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28 April 2022

Melanie Hawyes
Deputy Secretary, Crown Lands and Local Government
Independent Pricing and Regulatory Tribunal
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BEGA VALLEY SHIRE COUNCIL- ADDITIONAL SPECIAL VARIATION APPLICATION

Ms Hawyes

Bega Valley Shire Council is seeking to apply for the one-off Additional Special Variation as per circular 22-07 Guidelines for Additional Special Variation (ASV) Process for 2022-23.

Council resolved at its Council meeting on 16 March 2022 the following:

That Council:

1. Resolve the CEO makes an immediate application under the Additional Special Variation (ASV) one-off process for the 2022-23 financial year to ensure the percentage increase in rating revenue is 2.5%, applied permanently to the rate base as specified in the modelling and adopted in the Long Term Financial Plan.
2. Receive a further report from the CEO once an application determination has been received from IPART.
3. Participate in the IPART review of the rate peg methodology, including the Local Government Cost Index and advocate for further analysis into the new population growth component.
4. Support the preparation of the next suite of Integrated Planning and Reporting on the assumption that the 2.5% increase will be approved.

Included in our submission is the completed Application Form with relevant financial data. Also included is our adopted Long Term Financial Plan from 12 May 2021 which had modelled a 2.5% rate peg increase.

It is to be noted that the variance in the rates and charges financial data provided in the application and the adopted Long Term Financial Plan relates to the way that Council is required under the Accounting Standards to account for pensioner concessions.

We welcome any further questions the IPART team may have on our submission prior to the community consultation period in May.

Yours sincerely


Anthony McMahon
Chief Executive Officer



2022-2031

Long Term Financial Plan



A photograph of a kangaroo standing in a grassy field, looking towards the right. The background shows rolling hills under a clear sky.

The Bega Valley Shire Council acknowledges the Traditional Custodians of the lands and waters of the Shire, the people of the Yuin nations, and show our respect to elders past, present and emerging.

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The wonderful images in this document are from David Rogers.
More of his impressive work is at davidrogersphotography.com

Executive Summary

The Long Term Financial Plan (LTFP) is an essential element of the Resourcing Strategy that details how the strategic aspirations of Bega Valley Shire Council (Council) outlined in the Community Strategic Plan can be achieved in terms of time, money, assets and people.

The LTFP is a 10 year financial planning document with an emphasis on long-term financial sustainability. Financial sustainability is one of the key issues facing local government, due to several contributing factors, including growing demands for community services and facilities, constrained revenue growth and ageing infrastructure.

The LTFP is formulated using a number of estimates and assumptions to project the future revenue and expenditure required by Council to deliver those services, projects and programs expected by the community. In doing so, it considers the resources that impact Council's ability to fund its services and capital works whilst remaining financial sustainable.

Since adoption of the Resourcing Strategy in 2017, Council has reviewed and adopted multiple versions of the LTFP. The most recent version of the LTFP was noted at the 26 August 2020 Council meeting and included the staged introduction of a Special Rate Variation (SRV) from the 2023 financial year.

In 2019, Council committed to a Financial Improvement Plan. A key deliverable was the review of the existing LTFP model. External contractors, Morrison Low worked with Council to develop a revised LTFP model that:

- has improved integration between asset and financial forecasts
- helps us to better understand our current financial sustainability, considering and determining options for funding of Council operations and capital works including use of reserves and grants
- proposes alternative depreciation and attribution methodologies.

Morrison Low also worked with Council to undertake a baseline review which helped to establish a revised starting point for the LTFP 2022-2031.

Four scenarios have been developed with a recommendation to proceed with Scenario 2-Improvement model which proposes an SRV of 5% per year for 5 years commencing 1 July 2023.

The LTFP provides the blueprint for the future delivery of works and services at Bega Valley Shire Council with a background of affordability and long-term financial sustainability. Moving forward without a SRV, Council is not able to remain financially sustainable. Rising costs will exceed our capacity to generate enough income to meet the needs of our community with service provision and asset maintenance. Increasing our revenue source that spreads the investment and acknowledges intergenerational equity is required.

Financial Sustainability

The purpose of this plan is not to provide specific detail about various individual works or services. The LTFP provides a decision-making tool that allows various assumptions and sensitivity analysis to be carried out, indicating the ability of Council to deliver cost-effective services to our community and ensuring appropriate maintenance and replacement of our ageing infrastructure within a framework of financial sustainability.

Financial sustainability for Bega Valley Shire Council means:

- Council must have an appropriately funded capital program
- Council must maintain its asset base 'fit for purpose'
- Council must achieve a fully funded operating position
- Council must maintain sufficient cash reserves
- Council must have adequate resources to meet ongoing compliance obligations.

The above presents us with challenges that have informed the LTFP forecasting model and in simple terms can be expressed as:

- Fund the capital program with a focus on renewing existing assets, not building 'new' assets; including consideration of life-cycle costing of assets in decision making
- Investment in our asset base at agreed service levels (which includes potential asset rationalisation to focus investment on priority community assets)

- General Fund expenses do not exceed income (stop spending more than we have) and we work towards a positive cash flow
- Reporting our externally restricted reserves and active monitoring of internal reserves managed by Council.
- Return to our target of \$1.5m in unrestricted reserves
- Priority of Council is to meet our legal obligations (core/non-discretionary); all reserves to be cash-backed

The other area of focus is to ensure cost recovery scoping for grants and any other service areas that should have a cash neutral operating position.

The LTFP aims to demonstrate to the public that with sound financial management and comprehensive planning, Council will continue to be financially sustainable well into the future. Should the Council or the community choose to change the current level of services or projects delivered by Council then the financial impacts of those decisions and cost to the community must be taken into consideration. This is why a review of the LTFP is undertaken annually with the operational plan and budget.



General Assumptions

In planning for the financial year 2021-2022 and beyond, Council has made a range of assumptions. Our current budget and LTFP model is based on the most likely scenarios.

As part of undertaking financial modelling, key assumptions that underpin the estimates must be made. The following assumptions have been used in the modelling contained in the LTFP.

Growth

In assessing future growth we have referred to NSW Planning and Environment's Final 2016 Local Government Area Population, Household and Dwelling Projections for the Bega Valley. The Bega Valley population is projected to decrease from 33,941 in 2016 to 33,198 in 2036. It is expected that these figures will be adjusted, with an anticipated positive population increase as a result of COVID-19, once renewed data is released.

Inflation (Consumer Price Index - CPI)

We have applied a 2.5% annual increase for the duration of the model.

Asset Management

One key assumption of the LTFP is that Council's current Asset Management Plans (AMPS's) reflect an accurate maintenance profile for all of Council's \$1 billion of assets. A draft Asset Management Strategy has been provided by Morrison Low that has informed the LTFP presented. These assumptions and 12 improvement recommendations will be reviewed by the Council's Asset Management Group (AMG). These actions will inform the future Asset Management Strategy to be developed for the incoming Council in September 2021 as part of the next Integrated Planning and Reporting cycle.

Council is also investing into an asset management system to improve the timeliness, relevance and accuracy of data. It is considered a critical investment for Council if we are to make significant progress in this area of our operations.

Service Standards

Council's current service standards are at the required levels i.e. there are no expected increases to level of services in any of Council's operational areas unless otherwise provided for in the LTFP.

Revenue Assumptions

In determining the likely revenue that will be available to meet the community's long-term objectives, we have considered the following:

Rates and Charges

As this is a major component of Council's revenue base the FY2022 reviewed LTFP includes forecasting of a Special Rate Variation (SRV). The process for an SRV includes an assessment of the community's capacity and willingness to pay rates prior to making a formal application to IPART to introduce the SRV.

Other ways that Council considers when making revenue assumptions is:

- the potential to reduce reliance on rates through increased revenues from other sources
- the projected impact of the rate cap
- the changes in rating revenues from changing demographics or legislation changes
- the need for a special rate variation to general income to increase revenue and meet our asset management and service delivery responsibilities
- any need to increase the reliance on rating due to a reduction of revenues from other sources such as a decline in grants and subsidies.

The LTFP model includes the 2021 annual Rate Peg inflation of 2.0% issued by the Independent Pricing and Regulatory Tribunal IPART, with subsequent years based on an estimate of the Local Government Cost Index.

User Fees and Charges

A number of the services we provide are offered on a user pays basis. In general, Council follows a cost-recovery philosophy towards the provision of services. It recognises people's ability to pay and balances an expectation that some services will be cross subsidised from rates for the common good of the community.

In preparing this LTFP, possible future income from fees and charges has been refined by moving towards identifying the true cost of service delivery for each area of Council so accurate and reflective fees and charges can be applied. The LTFP model currently allows for a 2.5% increase each year to apply to fees and charges, except where determined otherwise by relevant legislation or a Council resolution.

Grants and Subsidies

We receive an annual Financial Assistance Grant allocation from the Commonwealth as well as grants for specific projects and programs. In preparing the LTFP we have assumed we will continue to receive both operating and capital grants and have applied a 2.5% increase for the duration of the model. Should these grants and subsidies be reduced, our ability to provide the same level of service will be impacted.

Specifically for capital grants, they should only be applied for if there is strategic alignment with Council's adopted direction. The application must consider appropriate project costs and inflation given market demand and rising construction costs. The

acceptance of the grant must consider all ongoing operations, maintenance and renewal linked to the capital project being delivered. Should the identified capital grant funding source not be achieved then the projects must be re-evaluated.

Capital grant income should be directly linked to the expenditure and a conservative approach to predicting grant success should be applied. Over the past four years the capital grant environment has seen an unprecedented level of external funding, which is expected to stabilise in the coming years with both State and Federal Governments needing to manage their deficit budgets. Where known, capital grants received for specific project related purposes have been included in the year we anticipate they will be received.

Developer Contributions

Section 7.11 and Section 7.12 developer contributions must be expended on the works outlined in the adopted [Contributions Plan](#). Revenue from these contributions is largely aligned to population and housing growth and have been modelled at conservative levels, close to CPI, with allocation of the contributions to capital works sitting at 85% of the projected income.

Asset and Land Sales

Council is reviewing its current land and asset holdings and divesting where no longer required for the operation of Council. Income from asset and land sales is only included in the LTFP and annual budget

when the sale proceeds are received and the income is deposited in the appropriate reserve.

Asset sales related to the sale of plant once it has reached the end of its useful life with Council is outlined in a detailed change-over plan which estimates the trade value of all items of plant and the year of optimum trade. The overall impact of asset sales does not impact the LTFP as the balancing entry will be asset purchase (replacement of the fleet). The net impact is always zero.

Reserve Transfers

Council uses reserves (cash set aside for a specific purpose) as a means of building up required funds, rather than relying on borrowing. Council has recently sought to reduce and realign the reserves we hold. Many of the reserves are restricted due to regulations and cannot be allocated to general use. Reserve balances are reported quarterly and movements are reported to Council via the quarterly budget review process. In all instances where reserve funds are used in the LTFP, calculations are undertaken to ensure adequate funding will exist to meet the LTFP forecasts.

Borrowings

The LTFP recognises debt as an important source of funds for large capital projects. Council finances some of its major infrastructure expenditure through borrowings. This allows the cost of these long-lived assets to be spread over a number of years and across the generations that will use them and smooths out long term expenditure peaks and troughs. In March

2021 Council investigated the possibility of reducing its current loan obligations by taking advantage of the current interest rate market by either consolidating its debt facilities and/or reducing interest rates on the outstanding debts. The break costs for the loans were significant and prohibitive in progressing with any consolidation or refinancing.

There are new borrowings included in year 1 (FY2022) of the ten year period of the LTFP. Details of these borrowings are outlined in the Revenue Policy attached to the 2021-2022 Operational Plan. As outlined in Council's adopted Financial Strategy the use of loan proceeds is only to fund capital projects. The LTFP forecasts both the quantum of any borrowings required to fund the planned capital project as well as the cost to repay that debt. The model includes a debt allocation and subsequent repayment profiles.

Interest and Investment Income

The cash rate since the year 2000 has averaged approximately five per cent. Currently, yields are approximately two per cent. The amount currently received in General Fund is only minor and will not have a material change with large variations in interest rate movements. Income from interest and investments in the LTFP model is set at 1% until FY2024 and then increases to 3%.

Depreciation

Depreciation is listed as an operating expense as a measure of asset consumption. Actual cash is spent

in the capital budget on those assets. By showing depreciation as an operating expense that is offset by capital income, Council can reflect the true expenditure on assets.

Other Revenue

For operating revenue this includes items such as fines, recovery fees, fundraising and insurance claims. These have been forecast to increase by 2.5% in the LTFP model, using the CPI factor. Capital contributions by third parties (not levels of Government) can be included in the LTFP or annual budget process as they are confirmed.

Expenditure Assumptions

In developing expenditure forecasts, new expenditure items and ongoing commitments have been considered. This includes costs for capital and recurrent expenditures such as maintenance costs and capital renewals for infrastructure assets. Consideration has also been given to appropriate phasing of when the costs are expected to be incurred including expenditure for planning, construction, implementation and ongoing maintenance.

The capital expenditure forecasts are taken directly from Council's Asset Management Plans. These values represent the funding required by the asset owners to deliver on the adopted level of service. It is important to understand that a change in level of service whether to increase or decrease must result in a change to the funding of that service as well as its resourcing profile.

To provide better clarity and consistent reporting in line with our financial statements and to foster links through to our Asset Management Plans this LTFP categorises operating expenditure into:

- employment costs
- borrowing costs
- materials and contracts
- depreciation and amortisation
- other expenses.

Due to the difficulties in forecasting some of these categories, the LTFP in some instances uses a historical trend formula to assign expenditure as a guide to future decision-making.

Employment Costs

Employment costs are impacted by a number of issues including skill shortages across the local government sector, staff turnover due to an ageing workforce; superannuation increases; award salary increases being above CPI and the rate peg.

The current Local Government State Award provides for an annual increase of 2.5% per annum and this has been included for the duration of the LTFP model. The LTFP also includes the superannuation guarantee increase commencing in 2021 from 9.5% to 10%.

Borrowing Costs

The borrowing costs on any new borrowings (excluding those already outlined in the 2021-2022 Operational Plan) have been modelled at 5.15% in FY2022 and FY2023 and then increases to 9% in FY2024 for the remainder of the model.

Materials and Contracts

Materials and contracts costs represent a significant investment to deliver services to the community. It covers all materials used in operational activities including contract and consultancy expenditure. The LTFP allows for an increase of 2.4% per annum for the duration of the model.

Depreciation and Amortisation

Depreciation is a charge made against each of Council's assets in an attempt to measure its degradation over the financial year less any residual

value at point of sale. Council's depreciation methodology can be found in the notes to the General Purpose Financial Statements. The depreciation expense assumed in the LTFP has been calculated in accordance with this methodology. Estimates have also been included for the projected depreciation cost of new assets that are identified within the proposed capital works program.

Other Expenses

This category primarily relates to utility costs, insurances, statutory charges (including election costs, emergency services levy) and other program expenditure such as software licensing, councillor expenses and valuation fees. The LTFP allows for an increase of 2.5% per annum for the duration of the model.

Scenarios

We have developed four scenarios in the LTFP forecast model, with Scenario 2 - Improvement Model recommended for adoption.

Scenario 1 - Base Case

The Base Case model was informed by revised asset management and financial assumptions for forecasting. This is the scenario and data that Council will use to measure future decisions and impacts on our financial sustainability.

Scenario 2 - Improvement Model [RECOMMENDED]

The Improvement Model proposes an SRV of 5% per year for 5 years commencing 1 July 2023. This is the recommended model and will assist Council in it's improvement journey to remain financially sustainable.

Scenario 3 - Sustainability Model

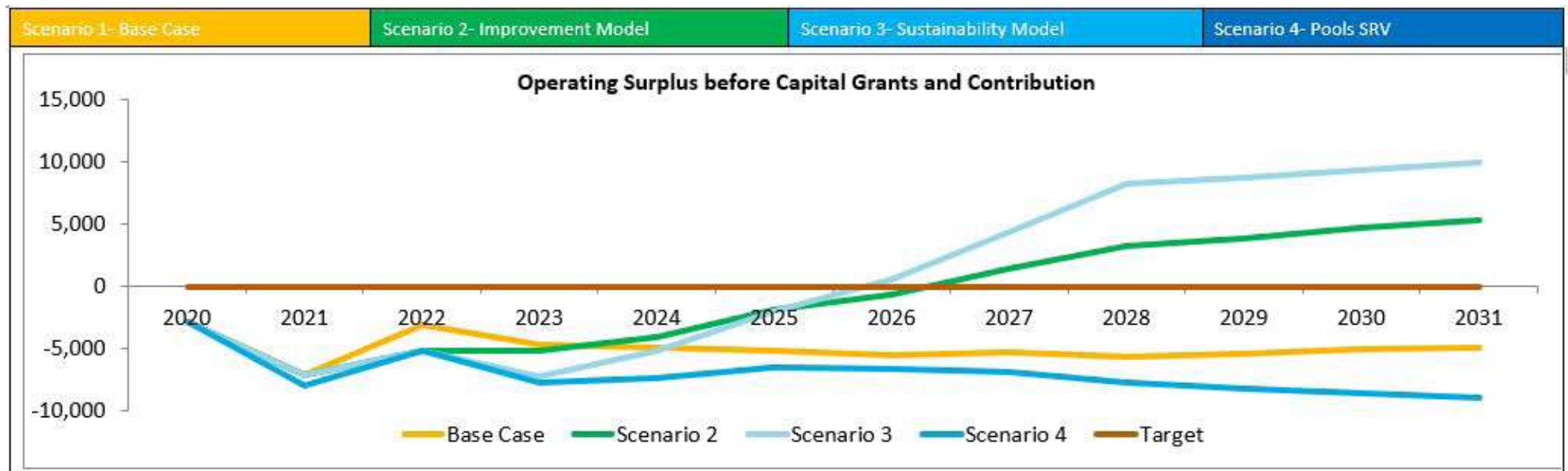
The Sustainability Model proposes an SRV of 10% per year for 5 years commencing 1 July 2023.

Scenario 4 - Pools SRV Model

The Pools SRV Model proposes an SRV RV of 2.9% in Year1, 2.76% in Year 2 and 2.63% in Year 3 commencing 1 July 2023.

The financial statement forecasts for each scenario and graphs are included in the Appendix.

SCENARIO COMPARISON- GENERAL FUND OPERATING RESULT BEFORE CAPITAL GRANTS AND CONTRIBUTIONS



Performance Monitoring

A key part of the LTFP is the measurement of performance against the plan. IPART and NSW Treasury Corporation (TCORP) have provided ratios which serve as benchmarks to assess in the measurement of performance and to assess the long term financial sustainability of local government bodies. Council is required to publish the ratios in the Annual Financial Statements under Note 26(a). The performance measures demonstrate performance trends on the basis of forward projections and assumptions contained in the LTFP. These projections are based on Scenario 2- Improvement Model for the General Fund.

Year	Benchmark	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. Operating Performance											
Total continuing operating revenue excluding capital grants and contributions	>0	0.01	0.02	0.03	0.05	0.06	0.07	0.09	0.09	0.10	0.11
Total continuing operating revenue excluding capital grants and contributions											
2. Unrestricted Current Ratio											
Current asset less all external restrictions											
Current liabilities less specific purpose liabilities	>1.5	-0.2	1.2	0.8	1.2	1.8	2.5	2.7	2.8	2.9	3.0
3. Own Source Operating Revenue Ratio											
Total continuing operating revenue excluding all grants and contributions											
Total continuing operating revenue inclusive of capital grants and contributions	>60%	52%	65%	73%	74%	75%	75%	76%	76%	76%	77%
4. Debt Service Cover Ratio											
Operating results before capital excluding interest and depreciation/impairment/amortisation											
Principal repayments (from the statement of cash flow) plus borrowing interest costs (from the income statement)	>2	5.4	5.9	7.0	8.6	9.1	14.4	15.6	20.0	21.1	22.2
5. Cash Expense Cover Ratio											
Current period's cash and cash equivalents + term deposits											
Payments from cash flow of operating and financial activities	>3 months	18.3	17.4	17.2	17.3	12.3	13.2	15.8	18.7	23.3	28.0
6. Building and Infrastructure Renewals Ratio											
Asset renewals (renewals only for Infrastructure Assets)	>100%	244%	64%	78%	79%	36%	58%	50%	35%	44%	32%

Appendix

2022-2031

Long Term Financial Plan



Scenario 1 Financial Statements - Base Case

Income Statement - Consolidated

Base Case	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Income from continuing operations										
Rates and annual charges	55,593	56,957	58,407	59,920	61,500	63,206	64,917	66,766	68,668	70,464
User charges and fees	20,459	20,992	21,539	22,100	22,675	23,266	23,860	24,470	25,094	25,735
Interest and investment revenue	1,155	2,239	2,228	1,822	1,281	1,099	1,267	1,381	1,851	2,328
Other revenues	3,216	3,296	3,379	3,463	3,550	3,639	3,730	3,823	3,918	4,016
Grants and contributions - Operating	32,912	33,735	34,578	35,443	36,329	37,237	38,168	39,122	40,100	41,103
Grants and contributions - Capital	41,668	10,867	7,630	5,454	5,481	5,510	5,539	5,568	5,599	5,599
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-
Total Income	155,003	128,086	127,761	128,202	130,816	133,956	137,481	141,129	145,231	149,245
Expenses from continuing operations										
Employee benefits and oncosts	35,572	36,461	37,373	38,307	39,265	40,246	41,253	42,284	43,341	44,425
Borrowing costs	1,404	1,360	1,187	1,034	894	755	635	512	396	272
Materials and contracts	41,397	42,391	43,408	44,450	45,516	46,609	47,727	48,873	50,046	51,247
Depreciation and amortisation	26,239	28,848	29,978	31,329	32,496	33,421	34,804	35,700	36,609	37,525
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	7,751	7,945	8,143	8,347	8,556	8,770	8,989	9,214	9,444	9,680
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	112,363	117,005	120,090	123,467	126,727	129,801	133,408	136,583	139,836	143,148
Net Operating Result	42,640	11,081	7,671	4,735	4,089	4,156	4,073	4,547	5,395	6,097
Net operating result before grants and contributions provided for capital purposes	972	214	41	(719)	(1,392)	(1,354)	(1,466)	(1,021)	(204)	498

Statement of Financial Position - Consolidated

Base Case	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Current assets										
Cash and investments	74,625	74,280	53,501	14,731	7,556	13,494	18,225	36,180	53,658	79,182
Receivables	10,854	11,118	11,409	11,715	12,036	12,390	12,742	13,125	13,521	13,884
Inventories	959	982	1,005	1,029	1,054	1,079	1,105	1,132	1,159	1,187
Other	-	-	-	-	-	-	-	-	-	-
Total current assets	86,437	86,380	65,915	27,475	20,647	26,963	32,072	50,437	68,338	94,253
Non-current assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	36	37	38	39	40	41	42	44	45	46
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	1,265,688	1,316,165	1,385,969	1,472,686	1,527,414	1,574,074	1,623,487	1,662,077	1,702,231	1,737,237
Investment property	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-
Total non-current assets	1,265,725	1,316,202	1,386,007	1,472,725	1,527,454	1,574,115	1,623,530	1,662,120	1,702,276	1,737,283
Total Assets	1,352,162	1,402,582	1,451,923	1,500,200	1,548,101	1,601,078	1,655,602	1,712,557	1,770,614	1,831,536
Current liabilities										
Payables	7,775	7,966	8,162	8,363	8,569	8,779	8,995	9,216	9,443	9,675
Income received in advance	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Borrowings	4,006	3,637	3,271	3,411	2,242	2,362	1,953	2,070	2,174	1,616
Provisions	7,114	7,292	7,475	7,661	7,853	8,049	8,251	8,457	8,668	8,885
Total current liabilities	33,196	33,196	33,207	33,735	32,964	33,491	33,499	34,043	34,585	34,476
Non-current liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	25,781	22,144	18,873	15,463	13,221	10,859	8,905	6,836	4,662	3,046
Provisions	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011
Total non-current liabilities	31,792	28,155	24,884	21,474	19,232	16,870	14,916	12,847	10,673	9,057
Total Liabilities	64,988	61,350	58,091	55,209	52,195	50,360	48,415	46,890	45,258	43,533
NET ASSETS	1,287,174	1,341,232	1,393,832	1,444,991	1,495,906	1,550,718	1,607,187	1,665,667	1,725,356	1,788,003

Statement of Cash Flows - Consolidated

Base Case	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cash flows from operating activities										
<i>Receipts:</i>										
Rates and annual charges	55,593	56,957	58,407	59,920	61,500	63,206	64,917	66,766	68,668	70,464
User charges and fees	20,565	20,706	21,226	21,771	22,331	22,889	23,496	24,073	24,686	25,358
Investment revenue and interest	1,155	2,239	2,228	1,822	1,281	1,099	1,267	1,381	1,851	2,328
Grants and contributions	74,580	44,602	42,208	40,897	41,810	42,747	43,707	44,690	45,699	46,702
Other	3,216	3,297	3,380	3,464	3,551	3,640	3,731	3,824	3,920	4,017
<i>Payments:</i>										
Employee benefits and on-costs	(35,554)	(36,639)	(37,555)	(38,494)	(39,456)	(40,443)	(41,454)	(42,490)	(43,552)	(44,641)
Materials and contracts	(41,934)	(42,222)	(43,236)	(44,273)	(45,336)	(46,423)	(47,538)	(48,678)	(49,846)	(51,043)
Borrowing costs	(1,404)	(1,360)	(1,187)	(1,034)	(894)	(755)	(635)	(512)	(396)	(272)
Other	(7,751)	(7,945)	(8,143)	(8,347)	(8,556)	(8,770)	(8,989)	(9,214)	(9,444)	(9,680)
Net cash provided (or used) in operating activities	68,464	39,635	37,327	35,726	36,231	37,190	38,502	39,840	41,585	43,234
Cash flows from investing activities										
<i>Receipts:</i>										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	3,488	1,490	1,258	1,350	2,435	1,639
Other	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(53,450)	(36,348)	(54,854)	(71,621)	(40,398)	(29,424)	(31,822)	(20,355)	(22,470)	(15,981)
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(53,450)	(36,348)	(54,854)	(71,621)	(36,910)	(27,934)	(30,564)	(19,005)	(20,035)	(14,342)
Cash flows from financing activities										
<i>Receipts:</i>										
New loans	4,077	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Loan repayments	(3,987)	(4,006)	(3,637)	(3,271)	(3,411)	(2,242)	(2,362)	(1,953)	(2,070)	(2,174)
Net cash provided (or used) in financing activities	90	(4,006)	(3,637)	(3,271)	(3,411)	(2,242)	(2,362)	(1,953)	(2,070)	(2,174)
Net increase / (decrease) in cash	15,104	(720)	(21,164)	(39,165)	(4,091)	7,013	5,577	18,882	19,480	26,718
Cash at the beginning of the year	70,278	85,382	84,663	63,499	24,334	20,243	27,256	32,833	51,715	71,195
Cash at the end of the year	85,382	84,663	63,499	24,334	20,243	27,256	32,833	51,715	71,195	97,913

Scenario 2 Financial Statements - Improvement Model

Income Statement - Consolidated

Scenario 2	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Income from continuing operations										
Rates and annual charges	55,592	56,959	59,694	62,621	65,757	69,185	72,796	74,886	77,038	79,053
User charges and fees	20,423	20,956	21,501	22,062	22,636	23,226	23,819	24,427	25,051	25,691
Interest and investment revenue	1,190	2,388	2,608	3,204	2,987	3,239	3,844	4,456	5,461	6,527
Other revenues	3,216	3,297	3,379	3,464	3,550	3,639	3,730	3,823	3,919	4,017
Grants and contributions - Operating	32,911	33,734	20,577	21,092	21,619	22,159	22,713	23,281	23,863	24,460
Grants and contributions - Capital	41,667	10,867	10,867	10,867	10,867	10,867	10,867	10,867	10,867	10,867
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-
Total Income	154,999	128,199	118,627	123,309	127,416	132,316	137,769	141,741	146,199	150,614
Expenses from continuing operations										
Employee benefits and oncosts	35,573	36,462	37,374	38,308	39,266	40,248	41,254	42,285	43,342	44,426
Borrowing costs	1,404	1,300	1,130	979	841	705	588	468	354	233
Materials and contracts	41,397	42,391	29,408	30,114	30,836	31,576	32,334	33,110	33,905	34,719
Depreciation and amortisation	26,239	27,093	28,173	29,470	30,584	31,461	32,795	33,641	34,499	35,362
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	7,751	7,945	8,143	8,347	8,556	8,770	8,989	9,214	9,444	9,680
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	112,365	115,190	104,228	107,218	110,083	112,760	115,960	118,718	121,544	124,419
Net Operating Result	42,635	13,009	14,399	16,091	17,332	19,555	21,809	23,023	24,655	26,195
Net operating result before grants and contributions provided for capital purposes	968	2,142	3,532	5,224	6,465	8,688	10,942	12,156	13,788	15,328

Statement of Financial Position - Consolidated

Scenario 2	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Current assets										
Cash and investments	119,345	120,937	104,732	76,730	84,041	104,531	125,824	161,578	198,673	243,813
Receivables	10,122	10,368	10,992	11,664	12,390	13,194	14,043	14,472	14,913	15,314
Inventories	907	929	348	356	365	374	383	392	401	411
Other	-	-	-	-	-	-	-	-	-	-
Total current assets	130,374	132,234	116,071	88,751	96,796	118,098	140,250	176,441	213,987	259,538
Non-current assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	36	37	38	39	41	42	44	45	46	47
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	1,300,446	1,352,381	1,423,686	1,511,951	1,568,271	1,616,562	1,667,649	1,707,953	1,749,865	1,786,672
Investment property	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-
Total non-current assets	1,300,481	1,352,417	1,423,724	1,511,990	1,568,311	1,616,604	1,667,693	1,707,998	1,749,911	1,786,720
Total Assets	1,430,855	1,484,651	1,539,795	1,600,740	1,665,107	1,734,702	1,807,943	1,884,439	1,963,898	2,046,257
Current liabilities										
Payables	7,689	7,879	6,190	6,343	6,500	6,662	6,827	6,996	7,170	7,347
Income received in advance	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Borrowings	3,911	3,539	3,170	3,308	2,136	2,254	1,842	1,956	2,057	1,496
Provisions	7,115	7,292	7,475	7,662	7,853	8,050	8,251	8,457	8,668	8,885
Total current liabilities	33,015	33,010	31,135	31,613	30,790	31,265	31,220	31,709	32,195	32,028
Non-current liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	25,969	22,429	19,259	15,952	13,815	11,562	9,720	7,764	5,707	4,211
Provisions	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011
Total non-current liabilities	31,980	28,440	25,270	21,963	19,826	17,573	15,731	13,775	11,718	10,222
Total Liabilities	64,995	61,451	56,405	53,575	50,617	48,838	46,950	45,484	43,912	42,250
NET ASSETS	1,365,860	1,423,200	1,483,390	1,547,165	1,614,491	1,685,864	1,760,992	1,838,955	1,919,985	2,004,007

Statement of Cash Flows - Consolidated

Scenario 2	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cash flows from operating activities										
<i>Receipts:</i>										
Rates and annual charges	55,592	56,959	59,694	62,621	65,757	69,185	72,796	74,886	77,038	79,053
User charges and fees	21,284	20,709	20,878	21,389	21,910	22,423	22,969	23,999	24,609	25,290
Investment revenue and interest	1,190	2,388	2,608	3,204	2,987	3,239	3,844	4,456	5,461	6,527
Grants and contributions	74,578	44,601	31,444	31,959	32,486	33,026	33,580	34,148	34,730	35,327
Other	3,212	3,298	3,380	3,465	3,552	3,641	3,732	3,824	3,920	4,018
<i>Payments:</i>										
Employee benefits and on-costs	(35,568)	(36,640)	(37,556)	(38,495)	(39,457)	(40,444)	(41,455)	(42,491)	(43,554)	(44,643)
Materials and contracts	(41,947)	(42,223)	(30,516)	(29,969)	(30,688)	(31,424)	(32,178)	(32,950)	(33,741)	(34,551)
Borrowing costs	(1,404)	(1,300)	(1,130)	(979)	(841)	(705)	(588)	(468)	(354)	(233)
Other	(7,751)	(7,945)	(8,143)	(8,347)	(8,556)	(8,770)	(8,989)	(9,214)	(9,444)	(9,680)
Net cash provided (or used) in operating activities	69,185	39,845	40,659	44,849	47,149	50,171	53,711	56,190	58,666	61,108
Cash flows from investing activities										
<i>Receipts:</i>										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	1,360	1,651	1,167	1,570	3,488	1,490	1,258	1,350	2,435	1,639
Other	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(85,299)	(36,348)	(54,854)	(71,621)	(40,398)	(29,424)	(31,822)	(20,355)	(22,470)	(15,981)
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(83,939)	(34,697)	(53,687)	(70,051)	(36,910)	(27,934)	(30,564)	(19,005)	(20,035)	(14,342)
Cash flows from financing activities										
<i>Receipts:</i>										
New loans	4,077	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Loan repayments	(3,894)	(3,911)	(3,539)	(3,170)	(3,308)	(2,136)	(2,254)	(1,842)	(1,956)	(2,057)
Net cash provided (or used) in financing activities	183	(3,911)	(3,539)	(3,170)	(3,308)	(2,136)	(2,254)	(1,842)	(1,956)	(2,057)
Net increase / (decrease) in cash	(14,571)	1,238	(16,567)	(28,372)	6,930	20,100	20,894	35,343	36,674	44,709
Cash at the beginning of the year	113,489	98,917	100,155	83,588	55,216	62,146	82,246	103,140	138,484	175,158
Cash at the end of the year	98,917	100,155	83,588	55,216	62,146	82,246	103,140	138,484	175,158	219,868

Scenario 3 Financial Statements - Sustainability

Income Statement - Consolidated

Scenario 3	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Income from continuing operations										
Rates and annual charges	55,592	56,959	60,978	65,445	70,422	76,050	82,272	84,656	87,110	89,387
User charges and fees	20,423	20,956	21,501	22,062	22,636	23,226	23,819	24,427	25,051	25,691
Interest and investment revenue	1,190	2,467	2,476	2,495	1,980	2,064	2,468	2,946	3,838	4,794
Other revenues	3,216	3,297	3,379	3,464	3,550	3,639	3,730	3,823	3,919	4,017
Grants and contributions - Operating	32,911	33,734	20,577	21,092	21,619	22,159	22,713	23,281	23,863	24,460
Grants and contributions - Capital	41,667	10,867	10,867	10,867	10,867	10,867	10,867	10,867	10,867	10,867
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-
Total Income	155,000	128,279	119,779	125,424	131,074	138,005	145,869	150,000	154,648	159,215
Expenses from continuing operations										
Employee benefits and oncosts	35,573	36,462	37,374	38,308	39,266	40,248	41,254	42,285	43,342	44,426
Borrowing costs	1,404	1,360	1,187	1,034	894	755	635	512	396	272
Materials and contracts	41,397	42,391	29,408	30,114	30,836	31,576	32,334	33,110	33,905	34,719
Depreciation and amortisation	26,239	29,082	30,431	32,006	33,402	34,689	36,444	37,721	39,021	40,336
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	7,751	7,945	8,143	8,347	8,556	8,770	8,989	9,214	9,444	9,680
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	112,365	117,240	106,543	109,809	112,953	116,038	119,656	122,842	126,107	129,432
Net Operating Result	42,635	11,039	13,236	15,615	18,121	21,967	26,213	27,158	28,541	29,783
Net operating result before grants and contributions provided for capital purposes	968	172	2,369	4,748	7,254	11,100	15,346	16,291	17,674	18,916

Statement of Financial Position - Consolidated

Scenario 3	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Current assets										
Cash and investments	118,136	108,752	81,793	43,930	42,841	53,964	68,188	97,665	128,671	167,885
Receivables	10,122	10,368	11,342	12,435	13,663	15,067	16,629	17,138	17,662	18,134
Inventories	907	929	348	356	365	374	383	392	401	411
Other	-	-	-	-	-	-	-	-	-	-
Total current assets	129,165	120,049	93,483	56,721	56,869	69,404	85,200	115,195	146,734	186,430
Non-current assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	36	37	38	40	42	44	47	48	49	51
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	1,307,734	1,369,297	1,450,111	1,547,758	1,613,334	1,676,430	1,742,137	1,796,871	1,853,020	1,903,865
Investment property	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-
Total non-current assets	1,307,769	1,369,334	1,450,149	1,547,798	1,613,376	1,676,474	1,742,184	1,796,919	1,853,069	1,903,915
Total Assets	1,436,934	1,489,383	1,543,632	1,604,519	1,670,245	1,745,879	1,827,383	1,912,114	1,999,803	2,090,345
Current liabilities										
Payables	7,689	7,879	6,190	6,343	6,500	6,662	6,827	6,996	7,170	7,347
Income received in advance	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Borrowings	4,006	3,637	3,271	3,411	2,242	2,362	1,953	2,070	2,174	1,616
Provisions	6,678	6,845	7,016	7,191	7,371	7,555	7,744	7,938	8,136	8,339
Total current liabilities	32,673	32,660	30,776	31,245	30,414	30,879	30,824	31,304	31,779	31,603
Non-current liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	25,781	22,144	18,873	15,463	13,221	10,859	8,905	6,836	4,662	3,046
Provisions	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011
Total non-current liabilities	31,792	28,155	24,884	21,474	19,232	16,870	14,916	12,847	10,673	9,057
Total Liabilities	64,465	60,815	55,660	52,719	49,645	47,748	45,741	44,150	42,452	40,660
NET ASSETS	1,372,469	1,428,568	1,487,972	1,551,800	1,620,600	1,698,130	1,781,643	1,867,963	1,957,351	2,049,686

Statement of Cash Flows - Consolidated

Scenario 3	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cash flows from operating activities										
<i>Receipts:</i>										
Rates and annual charges	55,592	56,959	60,978	65,445	70,422	76,050	82,272	84,656	87,110	89,387
User charges and fees	21,284	20,709	20,528	20,969	21,408	21,822	22,257	23,919	24,527	25,219
Investment revenue and interest	1,190	2,467	2,476	2,495	1,980	2,064	2,468	2,946	3,838	4,794
Grants and contributions	74,578	44,601	31,444	31,959	32,486	33,026	33,580	34,148	34,730	35,327
Other	3,212	3,298	3,381	3,466	3,552	3,641	3,732	3,825	3,920	4,018
<i>Payments:</i>										
Employee benefits and on-costs	(35,478)	(36,629)	(37,545)	(38,484)	(39,446)	(40,432)	(41,443)	(42,479)	(43,541)	(44,629)
Materials and contracts	(41,947)	(42,223)	(30,516)	(29,969)	(30,688)	(31,424)	(32,178)	(32,950)	(33,741)	(34,551)
Borrowing costs	(1,404)	(1,360)	(1,187)	(1,034)	(894)	(755)	(635)	(512)	(396)	(272)
Other	(7,751)	(7,945)	(8,143)	(8,347)	(8,556)	(8,770)	(8,989)	(9,214)	(9,444)	(9,680)
Net cash provided (or used) in operating activities	69,275	39,876	41,416	46,500	50,265	55,223	61,065	64,338	67,004	69,613
Cash flows from investing activities										
<i>Receipts:</i>										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	1,360	1,651	1,167	1,570	3,488	1,490	1,258	1,350	2,435	1,639
Other	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(86,415)	(42,048)	(60,554)	(77,321)	(46,098)	(38,024)	(40,422)	(28,955)	(31,070)	(24,581)
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(85,055)	(40,397)	(59,387)	(75,751)	(42,610)	(36,534)	(39,164)	(27,605)	(28,635)	(22,942)
Cash flows from financing activities										
<i>Receipts:</i>										
New loans	4,077	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Loan repayments	(3,987)	(4,006)	(3,637)	(3,271)	(3,411)	(2,242)	(2,362)	(1,953)	(2,070)	(2,174)
Net cash provided (or used) in financing activities	90	(4,006)	(3,637)	(3,271)	(3,411)	(2,242)	(2,362)	(1,953)	(2,070)	(2,174)
Net increase / (decrease) in cash	(15,691)	(4,527)	(21,609)	(32,522)	4,244	16,447	19,539	34,780	36,299	44,497
Cash at the beginning of the year	135,767	120,076	115,549	93,940	61,419	65,662	82,109	101,648	136,428	172,727
Cash at the end of the year	120,076	115,549	93,940	61,419	65,662	82,109	101,648	136,428	172,727	217,223

Scenario 4 Financial Statements - Pools SRV Model

Income Statement - Consolidated

Scenario 4	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Income from continuing operations										
Rates and annual charges	55,247	56,606	58,790	61,053	63,405	65,165	66,931	68,840	70,804	72,657
User charges and fees	20,423	20,956	21,501	22,062	22,636	23,226	23,819	24,427	25,051	25,691
Interest and investment revenue	1,190	2,466	2,472	2,430	1,798	1,685	1,782	1,816	2,224	2,639
Other revenues	3,216	3,297	3,379	3,464	3,550	3,639	3,730	3,823	3,919	4,017
Grants and contributions - Operating	32,911	33,734	20,577	21,092	21,619	22,159	22,713	23,281	23,863	24,460
Grants and contributions - Capital	41,667	10,867	10,867	10,867	10,867	10,867	10,867	10,867	10,867	10,867
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-
Total Income	154,654	127,925	117,587	120,967	123,875	126,741	129,842	133,054	136,728	140,330
Expenses from continuing operations										
Employee benefits and oncosts	35,573	36,462	37,374	38,308	39,266	40,248	41,254	42,285	43,342	44,426
Borrowing costs	1,404	1,360	1,187	1,034	894	755	635	512	396	272
Materials and contracts	41,397	42,391	29,408	30,114	30,836	31,576	32,334	33,110	33,905	34,719
Depreciation and amortisation	26,239	29,082	30,431	32,006	33,402	34,689	36,444	37,721	39,021	40,336
Impairment	-	-	-	-	-	-	-	-	-	-
Other expenses	7,751	7,945	8,143	8,347	8,556	8,770	8,989	9,214	9,444	9,680
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Total Expenses	112,365	117,240	106,543	109,809	112,953	116,038	119,656	122,842	126,107	129,432
Net Operating Result	42,290	10,685	11,044	11,158	10,922	10,703	10,186	10,212	10,621	10,898
Net operating result before grants and contributions provided for capital purposes	623	(182)	177	291	55	(164)	(681)	(655)	(246)	31

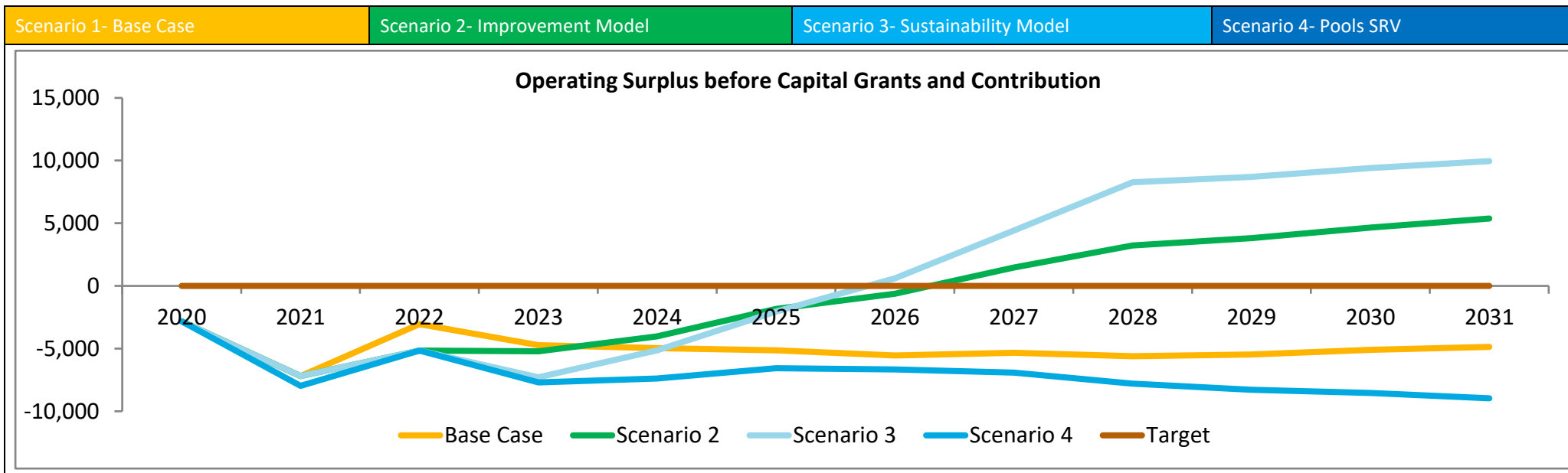
Statement of Financial Position - Consolidated

Scenario 4	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Current assets										
Cash and investments	118,042	108,351	79,642	37,865	30,232	31,084	30,460	43,086	56,270	76,679
Receivables	10,122	10,272	10,745	11,236	11,749	12,096	12,443	12,822	13,212	13,569
Inventories	907	929	348	356	365	374	383	392	401	411
Other	-	-	-	-	-	-	-	-	-	-
Total current assets	129,071	119,551	90,735	49,457	42,345	43,554	43,285	56,299	69,884	90,658
Non-current assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	36	36	38	39	40	41	42	43	44	46
Inventories	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	1,307,048	1,368,611	1,449,425	1,547,072	1,612,648	1,675,744	1,741,451	1,796,185	1,852,334	1,903,179
Investment property	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-
Total non-current assets	1,307,083	1,368,648	1,449,463	1,547,111	1,612,688	1,675,785	1,741,493	1,796,228	1,852,378	1,903,224
Total Assets	1,436,154	1,488,199	1,540,198	1,596,568	1,655,033	1,719,339	1,784,778	1,852,528	1,922,262	1,993,883
Current liabilities										
Payables	7,689	7,886	6,198	6,351	6,509	6,670	6,831	7,001	7,174	7,352
Income received in advance	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Borrowings	4,006	3,637	3,271	3,411	2,242	2,362	1,953	2,070	2,174	1,616
Provisions	6,678	6,845	7,016	7,191	7,371	7,555	7,744	7,938	8,136	8,339
Total current liabilities	32,673	32,668	30,784	31,253	30,422	30,887	30,829	31,308	31,784	31,608
Non-current liabilities										
Payables	-	-	-	-	-	-	-	-	-	-
Borrowings	25,781	22,144	18,873	15,463	13,221	10,859	8,905	6,836	4,662	3,046
Provisions	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011	6,011
Total non-current liabilities	31,792	28,155	24,884	21,474	19,232	16,870	14,916	12,847	10,673	9,057
Total Liabilities	64,465	60,823	55,668	52,727	49,654	47,757	45,745	44,155	42,457	40,665
NET ASSETS	1,371,689	1,427,377	1,484,530	1,543,841	1,605,379	1,671,582	1,739,033	1,808,373	1,879,805	1,953,218

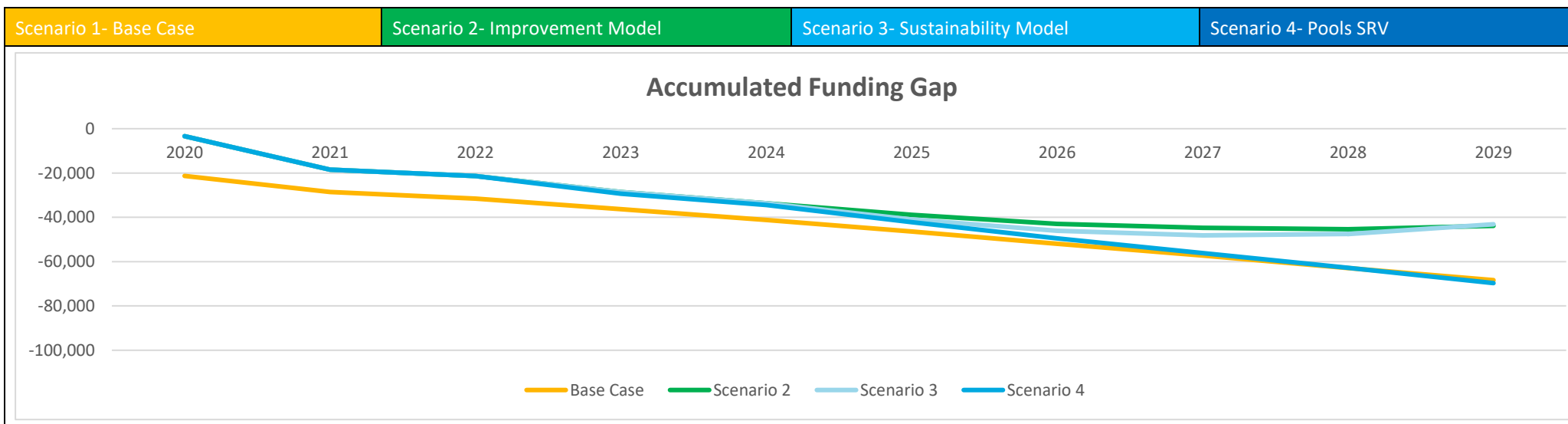
Statement of Cash Flows - Consolidated

Scenario 4	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Cash flows from operating activities										
<i>Receipts:</i>										
Rates and annual charges	55,247	56,606	58,790	61,053	63,405	65,165	66,931	68,840	70,804	72,657
User charges and fees	21,271	20,805	21,029	21,570	22,124	22,878	23,473	24,048	24,660	25,334
Investment revenue and interest	1,190	2,466	2,472	2,430	1,798	1,685	1,782	1,816	2,224	2,639
Grants and contributions	74,578	44,601	31,444	31,959	32,486	33,026	33,580	34,148	34,730	35,327
Other	3,212	3,298	3,380	3,465	3,551	3,640	3,731	3,824	3,920	4,018
<i>Payments:</i>										
Employee benefits and on-costs	(35,478)	(36,629)	(37,545)	(38,484)	(39,446)	(40,432)	(41,443)	(42,479)	(43,541)	(44,629)
Materials and contracts	(41,958)	(42,215)	(30,516)	(29,968)	(30,688)	(31,424)	(32,182)	(32,950)	(33,741)	(34,550)
Borrowing costs	(1,404)	(1,360)	(1,187)	(1,034)	(894)	(755)	(635)	(512)	(396)	(272)
Other	(7,751)	(7,945)	(8,143)	(8,347)	(8,556)	(8,770)	(8,989)	(9,214)	(9,444)	(9,680)
Net cash provided (or used) in operating activities	68,907	39,626	39,724	42,644	43,782	45,014	46,248	47,521	49,218	50,843
Cash flows from investing activities										
<i>Receipts:</i>										
Sale of investments	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	1,360	1,651	1,167	1,570	3,488	1,490	1,258	1,350	2,435	1,639
Other	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Purchase of investments	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(86,415)	(42,048)	(60,554)	(77,321)	(46,098)	(38,024)	(40,422)	(28,955)	(31,070)	(24,581)
Other	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(85,055)	(40,397)	(59,387)	(75,751)	(42,610)	(36,534)	(39,164)	(27,605)	(28,635)	(22,942)
Cash flows from financing activities										
<i>Receipts:</i>										
New loans	4,077	-	-	-	-	-	-	-	-	-
<i>Payments:</i>										
Loan repayments	(3,987)	(4,006)	(3,637)	(3,271)	(3,411)	(2,242)	(2,362)	(1,953)	(2,070)	(2,174)
Net cash provided (or used) in financing activities	90	(4,006)	(3,637)	(3,271)	(3,411)	(2,242)	(2,362)	(1,953)	(2,070)	(2,174)
Net increase / (decrease) in cash	(16,059)	(4,777)	(23,300)	(36,377)	(2,240)	6,238	4,722	17,963	18,513	25,727
Cash at the beginning of the year	135,767	119,708	114,931	91,631	55,254	53,015	59,252	63,974	81,938	100,450
Cash at the end of the year	119,708	114,931	91,631	55,254	53,015	59,252	63,974	81,938	100,450	126,178

General Fund Operating Result Before Capital Grants and Contribution



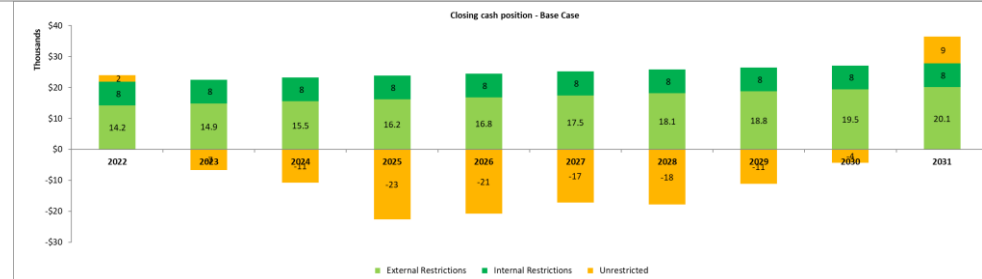
General Fund Accumulated Funding Gap



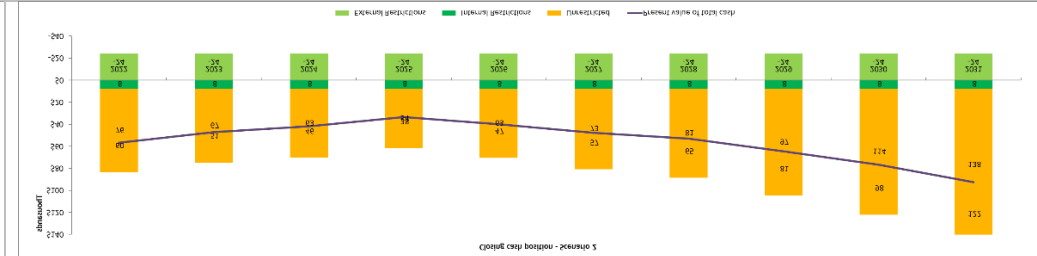
General Fund Estimated Cash Position



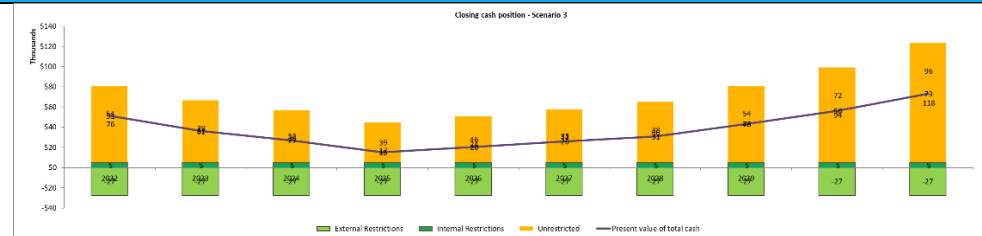
Scenario 1- Base Case



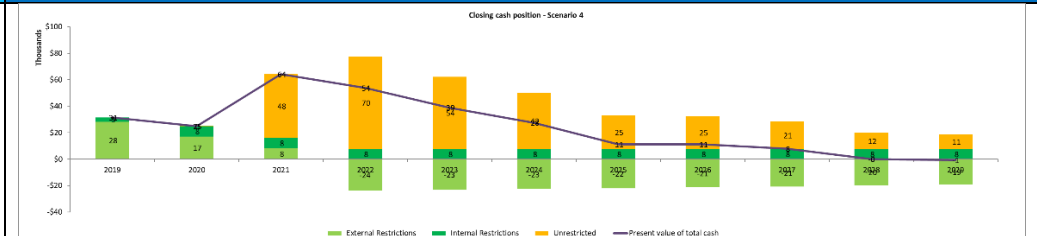
Scenario 2- Improvement Model



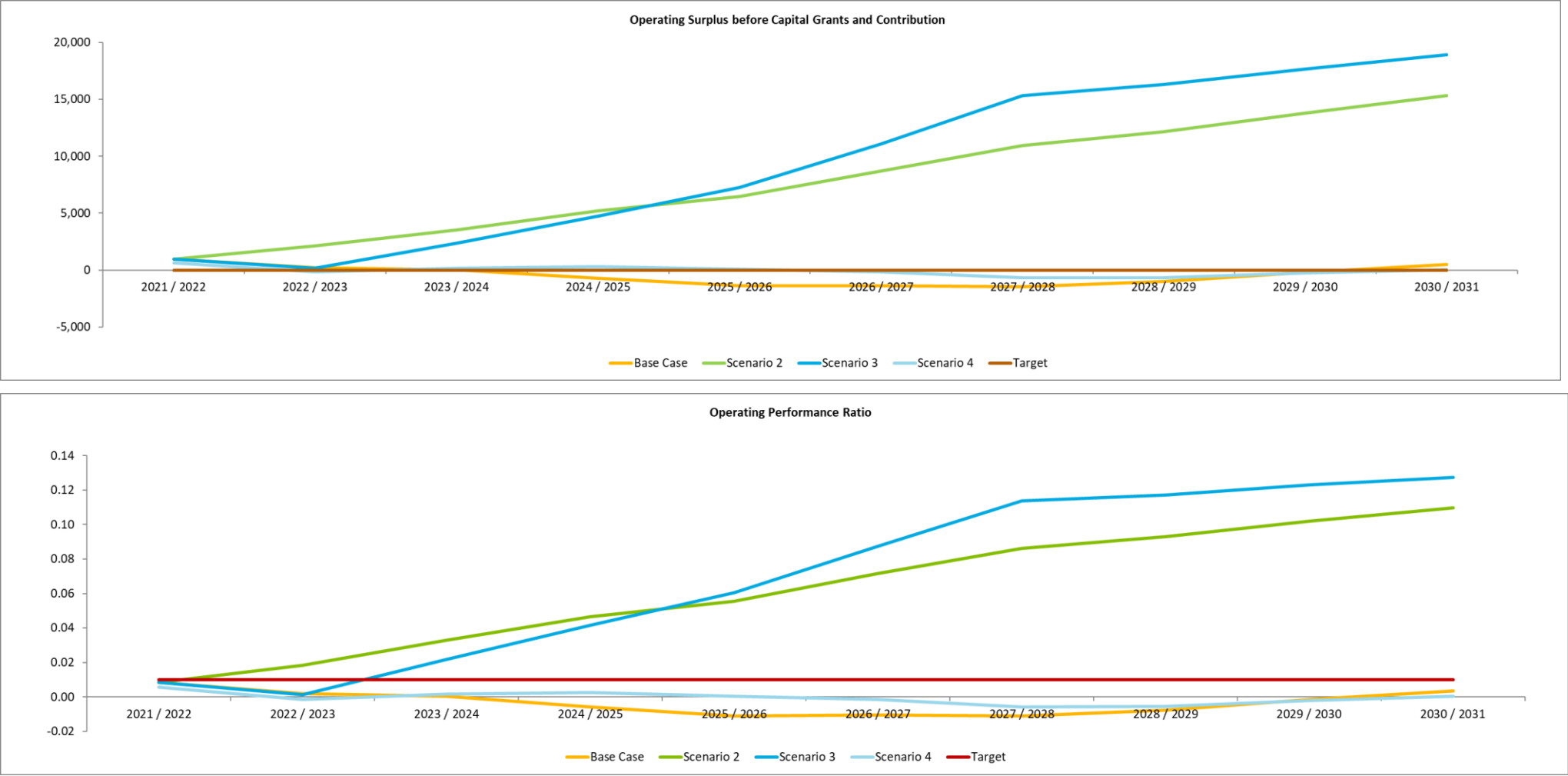
Scenario 3- Sustainability



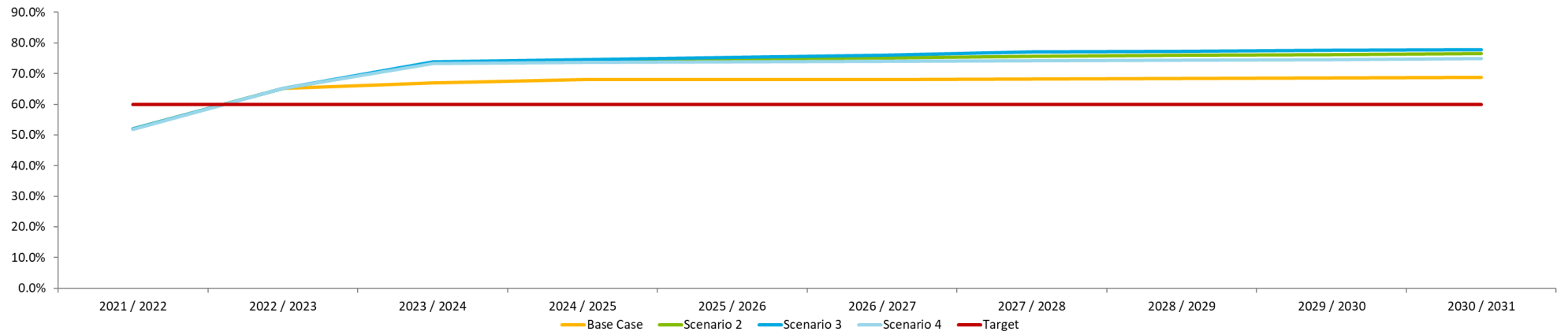
Scenario 4- Pools SRV



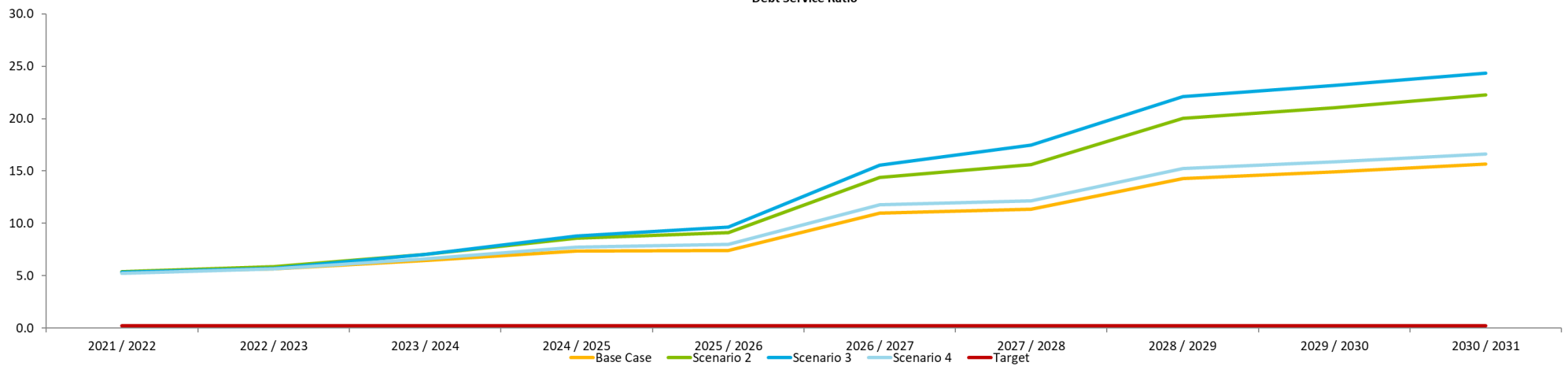
RECOMMENDED MODEL - Scenario 2 - Improvement - Consolidated Ratio Performance Over LTFP Period

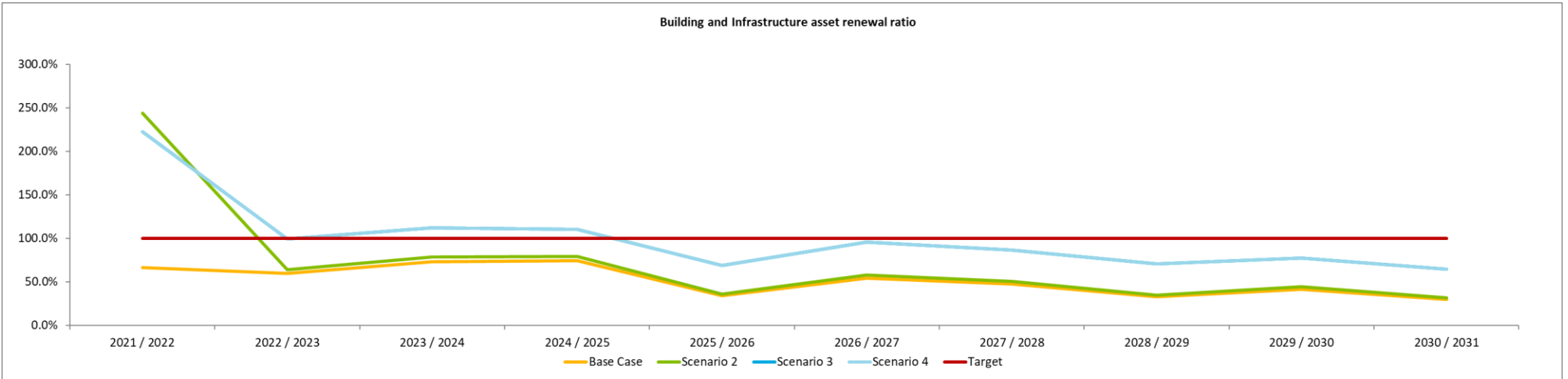
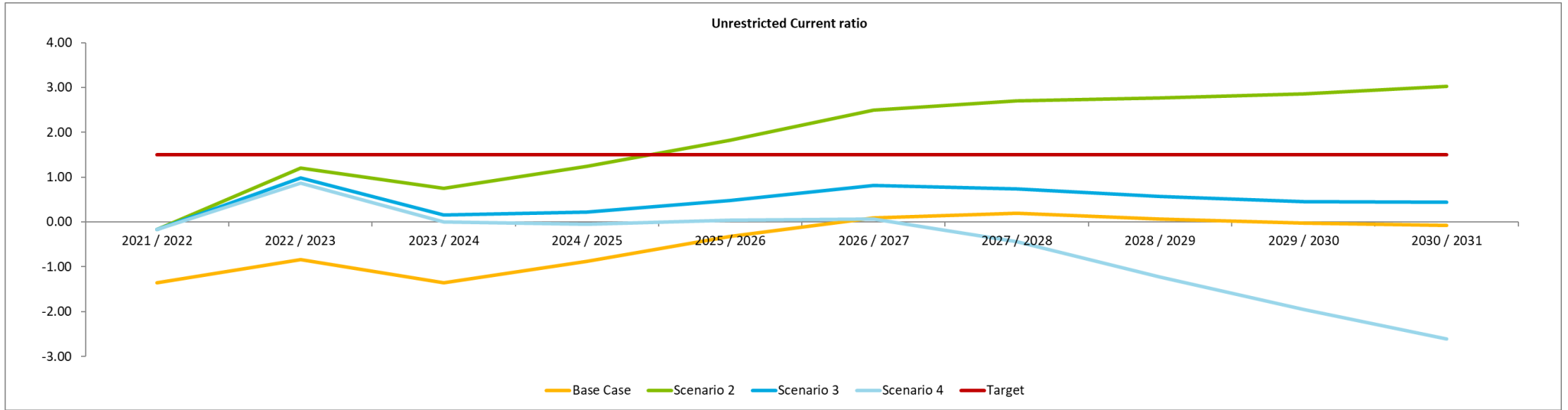


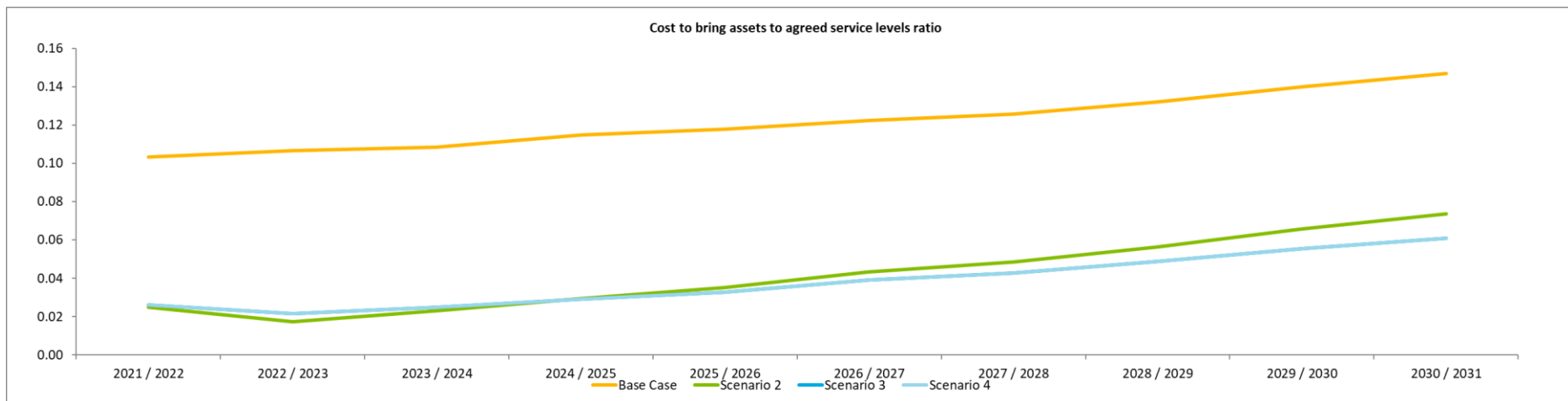
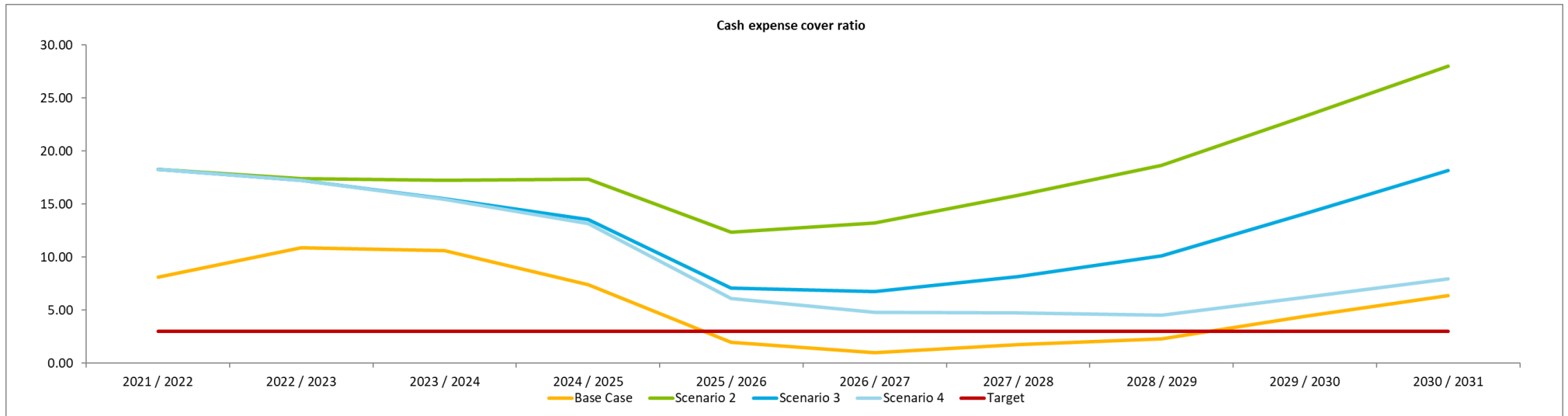
Own Source Revenue Ratio



Debt Service Ratio









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