



**COOTAMUNDRA-
GUNDAGAI** REGIONAL
COUNCIL

2019-20 to 2028-29 Long Term Financial Plan



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Version Control

Ref	Date	Date effective	Council Resolution	Description
0.1	13 May 2019	1 July 2019	148/2019	Presented to Council to facilitate public exhibition process.
1.0	25 June 2019	1 July 2019	187/2019	Adopted.

Information and Background

About this plan

The Long Term Financial Plan is an important part of Council's strategic planning process. This is the point where community aspirations and goals are tested against financial realities.

The Long Term Financial Plan seeks to answer the questions:

- Can Council survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can Council afford what the community wants?
- What income is needed to achieve these outcomes?

The Long Term Financial Plan is a decision making and problem solving tool. The modelling that occurs as part of the plan will help Council to align resources with strategies, providing information that helps Council to capitalise on opportunities and weather unexpected events. It is a dynamic document, reviewed and updated at each of Council's quarterly budget reviews. The Long Term Financial Plan changes as the needs, strategies and financial position of Council change over time.

The output of the long term financial plan is a ten year budget; financial reports over a ten year forward planning period. The current budget information is included in the appendices of this document.

Planning Framework

This Long Term Financial Plan has been prepared in accordance with the Integrated Planning and Reporting Framework¹. The framework allows Council to draw all its plans together, planning holistically for the future. The Community Strategic Plan is the highest level plan that Council prepares, and all other plans and policies support the achievement of the community's vision for the future.



The Long Term Financial Plan forms part of the resourcing strategy, along with Council's Asset Management Plans and Workforce Management Plan. It has a timeframe of 10 years, although it will be reviewed and updated annually as part of the development of the Operational Plan.

All of the activities and capital works detailed in the Delivery Program and Operational Plan have been budgeted for within this Long Term Financial Plan. Council also has Asset Management Plans that aim to predict maintenance and renewal needs of major community infrastructure assets such as roads, bridges, footpaths, stormwater drainage, water and sewerage networks, and community buildings. There is appropriate consistency between this long term financial plan and each of Council's Asset Management Plans, and this ensures that the necessary capital outlays (as per the Asset Management Plans) are included in Council's ten year budget.

The projected income and expenditure statement, balance sheet and cash flow statement have been prepared on an accruals basis and in accordance with Australian Accounting Standards. The accounting policies applied to these budgets are as detailed in Council's General Purpose Financial Statements. Financial amounts are indexed to represent the expected actual dollar amount required in each year.

¹ In accordance with section 403 of the Local Government Act 1993.

Asset Management Planning

Councils provide physical assets to for the community to meet the need for public access to major economic and social facilities and services. A key issue facing local governments throughout Australia is the management and financing of ageing assets that are in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present particular challenges as their condition and longevity can be difficult to determine and increasing public demands on quality and standards adds to the complexity. The cost of asset renewal, maintenance and upgrades is large and requires planning for large peaks and troughs in expenditure.

Council has developed an asset management strategy, and initial asset management plans for every class of assets. This long term financial plan will be kept current, and updated to include all asset maintenance and renewal, to match the amounts reflected in the asset management plans, as those plans continue to be developed.

Financial Sustainability

Where are we now: our current financial position²

Operating Performance

Cootamundra-Gundagai Regional Council faces a number of challenges in terms of financial sustainability. We are a small regional NSW Council with a population of 11,100, responsible for providing services across an area of 3,990 sq km, and maintaining \$586³ million of community assets.

Cootamundra-Gundagai Regional Council reported negative operating performance in the last financial year, reporting an operating loss of \$7.1 million for the year, following a profit of \$5.1 million the previous year. These fluctuations are largely due to timing differences between the receipt of grant funding and the expenditure. With a significant proportion of council's income and expenditure being grant-related, this situation is likely to continue.

Financial Position

Council has \$37 million of current assets, predominantly cash and investments, and it has current liabilities of \$6.6 million, mostly being provisions for employee leave. Council has two loans relating to the construction of the Cootamundra indoor pool and the revitalisation of the Gundagai main street. The total amount of the loans is \$3 million.

Council's long term assets amount to \$372 million⁴, with the majority of this being the value of roads infrastructure.

Where are we going: constraints and opportunities

Rate pegging

NSW Councils are subject to rate pegging legislation, whereby the amount of revenue councils can raise from ordinary and special rates is limited by a capped percentage increase announced by the Independent Pricing and Regulatory Tribunal each year. For the 2019-20 year, the rate peg has been set at 2.7%.

The rate peg is generally not equivalent to real increases in Council's costs including wage increases, government regulatory charges and electricity. There are provisions for Councils to apply for Special Rate Variations (SRVs) to

² Financial position has been summarised from the most recent audited financial statements, for the year ended 30 June 2018.

³ Gross value of assets as at 30 June 2018.

⁴ Written down value of assets as at 30 June 2018.

increase general rates above the rate peg amount, and most NSW Councils have applied for at least one SRV in the past 6 years.

Rates path freeze

Council is impacted by the Government's decision to freeze the rate paths of the former Cootamundra and Gundagai Shire Councils for four years. As a result, Council cannot apply for a Special Rates Variation (SRV) during that period.

The former Gundagai Shire Council was granted a SRV of 12.89% for a period of ten years from 2008-09, with 2017-18 being the final year of the application. The SRV generated \$263,530 per annum to meet existing service levels to ratepayers and maintain existing assets and the former Gundagai Shire Council had been relying on the continuation of the SRV as a permanent adjustment to its rates income.

Council has received notification from the Minister of Local Government advising that, pursuant to Government policy for amalgamated Councils, Council is prevented from applying to IPART for an extension of the existing SRV during the rate path protection period.

With the freeze in rating paths expiring at the end of the 2019-20 financial year, council is required to undertake a process of aligning the disparate rating structures of the two former councils.

Capital Grants

With constraints placed over major sources of income, the Council faces the necessity to increase income from other sources while finding savings to enable financial sustainability. A greater reliance on capital grants will be necessary for asset renewal to maintain an acceptable level of asset infrastructure.

The NSW Government has announced significant capital grant funding in the short term, including for asset renewals, upgrades and new assets.

Merger Costs and Funds

Council has received \$6.9 million in the 3 years since the merger to fund implementation costs. The merger implementation is an extensive and disruptive process involving every aspect of Council's operations. The merger funding is being expended over several financial years.

The objective of all merger projects is to implement improved systems and services across the organisation, for the benefit of the community.

Where do we want to be: our plan for the future

Community Vision and Key Directions

The Cootamundra-Gundagai community vision:

A vibrant region attracting people, investment and business through innovation, diversity and community spirit.

The vision for the future is built around four key directions:

- A vibrant and supportive community: all members of our community are valued and connected
- A prosperous and resilient economy: we are innovative and 'open for business'
- Sustainable natural and built environments: we connect with the places and spaces around us
- Good governance: an actively engaged community and strong leadership team

Financial Objectives

In order to live sustainably the Council has to look into the future and provide future generations with a sustainable infrastructure and environment without the burden of excessive debt. A long term financial plan promotes this sustainability by ensuring that decision makers have information about the long term cumulative effects of their decisions.

The aim of the Long Term Financial Plan is to place a structure for financial decision making at a very high level by providing guiding principles for the short, medium and long term.

The objective of the Long Term Financial Plan is to ensure that Council remains financially sustainable into the future. A financially sustainable Council is one whose long term financial performance and position is sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services⁵.

The objectives of the Cootamundra-Gundagai Regional Council are:

- to have a sound financial strategy that will ensure Council's financial sustainability is protected and improved,
- to accommodate asset maintenance and asset renewal and replacement activity and be fully integrated with Council's Asset Management Plans, and
- to accommodate service levels proposed in Council's Delivery Program and Operational Plan.

How do we get there: Financial Strategy

This long term financial plan projects financial losses over the longer term, and shows the effect of carrying on with no changes. Council is intent on maintaining all current levels of services for 2019-20, but the projected results are unacceptable.

In order to achieve long-term sustainability a comprehensive review of council's financial position is necessary. Some of the major elements of this process are:

Waste Strategy

The 3rd and final stage of council's comprehensive waste strategy review is nearing completion, and will enable operations across our eight sites to be coordinated and streamlined. The review will also address charging rates, to ensure sufficient revenue is being generated.

Best Practice Water Management

NSW Public Works Advisory are currently updating our Integrated Water Cycle Management (IWCM) plan to reflect the merged council operation. This will include a comprehensive 30-year programme of capital works, providing a basis for a fee structure to be developed.

The IWCM is a major step towards meeting the Best Practice Water & Sewer Guidelines, and is required in order to access funding through the NSW Safe & Secure Water Program.

Rating Structure Review

The two rating structures of the former councils were very different, and with the expiry of the freeze in rating paths in 2020 council is required to implement a merged rating structure. This will cause significant changes to rates imposed on individual assessments, and needs to be consider the overall rates & charges burden. While this structure will not be implemented until 2020/21, the issues identified will provide a clearer picture of the attitude of the community to the option of a Special Rate Variation.

Completion of Major Projects

Council is nearing the end the process of delivering an unprecedented \$53 million worth of major projects. This has a significant impact on council's operations, and the long-term maintenance implications are uncertain.

Formation of a Finance Committee

To identify the changes needed to ensure long-term sustainability a finance committee of councillors and management will be formed with a view to developing an updated Long Term Financial Plan by the end of 2019. The issues detailed above present too many variables to model scenarios in a meaningful way, but the picture will become clearer as they are resolved. The committee will meet regularly over the next 8-12 months.

⁵ Definition of Financial Sustainability that was endorsed at the National General Assembly of Local Government in Canberra in November 2006.

Financial Modelling

Scenario 1: Base Case

Budget Overview for scenario 1:

This represents current operational status, and includes the implementation of a special rate variation for 4 years from 2021/22. In this scenario, Council maintains current levels of capital expenditure on roads for 5 years before increasing.

The forecast consolidated operating profit is \$7.7 million in 2019/20, followed by diminishing deficits over 6 years and small surpluses from 2026/27.

Under this scenario unrestricted cash would be exhausted within 12 months, with reserves for sewer and waste growing considerably over ten years.

The financial model for this scenario is included in the appendix of this long term financial plan.

Scenario 2: Budget Repair

Budget Overview for scenario 2:

The budget repair plan is the financial strategy identified above, based on the formation of a finance committee responsible for correcting the financial position of Council. This will include:

- Reviewing water and sewer pricing, and exploring other opportunities to increase revenue.
- An expenditure review to identify operational efficiencies.
- Implementation of the recommendations of the waste review strategy.
- Reviewing asset management strategies.

Planning Assumptions

It is impossible to be precise about forward projects for individual line items, and such information is not necessary for a reliable useful long term financial plan. However, it is necessary to understand the calculation of outcomes for financial indicators in order to identify the drivers of variations in performance between years. The following planning assumptions are constant in all financial modelling scenarios.

Capital Works Program

The capital works program is structured to provide significant asset renewal funding to community infrastructure; primarily roads, bridges and footpaths. The works program is developed through analysis of the state of Council's assets, with decisions targeted to reduce total expenditure over the life of the asset by renewing assets at the optimal time.

The program budget is based upon maintaining current expenditure levels for 5 years before increasing.

Borrowings

Council is proposing to borrow \$4 million to fast-track the renewal of the Cootamundra water mains assets that have reached the end of their useful life.

Special Rate Variation

In order to ensure that Council can provide the infrastructure and services expected by the community, Council has modelled a financial scenario that includes a special rate variation to increase the rate base.

Features of the long term financial plan identified as risks and volatile factors include:

Operating Revenue

Operating revenue from grants is expected to remain constant over the planning period, this includes estimated annual grant income from major sources as follows. Any government policy decisions to reduce the relative value of these significant operating grants would significantly impact Council's road asset maintenance and renewal program.

Grant	Average annual income (today's dollars)	Comment
Roads to Recovery	\$1 million	Although announced in the federal budget as an increase in funding, the next R2R program is \$600,000/year less than the previous program.
Regional Roads Block Grant	\$875,000	Council maintains and renews 100km of regional roads.
Financial Assistance Grant	\$5.3 million	Indexed from previous year.

Operating revenue from state government contracts is expected to generate \$3.4 million in 2019/20, before returning to historic levels of around \$1.4 million throughout the ten year planning period. Council's reliance on this revenue stream is a significant concern.

Employee Costs

The current budget includes full time equivalent employees of 157.3 including 5.5 new positions. Staff engaged specifically for project related work are not included in this figure, it is assumed the cost of these are paid for by grant income and don't extend beyond the 2019/20 financial year.

Wage costs are forecast to grow at 2.5% per annum based on the current Award provisions.

Depreciation and Asset Renewals

Depreciation expenses have been calculated based on previous actual depreciation. All classes of assets are revalued regularly.

Other Operating Expenses

Based on current expenditure levels.

Loan Repayments

Loan servicing costs including loan repayments and interest expense have been allowed for current loans outstanding for the Gundagai main street development and the Cootamundra indoor pool. The interest expense for both loans is partly subsidised by the NSW Governments through the *Local Infrastructure Renewal Scheme (LIRS)*. New borrowing of \$4 million is planned for the completion of the water mains project in Cootamundra.

Loan	Repayment 2019-20	interest expense 2019-20	closing balance 30 June 2020	Remaining years
Indoor pool construction	\$155,825	\$34,778	\$522,305	3
Sheridan Street redevelopment	\$291,954	\$76,156	\$1,798,084	5
Water Mains - Cootamundra	\$364,988	\$76,666	\$3,635,001	9

Sensitivity Analysis

Long term financial plans are inherently uncertain. They contain a wide range of assumptions about interest rates and potential effect of inflation on revenues and expenditures. Some of these assumptions will have a relatively limited impact if they are wrong. Others can have a major impact on future financial plans. The following table analyses the sensitivity of various assumptions.

Assumption	Sensitivity	Probability (High / Medium / Low)	Impact
Annual rate increase	Minus 1%	M	1% reduction in rates increase assumption for 4 years from 2026 reduces income by \$155,828 per annum by 2029.
Financial Assistance Grant	One off increase 5%	L	Operating surplus increases by \$184,800 in first year, this compounds to an increase in operating surplus of \$205,000 by year 10.
	One off decrease 3%	M	Operating surplus decreases by \$238,000 in first year, this compounds to a decrease in operating surplus of \$264,000 by year 10.
State Roads Contracts	Plus or minus 10%	M	\$340,000 impact on income and expenses in first year. A significant increase or decrease will affect Council's workforce management and plant management planning.
Water consumption	Plus or minus 10%	H	\$60,000 impact on income in first year.

Plan Improvement and Monitoring

Council continues to review and improve its planning processes. In the past year the following things have been achieved:

- Consolidation of finance systems of two former councils into one single system.
- Migration from a spreadsheet based budgeting system to the BIS reporting and budgeting system
- Development and adoption by council of a comprehensive 10-year plant replacement program.
- Implementation of a monthly financial reporting package for council meetings.

Financial Statements

Council has projected budgets for the consolidated financial statements. The financial statements set out the financial performance, financial position and cashflows projected for the next ten years, with the 2017-18

original budget included for comparative purposes. These are the consolidated financial statements which include Council's General Fund, Water Fund, Sewer Fund and Waste Fund.

The format of the financial statements is standard across NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and legislative requirements set down by the Office of Local Government.

Index of Appendices	
Income Statements <ul style="list-style-type: none">- Consolidated- General Fund- Water Fund- Sewer Fund- Waste Fund	
Cashflow Statement <ul style="list-style-type: none">- Consolidated- Water Fund- Sewer Fund- General Fund- Waste Fund	
Capital Budget	
Cash Movement	
Cash Reserves	

Consolidated - Financial Statement
Operating plan

	Operational Plan 2019/20	Delivery Program 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Long Term Financial Plan 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29
Income from continuing operations										
Rates and annual charges	12,974,757	13,265,257	14,032,937	14,859,311	15,749,236	16,297,976	16,679,988	17,071,407	17,472,470	17,883,425
User charges and fees	8,174,584	6,292,702	6,413,973	6,551,119	6,678,508	6,808,887	6,942,335	7,078,934	7,218,769	7,361,926
Interest and investment revenue	677,150	590,697	581,317	581,249	582,256	581,095	609,093	620,063	651,493	685,199
Other revenues	399,740	396,444	401,205	406,024	410,900	415,834	420,828	425,882	430,997	436,173
Operating grants and contributions	10,511,434	8,153,309	8,248,279	8,344,144	8,440,047	8,540,630	8,637,693	8,744,167	8,847,597	8,952,268
Capital grants and contributions	13,406,936	732,335	739,744	747,229	754,789	762,426	770,140	777,932	785,803	793,754
Recovery of corporate overhead expenditure	2,278,576	1,704,153	1,724,618	1,745,337	1,766,954	1,788,844	1,811,009	1,833,453	1,856,180	1,879,193
Easement rental income	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	49,888,127	32,599,847	33,607,024	34,699,361	35,847,640	36,660,642	37,336,036	38,016,788	38,728,258	39,456,887
Expenses from continuing operations										
Employee benefits and on-costs	11,955,125	12,296,988	12,591,070	12,893,077	13,202,652	13,519,985	13,845,269	14,178,703	14,520,490	14,870,840
Borrowing costs	183,823	160,032	130,196	98,576	71,363	49,255	30,171	21,866	13,392	4,748
Materials and contracts	13,697,549	8,385,482	8,452,561	8,525,484	8,611,527	8,698,502	8,786,418	8,875,286	8,965,116	9,055,919
Depreciation and amortisation	7,676,516	7,642,616	7,858,285	7,858,285	7,858,285	7,858,285	7,858,285	7,858,285	7,858,285	7,858,285
Other expenses	4,938,112	3,485,393	3,510,802	3,536,405	3,570,267	3,604,469	3,639,012	3,673,901	3,709,139	3,744,729
Corporate overhead costs	2,278,676	1,704,253	1,724,718	1,745,437	1,767,054	1,788,944	1,811,109	1,833,553	1,856,280	1,879,293
Easement rental expenditure	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	42,194,751	35,139,714	35,732,582	36,122,213	36,546,099	36,984,389	37,435,214	37,906,543	38,387,651	38,878,763
Net Operating Result	7,693,376	(2,539,867)	(2,125,557)	(1,422,852)	(698,460)	(323,747)	(99,178)	110,245	340,607	578,124
Net operating result before grants and contributions provided for capital purposes	(5,713,560)	(3,272,202)	(2,865,302)	(2,170,081)	(1,453,248)	(1,086,173)	(869,318)	(667,687)	(445,197)	(215,631)



General fund - Financial Statement



	Operational Plan 2019/20	Delivery Program 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Long Term Financial Plan 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29
Income from continuing operations										
Rates and annual charges	7,410,971	7,610,312	8,269,598	8,985,246	9,762,055	10,195,233	10,459,177	10,729,960	11,007,759	11,292,756
User charges and fees	4,888,982	2,947,801	2,983,328	3,019,283	3,055,673	3,092,501	3,129,774	3,167,496	3,205,674	3,244,312
Interest and investment revenue	288,000	206,990	183,363	178,970	172,792	161,845	162,006	156,856	168,734	179,141
Other revenues	397,940	394,619	399,355	404,147	408,997	413,905	418,872	423,898	428,985	434,133
Operating grants and contributions	10,328,434	7,969,613	8,063,879	8,159,030	8,254,213	8,354,066	8,450,390	8,556,116	8,658,789	8,762,694
Capital grants and contributions	915,000	722,215	729,503	736,864	744,300	751,811	759,398	767,061	774,802	782,621
Recovery of corporate overhead expenditure	2,278,576	1,704,153	1,724,618	1,745,337	1,766,954	1,788,844	1,811,009	1,833,453	1,856,180	1,879,193
Easement rental income	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950	1,464,950
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	27,972,853	23,020,654	23,818,593	24,693,828	25,629,934	26,223,154	26,655,574	27,099,790	27,565,872	28,039,800
Expenses from continuing operations										
Employee benefits and on-costs	10,497,900	10,945,137	11,208,780	11,479,015	11,756,005	12,039,920	12,330,933	12,629,221	12,934,967	13,248,356
Borrowing costs	107,157	90,733	68,413	44,461	25,070	10,943	-	-	-	-
Materials and contracts	10,260,441	4,918,326	4,955,016	4,991,981	5,041,636	5,091,789	5,142,443	5,193,603	5,245,276	5,297,464
Depreciation and amortisation	6,589,120	6,535,749	6,751,418	6,751,418	6,751,418	6,751,418	6,751,418	6,751,418	6,751,418	6,751,418
Other expenses	4,537,436	3,153,123	3,176,772	3,200,597	3,232,603	3,264,929	3,297,579	3,330,554	3,363,860	3,397,499
Corporate overhead costs	450,000	252,500	254,394	256,302	258,865	261,453	264,068	266,709	269,376	272,069
Easement rental expense	-	-	-	-	-	-	-	-	-	-
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	32,442,054	25,895,568	26,414,792	26,723,773	27,065,597	27,420,452	27,786,440	28,171,506	28,564,896	28,966,806
Net Operating Result	(4,469,201)	(2,874,914)	(2,596,199)	(2,029,944)	(1,435,664)	(1,197,298)	(1,130,866)	(1,071,715)	(999,024)	(927,007)
Net operating result before grants and contributions provided for capital purposes	(5,384,201)	(3,597,129)	(3,325,702)	(2,766,809)	(2,179,964)	(1,949,109)	(1,890,264)	(1,838,777)	(1,773,826)	(1,709,628)

Water - Financial Statement



	Operational Plan 2019/20	Delivery Program 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Long Term Financial Plan 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29
Income from continuing operations										
Rates and annual charges	1,540,474	1,571,283	1,618,422	1,666,975	1,716,984	1,768,493	1,821,548	1,876,195	1,932,480	1,990,455
User charges and fees	2,483,968	2,533,647	2,609,657	2,700,995	2,782,025	2,865,485	2,951,450	3,039,993	3,131,193	3,225,129
Interest and investment revenue	180,990	165,378	157,062	145,408	135,934	128,352	127,045	122,853	121,003	121,777
Other revenues	1,200	1,218	1,236	1,255	1,274	1,293	1,312	1,332	1,352	1,372
Operating grants and contributions	58,000	58,696	59,400	60,113	60,835	61,565	62,303	63,051	63,808	64,573
Capital grants and contributions	10,000	10,120	10,241	10,364	10,489	10,615	10,742	10,871	11,001	11,133
Recovery of corporate overhead expenditure	-	-	-	-	-	-	-	-	-	-
Easement rental income	-	-	-	-	-	-	-	-	-	-
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	4,274,632	4,340,342	4,456,019	4,585,110	4,707,539	4,835,803	4,974,400	5,114,295	5,260,837	5,414,439
Expenses from continuing operations										
Employee benefits and on-costs	554,322	499,693	509,778	520,688	531,888	543,387	555,191	567,308	579,746	592,511
Borrowing costs	76,666	69,299	61,783	54,115	46,293	38,313	30,171	21,866	13,392	4,748
Materials and contracts	1,855,590	1,877,537	1,899,770	1,922,294	1,945,113	1,968,231	1,991,652	2,015,380	2,039,419	2,063,773
Depreciation and amortisation	459,518	478,988	478,988	478,988	478,988	478,988	478,988	478,988	478,988	478,988
Other expenses	203,300	169,833	171,531	173,247	174,979	176,729	178,496	180,281	182,084	183,905
Corporate overhead costs	609,201	616,510	623,907	631,393	638,968	646,635	654,393	662,245	670,190	678,232
Easement rental expense	774,140	774,140	774,140	774,140	774,140	774,140	774,140	774,140	774,140	774,140
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	4,532,737	4,486,000	4,519,898	4,554,865	4,590,370	4,626,422	4,663,032	4,700,207	4,737,959	4,776,296
Net Operating Result	(258,105)	(145,658)	(63,878)	30,245	117,169	209,380	311,369	414,088	522,879	638,143
Net operating result before grants and contributions provided for capital purposes	(268,105)	(155,778)	(74,120)	19,881	106,680	198,766	300,627	403,217	511,878	627,010

Sewer - Financial Statement



	Operational Plan 2019/20	Delivery Program 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Long Term Financial Plan 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29
Income from continuing operations										
Rates and annual charges	1,978,501	2,008,179	2,038,301	2,068,876	2,099,909	2,131,407	2,163,379	2,195,829	2,228,767	2,262,198
User charges and fees	552,014	558,638	565,342	572,126	578,991	585,939	592,971	600,086	607,287	614,575
Interest and investment revenue	152,800	154,091	165,049	171,309	178,332	186,144	201,717	211,759	222,723	234,637
Other revenues	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Capital grants and contributions	12,481,936	-	-	-	-	-	-	-	-	-
Recovery of corporate overhead expenditure	-	-	-	-	-	-	-	-	-	-
Easement rental income	-	-	-	-	-	-	-	-	-	-
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	15,220,251	2,775,908	2,823,692	2,867,311	2,912,233	2,958,491	3,013,066	3,062,675	3,113,777	3,166,410
Expenses from continuing operations										
Employee benefits and on-costs	527,666	479,193	490,348	501,782	513,501	525,514	537,827	550,448	563,384	576,643
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Materials and contracts	254,368	254,368	254,368	254,368	254,368	254,368	254,368	254,368	254,368	254,368
Depreciation and amortisation	535,911	535,912	535,912	535,912	535,912	535,912	535,912	535,912	535,912	535,912
Other expenses	185,127	150,127	150,127	150,127	150,127	150,127	150,127	150,127	150,127	150,127
Corporate overhead costs	841,424	451,521	456,939	462,423	467,972	473,587	479,270	485,022	490,842	496,732
Easement rental expense	690,810	690,810	690,810	690,810	690,810	690,810	690,810	690,810	690,810	690,810
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	3,035,306	2,561,931	2,578,505	2,595,422	2,612,690	2,630,318	2,648,314	2,666,686	2,685,443	2,704,592
Net Operating Result	12,184,945	213,976	245,187	271,889	299,542	328,172	364,752	395,989	428,334	461,818
Net operating result before grants and contributions provided for capital purposes	(296,991)	213,976	245,187	271,889	299,542	328,172	364,752	395,989	428,334	461,818

Waste Services - Financial Statement Operating plan



	Operational Plan 2019/20	Delivery Program 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Long Term Financial Plan 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29
Income from continuing operations										
Rates and annual charges	2,044,811	2,075,483	2,106,615	2,138,215	2,170,288	2,202,842	2,235,885	2,269,423	2,303,464	2,338,016
User charges and fees	249,620	252,615	255,647	258,715	261,819	264,961	268,141	271,358	274,615	277,910
Interest and investment revenue	55,360	64,237	75,843	85,561	95,198	104,754	118,326	128,594	139,033	149,644
Other revenues	600	607	614	622	629	637	645	652	660	668
Operating grants and contributions	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Recovery of corporate overhead expenditure	-	-	-	-	-	-	-	-	-	-
Easement rental income	-	-	-	-	-	-	-	-	-	-
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Income	2,420,391	2,462,943	2,508,720	2,553,112	2,597,934	2,643,194	2,692,996	2,740,028	2,787,772	2,836,238
Expenses from continuing operations										
Employee benefits and on-costs	375,237	372,964	382,164	391,593	401,257	411,164	421,318	431,726	442,394	453,329
Borrowing costs	-	-	-	-	-	-	-	-	-	-
Materials and contracts	1,327,150	1,335,251	1,343,407	1,356,841	1,370,410	1,384,114	1,397,955	1,411,934	1,426,054	1,440,314
Depreciation and amortisation	91,967	91,967	91,967	91,967	91,967	91,967	91,967	91,967	91,967	91,967
Other expenses	12,249	12,310	12,372	12,434	12,558	12,684	12,810	12,939	13,068	13,199
Corporate overhead costs	378,051	383,722	389,478	395,320	401,250	407,268	413,377	419,578	425,872	432,260
Easement rental expense	-	-	-	-	-	-	-	-	-	-
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	2,184,654	2,196,214	2,219,387	2,248,154	2,277,442	2,307,196	2,337,428	2,368,144	2,399,354	2,431,069
Net Operating Result	235,737	266,729	289,333	304,958	320,493	335,998	355,568	371,884	388,418	405,170
Net operating result before grants and contributions provided for capital purposes	235,737	266,729	289,333	304,958	320,493	335,998	355,568	371,884	388,418	405,170

Cashflow Statement by Fund

Cash flow report



	Operational Plan	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cash in bank at the start of the year		30,393	20,419	17,750	15,771	14,825	13,906	12,908	12,306	11,773	11,978
Funds received											
Rates and annual charges	12,975	13,265	14,033	14,859	15,749	16,680	17,071	17,472	17,883		
User fees and charges	8,175	6,293	6,414	6,551	6,679	6,809	6,942	7,079	7,219	7,362	
Grant income	23,918	8,886	8,988	9,091	9,195	9,303	9,408	9,522	9,633	9,746	
Interest income	677	591	581	581	582	581	609	620	651	685	
Sale of assets	697	420	520	465	582	453	724	591	507	507	
Proceeds from loans	4,000										
Other income	400	396	401	406	411	416	421	426	431	436	
Total funds received	50,841	29,851	30,937	31,954	33,198	33,860	34,784	35,309	35,914	36,620	
Funds spent											
Salaries and wages	11,955	12,297	12,591	12,893	13,203	13,520	13,845	14,179	14,520	14,871	
Materials and contracts	13,698	8,385	8,453	8,525	8,612	8,699	8,786	8,875	8,965	9,056	
Other	4,938	3,485	3,511	3,536	3,570	3,604	3,639	3,674	3,709	3,745	
Repayment of loans	559	1,000	1,000	1,000	810	810	442	442	442	442	
Capital works	29,665	7,351	7,362	6,944	7,923	8,225	8,674	8,672	8,073	8,216	
Total funds spent	60,815	32,520	32,917	32,900	34,117	34,857	35,386	35,841	35,709	36,329	
Net funds saved / (used)	(9,974)	(2,669)	(1,979)	(945)	(920)	(998)	(602)	(532)	205	291	
Cash in bank at the end of the year	20,419	17,750	15,771	14,825	13,906	12,908	12,306	11,773	11,978	12,269	
Funds set aside for:											
Water network	6,197	5,558	4,994	4,515	4,116	3,801	3,580	3,453	3,427	3,507	
Sewer network	5,226	5,376	5,557	5,765	6,000	6,264	6,565	6,897	7,261	7,659	
Waste services	1,719	2,077	2,459	2,856	3,268	3,696	4,144	4,607	5,088	5,585	
Grant funds for specific projects	960	960	960	960	960	960	960	960	960	960	
Grant funds for general use	-	-	-	-	-	-	-	-	-	-	
Town improvement (Gundagai)	1,376	1,256	1,136	1,016	896	776	656	536	416	296	
Plant and vehicle replacement	76	85	307	884	1,171	1,093	623	162	356	356	
Employee leave entitlement	1,586	1,586	1,586	1,586	1,586	1,586	1,586	1,586	1,586	1,586	
Merger implementation works	-	-	-	-	-	-	-	-	-	-	

Capital Budget

Capital expenditure Operating plan



	Operational Plan 2019/20	Delivery Program 2020/21	Delivery Program 2021/22	Delivery Program 2022/23	Long Term Financial Plan 2023/24	Long Term Financial Plan 2024/25	Long Term Financial Plan 2025/26	Long Term Financial Plan 2026/27	Long Term Financial Plan 2027/28	Long Term Financial Plan 2028/29
Capital income										
Proceeds from sale of plant	696,500	420,000	520,000	465,000	582,000	453,000	724,000	590,500	507,050	507,050
Proceeds from sale of property	-									
Sports facilities capital income	-									
Stormwater capital income	-									
Roads capital income	-									
Proceeds from loans - Water	4,000,000									
Sewer capital income	-									
Waste capital income	-									
Other capital income	-									
Total income	4,696,500	420,000	520,000	465,000	582,000	453,000	724,000	590,500	507,050	507,050
Capital expenses										
Plant and equipment	2,484,000	1,746,000	1,706,288	1,328,000	2,091,500	2,347,288	2,707,000	2,591,000	1,876,288	1,900,000
Office equipment	40,000	40,400	40,804	41,212	41,624	42,040	42,461	42,885	43,314	43,747
Buildings	50,000	-	50,000	-	-	-	-	-	-	-
Land improvements	25,000	25,000	25,000	25,000	-	-	-	-	-	-
Waste infrastructure	-	-	-	-	-	-	-	-	-	-
Roads, bridges and footpaths	4,290,000	4,290,000	4,290,000	4,290,000	4,290,000	4,332,900	4,419,558	4,530,047	4,643,298	4,759,381
Stormwater drainage	750,000	-	-	-	250,000	252,500	255,025	257,575	260,151	262,753
Recreation assets	-			10,000						
Water supply network	4,000,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Sewerage network	12,856,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Other assets	5,170,226	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Expenses	29,665,226	7,351,400	7,362,092	6,944,212	7,923,124	8,224,728	8,674,044	8,671,508	8,073,051	8,215,881
Net capital expenditure	24,968,726	6,931,400	6,842,092	6,479,212	7,341,124	7,771,728	7,950,044	8,081,008	7,566,001	7,708,831

Reserves

Cash and Investments



Operational Plan	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25		2025/26		2026/27		2027/28		2028/29	
					Long Term Financial Plan	Delivery Program	Long Term Financial Plan	Delivery Program	Long Term Financial Plan	Delivery Program	Long Term Financial Plan	Delivery Program	Long Term Financial Plan	Delivery Program	Long Term Financial Plan	Delivery Program
	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000
	6,197,414	5,558,379	4,993,607	4,515,291	4,116,077	3,801,093	3,579,957	3,453,234	3,426,828	3,400,412	3,374,000	3,347,584	3,321,168	3,294,752	3,268,336	3,241,920
	5,225,856	5,375,744	5,556,844	5,764,645	6,000,099	6,264,184	6,564,847	6,896,748	7,260,994	7,625,240	7,989,486	8,353,732	8,717,978	9,082,224	9,446,470	9,810,716
	1,376,000	1,256,000	1,136,000	1,016,000	896,000	776,000	656,000	536,000	416,000	296,000	176,000	60,000	0	0	0	0
	1,718,704	2,077,400	2,458,700	2,855,625	3,268,084	3,696,049	4,143,584	4,607,435	5,087,820	5,584,956	6,072,041	6,569,176	7,066,301	7,563,426	8,060,551	8,557,676
	160,000	160,000	160,000	160,000	-	-	-	-	-	-	-	-	-	-	-	-
Total Externally Restricted	15,649,974	15,399,523	15,277,151	15,283,561	15,252,260	15,509,326	15,916,388	16,465,417	17,163,642	17,911,800	18,660,016	19,408,242	20,156,468	20,904,694	21,652,920	22,401,146
(1) Funds that must be spent for a specific purpose																
Internally Restricted (2)																
Merger Implementation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stronger Communities Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aerodrome Bitumen Resurfacing	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000	246,000
Bradman's Birthplace	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Coolac bypass	78,000	53,000	28,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Cootamundra Caravan Park	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Council Election Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000
Employee Leave Entitlements	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000	1,586,000
Financial Assistance Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Centre	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Incomplete Works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant Replacement	75,716	85,434	306,803	884,440	1,170,923	1,093,333	623,120	161,873	355,735	355,735	355,735	355,735	355,735	355,735	355,735	355,735
Quarries & Pit Restoration	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Saleyards	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Special Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pool Pump & Equipment	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Cemetery Reserve	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Total Internally Restricted	2,534,716	2,519,434	2,715,803	3,265,440	3,551,923	3,474,333	3,004,120	2,542,873	2,736,735	2,932,599	3,128,461	3,324,313	3,520,175	3,716,037	3,911,899	4,107,761
(2) Funds that Council has earmarked for a specific purpose																
Unrestricted (ie. available after the above Restrictions)	2,234,317	(168,846)	(2,222,288)	(3,723,815)	(4,898,607)	(6,075,692)	(6,514,872)	(7,234,830)	(7,922,200)	(8,610,672)	(9,301,544)	(9,992,416)	(10,683,288)	(11,374,160)	(12,065,032)	(12,755,896)
Total Cash & Investments	20,419,007	17,750,111	15,770,665	14,825,186	13,905,576	12,907,967	12,305,636	11,773,459	11,978,177	12,268,938	12,566,699	12,864,461	13,162,213	13,459,969	13,757,727	14,055,487