



**LONG TERM
FINANCIAL PLAN
2027 – 2036**

Annual Update

Adopted July 2026

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1. INTRODUCTION

The purpose of this Long Term Financial Plan (LTFP) is to express, in financial terms, the activities that the District Council of Cleve (Council) proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Strategic Management Plan.

It is a guide for future action based on the longer-term impact of revenue and expenditure proposals. The aggregation of future intended outlays and anticipated revenues enables the accumulating overall financial implications to be readily identified and if warranted, for proposed future activities to be revised.

Long-term financial plans are particularly important for local governments as they are responsible for managing a high level of long-lived assets relative to their income base. A council may have long-periods with modest levels of asset renewal requirements and then other periods when very significant outlays are necessary. All councils need to generate revenue in an equitable manner over time and ensure they have capacity to finance peaks in asset management and other outlays when, and including by way of borrowings where, necessary.

The preparation of a LTFP generates improved information to guide decisions about the mix and timing of outlays on operating activities and additional assets and the funding implications of these. Without a soundly based LTFP, an organisation with significant asset management responsibilities is unlikely to have sufficient data to determine sustainable service levels and affordable asset stockholding strategies, appropriate revenue targets or optimal treasury management.

2. RELEVANT LEGISLATION

Local Government Act 1999

122—Strategic management plans

- (1b) The financial projections in a long-term financial plan adopted by a council must be consistent with those in the infrastructure and asset management plan adopted by the council.*
- (4) A council may review its strategic management plans under this section at any time but must—*
 - (a) undertake a review of—*
 - (i) its long-term financial plan on an annual basis*
- (4a) A council must, for the purposes of a review under subsection (4), take into account—*
 - (a) in relation to a review under subsection (4)(a)(i)—a report from the chief executive officer on the sustainability of the council's long-term financial performance and position taking into account the provisions of the council's annual business plan and strategic management plans*

Local Government (Financial Management) Regulations 2011

5—Long-term financial plans

- (1) *A long-term financial plan developed and adopted for the purposes of section 122(1a)(a) of the Act must include—*
 - (b) *a summary of proposed operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances; and*
 - (c) *estimates and target ranges adopted by the council for each year of the long-term financial plan with respect to an operating surplus ratio, a net financial liabilities ratio and an asset sustainability ratio presented in a manner consistent with the note in the Model Financial Statements entitled Financial Indicators.*
- (2) *A long-term financial plan must be accompanied by a statement which sets out—*
 - (a) *the purpose of the long-term financial plan; and*
 - (b) *the basis, including key assumptions, on which it has been prepared; and*
 - (c) *the key conclusions which may be drawn from the estimates, proposals and other information in the plan.*
- (3) *A statement under sub-regulation (2) must be expressed in plain English and must avoid unnecessary technicality and excessive detail.*

The information that follows satisfies the above regulations.

3. FINANCIAL STRATEGY

The LTFP is based on Councils current operating service levels as well as projected capital renewal expenditure obtained from Council's updated asset renewal program.

- Rate revenue increases of CPI plus 2% per annum for years 2 to 6 and CPI plus 1% for years 7 to 10 of this LTFP.
- The increases in rate revenue are required to produce an operating surplus ratio result large enough to hedge against operating expenditure inflation risk or any other risk associated with the loss or reduction in grant revenue.
- The strategy of rate revenue increases will be reviewed annually. Should alternative revenue streams be identified that could subsidise rates or further efficiency gains be implemented, the rate increases of this nature will not be required. Management will continue to pursue opportunities to create revenue generating assets and reduce expenditure through efficiency gains.
- The Council will continue to target grants that will subsidise the construction of income producing assets.
- The Council is undertaking several capital projects that are producing income. The assumptions in relation to the anticipated revenue are included in the next section.
- Community Wastewater Management Schemes (CWMS) service charges are set at an appropriate level to ensure whole of life costs are recovered.
- Waste management user charges are set at an appropriate level to ensure the full cost of providing these services is recovered from those who benefit from the service.
- The LTFP and the ten year asset renewal programs will be revised as part of the annual business planning process each year.

4. FUNDING PLAN

Council's approach to funding services and infrastructure of the council

The Uniform presentation of Finances (UPF) in section 7 of this plan identifies future cash surpluses or shortages. This allows a mechanism for Council to make investing and funding decisions independently of one another.

Investing decisions are decisions that determine what services Council will spend its money on, whereas funding decisions are decisions made on how best to invest any cash surplus to needs or fund in cash shortages as identified in the UPF.

In most instances it will always be more cost effective to fund a cash shortfall from cash reserves (if available) rather than from debt due to the gap between the investing and lending rates offered by banks. Any cash surpluses that are identified should be applied against debt for the same reason. Councils' treasury management policy allows flexibility in borrowings to enable this offset to occur.

Council's projected total revenue for the period to which the long term financial plan relates

Total operating revenue forecast across the ten years of the plan is \$93.3M.

Other than year one, no amounts are included specifically for the construction of new assets.

Year one includes \$4.3M in grant funding. For details on the projects funded by the \$4.2M grant allocation in year one, readers should refer to Council's 2026-27 Annual Business Plan and Annual Budget.

Intended sources of \$93.3M operating revenue

Rates - General & Other rates account for 56.0% of Councils ten year revenue forecast.

General Rates - S146 of the Local Government Act 1999 provides for a Council to raise revenue for the broad purposes of the Council through a general rate. This applies to all rateable properties, using differential rating principles that vary according to the locality of the land and its use, rates are calculated with reference to property capital values plus a fixed charge.

Other Rates - In addition, S146 of the Local Government Act 1999 also allows Council to raise separate rates, service rates and service charges.

Council charges a service rate for Community Wastewater Management Systems and Kerb Side Bin collection services. The rate is set at a level that recovers the whole of life costs of these services.

43 properties located on the Arno Bay Foreshore properties are charged a separate rate. This separate rate is to be applied over a 10 year period from 30 June 2021 to 30 June 2031 being a fixed charge of \$508 to recover capital contribution towards the construction of the Arno Bay Foreshore Community Wastewater Management Scheme.

Statutory Charges account for 0.3% of Councils ten year revenue forecast.

These are charges prescribed in various Acts of parliament.

User charges - account for 4.4% of Councils ten year revenue forecast.

The Local Government Act 1999 allows Council to levy charges for the reasons outlined in S188 (1). The charges do not need to be based on cost recovery unless the charge is a Statutory Charge. This means Council can subsidise a service or make a profit on the service dependent upon Council policy.

Grants, subsidies and contributions account for 37.2% of Councils' ten year revenue forecast.

This income represents amounts received from Government and other entities for assist with a range of Councils operating and capital services.

There are four categories that this revenue is separated into. Recurring operating grants, non-recurring operating grants, non-recurring capital grants and amounts specifically for new or upgraded assets.

Financial Assistance Grants, Supplementary Local Roads Funding and Roads to Recovery Funding account for 36.7% of the ten year revenue forecast of \$92.7M.

Investment income account for 0.6% of Councils ten year revenue forecast.

Council only permitted to invest in term deposits. This revenue is dictated by market forces that set the interest income earning rates.

Reimbursements account for 1.2% of Councils ten year revenue forecast.

This revenue is related to activities that Council undertake on behalf of other organisations. It is essentially money in, money out.

Other income accounts for 0.3% of Councils ten year revenue forecast.

This income relates to any revenue stream that is not specifically covered by any of the categories explained above.

5. KEY ASSUMPTIONS

The following assumptions have been built into the forecast calculations:

- The content of the LTFP is based on real (2026-27) dollar values for all future years to facilitate meaningful comparisons between years. The plan is expressed in real dollars as recommended in IPWEA Practice Note 6 – Long Term Financial Planning Section 9.5 Price movements and the use of real or nominal values. Principal Author John Comrie, JAC Comrie Pty Ltd.
- Forecast debt and cash reserves in future years have been discounted by 2.25% in 2026-27 and 2.25% each year after that in recognition of the fact that inflation reduces the real value of financial assets and liabilities.
- Key Economic Indicators underlying the State Budget & Forward Estimates for South Australia (Government of South Australia, State Budget 2026-27).
- Commonwealth Financial Assistance Grant (“FAGs”) revenue is not expected to vary over the planning period. Timing of receipt of FAGs revenue has been assumed to be quarterly four times each year. Capital and maintenance expenditure on road renewal and plant and equipment matches expenditure requirements from the 10 year renewal programs.
- Capital expenditure renewal levels have been set to ensure assets are renewed in a timely manner that is consistent with Councils Asset Management Plan.
- Commonwealth Roads to Recovery funding is maintained at current levels throughout the planning period.
- Investment income has been calculated at a rate of 3% p.a. on the closing cash balance for 2026-27 and 2027-28 and 2% each year after that.

6. LONG TERM FINANCIAL SUSTAINABILITY – KEY FINANCIAL INDICATORS

The financial sustainability evaluation of a Council is undertaken with reference to a properly developed and complete LTFP. The financial plan includes the forecast achievement of projected performance against agreed financial sustainability targets. By achieving these targets Council can claim to be operating in a financially sustainable manner.

In order to demonstrate that the financial strategies above are being achieved, Council needs to monitor the operating surplus ratio.

Further to this, two additional ratios will be reported on to demonstrate that assets are being replaced in line with the requirements of the infrastructure and asset management data whilst maintaining sensible debt levels.

These ratios are:

- Net financial liabilities ratio
- Asset renewal funding ratio

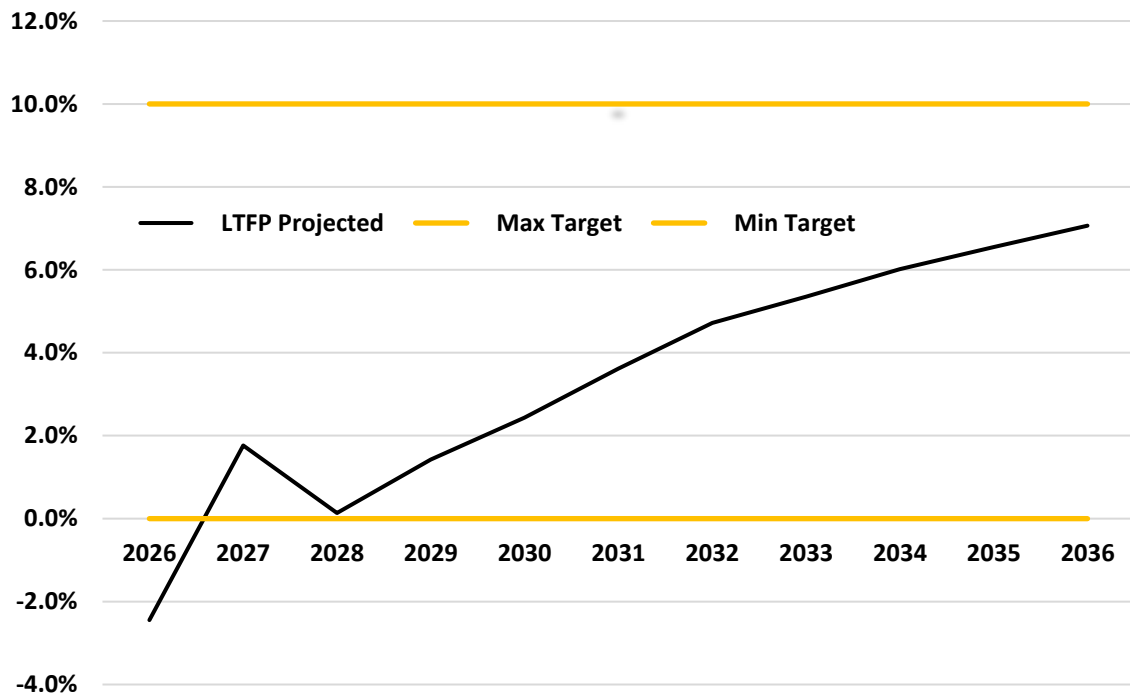
The following data has been used to populate the Key Financial Indicator graphs in the sections below:

Year Ending 30 June:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
<u>Operating Surplus</u> divided by:	(213)	155	12	130	224	338	446	508	576	630	684
Total Operating Revenue	8,722	8,798	9,042	9,123	9,217	9,330	9,438	9,501	9,568	9,623	9,676
	-2.4%	1.8%	0.1%	1.4%	2.4%	3.6%	4.7%	5.4%	6.0%	6.5%	7.1%
Net Financial Liabilities Ratio											
<u>Net Financial Liabilities</u>	(2,789)	(464)	(1,625)	(1,488)	(2,122)	(2,299)	(2,794)	(3,481)	(3,490)	(3,418)	(2,992)
Total Operating revenue	8,722	8,798	9,042	9,123	9,217	9,330	9,438	9,501	9,568	9,623	9,676
	-32%	-5%	-18%	-16%	-23%	-25%	-30%	-37%	-36%	-36%	-31%
Asset Renewal Funding Ratio											
<u>Net Asset Renewal Expenditure per LTFP</u>	3,343	2,710	2,975	3,165	2,491	3,047	2,834	2,693	3,424	3,559	3,968
Net Asset Renewal Expenditure per AMP	3,343	2,710	2,975	3,165	2,491	3,047	2,834	2,693	3,424	3,559	3,968
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Indicator 1 - Operating Surplus Ratio ("OSR")

The operating surplus ratio expresses the operating surplus (deficit) as a percentage of operating income. Calculated as: (operating revenue minus operating expense) divided by operating revenue.

The OSR is used to confirm that Council can cover its operating expenditure and depreciation charge from its operating revenue. A negative result indicates that Council is not doing so.



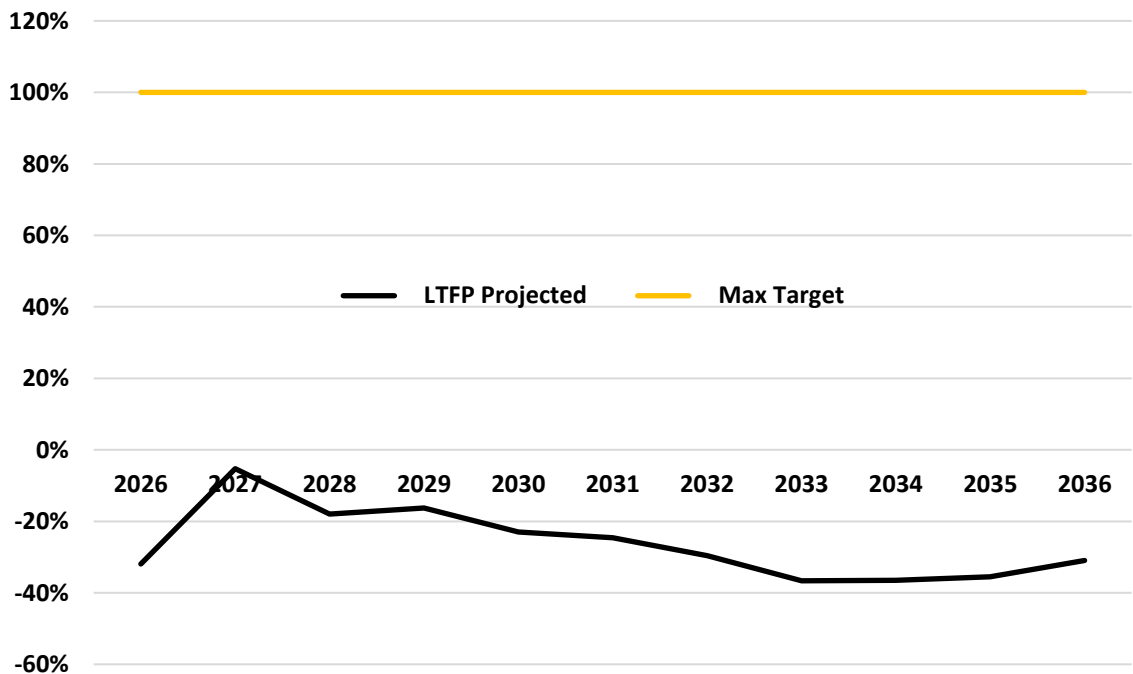
The above information forecasts that Council will be operating in a surplus position throughout the life of the plan. The financial strategy ensures Council moves to a situation where there is a reasonable buffer to hedge against unexpected increases to operating expenditure or alternatively unexpected reductions in non-rate revenue.

The target range has been set at 0% to 10% for the duration of the plan. This is in line target range for this ratio as required by the assessment framework ESCOSA are using for the assessment of this ratio.

An additional use of this ratio has been identified by ESCOSA where they use it to understand what is driving a council's operating surplus ratio and the extent to which this indicates potential concerns regarding affordability and cost control risk. This is very similar to how Council have used this ratio to assess its operating performance.

Indicator 2 - Net Financial Liabilities Ratio (NFLR)

Net financial liabilities measure Council's overall indebtedness. They include liabilities such as employee long-service leave entitlements and other amounts payable, and are offset by Council's available cash, investments and other financial assets. Net financial liabilities are calculated as total liabilities minus financial assets. For this purpose, financial assets include cash, cash equivalents, trade and other receivables, and other financial assets, but exclude equity held in Council businesses, inventories and land held for resale.



The NFLR answers the question - *Does Council have a manageable level of debt and other liabilities when considering its available revenue and other cash reserves?*

The District Council of Cleve is currently in a net cash situation. Accordingly, the NFLR is showing a negative amount (effectively, Council has net financial assets).

The District Council of Cleve is currently in a net financial assets position. Accordingly, the net financial liabilities ratio is showing a negative amount.

Council has set a ceiling for this ratio of 100%

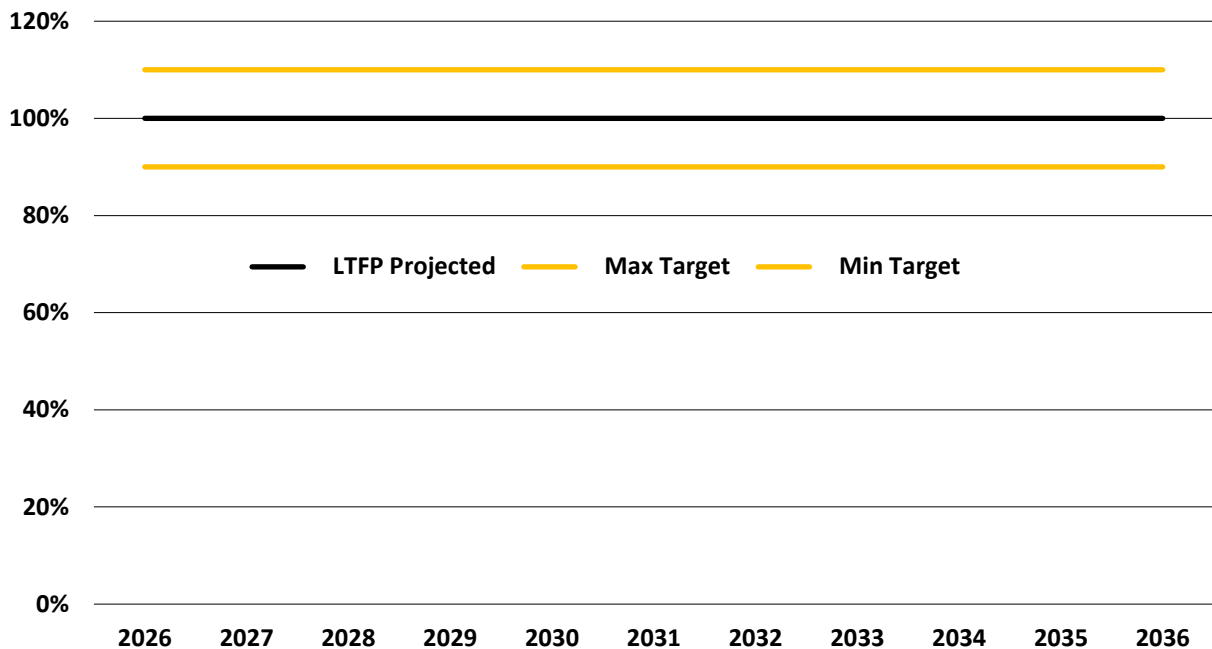
In relation to the assessment of Councils financial sustainability a result of less than 0% indicates Council is in a net financial assets position, accordingly there is Council should not be assessed as having a financial sustainability risk due to unmanageable levels of liabilities.

Indicator 3 - Asset Renewal Funding Ratio ("ARFR")

The ARFR indicates the extent to which existing non-financial assets are being renewed and replaced, compared with what is needed to cost-effectively maintain service levels. It is calculated by measuring capital expenditure on renewal or replacement of assets, relative to the optimal level of such expenditure determined by Councils asset management data.

If capital expenditure on renewing or replacing existing assets is at least equal to the level proposed by Councils asset data, then a Council is ensuring optimal timing of replacement of physical assets to maintain service levels. Any material underspending on renewal and replacement over the medium term is likely to adversely impact on the achievement of preferred, affordable service levels and could potentially progressively undermine a Council's financial sustainability.

It is important to understand the difference between new/upgraded assets and renewal/ replacement assets. Only expenditure on renewal/replacement is included in the calculation of the asset renewal funding ratio. Minimal capital expenditure has been included in this plan to fund the construction of new assets. Refer to the glossary for a full definition of new/upgraded assets and renewal/replacement assets.



The above information indicates that the ARFR is targeted to be 100% for the life of the plan indicating that asset renewal directly reflects the requirements of Councils 10 year asset renewal plans outlined in the following table.

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Sealed Roads	330	254	329	200	200	200	220	220	220	240
Unsealed Roads	1,890	1,450	1,460	1,235	1,225	1,340	1,105	1,215	1,255	1,305
Footpaths, Kerb & Guttering	50	73	61	61	33	54	33	33	33	47
Plant & Equipment	320	990	1,040	895	860	530	720	610	705	1,030
Other Assets	0	65	65	65	65	65	65	65	65	65
Buildings	0	175	175	175	175	175	175	175	175	175
CWMS	120	120	120	120	120	120	0	0	0	0
Marine Infrastructure Contribution/ Other					500	500	500	1,250	1,250	1,250
Total	2,710	3,127	3,250	2,751	3,178	2,984	2,818	3,568	3,703	4,112

New Assets funded in LTFP 2027-36

New asset construction included in the Annual Business Plan for 2026-27 totals \$3.2M. Nothing outside of this is included in this iteration. However, significant contingencies of cash have been identified to pursue ventures as opportunities present.

Summary of Council's Long-term Sustainability

The above key financial indicators point to Council operating in a sustainable manner over the life of the LTFP.

Except for the 2027-28 financial year, the OSR indicates Council is covering its operating expenses including depreciation over the life of the LTFP.

The LTFP funds capital renewal requirements as calculated based on Councils existing asset data. The ARFR demonstrates that Council is replacing its infrastructure in a timely manner.

The NFLR indicates that Council will remain in a Net Financial Assets position at any stage throughout the 10 years of the plan (as opposed to a Net Financial Liabilities position which is achieved when total liabilities are greater than financial assets.)

It is intended to update the LTFP annually as part of the annual business planning process.

Chief executive officer report on the sustainability of the Council's Long Term Financial performance and position

The analysis of the key financial indicators table and relevant graphs included in this plan demonstrates that the Council is forecasting to operate in a financially sustainable manner throughout the life of the plan.

The operating surplus ratio varies between 0.1% to 7.1% over the ten years. This equates to an operating surplus/ (deficit) ranging between \$12k to \$684k p.a.

Like all organisations in Australia, Council's costs may increase because of inflation. The LTFP uses CPI as the guide for estimating future cost increases. However, Council's actual costs may rise by more than CPI. Even if this happens, Council is unlikely to move into an unsustainable operating deficit.

Additional risk has been identified in relation to Council's dependence upon recurring grant income, in particular financial assistance grants, supplementary local road funding and roads to recovery funding. In the 2026-27 financial year these three streams of revenue account for 37% of Councils operating income.

Cash and Cash equivalents range from \$1.9M to \$3.8M across the life of the LTFP. This does not consider the additional funding that could be directed away from the future projects fund should it be required.

Council is committed to reviewing and updating the ten-year asset renewal program and the Long-Term Financial Plan as required, and at least annually, to ensure appropriate strategies remain in place to support financial sustainability. Updates to the ten-year renewal programs will focus on asset condition data, with external support used where needed to ensure the programs accurately reflect Council's planned capital expenditure requirements.

The 2026-27 Annual Business Plan & Annual Budget as well as the 2027-36 LTFP and updated asset renewal programs are consistent with the strategic goals and principal activities of Councils Strategic Management Plan.

Year one of the 2027-36 LTFP and updated asset renewal programs is consistent with the 2026-27 adopted Annual Business Plan & Annual Budget. The LTFP funds the capital and maintenance identified in Council's IAMP.

Council acknowledges ESCOSA's important role under the Local Government Advice Scheme in supporting stronger governance, long-term financial sustainability and transparency across the local government sector. The scheme has assisted councils to better align strategic planning, long-term financial planning and asset management, while promoting evidence-based decision-making and continuous improvement. Council has considered the recommendations and observations from the scheme's first cycle and has incorporated improvements into its planning and governance processes. These include refining LTFP assumptions, strengthening the link between strategic priorities and financial planning, reviewing asset management practices, and improving internal reporting and governance frameworks. Council remains committed to continuous improvement and welcomes constructive engagement with ESCOSA to ensure future assessments reflect local context, operational realities and the practical challenges faced by small regional councils.

7. STATEMENT OF UNIFORM PRESENTATION OF FINANCES & PRINCIPAL FINANCIAL STATEMENTS

The Statement of Uniform Presentation of Finances together with the results of the Key Financial Indicators provides a summarised report that focuses on Council's finances at a strategic level.

Readers are strongly encouraged to take the time to comprehend how this report is structured and what the implications of the various lines of this report are for the Key Financial Indicator calculations.

The Statement of Uniform Presentation of Finances highlights the operating surplus / (deficit) measure which is considered the most critical indicator of a Council's financial performance.

The last line or rather the result of this report is the movement in Net Financial Liabilities (net lending / borrowing) for the year based on Council's planned capital and operating budgets for that year.

Achieving a zero result on the net lending / (borrowing) measure in any one year essentially means that the Council has met all its expenditure (both operating and capital) from the current year's income (with income including amounts received specifically for new / upgraded assets).

New / Upgraded vs Renewal / Replacement of Assets

A clear understanding of the difference between expenditure incurred to renew or replace existing assets and expenditure incurred to create new or upgraded assets is essential in order to understand the strategic relevance of the Statement of Uniform Presentation of Finances.

A **new asset** is additional to Council's previous asset complement.

For example, roads constructed as part of a Council owned subdivision are new assets. Similarly, laying footpaths in areas where they did not previously exist are also new assets.

An **upgraded asset** replaces a previously existing asset with enhanced capability or functionality.

Renewal or replacement of an asset occurs where a previously existing asset is replaced without enhancement of the service capability except where this is incidental and unavoidable.

It is possible for capital expenditure to be a combination of renewal as well as upgrade. This is particularly prevalent in this Council region due to the increased volume of B-double traffic experienced in recent times. This has required existing roads to be rebuilt to higher standards.

For example, the replacement of a road that was initially a 6 metre wide sheeted surface with an 8 metre width sheeted surface can be considered part replacement and part upgrade.

UNIFORM PRESENTATION OF FINANCES	2026 Year 0 \$'000	2027 Year 1 \$'000	2028 Year 2 \$'000	2029 Year 3 \$'000	2030 Year 4 \$'000	2031 Year 5 \$'000	2032 Year 6 \$'000	2033 Year 7 \$'000	2034 Year 8 \$'000	2035 Year 9 \$'000	2036 Year 10 \$'000
Operating Revenues	8,722	8,798	9,042	9,123	9,217	9,330	9,438	9,501	9,568	9,623	9,676
less Operating Expenses	8,935	8,643	9,030	8,993	8,993	8,993	8,993	8,993	8,993	8,993	8,993
Operating Surplus/(Deficit) before Capital Amounts	(213)	155	12	130	224	338	446	508	576	630	684
LESS: Net Outlays on Existing Assets											
Capital Expenditure on Renewal or Replacement of Existing Assets	3,633	2,710	3,127	3,250	2,751	3,178	2,984	2,818	3,568	3,703	4,112
less Depreciation, Amortisation & Impairment	(2,577)	(2,577)	(2,941)	(2,941)	(2,941)	(2,941)	(2,941)	(2,941)	(2,941)	(2,941)	(2,941)
less Proceeds from Sale of Replaced Assets	(71)	(50)	(152)	(85)	(260)	(131)	(150)	(125)	(144)	(144)	(144)
Net Outlays on Existing Assets	985	83	34	224	(450)	105	(107)	(249)	482	617	1,027
LESS: Net Outlays on New or Upgraded Assets											
Capital Expenditure on New/Upgraded Assets	816	3,197	0	0	0	0	0	0	0	0	0
less Amounts Specifically for New/Upgraded Assets	(310)	(800)	(1,200)	0	0	0	0	0	0	0	0
Net Outlays on New or Upgraded Assets	506	2,397	(1,200)	0	0	0	0	0	0	0	0
EQUALS: Net Lending / (Borrowing) for Financial Year	(1,705)	(2,325)	1,179	(94)	675	232	553	757	93	13	(343)

Conclusion

The 'Net Lending / (Borrowings) for the Financial Year', represents the movement in Councils' net financial liabilities from one year to the next.

If the result for any given year is in brackets, then this identifies the amount of cash that is required to fund the capital and operating expenditure budgets after considering all available cash inflows for the year. Such a result would lead to a reduction in cash at bank.

Alternatively, any amounts that are not in brackets identify the amount of money that is surplus to Councils needs for the year as the forecast cash inflows would be greater than the forecast operating and capital expenditure requirements. Such a result would lead to an increase in cash at bank.

The above report illustrates the impact the various economic development projects will have on cash reserves. The positive results indicate that Council will be building cash reserves, the years with negative results indicate Council will be utilising cash reserves. The amounts included in the 'Capital Expenditure on New/Upgraded Assets' reflect the future projects fund and demonstrate Councils to undertake further economic development projects as planned.

Explanation / Examples of Components of Summary of Financial Position

Operating Revenue and Expenditure: represent the totals from the relevant lines of the Statement of Comprehensive Income (operating statement) for the year being reported on.

Capital Expenditure on renewal and replacement of Existing Assets: eg, roads reseals, replacement tractor, building renovations, replacement computer hardware.

Proceeds from sale of replaced assets: eg, trade in value of a tractor or motor vehicle being replaced.

Capital Expenditure on New and Upgraded Assets: eg, constructing a new building, constructing a new catchment pond, purchasing a piece of machinery that was not previously on hand.

Amounts specifically for new or upgraded Assets: eg, capital grants to partly fund a new CWMS, funds received to build new footpaths that did not previously exist.

Proceeds from Sale of Surplus Assets: proceeds from the sale of a council building that was no longer required, sale of surplus land.

STATEMENT OF COMPREHENSIVE INCOME	2026 Year 0 \$,000	2027 Year 1 \$,000	2028 Year 2 \$,000	2029 Year 3 \$,000	2030 Year 4 \$,000	2031 Year 5 \$,000	2032 Year 6 \$,000	2033 Year 7 \$,000	2034 Year 8 \$,000	2035 Year 9 \$,000	2036 Year 10 \$,000
Income											
Rates	4,574	4,821	4,918	5,016	5,117	5,219	5,323	5,376	5,430	5,485	5,539
Statutory charges	30	31	31	31	31	31	31	31	31	31	31
User charges	303	315	426	426	426	426	426	426	426	426	426
Grants, subsidies and contributions	3,656	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467	3,467
Investment income	20	25	61	44	37	48	52	62	75	75	74
Reimbursements	110	110	110	110	110	110	110	110	110	110	110
Other income	29	29	29	29	29	29	29	29	29	29	29
Total Operating Revenue	8,722	8,798	9,042	9,123	9,217	9,330	9,438	9,501	9,568	9,623	9,676
Expenses											
Employee Costs	2,316	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489	2,489
Material, Contractors & Other	4,027	3,562	3,562	3,562	3,562	3,562	3,562	3,562	3,562	3,562	3,562
Depreciation, Amortisation & Impairment	2,577	2,577	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941
Finance Charges	15	15	37	0	0	0	0	0	0	0	0
Total Operating Expenses	8,935	8,643	9,030	8,993	8,993	8,993	8,993	8,993	8,993	8,993	8,993
Operating Surplus / (Deficit)	(213)	155	12	130	224	338	446	508	576	630	684
Amounts Specifically for New or Upgraded Assets	310	800	1,200	0	0	0	0	0	0	0	0
Net Surplus / (Deficit)	97	955	1,212	130	224	338	446	508	576	630	684
Total Comprehensive Income	97	955	1,212	130	224	338	446	508	576	630	684

STATEMENT OF FINANCIAL POSITION	2026 Year 0 \$,000	2027 Year 1 \$,000	2028 Year 2 \$,000	2029 Year 3 \$,000	2030 Year 4 \$,000	2031 Year 5 \$,000	2032 Year 6 \$,000	2033 Year 7 \$,000	2034 Year 8 \$,000	2035 Year 9 \$,000	2036 Year 10 \$,000
Assets											
Current Assets											
Cash and Cash Equivalents	3,460	2,085	2,232	1,902	2,476	2,654	3,148	3,836	3,844	3,773	3,346
Trade & Other Receivables	450	450	450	450	450	450	450	450	450	450	450
Inventories	20	20	20	20	20	20	20	20	20	20	20
Total Current Assets	3,930	2,555	2,702	2,373	2,946	3,124	3,618	4,306	4,315	4,243	3,817
Non Current Assets											
Financial Assets	56	56	56	56	56	56	56	56	56	56	56
Infrastructure, Property, Plant & Equipment	73,140	76,420	76,454	76,678	76,227	76,333	76,226	75,977	76,459	77,077	78,104
Other Non-current Assets	754	754	754	754	754	754	754	754	754	754	754
Total Non-current Assets	73,951	77,231	77,264	77,488	77,038	77,143	77,036	76,788	77,270	77,887	78,914
Total Assets	77,881	79,786	79,966	79,861	79,984	80,267	80,654	81,094	81,585	82,130	82,731
Liabilities											
Current Liabilities											
Trade & Other Payables	447	447	447	447	447	447	447	447	447	447	447
Borrowings	58	58	191	61	0	0	0	0	0	0	0
Provisions	361	361	361	361	361	361	361	361	361	361	361
Total Current Liabilities	866	866	999	869	808	808	808	808	808	808	808
Non-current Liabilities											
Borrowings	258	1,208	62	0	0	0	0	0	0	0	0
Provisions	53	53	53	53	53	53	53	53	53	53	53
Total Non-Current Liabilities	311	1,261	115	53	53	53	53	53	53	53	53
Total Liabilities	1,177	2,127	1,113	921	861	861	861	861	861	861	861
Net Assets	76,704	77,659	78,853	78,940	79,123	79,407	79,794	80,233	80,724	81,270	81,870
Equity											
Accumulated Surplus	34,670	35,625	36,837	36,968	37,192	37,529	37,975	38,483	39,059	39,689	40,373
Asset Revaluation Reserves	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376
Other Reserves	658	658	658	658	658	658	658	658	658	658	658
Adjustment to Cash & Borrowings for effects of inflation	0	0	(18)	(62)	(102)	(157)	(215)	(284)	(369)	(453)	(536)
Total Equity	76,704	77,659	78,853	78,940	79,123	79,407	79,794	80,233	80,724	81,270	81,870

STATEMENT OF CHANGES IN EQUITY	2026 Year 0 \$,000	2027 Year 1 \$,000	2028 Year 2 \$,000	2029 Year 3 \$,000	2030 Year 4 \$,000	2031 Year 5 \$,000	2032 Year 6 \$,000	2033 Year 7 \$,000	2034 Year 8 \$,000	2035 Year 9 \$,000	2036 Year 10 \$,000
Accumulated Surplus											
Balance at end of previous reporting period	34,573	34,670	35,625	36,837	36,968	37,192	37,529	37,975	38,483	39,059	39,689
Net Result for Year	97	955	1,212	130	224	338	446	508	576	630	684
Transfer to/from Asset Revaluation Reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer from Reserves	0	0	0	0	0	0	0	0	0	0	0
Transfer to Other Reserves	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	34,670	35,625	36,837	36,968	37,192	37,529	37,975	38,483	39,059	39,689	40,373
Asset Revaluation Reserve											
Balance at end of previous reporting period	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376
Changes in revaluation surplus - IPP&E	0	0	0	0	0	0	0	0	0	0	0
Impairment (expense) / recoupments offset to asset revaluation reserve	0	0	0	0	0	0	0	0	0	0	0
Transfer to accumulated surplus from ARR on sale of revalued IPP&E	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376	41,376
Other Reserves											
Balance at end of previous reporting period	658	658	658	658	658	658	658	658	658	658	658
Transfers from Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0
Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0	0
Balance at end of period	658	658	658	658	658	658	658	658	658	658	658
Adjustment to Cash & Borrowings for effects of inflation	0	0	(18)	(62)	(102)	(157)	(215)	(284)	(369)	(453)	(536)
Total Equity at End of Reporting Period	76,704	77,659	78,853	78,940	79,123	79,407	79,794	80,233	80,724	81,270	81,870

STATEMENT OF CASH FLOWS	2026 Year 0 \$,000	2027 Year 1 \$,000	2028 Year 2 \$,000	2029 Year 3 \$,000	2030 Year 4 \$,000	2031 Year 5 \$,000	2032 Year 6 \$,000	2033 Year 7 \$,000	2034 Year 8 \$,000	2035 Year 9 \$,000	2036 Year 10 \$,000
Cash Flow from Operating Activities											
Receipts											
Operating Receipts	8,652	8,773	8,981	9,079	9,180	9,282	9,386	9,439	9,493	9,548	9,602
Investment Receipts	20	25	61	44	37	48	52	62	75	75	74
Payments											
Operating Payments to Suppliers & Employees	6,422	6,051	6,069	6,095	6,092	6,106	6,110	6,121	6,136	6,136	6,134
Finance Payments	15	15	37	0	0	0	0	0	0	0	0
Net Cash provided by (or used in) Operating Activities	2,235	2,732	2,936	3,028	3,125	3,224	3,328	3,380	3,433	3,487	3,542
Cash Flow from Investing Activities											
Receipts											
Grants specifically for new or upgraded assets	310	800	1,200	0	0	0	0	0	0	0	0
Sale of replaced Assets	71	50	152	85	260	131	150	125	144	144	144
Payments											
Expenditure on renewal/replaced assets	3,633	2,710	3,127	3,250	2,751	3,178	2,984	2,818	3,568	3,703	4,112
Expenditure on new/upgraded assets	816	3,197	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) Investing Activities	(4,068)	(5,057)	(1,775)	(3,165)	(2,491)	(3,047)	(2,834)	(2,693)	(3,424)	(3,559)	(3,968)
Cash Flows from Financing Activities											
Receipts											
Proceeds from Borrowings	0	950	0	0	0	0	0	0	0	0	0
Payments											
Repayment of Borrowings	0	0	1,014	192	61	0	0	0	0	0	0
Net Cash Provided by (used in) Financing Activities	0	950	(1,014)	(192)	(61)	0	0	0	0	0	0
Net Increase / (Decrease) in Cash	(1,834)	(1,375)	147	(329)	573	178	494	688	9	(72)	(426)
Cash and Cash Equivalents at start of reporting period	5,294	3,460	2,085	2,232	1,902	2,476	2,654	3,148	3,836	3,844	3,773
Cash & Cash Equivalents at the end of the reporting period	3,460	2,085	2,232	1,902	2,476	2,654	3,148	3,836	3,844	3,773	3,346

REFERENCE MATERIAL

IPWEA Practice Note 6 – Long-term Financial Planning.

LGA Information Paper 9 – Local Government Financial Indicators

LGA Information Paper 12 – Targets for Local Government Financial Indicators

South Australian Local Government Model Financial Statements