,930	17,206,603	17,636,768	18,077,687	18,529,629	18,992,870	19,467,692
Other Expenses	2,015,926	2,015,926	2,015,926	2,015,926	2,015,926	2,015,926	2,015,926	2,015,926	2,015,926	2,015,926
Total Expenses from Continuing Operations	44,683,357	45,049,585	48,280,687	46,835,797	49,906,177	48,226,983	48,964,723	49,832,738	50,672,963	51,528,773
Operating Result from Continuing Operations	(1,545,457)	(553,225)	(2,382,945)	507,607	(1,071,429)	2,146,240	2,995,599	3,764,847	4,613,638	5,500,239
Net Operating Result for the Year	(1,545,457)	(553,225)	(2,382,945)	507,607	(1,071,429)	2,146,240	2,995,599	3,764,847	4,613,638	5,500,239
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,545,457)	(553,225)	(2,382,945)	507,607	(1,071,429)	2,146,240	2,995,599	3,764,847	4,613,638	5,500,239

Balance Sheet

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
BALANCE SHEET - WATER FUND

Scenario: Water Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	2,162,086	2,801,002	6,017,579	5,152,584	3,476,794	2,828,901	9,798,417	12,689,165	23,124,125	33,136,887
Receivables	6,445,807	6,651,609	6,870,557	7,084,473	7,302,960	7,531,455	7,788,983	8,042,328	8,325,008	8,614,430
Inventories	472,960	504,229	618,327	529,647	644,898	554,709	568,563	586,653	601,210	614,401
Total Current Assets	9,080,854	9,956,840	13,506,463	12,766,704	11,424,652	10,915,065	18,155,963	21,318,147	32,050,343	42,365,719
Non-Current Assets										
Infrastructure, Property, Plant & Equipment	483,875,623	483,886,582	479,224,090	475,861,160	471,630,557	469,279,789	460,412,102	456,577,472	446,904,602	438,679,910
Intangible Assets	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000
Total Non-Current Assets	484,969,623	484,980,582	480,318,090	476,955,160	472,724,557	470,373,789	461,506,102	457,671,472	447,998,602	439,773,910
TOTAL ASSETS	494,050,477	494,937,422	493,824,552	489,721,864	484,149,209	481,288,854	479,662,065	478,989,619	480,048,945	482,139,629
LIABILITIES										
Current Liabilities										
Payables	2,874,684	2,949,023	3,183,177	2,967,452	3,150,122	2,927,765	2,911,726	2,905,663	2,900,935	2,894,896
Borrowings	3,634,169	3,964,079	4,394,569	4,683,896	4,784,239	4,606,349	4,431,229	3,549,584	3,403,515	3,636,892
Provisions	4,140,551	4,140,551	4,140,551	4,140,551	4,140,551	4,140,551	4,140,551	4,140,551	4,140,551	4,140,551
Total Current Liabilities	10,649,404	11,053,654	11,718,298	11,791,899	12,074,911	11,674,665	11,483,507	10,595,798	10,445,002	10,672,339
Non-Current Liabilities										
Borrowings	86,291,576	87,327,497	87,932,927	83,249,032	78,464,793	73,858,445	69,427,215	65,877,632	62,474,116	58,837,224
Provisions	31,449	31,449	31,449	31,449	31,449	31,449	31,449	31,449	31,449	31,449
Total Non-Current Liabilities	86,323,025	87,358,946	87,964,376	83,280,480	78,496,242	73,889,893	69,458,664	65,909,080	62,505,565	58,868,673
TOTAL LIABILITIES	96,972,429	98,412,599	99,682,674	95,072,379	90,571,153	85,564,558	80,942,171	76,504,878	72,950,567	69,541,012
Net Assets	397,078,048	396,524,823	394,141,878	394,649,485	393,578,056	395,724,295	398,719,894	402,484,741	407,098,379	412,598,618
EQUITY										
Retained Earnings	98,278,048	97,724,823	95,341,878	95,849,485	94,778,056	96,924,295	99,919,894	103,684,741	108,298,379	113,798,618
Revaluation Reserves	298,800,000	298,800,000	298,800,000	298,800,000	298,800,000	298,800,000	298,800,000	298,800,000	298,800,000	298,800,000
Total Equity	397,078,048	396,524,823	394,141,878	394,649,485	393,578,056	395,724,295	398,719,894	402,484,741	407,098,379	412,598,618

Cash Flow Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
CASH FLOW STATEMENT - WATER FUND

Scenario: Water Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	13,053,959	13,751,401	14,191,445	14,645,572	15,114,230	15,597,885	16,097,018	16,612,122	17,143,710	17,692,309
User Charges & Fees	26,221,413	27,234,713	28,106,223	29,005,622	29,933,802	30,891,684	31,880,218	32,900,385	33,953,197	35,039,700
Interest & Investment Revenue Received	93,924	100,016	95,868	110,166	115,139	114,957	96,046	110,651	92,050	96,362
Grants & Contributions	3,373,406	3,061,107	3,137,634	3,216,075	3,296,477	3,378,889	3,463,361	3,549,945	3,638,694	3,729,661
Other	423,013	143,323	147,623	152,052	156,613	161,312	166,151	171,136	176,270	181,558
Payments:										
Employee Benefits & On-Costs	(10,052,987)	(10,304,312)	(10,561,919)	(10,825,967)	(11,096,617)	(11,374,032)	(11,658,383)	(11,949,842)	(12,248,589)	(12,554,803)
Materials & Contracts	(9,900,534)	(11,638,777)	(14,199,165)	(12,342,969)	(14,812,967)	(12,924,419)	(13,144,449)	(13,559,000)	(13,899,279)	(14,205,882)
Borrowing Costs	(6,121,836)	(5,069,459)	(5,006,127)	(4,991,050)	(4,706,646)	(4,408,004)	(4,098,172)	(3,802,493)	(3,535,584)	(3,303,701)
Other	(2,015,926)	(2,015,926)	(2,015,926)	(2,015,926)	(2,015,926)	(2,015,926)	(2,015,926)	(2,015,926)	(2,015,926)	(2,015,926)
Net Cash provided (or used in) Operating Activities	15,074,433	15,262,085	13,895,656	16,953,575	15,984,106	19,422,345	20,785,864	22,016,978	23,304,543	24,659,278
Cash Flows from Investing Activities										
Receipts:										
Payments:										
Purchase of Infrastructure, Property, Plant & Equipment	(8,027,768)	(15,989,000)	(11,715,000)	(13,424,000)	(12,976,000)	(15,286,000)	(9,210,000)	(14,695,000)	(9,320,000)	(11,243,000)
Net Cash provided (or used in) Investing Activities	(8,027,768)	(15,989,000)	(11,715,000)	(13,424,000)	(12,976,000)	(15,286,000)	(9,210,000)	(14,695,000)	(9,320,000)	(11,243,000)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	-	5,000,000	5,000,000	-	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(4,373,556)	(3,634,169)	(3,964,079)	(4,394,569)	(4,683,896)	(4,784,239)	(4,606,349)	(4,431,229)	(3,549,584)	(3,403,515)
Net Cash Flow provided (used in) Financing Activities	(4,373,556)	1,365,831	1,035,921	(4,394,569)	(4,683,896)	(4,784,239)	(4,606,349)	(4,431,229)	(3,549,584)	(3,403,515)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,673,109	638,916	3,216,577	(864,994)	(1,675,790)	(647,893)	6,969,516	2,890,748	10,434,960	10,012,762
plus: Cash, Cash Equivalents & Investments - beginning of year	(511,023)	2,162,086	2,801,002	6,017,579	5,152,584	3,476,794	2,828,901	9,798,417	12,689,165	23,124,125
Cash & Cash Equivalents - end of the year	2,162,086	2,801,002	6,017,579	5,152,584	3,476,794	2,828,901	9,798,417	12,689,165	23,124,125	33,136,887
Cash & Cash Equivalents - end of the year	2,162,086	2,801,002	6,017,579	5,152,584	3,476,794	2,828,901	9,798,417	12,689,165	23,124,125	33,136,887
Investments - end of the year	-	-	-	-	-	-	-	-	-	-
Cash, Cash Equivalents & Investments - end of the year	2,162,086	2,801,002	6,017,579	5,152,584	3,476,794	2,828,901	9,798,417	12,689,165	23,124,125	33,136,887

Financial Performance Indicators

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
FINANCIAL PERFORMANCE INDICATORS - WATER FUND

Scenario: Water Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Note 13 Ratios										
Operating Performance Ratio	-3.58%	-1.24%	-5.19%	1.07%	-2.19%	4.26%	5.77%	7.02%	8.34%	9.64%
Own Source Operating Revenue Ratio	93.06%	93.10%	93.14%	93.19%	93.23%	93.27%	93.32%	93.36%	93.40%	93.44%
Unrestricted Current Ratio	-0.32	-0.19	0.25	0.16	0.00	-0.06	0.83	1.36	2.89	4.21
Debt Service Cover Ratio	1.92	2.35	2.12	2.38	2.23	2.64	2.90	3.18	3.84	4.23
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	9.64%	9.47%	9.47%	9.47%	9.47%	9.47%	9.47%	9.47%	9.47%	9.47%
Cash Expense Cover Ratio	0.80	1.03	2.02	1.79	1.12	0.96	3.31	4.26	7.87	11.21
Debt Service Ratio	26.04%	21.04%	21.01%	21.18%	20.53%	19.47%	17.86%	16.37%	13.66%	12.53%

2018-2019 Sewer Fund Budget - Base Case - 10 Year Financial Projections

Income Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
INCOME STATEMENT - SEWER FUND

Scenario: Sewer Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	38,279,000	38,546,953	38,816,782	40,058,919	41,340,804	42,663,710	44,028,949	45,437,875	46,891,887	48,392,427
User Charges & Fees	2,581,500	2,599,571	2,617,767	2,701,536	2,787,985	2,877,201	2,969,271	3,064,288	3,162,345	3,263,540
Interest & Investment Revenue	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000	505,000
Other Revenues	93,500	95,838	98,233	100,689	103,207	105,787	108,431	111,142	113,921	116,769
Grants & Contributions provided for Operating Purposes	1,484,000	1,521,100	1,559,128	1,598,106	1,678,011	1,719,961	1,762,960	1,807,034	1,852,210	1,898,515
Total Income from Continuing Operations	42,943,000	43,268,461	43,596,910	44,964,250	46,415,007	47,871,658	49,374,611	50,925,339	52,525,363	54,176,251
Expenses from Continuing Operations										
Employee Benefits & On-Costs	10,210,567	10,465,831	10,727,477	10,995,664	11,270,555	11,552,319	11,841,127	12,137,156	12,440,584	12,751,599
Borrowing Costs	4,633,645	4,178,551	3,844,809	3,709,103	3,546,302	3,261,435	2,908,843	2,572,700	2,289,842	2,120,611
Materials & Contracts	9,881,440	10,778,476	11,047,938	11,324,136	11,607,240	11,897,421	12,194,856	12,499,728	12,812,221	13,132,526
Depreciation & Amortisation	15,267,645	15,649,336	16,040,570	16,441,584	16,852,623	17,273,939	17,705,787	18,148,432	18,602,143	19,067,196
Other Expenses	1,510,683	1,510,683	1,510,683	1,510,683	1,510,683	1,510,683	1,510,683	1,510,683	1,510,683	1,510,683
Total Expenses from Continuing Operations	41,503,980	42,582,877	43,171,476	43,981,170	44,787,403	45,495,797	46,161,297	46,868,698	47,655,473	48,582,616
Operating Result from Continuing Operations	1,439,020	685,584	425,434	983,080	1,627,604	2,375,861	3,213,314	4,056,641	4,869,889	5,593,635
Net Operating Result for the Year	1,439,020	685,584	425,434	983,080	1,627,604	2,375,861	3,213,314	4,056,641	4,869,889	5,593,635
Net Operating Result before Grants and Contributions provided for Capital Purposes	1,439,020	685,584	425,434	983,080	1,627,604	2,375,861	3,213,314	4,056,641	4,869,889	5,593,635

Balance Sheet

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
BALANCE SHEET - SEWER FUND

Scenario: Sewer Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	25,723,440	13,857,746	9,165,241	1,503,536	3,526,276	-	-	4,009,088	11,716,388	23,240,395
Investments	9,487,179	9,487,179	9,487,179	9,487,179	9,487,179	9,138,961	7,556,524	7,556,524	7,556,524	7,556,524
Receivables	4,589,505	4,586,680	4,607,736	4,725,934	4,885,702	5,025,402	5,177,456	5,353,441	5,546,865	5,758,310
Inventories	3,405	3,714	3,807	3,902	3,999	4,099	4,202	4,307	4,414	4,525
Total Current Assets	39,803,529	27,935,319	23,263,964	15,720,551	17,903,156	14,168,463	12,738,182	16,923,359	24,824,191	36,559,754
Non-Current Assets										
Investments	512,821	512,821	512,821	512,821	512,821	493,998	408,461	408,461	408,461	408,461
Infrastructure, Property, Plant & Equipment	412,751,455	420,231,119	425,230,549	433,156,966	431,466,342	432,009,403	431,190,616	425,951,184	419,675,041	411,088,844
Intangible Assets	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000	1,094,000
Total Non-Current Assets	414,358,276	421,837,939	426,837,370	434,763,786	433,073,163	433,597,401	432,693,077	427,453,645	421,177,502	412,591,305
TOTAL ASSETS	454,161,804	449,773,259	450,101,333	450,484,337	450,976,319	447,765,864	445,431,258	444,377,004	446,001,693	449,151,059
LIABILITIES										
Current Liabilities										
Payables	2,825,415	2,938,481	2,983,140	3,025,166	3,064,340	3,071,347	3,079,863	3,092,907	3,121,220	3,156,852
Borrowings	5,187,195	5,142,018	5,642,102	6,174,796	5,593,323	5,556,436	5,123,940	3,273,513	2,479,902	2,638,968
Provisions	4,073,574	4,073,574	4,073,574	4,073,574	4,073,574	4,073,574	4,073,574	4,073,574	4,073,574	4,073,574
Total Current Liabilities	12,086,184	12,154,073	12,698,816	13,273,536	12,731,237	12,701,356	12,277,377	10,439,994	9,674,696	9,869,394
Non-Current Liabilities										
Borrowings	61,112,757	55,970,739	55,328,637	54,153,840	53,560,518	48,004,082	42,880,142	39,606,630	37,126,728	34,487,760
Provisions	31,426	31,426	31,426	31,426	31,426	31,426	31,426	31,426	31,426	31,426
Total Non-Current Liabilities	61,144,183	56,002,165	55,360,063	54,185,266	53,591,944	48,035,508	42,911,568	39,638,055	37,158,154	34,519,186
TOTAL LIABILITIES	73,230,367	68,156,238	68,058,879	67,458,803	66,323,181	60,736,865	55,188,945	50,078,049	46,832,849	44,388,580
Net Assets	380,931,437	381,617,021	382,042,454	383,025,534	384,653,138	387,028,999	390,242,313	394,298,954	399,168,844	404,762,479
EQUITY										
Retained Earnings	219,597,437	220,283,021	220,708,454	221,691,534	223,319,138	225,694,999	228,908,313	232,964,954	237,834,844	243,428,479
Revaluation Reserves	161,334,000	161,334,000	161,334,000	161,334,000	161,334,000	161,334,000	161,334,000	161,334,000	161,334,000	161,334,000
Total Equity	380,931,437	381,617,021	382,042,454	383,025,534	384,653,138	387,028,999	390,242,313	394,298,954	399,168,844	404,762,479

Cash Flow Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
CASH FLOW STATEMENT - SEWER FUND

Scenario: Sewer Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	38,103,350	38,520,805	38,790,451	39,937,707	41,215,713	42,534,616	43,895,724	45,300,387	46,749,999	48,245,999
User Charges & Fees	2,748,298	2,596,338	2,614,513	2,686,552	2,772,522	2,861,243	2,952,802	3,047,292	3,144,805	3,245,439
Interest & Investment Revenue Received	496,326	544,051	520,548	530,192	498,125	518,032	510,514	491,569	479,275	466,563
Grants & Contributions	1,486,611	1,516,488	1,554,400	1,593,260	1,668,078	1,714,746	1,757,615	1,801,555	1,846,594	1,892,759
Other	250,751	93,603	95,943	98,342	100,800	103,320	105,903	108,551	111,265	114,046
Payments:										
Employee Benefits & On-Costs	(10,210,567)	(10,465,831)	(10,727,477)	(10,995,664)	(11,270,555)	(11,552,319)	(11,841,127)	(12,137,156)	(12,440,584)	(12,751,599)
Materials & Contracts	(9,293,450)	(10,626,545)	(11,002,299)	(11,277,357)	(11,559,290)	(11,848,273)	(12,144,480)	(12,448,092)	(12,759,294)	(13,078,276)
Borrowing Costs	(4,678,380)	(4,217,726)	(3,845,882)	(3,713,952)	(3,555,174)	(3,303,677)	(2,950,806)	(2,611,396)	(2,314,564)	(2,139,340)
Other	(1,510,683)	(1,510,683)	(1,510,683)	(1,510,683)	(1,510,683)	(1,510,683)	(1,510,683)	(1,510,683)	(1,510,683)	(1,510,683)
Net Cash provided (or used in) Operating Activities	17,392,257	16,450,501	16,489,514	17,348,397	18,359,536	19,517,006	20,775,462	22,042,028	23,306,813	24,484,909
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	-	-	-	-	-	367,041	1,667,974	-	-	-
Payments:										
Purchase of Infrastructure, Property, Plant & Equipment	(8,979,100)	(23,129,000)	(21,040,000)	(24,368,000)	(15,162,000)	(17,817,000)	(16,887,000)	(12,909,000)	(12,326,000)	(10,481,000)
Net Cash provided (or used in) Investing Activities	(8,979,100)	(23,129,000)	(21,040,000)	(24,368,000)	(15,162,000)	(17,449,959)	(15,219,026)	(12,909,000)	(12,326,000)	(10,481,000)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	-	-	5,000,000	5,000,000	5,000,000	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(5,923,474)	(5,187,195)	(5,142,018)	(5,642,102)	(6,174,796)	(5,593,323)	(5,556,436)	(5,123,940)	(3,273,513)	(2,479,902)
Net Cash Flow provided (used in) Financing Activities	(5,923,474)	(5,187,195)	(142,018)	(642,102)	(1,174,796)	(5,593,323)	(5,556,436)	(5,123,940)	(3,273,513)	(2,479,902)
Net Increase/(Decrease) in Cash & Cash Equivalents	2,489,683	(11,865,694)	(4,692,504)	(7,661,705)	2,022,739	(3,526,276)	(0)	4,009,088	7,707,300	11,524,007
plus: Cash, Cash Equivalents & Investments - beginning of year	23,233,757	25,723,440	13,857,746	9,165,241	1,503,536	3,526,276	-	(0)	4,009,088	11,716,388
Cash & Cash Equivalents - end of the year	25,723,440	13,857,746	9,165,241	1,503,536	3,526,276	-	(0)	4,009,088	11,716,388	23,240,395
Cash & Cash Equivalents - end of the year	25,723,440	13,857,746	9,165,241	1,503,536	3,526,276	-	(0)	4,009,088	11,716,388	23,240,395
Investments - end of the year	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	9,632,959	7,964,985	7,964,985	7,964,985	7,964,985
Cash, Cash Equivalents & Investments - end of the year	35,723,440	23,857,746	19,165,241	11,503,536	13,526,276	9,632,959	7,964,985	11,974,073	19,681,373	31,205,380

Financial Performance Indicators

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
FINANCIAL PERFORMANCE INDICATORS - SEWER FUND

Scenario: Sewer Fund Base Case	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Note 13 Ratios										
Operating Performance Ratio	3.35%	1.58%	0.98%	2.19%	3.51%	4.96%	6.51%	7.97%	9.27%	10.32%
Own Source Operating Revenue Ratio	96.54%	96.48%	96.42%	96.45%	96.38%	96.41%	96.43%	96.45%	96.47%	96.50%
Unrestricted Current Ratio	0.90	-0.44	-0.91	-1.61	-1.47	-1.87	-2.13	-2.09	-1.11	0.70
Debt Service Cover Ratio	2.02	2.19	2.26	2.26	2.27	2.59	2.81	3.22	4.63	5.82
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	8.92%	8.89%	8.89%	8.91%	8.91%	8.91%	8.91%	8.91%	8.91%	8.91%
Cash Expense Cover Ratio	9.76	5.20	3.41	0.54	1.24	0.00	0.00	1.42	4.35	8.73
Debt Service Ratio	25.46%	22.43%	21.38%	21.56%	21.73%	19.19%	17.78%	15.67%	10.98%	8.80%

Scenario 2 - 2018-2019 Consolidated Budget - \$100 million Road Program Scenario (10 Year Financial Projections)

Income Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
INCOME STATEMENT - CONSOLIDATED

Scenario: \$100 Million Road Program - Consolidated	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	145,277,775	149,575,612	154,070,488	158,293,630	162,634,235	167,095,619	171,681,195	176,394,473	181,239,062	186,218,677
User Charges & Fees	40,782,823	41,921,833	43,095,817	44,371,315	45,686,565	47,042,819	48,441,366	49,883,539	51,370,711	52,904,297
Interest & Investment Revenue	3,936,303	3,946,371	3,956,521	3,966,754	3,977,071	3,987,475	3,997,967	4,008,548	4,019,222	4,029,989
Other Revenues	12,471,090	12,558,223	12,896,309	13,244,294	13,602,470	13,971,137	14,350,601	14,741,182	15,143,206	15,557,008
Grants & Contributions provided for Operating Purposes	38,536,379	38,944,092	39,421,105	39,906,054	40,441,820	41,018,327	41,623,605	42,241,056	42,870,976	43,513,669
Grants & Contributions provided for Capital Purposes	14,164,941	19,942,910	24,030,339	24,118,684	9,207,954	9,298,160	9,389,314	9,481,426	9,574,506	9,668,567
Total Income from Continuing Operations	255,169,311	266,889,042	277,470,579	283,900,731	275,550,115	282,413,537	289,484,049	296,750,225	304,217,683	311,892,208
Expenses from Continuing Operations										
Employee Benefits & On-Costs	76,119,181	78,441,078	80,834,637	83,302,093	85,845,748	88,467,981	91,171,243	93,958,063	96,831,047	99,792,887
Borrowing Costs	13,701,936	12,281,448	11,809,005	11,776,579	11,154,024	10,057,468	9,058,204	8,103,264	7,244,402	6,526,806
Materials & Contracts	54,775,458	57,148,966	60,835,835	59,531,833	63,369,697	62,482,309	64,032,588	65,711,468	67,339,917	68,968,338
Depreciation & Amortisation	78,959,021	79,694,884	80,701,872	81,729,601	82,778,569	83,849,286	84,942,278	86,058,079	87,197,241	88,360,326
Other Expenses	34,169,273	32,846,946	34,290,861	33,842,251	34,668,934	35,520,519	37,197,849	37,301,794	38,233,260	39,193,182
Total Expenses from Continuing Operations	257,724,869	260,413,322	268,472,210	270,182,357	277,816,972	280,377,564	286,402,163	291,132,668	296,845,867	302,841,540
Operating Result from Continuing Operations	(2,555,557)	6,475,720	8,998,369	13,718,374	(2,266,857)	2,035,973	3,081,886	5,617,556	7,371,816	9,050,668
Net Operating Result for the Year	(2,555,557)	6,475,720	8,998,369	13,718,374	(2,266,857)	2,035,973	3,081,886	5,617,556	7,371,816	9,050,668
Net Operating Result before Grants and Contributions provided for Capital Purposes	(16,720,498)	(13,467,190)	(15,031,970)	(10,400,310)	(11,474,811)	(7,262,187)	(6,307,427)	(3,863,869)	(2,202,691)	(617,900)

Balance Sheet

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
BALANCE SHEET - CONSOLIDATED

Scenario: \$100 Million Road Program - Consolidated	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	27,885,526	20,338,734	27,311,654	29,375,764	40,826,281	50,666,344	70,546,679	91,269,885	123,272,638	158,471,867
Investments	75,440,495	75,440,495	75,440,495	75,440,495	75,440,495	75,092,276	73,509,839	73,509,839	73,509,839	73,509,839
Receivables	28,066,594	29,176,465	30,281,263	31,003,318	30,223,900	31,021,253	31,865,819	32,742,731	33,677,280	34,647,212
Inventories	4,699,499	4,757,784	4,899,536	4,827,697	4,974,532	4,916,711	4,963,738	5,015,825	5,065,221	5,114,098
Other	1,654,109	1,639,525	1,696,398	1,696,999	1,740,899	1,786,002	1,852,829	1,879,957	1,928,884	1,979,148
Total Current Assets	137,746,222	131,353,003	139,629,345	142,344,272	153,206,107	163,482,587	182,738,904	204,418,237	237,453,863	273,722,165
Non-Current Assets										
Investments	17,805,364	17,805,364	17,805,364	17,805,364	17,805,364	17,786,541	17,701,004	17,701,004	17,701,004	17,701,004
Receivables	448,072	464,844	482,460	494,243	506,320	518,699	531,388	544,394	557,726	571,391
Inventories	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181
Infrastructure, Property, Plant & Equipment	2,912,535,523	2,921,715,321	2,928,985,465	2,939,891,642	2,912,239,538	2,886,876,312	2,854,686,189	2,822,928,886	2,784,806,392	2,746,533,886
Investments Accounted for using the equity method	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Investment Property	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Intangible Assets	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000	2,188,000
Total Non-Current Assets	2,953,738,140	2,962,934,711	2,970,222,470	2,981,140,430	2,953,500,403	2,928,130,733	2,895,867,762	2,864,123,466	2,826,014,303	2,787,755,463
TOTAL ASSETS	3,091,484,361	3,094,287,714	3,109,851,815	3,123,484,701	3,106,706,511	3,091,613,320	3,078,606,666	3,068,541,703	3,063,468,166	3,061,477,627
LIABILITIES										
Current Liabilities										
Payables	27,784,548	27,662,140	28,686,043	28,559,344	28,521,278	28,680,766	29,360,773	29,604,016	30,122,467	30,665,346
Income received in advance	918,449	931,990	955,461	979,609	1,004,454	1,030,015	1,056,315	1,083,374	1,111,216	1,139,863
Borrowings	20,569,634	20,335,378	20,851,590	20,944,133	18,760,234	18,240,868	17,398,844	14,437,665	13,058,753	12,756,932
Provisions	26,579,801	27,932,901	29,286,001	30,639,101	31,992,201	33,345,301	34,698,401	36,051,501	37,404,601	38,757,701
Total Current Liabilities	75,852,433	76,862,410	79,779,095	81,122,187	80,278,167	81,296,950	82,514,332	81,176,557	81,697,037	83,319,842
Non-Current Liabilities										
Payables	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105
Borrowings	199,153,909	194,471,564	198,120,611	196,692,031	183,024,718	164,876,772	147,570,849	133,226,104	120,260,272	107,596,261
Provisions	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399	13,918,399
Total Non-Current Liabilities	213,509,413	208,827,069	212,476,116	211,047,536	197,380,222	179,232,276	161,926,353	147,581,609	134,615,777	121,951,766
TOTAL LIABILITIES	289,361,846	285,689,478	292,255,211	292,169,723	277,658,389	260,529,226	244,440,685	228,758,166	216,312,813	205,271,607
Net Assets	2,802,122,515	2,808,598,235	2,817,596,605	2,831,314,979	2,829,048,121	2,831,084,094	2,834,165,981	2,839,783,537	2,847,155,353	2,856,206,020
EQUITY										
Retained Earnings	2,341,988,515	2,348,464,235	2,357,462,605	2,371,180,979	2,368,914,121	2,370,950,094	2,374,031,981	2,379,649,537	2,387,021,353	2,396,072,020
Revaluation Reserves	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000	460,134,000
Total Equity	2,802,122,515	2,808,598,235	2,817,596,605	2,831,314,979	2,829,048,121	2,831,084,094	2,834,165,981	2,839,783,537	2,847,155,353	2,856,206,020

Cash Flow Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
CASH FLOW STATEMENT - CONSOLIDATED

Scenario: \$100 Million Road Program - Consolidated	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	144,655,178	149,324,448	153,808,625	157,998,421	162,330,465	166,783,036	171,359,539	176,063,477	180,898,451	185,868,169
User Charges & Fees	40,896,691	41,755,727	42,924,542	44,183,001	45,492,293	46,842,400	48,234,605	49,670,234	51,150,653	52,677,273
Interest & Investment Revenue Received	3,917,326	3,942,544	3,906,502	3,946,504	3,927,684	3,940,587	3,927,311	3,927,884	3,903,925	3,902,999
Grants & Contributions	53,029,708	58,310,789	63,025,391	63,968,456	50,977,361	50,251,358	50,944,952	51,653,212	52,374,880	53,110,269
Other	11,814,347	13,795,531	14,059,676	14,447,759	14,967,597	15,165,086	15,539,788	15,925,659	16,322,835	16,731,648
Payments:										
Employee Benefits & On-Costs	(76,062,512)	(78,416,810)	(80,809,580)	(83,276,221)	(85,819,036)	(88,440,401)	(91,142,767)	(93,928,660)	(96,800,689)	(99,761,543)
Materials & Contracts	(51,871,043)	(57,154,634)	(60,201,191)	(59,575,493)	(62,864,433)	(62,164,429)	(63,410,945)	(65,456,884)	(66,884,858)	(68,501,944)
Borrowing Costs	(13,791,366)	(12,312,310)	(11,785,881)	(11,806,369)	(11,251,087)	(10,181,316)	(9,178,756)	(8,217,868)	(7,335,732)	(6,608,828)
Other	(34,173,920)	(32,847,558)	(34,288,474)	(33,842,226)	(34,667,091)	(35,518,627)	(37,195,045)	(37,300,656)	(38,231,207)	(39,191,073)
Net Cash provided (or used in) Operating Activities	78,414,409	86,397,728	90,639,610	96,043,832	83,093,752	86,677,693	89,078,683	92,336,398	95,398,258	98,226,969
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	11,641,918	-	-	-	-	367,041	1,667,974	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	2,176,900	1,857,667	2,149,020	2,197,577	2,722,235	2,221,127	2,336,157	2,027,925	2,280,925	2,409,925
Payments:										
Purchase of Infrastructure, Property, Plant & Equipment	(75,868,632)	(90,885,585)	(89,980,970)	(94,841,262)	(58,514,258)	(60,758,485)	(55,054,533)	(56,335,194)	(51,331,686)	(52,471,833)
Net Cash provided (or used in) Investing Activities	(62,049,814)	(89,027,918)	(87,831,950)	(92,643,685)	(55,792,023)	(58,170,317)	(51,050,402)	(54,307,269)	(49,050,761)	(50,061,908)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	10,100,000	16,000,000	25,000,000	20,000,000	5,000,000	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(21,209,654)	(20,844,750)	(20,834,741)	(21,336,038)	(20,851,212)	(18,667,313)	(18,147,946)	(17,305,923)	(14,344,744)	(12,965,832)
Repayment of Finance Lease Liabilities	(92,150)	(71,851)	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(11,201,804)	(4,916,601)	4,165,259	(1,336,038)	(15,851,212)	(18,667,313)	(18,147,946)	(17,305,923)	(14,344,744)	(12,965,832)
Net Increase/(Decrease) in Cash & Cash Equivalents	5,162,792	(7,546,791)	6,972,920	2,064,110	11,450,517	9,840,063	19,880,334	20,723,206	32,002,753	35,199,229
plus: Cash, Cash Equivalents & Investments - beginning of year	22,722,734	27,885,526	20,338,734	27,311,654	29,375,764	40,826,281	50,666,344	70,546,679	91,269,885	123,272,638
Cash & Cash Equivalents - end of the year	27,885,526	20,338,734	27,311,654	29,375,764	40,826,281	50,666,344	70,546,679	91,269,885	123,272,638	158,471,867
Cash & Cash Equivalents - end of the year	27,885,526	20,338,734	27,311,654	29,375,764	40,826,281	50,666,344	70,546,679	91,269,885	123,272,638	158,471,867
Investments - end of the year	93,245,858	93,245,858	93,245,858	93,245,858	93,245,858	92,878,817	91,210,843	91,210,843	91,210,843	91,210,843
Cash, Cash Equivalents & Investments - end of the year	121,131,384	113,584,593	120,557,512	122,621,622	134,072,140	143,545,162	161,757,522	182,480,728	214,483,481	249,682,710

Financial Performance Indicators

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
FINANCIAL PERFORMANCE INDICATORS

Scenario: \$100 Million Road Program - Consolidated	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Note 13 Ratios										
Operating Performance Ratio	-6.94%	-5.45%	-5.93%	-4.00%	-4.31%	-2.66%	-2.25%	-1.35%	-0.75%	-0.20%
Own Source Operating Revenue Ratio	79.35%	77.94%	77.13%	77.45%	81.98%	82.18%	82.38%	82.57%	82.76%	82.95%
Unrestricted Current Ratio	1.09	0.93	1.12	1.16	1.47	1.61	1.97	2.35	2.75	3.22
Debt Service Cover Ratio	2.17	2.36	2.37	2.51	2.58	3.02	3.22	3.55	4.27	4.84
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	6.89%	6.85%	6.84%	6.84%	6.85%	6.85%	6.86%	6.86%	6.87%	6.87%
Cash Expense Cover Ratio	1.70	1.21	1.58	1.68	2.27	2.83	3.86	4.93	6.62	8.38
Debt Service Ratio	15.42%	14.26%	13.66%	13.51%	12.73%	11.13%	10.28%	9.35%	7.74%	6.81%

2018-2019 General Fund Budget - \$100 million Road Program Scenario - 10 Year Financial Projections

Income Statement

Mid-Coast Council 10 Year Financial Plan for the Years ending 30 June 2028 INCOME STATEMENT - GENERAL FUND

Scenario: General Purpose \$100M Road Program	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income from Continuing Operations										
Revenue:										
Rates & Annual Charges	93,630,535	97,232,635	101,016,210	103,541,615	106,130,156	108,783,409	111,502,995	114,290,569	117,147,834	120,076,530
User Charges & Fees	11,670,163	11,942,106	12,221,728	12,509,254	12,804,919	13,108,960	13,421,624	13,743,165	14,073,845	14,413,931
Interest & Investment Revenue	3,331,303	3,338,871	3,346,458	3,354,065	3,361,690	3,369,334	3,376,997	3,384,680	3,392,381	3,400,102
Other Revenues	12,234,090	12,314,581	12,645,836	12,986,799	13,337,753	13,698,994	14,070,824	14,453,553	14,847,504	15,253,005
Grants & Contributions provided for Operating Purposes	34,057,379	34,353,117	34,715,355	35,082,661	35,457,889	35,909,799	36,387,363	36,873,908	37,369,649	37,874,809
Grants & Contributions provided for Capital Purposes	14,164,941	19,942,910	24,030,339	24,118,684	9,207,954	9,298,160	9,389,314	9,481,426	9,574,506	9,668,567
Total Income from Continuing Operations	169,088,411	179,124,220	187,975,927	191,593,077	180,300,360	184,168,656	188,149,116	192,227,301	196,405,719	200,686,944
Expenses from Continuing Operations										
Employee Benefits & On-Costs	55,855,627	57,670,935	59,545,241	61,480,461	63,478,576	65,541,630	67,671,733	69,871,065	72,141,874	74,486,485
Borrowing Costs	2,987,557	3,020,602	2,948,333	3,117,726	2,945,095	2,432,990	2,094,480	1,769,716	1,452,334	1,134,480
Materials & Contracts	33,948,641	34,701,479	35,478,410	35,950,473	36,838,053	37,747,674	38,679,887	39,635,250	40,614,343	41,617,175
Depreciation & Amortisation	48,103,043	48,067,507	48,283,811	48,501,088	48,719,342	48,938,580	49,158,803	49,380,018	49,602,228	49,825,438
Other Expenses	30,642,664	29,320,337	30,764,252	30,315,642	31,142,325	31,993,910	33,671,240	33,775,185	34,706,651	35,666,573
Total Expenses from Continuing Operations	171,537,532	172,780,859	177,020,046	179,365,390	183,123,392	186,654,784	191,276,143	194,431,233	198,517,431	202,730,151
Operating Result from Continuing Operations	(2,449,120)	6,343,361	10,955,881	12,227,687	(2,823,032)	(2,486,128)	(3,127,026)	(2,203,932)	(2,111,712)	(2,043,207)
Net Operating Result for the Year	(2,449,120)	6,343,361	10,955,881	12,227,687	(2,823,032)	(2,486,128)	(3,127,026)	(2,203,932)	(2,111,712)	(2,043,207)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(16,614,061)	(13,599,549)	(13,074,458)	(11,890,996)	(12,030,985)	(11,784,288)	(12,516,340)	(11,685,357)	(11,686,218)	(11,711,774)

Balance Sheet

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
BALANCE SHEET - GENERAL FUND

Scenario: General Purpose \$100M Scenario	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
Current Assets										
Cash & Cash Equivalents	-	3,679,987	12,128,834	22,719,643	33,823,211	47,837,444	60,748,262	74,571,632	88,432,125	102,094,585
Investments	65,953,315	65,953,315	65,953,315	65,953,315	65,953,315	65,953,315	65,953,315	65,953,315	65,953,315	65,953,315
Receivables	17,031,281	17,938,175	18,802,970	19,192,911	18,035,239	18,464,396	18,899,380	19,346,962	19,805,407	20,274,472
Inventories	4,223,134	4,249,841	4,277,402	4,294,148	4,325,635	4,357,903	4,390,973	4,424,864	4,459,597	4,495,172
Other	1,654,109	1,639,525	1,696,398	1,696,999	1,740,899	1,786,002	1,852,829	1,879,957	1,928,884	1,979,148
Total Current Assets	88,861,840	93,460,843	102,858,919	113,857,016	123,878,300	138,399,059	151,844,759	166,176,731	180,579,328	194,796,692
Non-Current Assets										
Investments	17,292,543	17,292,543	17,292,543	17,292,543	17,292,543	17,292,543	17,292,543	17,292,543	17,292,543	17,292,543
Receivables	448,072	464,844	482,460	494,243	506,320	518,699	531,388	544,394	557,726	571,391
Inventories	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181	2,561,181
Infrastructure, Property, Plant & Equipment	2,015,908,444	2,017,597,621	2,024,530,826	2,030,873,517	2,009,142,639	1,985,587,120	1,963,083,472	1,940,400,230	1,918,226,749	1,896,765,131
Investments Accounted for using the equity method	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Investment Property	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Total Non-Current Assets	2,054,410,241	2,056,116,190	2,063,067,011	2,069,421,484	2,047,702,683	2,024,159,543	2,001,668,584	1,978,998,349	1,956,838,199	1,935,390,247
TOTAL ASSETS	2,143,272,080	2,149,577,033	2,165,925,930	2,183,278,500	2,171,580,983	2,162,558,602	2,153,513,343	2,145,175,080	2,137,417,528	2,130,186,939
LIABILITIES										
Current Liabilities										
Payables	22,084,449	21,774,636	22,519,725	22,566,727	22,306,816	22,681,654	23,369,184	23,605,446	24,100,312	24,613,598
Income received in advance	918,449	931,990	955,461	979,609	1,004,454	1,030,015	1,056,315	1,083,374	1,111,216	1,139,863
Borrowings	11,748,270	11,229,281	10,814,919	10,085,440	8,382,673	8,078,083	7,843,674	7,614,569	7,175,336	6,481,072
Provisions	18,365,676	19,718,776	21,071,876	22,424,976	23,778,076	25,131,176	26,484,276	27,837,376	29,190,476	30,543,576
Total Current Liabilities	53,116,844	53,654,683	55,361,981	56,056,752	55,472,018	56,920,928	58,753,448	60,140,765	61,577,339	62,778,109
Non-Current Liabilities										
Payables	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105	437,105
Borrowings	51,749,576	51,173,328	54,859,047	59,289,159	50,999,407	43,014,245	35,263,491	27,741,843	20,659,428	14,271,277
Provisions	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525	13,855,525
Total Non-Current Liabilities	66,042,206	65,465,958	69,151,677	73,581,789	65,292,037	57,306,874	49,556,121	42,034,473	34,952,058	28,563,907
TOTAL LIABILITIES	119,159,050	119,120,641	124,513,657	129,638,541	120,764,055	114,227,802	108,309,569	102,175,238	96,529,397	91,342,016
Net Assets	2,024,113,031	2,030,456,392	2,041,412,273	2,053,639,960	2,050,816,928	2,048,330,800	2,045,203,773	2,042,999,842	2,040,888,130	2,038,844,924
EQUITY										
Retained Earnings	2,024,113,031	2,030,456,392	2,041,412,273	2,053,639,960	2,050,816,928	2,048,330,800	2,045,203,773	2,042,999,842	2,040,888,130	2,038,844,924
Revaluation Reserves	-	-	-	-	-	-	-	-	-	-
Total Equity	2,024,113,031	2,030,456,392	2,041,412,273	2,053,639,960	2,050,816,928	2,048,330,800	2,045,203,773	2,042,999,842	2,040,888,130	2,038,844,924

Cash Flow Statement

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
CASH FLOW STATEMENT - GENERAL FUND

Scenario: General Purpose \$100M Scenario	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows from Operating Activities										
Receipts:										
Rates & Annual Charges	93,497,868	97,052,242	100,826,729	103,415,143	106,000,521	108,650,534	111,366,798	114,150,968	117,004,742	119,929,860
User Charges & Fees	11,926,979	11,924,676	12,203,806	12,490,826	12,785,969	13,089,473	13,401,584	13,722,557	14,052,651	14,392,134
Interest & Investment Revenue Received	3,327,076	3,298,478	3,290,086	3,306,147	3,314,419	3,307,598	3,320,752	3,325,664	3,332,600	3,340,074
Grants & Contributions	48,169,691	53,733,194	58,333,357	59,159,121	46,012,806	45,157,722	45,723,976	46,301,711	46,889,591	47,487,848
Other	11,140,582	13,558,605	13,816,110	14,197,366	14,710,184	14,900,454	15,267,734	15,645,972	16,035,300	16,436,044
Payments:										
Employee Benefits & On-Costs	(55,798,958)	(57,646,667)	(59,520,184)	(61,454,590)	(63,451,864)	(65,514,049)	(67,643,256)	(69,841,662)	(72,111,516)	(74,455,141)
Materials & Contracts	(32,677,059)	(34,889,312)	(34,999,726)	(35,955,167)	(36,492,176)	(37,391,738)	(38,122,016)	(39,449,792)	(40,226,285)	(41,217,786)
Borrowing Costs	(2,991,149)	(3,025,125)	(2,933,872)	(3,101,368)	(2,989,267)	(2,469,635)	(2,129,778)	(1,803,978)	(1,485,583)	(1,165,788)
Other	(30,647,311)	(29,320,949)	(30,761,865)	(30,315,617)	(31,140,482)	(31,992,018)	(33,668,436)	(33,774,047)	(34,704,598)	(35,664,464)
Net Cash provided (or used in) Operating Activities	45,947,719	54,685,142	60,254,441	61,741,861	48,750,110	47,738,342	47,517,357	48,277,392	48,786,901	49,082,783
Cash Flows from Investing Activities										
Receipts:										
Sale of Investment Securities	11,641,918	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant & Equipment	2,176,900	1,857,667	2,149,020	2,197,577	2,722,235	2,221,127	2,336,157	2,027,925	2,280,925	2,409,925
Payments:										
Purchase of Infrastructure, Property, Plant & Equipment	(58,861,764)	(51,767,585)	(57,225,970)	(57,049,262)	(30,376,258)	(27,655,485)	(28,957,533)	(28,731,194)	(29,685,686)	(30,747,833)
Net Cash provided (or used in) Investing Activities	(45,042,946)	(49,909,918)	(55,076,950)	(54,851,685)	(27,654,023)	(25,434,358)	(26,621,376)	(26,703,269)	(27,404,761)	(28,337,908)
Cash Flows from Financing Activities										
Receipts:										
Proceeds from Borrowings & Advances	10,100,000	11,000,000	15,000,000	15,000,000	-	-	-	-	-	-
Payments:										
Repayment of Borrowings & Advances	(10,912,624)	(12,023,386)	(11,728,644)	(11,299,366)	(9,992,519)	(8,289,752)	(7,985,162)	(7,750,753)	(7,521,648)	(7,082,415)
Repayment of Finance Lease Liabilities	(92,150)	(71,851)	-	-	-	-	-	-	-	-
Net Cash Flow provided (used in) Financing Activities	(904,774)	(1,095,237)	3,271,356	3,700,634	(9,992,519)	(8,289,752)	(7,985,162)	(7,750,753)	(7,521,648)	(7,082,415)
Net Increase/(Decrease) in Cash & Cash Equivalents	0	3,679,987	8,448,847	10,590,809	11,103,568	14,014,232	12,910,819	13,823,370	13,860,493	13,662,460
plus: Cash, Cash Equivalents & Investments - beginning of year	0	0	3,679,987	12,128,834	22,719,643	33,823,211	47,837,444	60,748,262	74,571,632	88,432,125
Cash & Cash Equivalents - end of the year	0	3,679,987	12,128,834	22,719,643	33,823,211	47,837,444	60,748,262	74,571,632	88,432,125	102,094,585
Cash & Cash Equivalents - end of the year	0	3,679,987	12,128,834	22,719,643	33,823,211	47,837,444	60,748,262	74,571,632	88,432,125	102,094,585
Investments - end of the year	83,245,858	83,245,858	83,245,858	83,245,858	83,245,858	83,245,858	83,245,858	83,245,858	83,245,858	83,245,858
Cash, Cash Equivalents & Investments - end of the year	83,245,858	86,925,845	95,374,692	105,965,502	117,069,070	131,083,302	143,994,121	157,817,491	171,677,983	185,340,443

Financial Performance Indicators

Mid-Coast Council
10 Year Financial Plan for the Years ending 30 June 2028
FINANCIAL PERFORMANCE INDICATORS - GENERAL FUND

Scenario: General Purpose \$100M Scenario	Projected Years									
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Note 13 Ratios										
Operating Performance Ratio	-10.72%	-8.54%	-7.97%	-7.10%	-7.03%	-6.74%	-7.00%	-6.39%	-6.25%	-6.13%
Own Source Operating Revenue Ratio	71.48%	69.69%	68.75%	69.10%	75.23%	75.45%	75.67%	75.89%	76.10%	76.31%
Unrestricted Current Ratio	1.41	1.50	1.72	2.00	2.32	2.56	2.72	2.91	3.09	3.25
Debt Service Cover Ratio	2.46	2.48	2.60	2.76	3.06	3.69	3.84	4.15	4.39	4.78
Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage	5.63%	5.64%	5.64%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%
Cash Expense Cover Ratio	0.00	0.32	1.04	1.92	2.82	3.94	4.87	5.86	6.80	7.68
Debt Service Ratio	9.62%	10.11%	9.52%	9.14%	8.03%	6.50%	5.98%	5.52%	5.08%	4.55%