ATTACHMENT "C"

Northern Areas Council Long Term Financial Plan

2026-27 to 2035-36

NORTHERN AREAS COUNCIL

Executive Summary

Covering an area of 3,070km, Northern Areas Council straddles the southern parts of the Flinders Ranges and the northern Mount Lofty Ranges. Most of our 5,000 residents live in the major towns of Jamestown, Laura, Gladstone, Spalding and Georgetown, while many other towns and settlements are dotted across the region. Council is responsible for managing and maintaining community assets worth in excess of $125 million and making prudent investments on behalf of our ratepayers.

Under Section 122(1a)(a) of the *Local Government Act 1999*, Council is required to develop and adopt a Long Term Financial Plan (LTFP) for a period of at least 10 years, which forms part of its suite of Strategic Management Plans.

Under Section 122(4)(a) of Act, Council must also undertake a review of the LTFP on an annual basis.

This document has been developed to satisfy this requirement and to assist in determining the financial projections for Council from the 2026-27 to 2035-36 years, based on information available at the time.

The key objective of Council's LTFP is financial sustainability in the medium to long term, while still achieving Council's vision and objectives, as described in its Strategic Plan.

The LTFP has been developed based on a series of assumptions and information available, which includes:

- Council's 2024-2030 Strategic Plan
- Council's Asset Management Plans (AMPs)
- Required current and future levels of service
- Projected rating strategies
- Various economic measures and forecasts

The following provides a financial overview of the Plan (from 2026-27 to 2035-35);

LTFP Averages (annual)	
Rate Increase	**3.29%**
Operating Income	18,043K
Operating Expenses	16,962K
Operating Surplus	**$1,081K**
Operating Surplus Ratio	8%
Net Financial Liabilities Ratio	32%
Asset Renewal Funding Ratio	141%
Total Borrowings	**$600K**

LTFP Totals	
Capital Replacement Expenditure	$61.7M
New Capital Expenditure	$3.1M
Total Capital Expenditure by Year 10 (2035-36)	**$64.8M**

Chief Executive Officer's Report on Financial Sustainability

The review of our LTFP indicates Northern Areas Council will maintain financial sustainability over the next 10 years, with an improvement in key financial areas.

Based on the assumptions listed in this report there will be an operating surplus for the entire plan from the 2027 year through to 2036. The surplus ratio range will be from 2% in 2027 to 10% in 2036. This indicates longer term there will be opportunities to increase capital renewal or debt repayment without significant impacts on our ratepayers.

Every year Council considers its long term rating position as part of reviewing its LTFP and setting its annual budget. Past rate increases and work carried out to address infrastructure renewal backlogs means it is possible to keep rate increases relatively low – or about at normal inflation. The introduction of the Essential Services Commission (ESCOSA) Local Government Advice scheme has confirmed the view that Council will remain sustainable with careful budgeting and constrained rate increases in line with inflation.

The LTFP also shows a continuing reduction in debt over the next 10 years.

These favourable financial positions are on the basis that Council's existing Strategic Plan and asset management plans guide expenditure over the next 10 years and there are no large, new and/or unexpected projects or services to be fully funded by Council. Should such projects arise, or new services be delivered, it will be important to ensure value for the community and – wherever possible – leverage external grant funding to support their delivery.

To maintain financial sustainability Council must continually review the services it provides to the community to ensure the efficiency and effectiveness of services is achieved, while the vision and plans of Council are met. The Council team continues to look for ways of delivering services more efficiently as we strive to deliver Council's plans.

Asset Management Plans have recently been reviewed and adopted for all areas of Council's asset classes. The impact of the new 10-year expenditure forecasts have been included in this LTFP review.

Capital Projects

The LTFP provides for a total capital investment of $64.8M over the 10 year period, split between Capital Renewal of $61.7M and New Capital of $3.1M.

Capital Renewal Expenditure

The following asset classes are covered by Council's key Asset Management Plans (AMPs):

- Roads (and related transport infrastructure)
- Buildings
- Bridges
- Stormwater
- Community wastewater management schemes (CWMS)

Asset management planning processes are ongoing and up to date information is incorporated each year as the AMPs are reviewed. Asset values, customer service levels and technical

service levels, forecast renewal expenditure, new expenditure and maintenance requirements are all detailed within these plans.

Updated valuation data was obtained during the 2023/24 financial year and has been adopted by Council as part of the annual financial statements. Further valuation updates have occurred during 2024/25. The valuation data was then used to review the AMPs.

AMPs for Roads, Buildings, Bridges, Stormwater & CWMS were last adopted by Council through the 2025 calendar year with support from relevant consultants.

New Capital

The majority of Council's work in the infrastructure space relates to renewal and maintenance of assets on behalf of our community.

Over the life of this LTFP, most new capital relates to sealing of township unsealed streets and major stormwater projects, in particular Jamestown and Laura Flood Mitigation. New works will generally be funded via grants.



What is Financial Sustainability?

In 2005, an independent inquiry into the financial sustainability of local government was undertaken by the LGA. Following this inquiry, the following definition was adopted:

"Council's 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 services."

This definition was subsequently adopted by the Australian Local Government Association at its National Assembly Meeting in December 2006.

In simple terms, the principle of financial sustainability is that each generation 'pays their way' for the services and assets they consume. This is also known as intergenerational equity and occurs when Council records a breakeven operating result (i.e. where day to day expenses are equal to day to day income).

Where Council records operating deficits, it means that future generations will be subsidising the current costs of services and will be responsible for addressing the issue of funding the replacement of worn out assets.

Maintaining Financial Sustainability

This plan maintains financial sustainability, by using the following indicators and targets:

Financial Indicator	Long term Target (to be reviewed)
Operating Surplus Ratio	Between 0% and 10%
Net Financial Liabilities Ratio	Between 0% and 50%
Asset Renewal Funding Ratio	Between 95% and 105%

The plan also considers the following:

- Maintaining existing service levels;
- Capital replacement should be in accordance with Council's Asset Management Plans.
- Council is making gradual improvements towards an ongoing financially sustainable operating position.
- New services may only be introduced through a service review process incorporated as part of the annual business planning process, or when such services are imposed on Council.
- New capital assets may only be considered through a justification process and if they form part of an adopted Council strategy.

The plan considers economic data from the following sources:

- Australian Bureau Statistics – Consumer Price Index (CPI);
- The Local Government Price Index (LGPI) ;
- Local Government Finance Authority; and
- Reserve Bank of Australia – Interest rate forecasts

Council has a number of other initiatives that help support financial sustainability. These include:

- Service / function efficiency reviews
- Shared service opportunities with other councils
- Asset Management Plans
- Treasury Management Policy

Long Term Financial Plan Assumptions & Comments

The following assumptions have been used in developing the Long Term Financial Plan (LTFP):

- Consistency with Council's Strategic Management Plan and Asset Management Plans
- Consideration of Council's Financial Indicator Targets
- No changes to operating service levels provided by Council
- Use of CPI, LGPI and interest rate forecasts
- The use of borrowings to fund infrastructure renewal and one-off capital projects
- Additional year of new seal program has been included
- Supplementary road funding – no allowance has been made for future years
- Investment income can offset Cash Advance Debenture (CAD) overdraft costs for when cash deficits exist
- The LTFP is reviewed yearly as part of the Annual Business Plan & Budget process. Annual review of the LTFP ensures the best available financial information and

assumptions are incorporated into the plan. Despite this process there are obviously still risks associated with using estimates
- The LTFP is also reviewed by the Audit and Risk Committee as part of the Annual Business Plan & Budget process
- Strategic Plan project capital and operating allowances incorporated within the budget
- Increased asset management allowance for asset plan reviews.

Key Financial Ratios and Targets

Under the requirements of Regulation 5(c) of the *Local Government (Financial Management) Regulations 2011*, there is a requirement for the LTFP (as well as the Annual Financial Statements and Budget) to include:

1. an operating surplus ratio,
2. a Net Financial Liabilities ratio and
3. an Asset Renewal Funding ratio

presented in a manner consistent with the note in the "Model Financial Statements" titled "Financial Indicators".

Operating Surplus Ratio

The percentage by which income varies from day to day expenses.
A positive ratio indicates the percentage of income available to fund new capital expenditure, the provision of new services or to pay down existing debt.

A negative ratio for this target indicates the percentage that income would need to increase by to achieve a break even operating result.

How is this ratio calculated?

$$\frac{A}{B}$$

A= Operating Surplus
B = Total Operating Income

What is the LTFP Benchmark?

Between 0% and 10% of Operating Income

Commentary on Projected Performance
The continued improving trend will still see the Operating Surplus Ratio remain within the target range for the entirety of the plan.

Net Financial Liabilities Ratio

How significant the net amount owed by Council is compared with income.

An increase in this ratio indicates that Council requires more of its operating income to fund its financial obligations.

A drop in this ratio indicates that Council's capacity to meet its financial obligations from operating income is strengthening.

How is this ratio calculated?

$$\frac{A}{B}$$

A= Net Financial Liabilities
B = Total Operating Income

What is the LTFP Target?

Between 0% and 50% of Council's annual Operating Income

Commentary on Projected Performance

Council's net financial liabilities will peak at 53% of Council's annual operating income in 2026-27 before reducing over the remaining life of the LTFP as our net cash position improves. The cash position improves as old loans are repaid and reliance on loan funding reduces.

Asset Renewal Funding Ratio

Are assets being replaced at the rate they are wearing out?

How is this ratio calculated?

$$\frac{A}{B}$$

A= Net Asset Renewals
B = AMP required expenditure

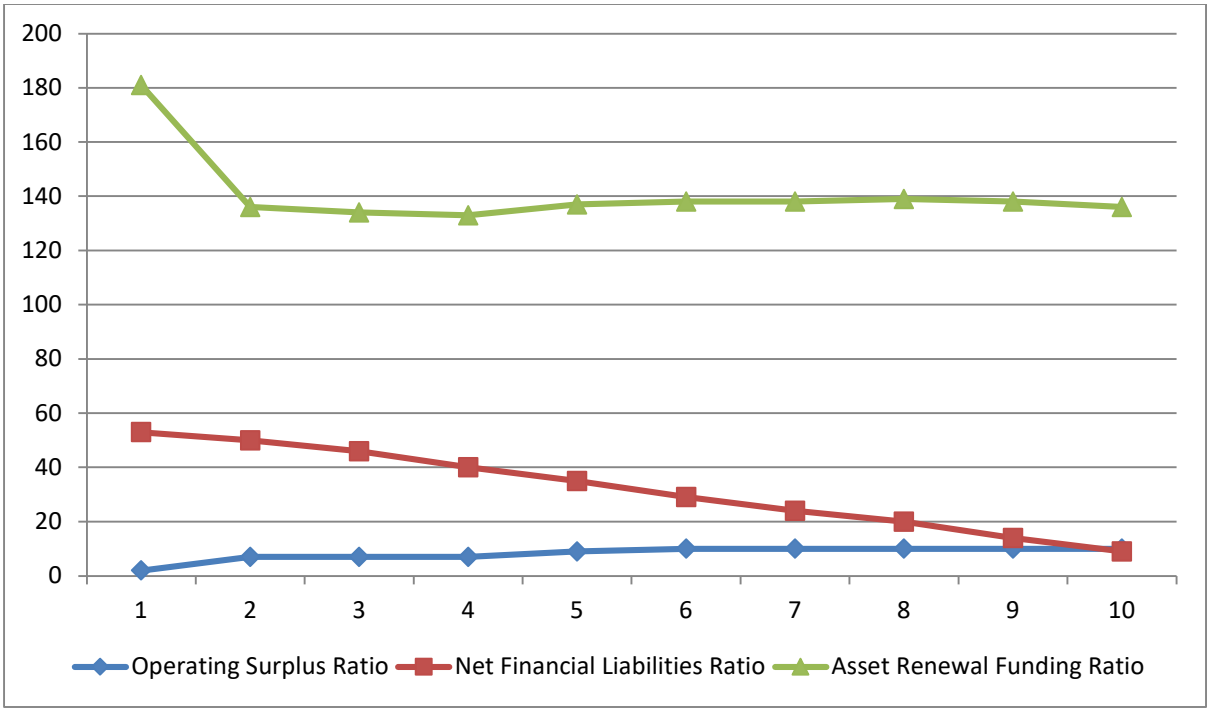
What is the LTFP Target?

95% to 105% of AMP desired capital spend

Commentary on Projected Performance

Expenditure of renewal and replacement of existing assets over the life of the current plan averages 141% which is above the target range (the new AMPs have resulted in a lower renewal required). The AMP average desired capital spending totals have been included in the LTFP to provide a realistic picture of the financial position.
The following graph plots the current LTFP 10 year trends of the ratios listed above.

Financial Indicators 2026/27 to 2035/36



Assumptions Table

Northern Areas Council - Long Term Financial Plan - Assumptions Table										
Year	Financial year	LGPI	CPI	ASU	AWU	CAD	Fixed Loan	Rate Increase	Rate Growth	Total Rate Increase
	2019-20	1.4	1.8	2.5	2.5	3.10	2.5	3.25	0.5	3.75
	2020-21	2.0	1.0	2.5	2.5	2.05	2.0	2.60	0.5	3.10
	2021-22	2.5	3.3	2.5	2.5	2.80	3.0	2.00	0.5	2.50
	2022-23	2.5	3.0	2.5	2.5		4.0	2.00		2.50
	2023-24	6.9	7.9	2.5	5.0	5.8	6.0	4.70		4.70
	2024-25	4.8	4.3	5.0	4.0	6.0	6.0	4.80		4.80
Base	2025-26	2.5	2.2	4.0	3.5	5.0	4.5	3.10		3.10
1	2026-27	2.5	4.9	3.5	4.0	6.0	5.0	4.95		4.95
2	2027-28	3.0	3.0	3.0	3.0			3.10		3.10
3	2028-29	3.0	3.0	3.0	3.0			3.10		3.10
4	2029-30	3.0	3.0	3.0	3.0			3.10		3.10
5	2030-31	3.0	3.0	3.0	3.0			3.10		3.10
6	2031-32	3.0	3.0	3.0	3.0			3.10		3.10
7	2032-33	3.0	3.0	3.0	3.0			3.10		3.10
8	2033-34	3.0	3.0	3.0	3.0			3.10		3.10
9	2034-35	3.0	3.0	3.0	3.0			3.10		3.10
10	2035-36	3.0	3.0	3.0	3.0			3.10		3.10

Economic Influences

Council's LTFP is affected by various external and internal influences for which assumptions have been made.

External

- LGPI = Local Government Price Index (12 months to Dec 25 2.5%)
- CPI = Consumer Price Index (Adelaide 12 months to Mar 26 4.9%)
- Regional Landscape Levy
- Utility costs
- Interest costs
- Workforce planning
- Increased compliance costs through new legislation
- Federal & State Government Policy
- Broader economic environment

Internal

- Enterprise Bargaining Agreements
- Treasury Management Policy and decisions on borrowings
- Service Improvement Review Projects
- Risk Management
- Asset Sustainability & Service levels
- Increase/decrease in Services

Overview of Key Assumptions

Operating Revenue

Rates
Rate revenue is the Council's main income source. Prudent financial management determines that the income raised must be equivalent to a high percentage of expenses incurred to maintain current services.

In previous years Council considered average rate increases well above CPI necessary to close the gap between Council's average residential rate and the State country average residential rate. The CPI historic budget figure is 3.0%.

In this LTFP Council has considered an average increase of LGPI which has been calculated in the order of 3.29% to maintain desired services and servicing of its proposed debt.

Rates Growth
Although this growth can no longer be factored into rate increases it is still expected that Capital Value growth over the life of the LTFP will be approximately 0.5%. This comprises new development activity which occurs predominately in the urban zone. In recent years the average number of new dwellings constructed has been approaching 10 per year. In addition there are always various commercial and primary production developments occurring.

Rates – CWMS
In recent years the annual CWMS separate rate for provision of a Community Wastewater Management Scheme has been increasing by CPI allowance of between 2 and 4%. This is the increase currently factored into the LTFP. An Asset Management Plan for this class of asset was adopted by Council in 2025.

Rates - Waste
The annual separate rate for collection and disposal of waste is set at cost recovery levels. It is influenced by EPA waste levies and travel and disposal costs at licensed landfill sites outside of the Council area. The LTFP allows for an annual CPI increase of 3-5% but this may be modified if service level increases are required and Council seeks to recover costs for the provision of those additional services (e.g. green waste collection).

Regional Landscape Levy
Council acts as a collection agency for the State Government.
A 40% increase occurred over 5 years from 2016/17 to 2020/21. A decrease of 4% occurred in 2023/24 following a regional re-distribution, valuation changes lead to a 23% increase in 2024/25 a 3.8% increase in 2025/26 and no change for 2026/27. Future year increases assume 3% rises.

Operating Grants and Subsidies
Operating Grants and Contributions have been based on current funding levels with a projected increase of CPI, where applicable.

Roads to Recovery grants have been provided in the past with a yearly average of $407,754. over a 5 year program. A new Roads to Recovery program commenced in 2024/25 with increased allowances. Year 1 was $530,000, year 2 will be $652,000.

Interest Received
Majority of interest earned is from community loans, some of which are in turn borrowed from the Local Government Finance Authority (when a large amount of funding is required – e.g. more than $100K).

Any other interest earned will be from short term investments when cash is not required to pay down the cash advance debenture facility.

Statutory Charges
Although statutory charges are not within Council control they tend to flow with level of development activity. The charges are determined by other legislation and regulations. An increase in line with CPI has been allowed.

User Charges
User charges are for the use of Council facilities or services in a fee for use type arrangement. These have been increased by CPI on the assumption that they should be covering any cost increases.

All other revenue
Reimbursements and other revenue increases have been increased by the CPI allowance.

Operating Expenditure

Finance Costs
Interest on existing loans are obtained from the current loan schedule. In addition financing costs of the proposed future loans to fund capital works are estimated at a rate of 6.0% in the short-term and 4.0% in the long-term.

The final component to finance costs relate to any interest charged on the Cash Advance Debenture during times of low cash flow or when variable rate borrowings are preferred by Council.

Employee Costs
In the short term employee costs are linked to the current ASU & AWU Enterprise Bargaining Agreements, both which schedule wage increases linked to the Fair Pay Commission national wage increase.

Depreciation
Depreciation has been determined using the Annual Financial Statements which reflect the asset register and recent revaluations. It has been adjusted by CPI on an annual basis to reflect any increase in valuation plus new asset movements.

Materials, Contracts & Other Expenses
Materials, Contracts and Other Expenses have generally been tied to CPI to reflect the increased cost of external providers. Certain spend areas including Insurance, Electricity, Fuel and Waste management are reviewed closely each year as they can tend to vary above CPI levels.
Local Government Election costs have also been factored in every 4 years (next in year 1 of the LTFP).

Funding

Capital Grants
Capital Grants in early years of the plan are based on confirmed external funding levels. In later years a small allowance of $100,000 for capital grants has been assumed.

Capital Receipts
Amounts received for the trade-in of plant and equipment that are due to be replaced.

Capital Replacement
Council's Capital Works program in this draft LTFP have been based on information from Council's AMPs where available. In the case of key buildings such as town halls building inspections have been carried out to identify works required.

Loans & Borrowings
Repayment of existing loans is from the current loan schedule.
The LTFP indicates that funding through borrowings is required to meet new seals of $100K (year 10) and $500K for infrastructure renewal (unused from Year 6). Any new capital commitments in the future may also require borrowings.

Council also has LGFA Cash Advance Debenture (CAD) Facilities available to meet unexpected cash flow requirements or for variable borrowings if preferred over a fixed term borrowing.

New Fixed Term Projected Loan Assumptions

- **Term of Loans** – Usually between 7 to 15 Years depending on expected life of loan purpose (i.e. plant or road re-seals)
- **Payments per Year** - 2
- **Rate of Interest** - 6.00% decreasing over time to 4.00%

Loan funding is an attractive method of funding important or urgent capital works.

Amounts Received Specifically for New Assets
Assumption - a small allowance of $100,000 for capital grants has been assumed from year 4.

Asset Sales
Currently no inclusions for sale of land or buildings.

NORTHERN AREAS COUNCIL
BUDGET INCOME STATEMENT
2027/2036

2025 Actual	2026 Original Budget		26/27 FY 2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $	2036 $
		INCOME										
10,623,000	10,905,400	Rates	11,417,000	11,820,463	12,184,853	12,560,645	12,948,121	13,347,270	13,758,794	14,182,701	14,619,411	15,069,451
132,000	129,400	Statutory charges	129,400	133,400	137,400	141,600	145,800	150,200	154,700	159,400	164,300	169,100
225,000	228,900	User charges	228,900	236,600	243,900	251,100	258,500	266,500	274,600	283,000	291,300	299,700
4,448,000	3,166,100	Other grants, subsidies and contributions	3,219,900	3,293,700	3,369,600	3,448,200	3,591,279	3,709,063	3,796,498	3,886,387	3,978,730	4,073,527
170,000	155,600	Investment Income	152,400	74,200	70,700	68,300	66,100	63,900	61,700	59,900	58,100	56,200
233,000	243,600	Reimbursements	243,600	239,300	246,600	254,100	261,500	269,600	277,700	285,900	294,700	303,200
310,000	407,800	Other income	410,300	417,700	429,700	441,800	454,400	467,400	480,600	494,300	508,600	522,800
16,141,000	15,236,800	**Total Income**	15,801,500	16,215,363	16,682,753	17,165,745	17,725,700	18,273,933	18,804,592	19,351,588	19,915,141	20,493,978
		EXPENSES										
4,773,000	4,751,800	Employee costs	5,184,800	5,312,400	5,472,800	5,637,600	5,808,000	5,983,500	6,163,100	6,349,000	6,538,400	6,734,200
5,350,000	4,616,300	Materials, contracts & other expenses	5,303,200	4,885,600	5,032,500	5,177,600	5,217,900	5,367,600	5,521,500	5,704,300	5,841,400	6,008,000
330,000	234,000	Finance costs	203,600	201,000	170,400	143,500	114,600	92,500	73,000	55,900	40,000	27,300
5,285,000	5,358,400	Depreciation, amortisation & impairment	4,869,700	5,002,200	5,155,300	5,295,300	5,441,500	5,589,500	5,750,700	5,899,100	6,052,300	6,201,700
15,738,000	14,960,500	**Total Expenses**	15,561,300	15,401,200	15,831,000	16,254,000	16,582,000	17,033,100	17,508,300	18,008,300	18,472,100	18,971,200
403,000	276,300	**OPERATING SURPLUS / (DEFICIT) BEFORE CAPITAL AMOUNTS**	240,200	814,163	851,753	911,745	1,143,700	1,240,833	1,296,292	1,343,288	1,443,041	1,522,778
(374,000)	100,000	Net Gain (loss) on disposal or revaluatior	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
0	0	Net Gain (loss) - joint ventures & associa	0	0	0	0	0	0	0	0	0	0
3,391,000	840,000	Amounts received specifically for new or	970,000	200,000	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
0	0	Physical resources received free of charg	0	0	0	0	0	0	0	0	0	0
3,420,000	1,216,300	**NET SURPLUS / (DEFICIT)**	1,310,200	1,114,163	1,151,753	1,061,745	1,293,700	1,390,833	1,446,292	1,493,288	1,593,041	1,672,778

			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
		Rate Increase										
4.8%	3.1%		4.95%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
		Operating Position	240,200	814,163	851,753	911,745	1,143,700	1,240,833	1,296,292	1,343,288	1,443,041	1,522,778
		Cash Position	(134,400)	(339,500)	(458,200)	(323,300)	(106,300)	277,600	718,200	1,152,300	1,787,800	2,745,800
	Average	Net Financial Liabilities	8,198,300	7,872,537	7,432,684	6,752,238	6,018,039	5,263,105	4,463,513	3,697,125	2,820,684	1,858,905
	8%	Operating Surplus Ratio 0-10%	2%	7%	7%	7%	9%	10%	10%	10%	10%	10%
	32%	Net Financial Liabilities Ratio 0-50%	53%	50%	46%	40%	35%	29%	24%	20%	14%	9%
	141%	Asset Renewal Funding Ratio 95-105%	181%	136%	134%	133%	137%	138%	138%	139%	138%	136%
		Yearly Loan amount	600,000	0	0	0	0	0	0	0	0	0
		AMP Capital Renewal	3,771,006	3,884,136	4,000,660	4,120,680	4,244,300	4,371,629	4,502,778	4,637,862	4,776,998	4,920,308
		Capital Total	8,510,000	5,790,600	5,867,200	5,676,600	6,001,000	6,225,400	6,397,400	6,626,000	6,768,900	6,912,700

NORTHERN AREAS COUNCIL
BUDGET BALANCE SHEET
2027/2036

2025 Actual	2026 Original Budget		2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $	2036 $
		ASSETS										
		Current Assets										
4,098,000	316,100	Cash and cash equivalents	(134,400)	(339,500)	(458,200)	(323,300)	(106,300)	277,600	718,200	1,152,300	1,787,800	2,745,800
1,355,000	1,583,219	Trade & other receivables	41,443	72,344	116,497	175,086	234,358	294,481	368,271	443,558	520,294	602,664
0	0	Other financial assets	0	0	0	0	0	0	0	0	0	0
256,000	50,000	Inventories	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
5,709,000	1,949,319	**Total Current Assets**	(42,957)	(217,156)	(291,703)	(98,214)	178,058	622,081	1,136,471	1,645,858	2,358,094	3,398,464
		Non-current Assets										
515,000	168,300	Financial Assets	168,300	168,300	168,300	168,300	168,300	168,300	168,300	168,300	168,300	168,300
0	0	Equity accounted investments in Council businesses	0	0	0	0	0	0	0	0	0	0
0	0	Investment property	0	0	0	0	0	0	0	0	0	0
129,581,000	121,550,800	Infrastructure Property, Plant and Equipment	125,191,100	125,979,500	126,691,400	127,072,700	127,632,200	128,268,100	128,914,800	129,641,700	130,358,300	131,069,300
130,096,000	121,719,100	**Total Non-current assets**	125,359,400	126,147,800	126,859,700	127,241,000	127,800,500	128,436,400	129,083,100	129,810,000	130,526,600	131,237,600
135,805,000	123,668,419	**Total Assets**	125,316,443	125,930,644	126,567,997	127,142,786	127,978,558	129,058,481	130,219,571	131,455,858	132,884,694	134,636,064
		LIABILITES										
		Current Liabilities										
1,891,000	1,318,900	Trade & other payables	1,627,900	1,676,737	1,727,039	1,778,850	1,832,216	1,887,182	1,943,798	2,002,112	2,062,175	2,124,040
4,343,000	684,500	Borrowings	592,000	609,200	584,600	558,500	414,500	391,900	366,900	277,400	38,000	38,000
1,019,000	1,340,854	Short-term provisions	1,381,127	1,422,561	1,465,238	1,509,195	1,554,471	1,601,105	1,649,138	1,698,612	1,749,570	1,802,057
569,000	0	Other current liabilities	0	0	0	0	0	0	0	0	0	0
7,822,000	3,344,254	**Total Current Liabilities**	3,601,027	3,708,498	3,776,877	3,846,545	3,801,186	3,880,187	3,959,836	3,978,124	3,849,745	3,964,098
		Non-current Liabilities										
0	0	Trade & other payables	0	0	0	0	0	0	0	0	0	0
241,000	4,534,400	Long-term Borrowings	4,613,700	4,004,500	3,419,900	2,861,400	2,446,900	2,055,000	1,688,100	1,410,700	1,372,700	1,334,700
39,000	57,165	Long-term Provisions	58,916	60,683	62,504	64,379	66,310	68,300	70,349	72,459	74,633	76,872
0	0	Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
280,000	4,591,565	**Total Non-current Liabilities**	4,672,616	4,065,183	3,482,404	2,925,779	2,513,210	2,123,300	1,758,449	1,483,159	1,447,333	1,411,572
8,102,000	7,935,819	**Total Liabilities**	8,273,643	7,773,681	7,259,281	6,772,324	6,314,397	6,003,487	5,718,284	5,461,283	5,297,078	5,375,670
127,703,000	115,732,600	**NET ASSETS**	117,042,800	118,156,963	119,308,716	120,370,462	121,664,161	123,054,995	124,501,287	125,994,575	127,587,616	129,260,395
		EQUITY										
19,042,000	21,644,500	Accumulated Surplus	22,706,700	23,507,862	24,334,861	25,059,903	26,004,168	27,032,962	28,103,546	29,207,603	30,397,745	31,614,825
106,911,000	90,454,000	Asset Revaluation Reserve	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000
1,750,000	3,634,100	Other Reserves	3,882,100	4,195,100	4,519,856	4,856,559	5,205,993	5,568,032	5,943,741	6,332,972	6,735,871	7,191,569
127,703,000	115,732,600	**TOTAL EQUITY**	117,042,800	118,156,963	119,308,716	120,370,462	121,664,161	123,054,995	124,501,287	125,994,575	127,587,616	129,260,395

NORTHERN AREAS COUNCIL
BUDGET CHANGES IN EQUITY
2027/2036

2025 Actual	2026 Original Budget		2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $	2036 $
		ACCUMULATED SURPLUS										
15,756,000	20,825,900	Balance at end of previous reporting period	21,644,500	22,706,700	23,507,862	24,334,861	25,059,903	26,004,168	27,032,962	28,103,546	29,207,603	30,397,745
3,420,000	1,216,300	Net Surplus / (Deficit) for Year	1,310,200	1,114,163	1,151,753	1,061,745	1,293,700	1,390,833	1,446,292	1,493,288	1,593,041	1,672,778
(134,000)	(397,700)	Transfers to Other Reserves	(248,000)	(313,000)	(324,755)	(336,703)	(349,434)	(362,039)	(375,708)	(389,232)	(402,899)	(455,699)
		Transfers from Other Reserves	0	0	0	0	0	0	0	0	0	0
19,042,000	21,644,500	**Balance at end of period**	22,706,700	23,507,862	24,334,861	25,059,903	26,004,168	27,032,962	28,103,546	29,207,603	30,397,745	31,614,825
		ASSET REVALUATION RESERVE										
90,454,000	90,454,000	Balance at end of previous reporting period	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000
16,457,000	0	Gain on revaluation of infrastructure, property, plant & equipment										
	0	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment										
106,911,000	90,454,000	**Balance at end of period**	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000	90,454,000
		OTHER RESERVES										
1,616,000	3,236,400	Balance at end of previous reporting period	3,634,100	3,882,100	4,195,100	4,519,856	4,856,559	5,205,993	5,568,032	5,943,741	6,332,972	6,735,871
	0	Transfers to Accumulated Surplus	0	0	0	0	0	0	0	0	0	0
134,000	397,700	Transfers from Accumulated Surplus	248,000	313,000	324,755	336,703	349,434	362,039	375,708	389,232	402,899	455,699
1,750,000	3,634,100	**Balance at end of period**	3,882,100	4,195,100	4,519,856	4,856,559	5,205,993	5,568,032	5,943,741	6,332,972	6,735,871	7,191,569
127,703,000	**115,732,600**	**TOTAL EQUITY AT END OF REPORTING PERIOD**	**117,042,800**	**118,156,963**	**119,308,716**	**120,370,462**	**121,664,161**	**123,054,995**	**124,501,287**	**125,994,575**	**127,587,616**	**129,260,395**

NORTHERN AREAS COUNCIL

BUDGET STATEMENT OF CASH FLOWS
2027/2036

2025 Actual	2026 Original Budget		2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $	2036 $
		CASHFLOWS FROM OPERATING ACTIVITIES										
		Receipts										
15,892,000	15,081,200	Operating receipts	15,649,100	16,141,200	16,612,100	17,097,400	17,659,600	18,210,000	18,742,900	19,291,700	19,857,000	20,437,800
170,000	155,600	Investment receipts	152,400	74,200	70,700	68,300	66,100	63,900	61,700	59,900	58,100	56,200
		Payments										
(4,894,000)	(4,751,800)	Employee costs	(5,184,800)	(5,312,400)	(5,472,800)	(5,637,600)	(5,808,000)	(5,983,500)	(6,163,100)	(6,349,000)	(6,538,400)	(6,734,200)
(5,608,000)	(4,616,300)	Materials, contracts & other services	(5,303,200)	(4,885,600)	(5,032,500)	(5,177,600)	(5,217,900)	(5,367,600)	(5,521,500)	(5,704,300)	(5,841,400)	(6,008,000)
(408,000)	(234,000)	Finance costs	(203,600)	(201,000)	(170,400)	(143,500)	(114,600)	(92,500)	(73,000)	(55,900)	(40,000)	(27,300)
5,152,000	5,634,700	**Net Cash provided by (or used in) Operating Activities**	5,109,900	5,816,400	6,007,100	6,207,000	6,585,200	6,830,300	7,047,000	7,242,400	7,495,300	7,724,500
		CASH FLOWS FROM INVESTING ACTIVITIES										
		Receipts										
3,921,000	840,000	Amounts specifically for new or upgraded assets	970,000	200,000	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
4,000	100,000	Sale of replaced assets	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
0		Sale of surplus assets										
0		Sale of investment property										
0		Net disposal of investment securities										
0		Sale of real estate developments										
52,000	54,700	Repayments of loans by community groups	57800	61100	50600	39100	41300	43500	32900	34600	36500	34200
0		Distributions received from associated entities										
		Payments										
(5,032,000)	(6,752,500)	Expenditure on renewal/replacement of assets	(6,929,000)	(5,390,600)	(5,467,200)	(5,576,600)	(5,901,000)	(6,125,400)	(6,297,400)	(6,526,000)	(6,668,900)	(6,812,700)
(408,000)	(1,111,000)	Expenditure on new/upgraded assets	(1,581,000)	(400,000)	(400,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
0	0	Purchase of investment property										
0	0	Net purchase of investment securities										
0	0	Development of real estate for sale										
0	0	Loans made to community groups										
0	0	Capital contributed to associated entities										
(1,463,000)	(6,868,800)	**Net Cash provided by (or used in) Investing Activities**	(7,382,200)	(5,429,500)	(5,516,600)	(5,487,500)	(5,809,700)	(6,031,900)	(6,214,500)	(6,441,400)	(6,582,400)	(6,728,500)
		CASH FLOWS FROM FINANCING ACTIVITIES										
		Receipts										
0	600,000	Proceeds from Borrowings	600,000	0	0	0	0	0				
0		Proceeds from of Aged Care Facility deposits										
		Payments										
(3,083,000)	(587,100)	Repayments of Borrowings	(613,200)	(592,000)	(609,200)	(584,600)	(558,500)	(414,500)	(391,900)	(366,900)	(277,400)	(38,000)
0	0	Repayment of Finance Lease Liabilities										
0	0	Repayment of Aged Care Facility deposits										
(3,083,000)	12,900	**Net Cash provided by (or used in) Financing Activities**	(13,200)	(592,000)	(609,200)	(584,600)	(558,500)	(414,500)	(391,900)	(366,900)	(277,400)	(38,000)
606,000	(1,221,200)	**Net Increase / (Decrease) in cash held**	(2,285,500)	(205,100)	(118,700)	134,900	217,000	383,900	440,600	434,100	635,500	958,000
3,492,000	1,537,300	Cash & cash equivalents at beginning of period	2,151,100	(134,400)	(339,500)	(458,200)	(323,300)	(106,300)	277,600	718,200	1,152,300	1,787,800
4,098,000	316,100	**Cash & cash equivalents at end of period**	(134,400)	(339,500)	(458,200)	(323,300)	(106,300)	277,600	718,200	1,152,300	1,787,800	2,745,800

NORTHERN AREAS COUNCIL
BUDGET UNIFORM PRESENTATION OF FINANCES
2027/2036

	2027 $	2028 $	2029 $	2030 $	2031 $	2032 $	2033 $	2034 $	2035 $	2036 $
Operating Revenues	15,801,500	16,215,363	16,682,753	17,165,745	17,725,700	18,273,933	18,804,592	19,351,588	19,915,141	20,493,978
less Operating Expenses	(15,561,300)	(15,401,200)	(15,831,000)	(16,254,000)	(16,582,000)	(17,033,100)	(17,508,300)	(18,008,300)	(18,472,100)	(18,971,200)
Adjusted Operating Surplus / (Deficit) before Capital Amounts	240,200	814,163	851,753	911,745	1,143,700	1,240,833	1,296,292	1,343,288	1,443,041	1,522,778
***less* Net Outlays on Existing Assets**										
Capital Expenditure on renewal and replacement of Existing Assets	6,929,000	5,390,600	5,467,200	5,576,600	5,901,000	6,125,400	6,297,400	6,526,000	6,668,900	6,812,700
less Depreciation, Amortisation and Impairment	(4,869,700)	(5,002,200)	(5,155,300)	(5,295,300)	(5,441,500)	(5,589,500)	(5,750,700)	(5,899,100)	(6,052,300)	(6,201,700)
less Proceeds from Sale of Replaced Assets	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
	1,959,300	288,400	211,900	181,300	359,500	435,900	446,700	526,900	516,600	511,000
***less* Net Outlays on New and Upgraded Assets**										
Capital Expenditure on New and Upgraded Assets	1,581,000	400,000	400,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
less Amounts received specifically for New and Upgraded Assets	(970,000)	(200,000)	(200,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
less Proceeds from Sale of Surplus Assets	-	-	-	-	-	-	-	-	-	-
	611,000	200,000	200,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Net Lending / (Borrowing) for Financial Year	**(2,330,100)**	**325,763**	**439,853**	**680,445**	**734,200**	**754,933**	**799,592**	**766,388**	**876,441**	**961,778**

NORTHERN AREAS COUNCIL
BUDGET FINANCIAL INDICATORS
2027/2036

	TARGET	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Operating Surplus (Deficit) before Capital Revenues	**achieve operating breakeven**	**240,200**	**814,163**	**851,753**	**911,745**	**1,143,700**	**1,240,833**	**1,296,292**	**1,343,288**	**1,443,041**	**1,522,778**
Operating Surplus Ratio *(=Adjusted Operating Surplus / Rates General & Other)*	**0% - 10%**	**2%**	**7%**	**7%**	**7%**	**9%**	**10%**	**10%**	**10%**	**10%**	**10%**
Net Financial Liabilities *(=Financial Liabilities - Financial Assets)*	**No more than annual operating revenue**	**8,198,300**	**7,872,537**	**7,432,684**	**6,752,238**	**6,018,039**	**5,263,105**	**4,463,513**	**3,697,125**	**2,820,684**	**1,858,905**
Net Financial Liabilities Ratio *(=Net Financial Liabilities / Total Operating Revenue)*	**0% - 50%**	**53%**	**50%**	**46%**	**40%**	**35%**	**29%**	**24%**	**20%**	**14%**	**9%**
Asset Renewal Funding Ratio *(=Net Asset Renewals / Depreciation Expense)*	**95% - 105% of AMP**	**181%**	**136%**	**134%**	**133%**	**137%**	**138%**	**138%**	**139%**	**138%**	**136%**