
City of Adelaide 2021-22 Quarter 3 Finance Report – Attachment A

March 2022

Prepared for the City of Adelaide
by Finance

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Asset Test Ratio: Borrowings as a percentage of total saleable property assets

Debt Service Coverage: Number of times the funding surplus from Operations can fund annual debt (principle and interest) repayments

Leverage Test Ratio: Total borrowings relative to rates revenue (less NRM levy)

Interest Expense Ratio: Proportion of Council's general rate income that is being used to service debt (interest)

Liquidity: Measure of the Council's ability to cover its immediate and short-term debts and obligations

Net Financial Liabilities: Financial liabilities as a percentage of operating surplus

Operating Surplus Ratio: Operating surplus as a percentage of operating revenue

Uniform Presentation of Finances: Annual funding requirement to cover spend on operations and capital

Vacancy Management: Centralisation of vacancies across operations against an annual target of \$2.1m

Quarterly Summary

Proposed Budget Review 3

1. The proposed budget review delivers an operating deficit of \$4.363 million.
2. Council's borrowings (debt) at 30 June 2022 is forecasted to decrease by a further \$12.9 million from \$37.1 million to \$24.2 million. This is due to the delay in the capital program and sale of 211 Pirie St earlier than anticipated.
3. The \$4.4 million variation to the operating result is primarily due to the increase in depreciation as a result of the revaluation of Property, Plant and Equipment assets in 2020/21.
4. The \$12.9m variation to the Council's borrowings (debt) is due to the following:
 1. Carryover of capital program in to 2022/23 \$6m.
 2. Sale of commercial property in 2021/22 that was proposed to be sold in 2022/23 for \$6.9 million.
5. Risks and Opportunities for the rest of the financial year include:
 1. Ongoing risks of COVID-19 from reduced activity in the city continues to be a risk to the organisation's revenue targets and delivery of programs for the community.
 2. Opportunities exist through the sale of underperforming assets to enable the reduction of debt and improve long-term financial position.

Cash flow from Operations

1. The current year's debt collection continues to be better than last year despite lockdown:
 1. As at the 31 March 2022, 75.3% of payments have been received, a decrease from 73.8% last year. There are 253 active accounts in financial hardship (2.2% of total rates outstanding). There are some delays in collecting prior year debts as we see the effect of deferrals put in place in the height of COVID now impact current cashflows.

2021-22 Quarter 3 Financial Result (YTD Actuals)

The year-to-date financial position as at 31 March 2022 is an operating surplus of \$34m which is \$7.8m favourable compared to budget of \$26.2m. The \$7.8m variances consists of the following:

- Lower income of \$1.8m primarily due to the impact of COVID and the July lockdown.
- Also contributing to this favourable result is a reduction in spend in contractual services and other general expenditure of \$9.1m. This variance is caused by delay in spend across those areas directly impacted by the lockdown in July and reduced activities due to COVID. However, current operations are working to ensure these funds are spent as intended to ensure service levels and delivery to the community are maintained.
- Other favourable variances are due to vacancy management savings of \$3.8m. These are currently temporary in nature and not expected to be permanent to ensure service delivery is not adversely impacted.
- These favourable variances are offset by higher depreciation because of increased asset values following revaluations undertaken in 2020-21 by \$3.3m

Uniform Presentation of Finances

Explanation

Uniform Presentation of Finances provides a breakdown of the key variances in operations, net outlays on existing assets and net outlays on new and upgraded assets between the year to date Actuals and Original Budget.

This summary is presented in a format consistent with the Uniform Presentation of Finances.

\$'000s	2021-22 YTD Actuals	2021-22 YTD Budget	Variance	Full Year 2021-22 Budget (Approved BR2)	2021-22 Budget Review 3	Variance
Income	180,626	182,421	(1,795)	204,269	204,373	104
less Expenses	(146,644)	(156,266)	9,623	(204,233)	(208,737)	(4,504)
Operating Surplus / (Deficit) before Capital Amounts	33,983	26,155	7,828	37	(4,363)	(4,400)
less Net Outlays on Existing Assets						
Net Capital Expenditure on Renewal & Replacement of Existing Assets	(18,485)	(14,146)	(4,339)	(39,135)	(37,153)	1,982
Add back Depreciation, Amortisation and Impairment	44,297	41,050	3,247	52,541	56,941	4,400
Add back Proceeds from Sale of Replaced Assets	915	490	425	650	1,110	460
Net Outlays on Existing Assets	26,727	27,394	(667)	14,056	20,898	6,842
less Net Outlays on New and Upgraded Assets						
Net Capital Expenditure on New and Upgraded Assets	(10,818)	(11,054)	236	(26,831)	(22,779)	4,052
less Amounts received specifically for New and Upgraded Assets	660	4,175	(3,515)	9,152	8,209	(943)
less Proceeds from Sale of Assets	1,492	1,384	107	5,360	12,704	7,345
Net Outlays on New and Upgraded Assets	(8,666)	(5,495)	(3,172)	(12,319)	(1,866)	10,453
						-
Net Lending / (Borrowing) for the Financial Year	52,043	48,054	3,989	1,773	14,668	12,895

Operating program

Adjustments

Item Explanation	Current Approved Budget (BR2) \$'000	Budget Review 3 (BR3) \$'000	Adjustment \$'000
Depreciation Increases following the revaluation of property, plant and equipment in 2020/21.	-	(4,400)	(4,400)
Total Adjustment			(4,400)

Summary of Adjustments

The adjustments on the left reflect changes since 2021-22 Budget Review 2 (BR2) to the existing funding allocated to the items listed in the operating program as a result of new funding received from external sources and decisions of Budget Reconsiderations required by Council.

Operating program

Adjustments – offsetting to \$4.75m savings target

Item Explanation	Adopted Budget	Current Approved Budget (BR2) \$'000	Budget Review 3 (BR3) \$'000	BR3 Adjustment \$'000
Advertising Increase in income as a result of contract renegotiations	5,433	5,433	5,533	100
Corporate Overheads Review of distribution methodology has resulted in an increase in corporate overheads capitalised.	(5,492)	(5,492)	(6,392)	900
Electricity Savings in the cost of electricity as a result of price reductions.	(5,540)	(5,531)	(5,111)	420
Water Reductions as a result of a reduced consumption requirements.	(1,962)	(1,951)	(1,847)	104
Budget Repair \$4.75m budget repair established in the development of the 2021/22 Business Plan and Budget and LTFP.	4,750	1,524	(1,524)	(1,524)
Total Adjustment				0

Summary of Adjustments

The budget repair of \$4.75m was set by Council via the adopted budget. The achievement of an additional \$1.524m in Q3 have materialised, resulting in the full budget repair realised.

Capital program

Adjustments

Item Explanation	Current Approved Budget (BR2) \$'000	Budget Review 3 \$'000	Adjustment \$'000
Renewals Works of a capital nature that are replacing an existing asset like for like or like for modern equivalent.	34.0	31.3	(2.7)
New and Upgrades Works of a capital nature that are either introducing new assets or significantly upgrading existing assets. Usually by extending the footprint of an asset or increasing the level of service the asset provides.	6.7	6.5	(0.2)
Major Projects Significant works of a capital nature that are over the prudential limit, multi year or have significant grant funding being administered via a contractual deed.	19.1	15.1	(4.0)
Capital Program Management	7.7	8.6	0.9
Total Capital Expenditure	67.5	61.5	(6.0)
Capital Write-Off	(1.5)	(1.5)	-
Total Net Capital (per Uniform Presentation of Finances)	66.0	60.0	(6.0)

Summary of Adjustments

The adjustments on the left reflect changes since 2021-22 BR2 to the existing funding allocated to projects.

Financial Indicators

Explanation

The table below provides information about the key indicators of the Council's financial performance and financial position. A range of financial indicators have been included to support Council's strategic decision making by comparing the financial sustainability, asset sustainability, liquidity and capacity to respond in the context of the Long Term Financial Plan.

Financial Indicator	Explanation	Target	2021-22 Adopted	2021-22 BR2	2021-22 BR3
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0%	0%	(2%)
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	48%	30%	23%
Asset Sustainability Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	60%	77%	81%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	22%	11%	7%
Interest Expense Ratio	Number of times General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	0.9%	0.3%	0.3%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.6	0.3	0.2
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	111%	107%	108%
Borrowings	Total borrowings	Within Prudential Limits	77.5	37.1	24.2
			45%	22%	14%
Operating Position	Operating Income less Expenditure	\$2m - \$10m	0.0	0.0	(4.4)
Future Fund	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	N/A	2.2	6.6	14.0

Treasury Reporting

Explanation

The tables below present the debt information as required by Council's Treasury Policy.

Table 1 shows the current borrowing facilities taken out by Council. Current borrowings as at 31 March 2022 are \$10.05m.

Table 2 aligns these borrowings to the approved prudential limits.

Borrowings Facility	Available	Interest Type	Interest Rate	Borrowing(s) Amount as at 31 March 2022	Change since previous report	Maturity Date	CAD Interest Rate
LGFA CAD 554	\$30m	Variable	1.35%	\$10.05m	(\$7.80m)	16/12/2023	1.35%
LGFA CAD 555	\$70m	Variable	1.35%	-	-	15/06/2033	1.35%

* Note CAD facilities are flexible and allows Council to convert all or part of it into a fixed rate interest only loan for a maximum of 5 years.

Prudential Limit Ratio	Comments	Limits	YTD Actual to March 2022
Interest Expense Ratio	Number of times annual General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	0.4%
Leverage Test	Total borrowings relative to annual General Rates Revenue (Less Landscape Levy)	Max 1.5 years	0.09
Asset Test	The percentage of total borrowings to Council's saleable property assets.	Max 50%	3%

Long Term Financial Plan

Statement of Comprehensive Income

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
Income													
Rates Revenues	118,510	121,190	122,144	123,661	127,783	132,009	138,323	142,897	147,765	152,947	158,005	163,388	168,791
Statutory Charges	10,709	11,601	11,653	11,896	12,170	12,450	12,749	13,042	13,355	13,689	14,004	14,340	14,669
User Charges	61,250	62,267	63,094	64,388	65,575	67,051	71,608	73,254	75,013	76,888	78,656	80,544	82,397
Grants, Subsidies and Contributions	5,432	3,274	6,283	5,599	4,122	4,216	4,318	4,417	4,523	4,636	4,743	4,856	4,968
Investment Income	276	20	75	70	72	73	75	77	79	81	82	84	86
Reimbursements	665	541	441	338	346	354	362	371	380	389	398	408	417
Other Income	540	3,029	684	695	711	727	744	761	780	799	818	837	856
Total Income	197,382	201,923	204,373	206,648	210,778	216,880	228,178	234,819	241,894	249,429	256,706	264,458	272,185
Expenses													
Employee Costs	74,410	73,950	71,737	74,745	76,279	77,844	79,442	81,032	82,654	84,309	85,996	87,717	89,472
Materials, Contracts & Other Expenses	71,353	73,501	78,732	77,868	77,854	79,644	82,407	84,302	86,326	88,484	90,519	92,691	94,823
Depreciation, Amortisation & Impairment	56,808	52,614	56,941	57,264	57,439	57,962	59,037	57,869	55,565	53,588	51,520	50,639	51,745
Finance Costs	1,740	1,826	1,326	1,452	1,796	1,589	1,205	855	683	599	522	466	157
Net loss - Equity Accounted Council Businesses	4	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	204,315	201,891	208,737	211,329	213,368	217,040	222,091	224,058	225,227	226,979	228,557	231,514	236,198
Operating Surplus / (Deficit)	(6,933)	31	(4,363)	(4,681)	(2,590)	(160)	6,087	10,761	16,666	22,450	28,149	32,944	35,987
Physical Resources Received Free of Charge	450	-	-	-	-	-	-	-	-	-	-	-	-
Asset Disposal & Fair Value Adjustments	(6,527)	(861)	5,655	2,016	2,213	-	-	-	-	-	-	-	-
Amounts Received Specifically for New or Upgraded Assets	2,698	156	7,848	11,937	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit)	(10,312)	(674)	9,139	9,272	(377)	(160)	6,087	10,761	16,666	22,450	28,149	32,944	35,987
Changes in Revaluation Surplus - I,PP&E	48,206	-	-	-	-	34,708	-	-	-	-	-	-	-
Net Actuarial Gains/(Loss) on Defined Benefit Plan	203	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	48,409	-	-	-	-	34,708	-	-	-	-	-	-	-
Total Comprehensive Income	38,097	(674)	9,139	9,272	(377)	34,548	6,087	10,761	16,666	22,450	28,149	32,944	35,987

Long Term Financial Plan

Statement of Financial Position

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
ASSETS													
Current Assets													
Cash and Cash Equivalents	1,912	800	800	800	800	800	800	8,922	24,668	10,152	31,377	11,714	43,789
Trade & Other Receivables	16,299	13,489	16,876	16,906	17,155	17,619	18,533	19,072	19,645	20,257	20,847	21,477	22,104
Other Financial Assets	-	41	-	-	-	-	-	-	-	-	-	-	-
Inventories	506	576	506	506	506	506	506	506	506	506	506	506	506
Non-Current Assets Held for Sale	958	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	19,675	14,907	18,182	18,212	18,461	18,925	19,839	28,499	44,819	30,915	52,730	33,697	66,399
Non-Current Assets													
Financial Assets	376	249	338	305	274	247	222	200	180	162	146	131	118
Equity Accounted Investments in Council Businesses	1,119	605	1,439	1,794	2,163	2,596	2,968	2,968	2,968	2,968	2,968	2,968	2,968
Investment Property	2,870	2,600	2,899	2,928	2,957	2,987	3,016	3,047	3,077	3,108	3,139	3,170	3,202
Infrastructure, Property, Plant & Equipment	1,897,255	1,882,879	1,893,197	1,920,600	1,910,235	1,912,735	1,905,460	1,898,698	1,895,098	1,927,546	1,930,481	1,979,827	1,980,395
Other Non-Current Assets	2,107	2,161	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107	2,107
Total Non-Current Assets	1,903,727	1,888,494	1,899,981	1,927,734	1,917,736	1,920,671	1,913,774	1,907,020	1,903,430	1,935,891	1,938,841	1,988,203	1,988,790
TOTAL ASSETS	1,923,402	1,903,400	1,918,163	1,945,946	1,936,198	1,939,596	1,933,613	1,935,519	1,948,249	1,966,805	1,991,571	2,021,900	2,055,189
LIABILITIES													
Current Liabilities													
Trade & Other Payables	24,843	18,837	24,982	26,320	33,787	27,430	28,401	28,614	28,946	29,140	29,391	29,676	26,609
Provisions	13,320	12,305	13,586	13,858	14,135	14,418	14,706	15,000	15,300	15,607	15,919	16,237	16,562
Borrowings (Lease Liability)	4,690	5,093	4,771	4,877	4,989	5,102	5,224	4,525	4,518	3,989	3,262	3,344	3,344
Total Current Liabilities	42,853	36,236	43,339	45,055	52,910	46,949	48,331	48,140	48,764	48,735	48,571	49,257	46,515
Non-Current Liabilities													
Trade & Other Payables	1,293	1,293	1,293	7,293	293	293	293	293	293	293	293	293	293
Borrowings	34,700	77,483	24,208	37,862	32,572	12,447	4,179	-	-	-	-	-	-
Provisions	1,816	1,616	1,852	1,889	1,927	1,966	2,005	2,045	2,086	2,128	2,170	2,214	2,258
Borrowings (Lease Liability)	50,463	46,782	45,693	40,803	35,828	30,726	25,502	20,977	16,377	12,470	9,209	5,865	5,865
Total Non-Current Liabilities	88,272	127,174	73,046	87,847	70,620	45,431	31,979	23,315	18,756	14,891	11,672	8,371	8,416
TOTAL LIABILITIES	131,125	163,410	116,385	132,902	123,530	92,381	80,311	71,456	67,520	63,627	60,243	57,628	54,930
Net Assets	1,792,277	1,739,990	1,801,777	1,813,044	1,812,667	1,847,215	1,853,302	1,864,063	1,880,729	1,903,179	1,931,328	1,964,272	2,000,259
EQUITY													
Accumulated Surplus	806,973	802,195	803,769	810,243	784,866	759,206	765,293	776,054	792,721	815,170	843,319	876,263	912,250
Asset Revaluation Reserves	982,216	934,010	982,216	982,216	982,216	1,016,924	1,016,924	1,016,924	1,016,924	1,016,924	1,016,924	1,016,924	1,016,924
Other Reserves	1,815	1,612	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815	1,815
Future Reserve Fund	1,273	2,173	13,977	18,770	43,770	69,270	69,270	69,270	69,270	69,270	69,270	69,270	69,270
Total Council Equity	1,792,277	1,739,990	1,801,777	1,813,044	1,812,667	1,847,215	1,853,302	1,864,063	1,880,729	1,903,179	1,931,328	1,964,272	2,000,259

Long Term Financial Plan

Statement of Changes in Equity

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
Balance at the end of previous reporting period	1,754,180	1,740,664	1,792,277	1,801,777	1,813,044	1,812,667	1,847,215	1,853,302	1,864,063	1,880,729	1,903,179	1,931,328	1,964,272
a. Net Surplus / (Deficit) for Year	(10,312)	(674)	9,500	11,267	(377)	(160)	6,087	10,761	16,666	22,450	28,149	32,944	35,987
b. Other Comprehensive Income	48,409				-	34,708							
Total Comprehensive Income	38,097	(674)	9,500	11,267	(377)	34,548	6,087	10,761	16,666	22,450	28,149	32,944	35,987
Balance at the end of period	1,792,277	1,739,990	1,801,777	1,813,044	1,812,667	1,847,215	1,853,302	1,864,063	1,880,729	1,903,179	1,931,328	1,964,272	2,000,259

Long Term Financial Plan

Statement of Cash flows

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
Cash Flows from Operating Activities													
Receipts													
Operating Receipts	198,848	202,230	203,796	206,156	210,038	216,416	227,264	234,281	241,320	248,817	256,115	263,828	271,558
Payments													
Operating Payments to Suppliers and Employees	(145,970)	(149,070)	(151,816)	(153,292)	(155,511)	(159,048)	(162,633)	(166,150)	(169,588)	(173,279)	(176,946)	(180,745)	(184,326)
Net Cash provided by (or used in) Operating Activities	52,878	53,160	51,980	52,865	54,526	57,368	64,632	68,131	71,732	75,538	79,170	83,083	87,232
Cash Flows from Investing Activities													
Receipts													
Amounts Received Specifically for New/Upgraded Assets	2,698	156	8,209	13,932	-	-	-	-	-	-	-	-	-
Proceeds from Surplus Assets	1,405	3,100	12,704	12,793	25,000	18,500	-	-	-	-	-	-	-
Sale of Replaced Assets	815	650	1,110	971	500	500	500	500	500	500	500	500	500
Payments													
Expenditure on Renewal/Replacement of Assets	(23,205)	(34,231)	(37,153)	(41,607)	(57,871)	(50,621)	(51,390)	(51,107)	(51,965)	(86,036)	(54,455)	(99,985)	(52,313)
Expenditure on New/Upgraded Assets	(12,425)	(33,451)	(22,779)	(47,837)	(11,990)	(633)	(372)	-	-	-	-	-	-
Net Purchase of Investment Securities	(17)	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributed to Equity Accounted Council Businesses	(451)	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash provided by (or used in) Investing Activities	(31,180)	(63,776)	(37,910)	(61,748)	(44,360)	(32,254)	(51,262)	(50,607)	(51,465)	(85,536)	(53,955)	(99,485)	(51,813)
Cash Flows from Financing Activities													
Receipts													
Proceeds from Borrowings	87,900	15,671	-	13,654	-	-	-	-	-	-	-	-	-
Proceeds from Bonds and Deposits	1,007	-	-	-	-	-	-	-	-	-	-	-	-
Payments													
Repayment from Borrowings	(104,800)	-	(10,492)	-	(5,290)	(20,125)	(8,268)	(4,179)	-	-	-	-	-
Repayment of Lease Liabilities	(4,838)	(5,055)	(4,690)	(4,771)	(4,877)	(4,989)	(5,102)	(5,224)	(4,521)	(4,518)	(3,989)	(3,262)	(3,344)
Net Cash provided by (or used in) Financing Activities	(20,731)	10,616	(15,182)	8,883	(10,166)	(25,114)	(13,370)	(9,402)	(4,521)	(4,518)	(3,989)	(3,262)	(3,344)
Net Increase (Decrease) in Cash Held	967	(0)	(1,112)	(0)	(0)	(0)	0	8,122	15,746	(14,516)	21,225	(19,664)	32,075
plus: Cash & Cash Equivalents at beginning of period	945	800	1,912	800	800	800	800	800	8,922	24,668	10,152	31,377	11,714
Cash & Cash Equivalents at end of period	1,912	800	800	800	800	800	800	8,922	24,668	10,152	31,377	11,714	43,789

Long Term Financial Plan

Uniform Presentation of Finances

\$'000s	2020-21 Actuals	2021-22 Budget	2021-22 Budget Review 3	2022-23 Draft Budget	2023-24 Plan	2024-25 Plan	2025-26 Plan	2026-27 Plan	2027-28 Plan	2028-29 Plan	2029-30 Plan	2030-31 Plan	2031-32 Plan
Income	197,382	201,923	204,373	206,648	210,778	216,880	228,178	234,819	241,894	249,429	256,706	264,458	272,185
less Expenses	(204,315)	(201,891)	(208,737)	(211,329)	(213,368)	(217,040)	(222,091)	(224,058)	(225,227)	(226,979)	(228,557)	(231,514)	(236,198)
Operating Surplus / (Deficit) before Capital Amounts	(6,933)	31	(4,363)	(4,681)	(2,590)	(160)	6,087	10,761	16,666	22,450	28,149	32,944	35,987
Net Outlays on Existing Assets													
Capital Expenditure on Renewal & Replacement of Existing Assets	(23,205)	(34,231)	(37,153)	(41,607)	(57,871)	(50,621)	(51,390)	(51,107)	(51,965)	(86,036)	(54,455)	(99,985)	(52,313)
add back Depreciation, Amortisation and Impairment	56,808	52,614	56,941	57,264	57,439	57,962	59,037	57,869	55,565	53,588	51,520	50,639	51,745
add back Proceeds from Sale of Replaced Assets	815	650	1,110	971	500	500	500	500	500	500	500	500	500
Net Outlays on Existing Assets	34,418	19,033	20,898	16,627	(432)	7,341	7,646	6,762	3,601	(32,448)	(2,935)	(49,346)	(568)
Net Outlays on New and Upgraded Assets													
Capital Expenditure on New and Upgraded Assets	(12,425)	(33,451)	(22,779)	(47,837)	(11,990)	(633)	(372)	-	-	-	-	-	-
add back Amounts received specifically for New and Upgraded Assets	2,698	156	8,209	13,932	-	-	-	-	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets	1,405	2,100	12,704	6,793	25,000	25,500	-	-	-	-	-	-	-
Net Outlays on New and Upgraded Assets	(8,322)	(31,195)	(1,866)	(27,112)	13,010	24,867	(372)	-	-	-	-	-	-
Net Lending / (Borrowing) for Financial Year	19,163	(12,130)	14,668	(15,165)	9,988	32,049	13,361	17,523	20,267	(9,999)	25,214	(16,402)	35,419

Long Term Financial Plan

Financial Indicator	Explanation	Target	2021-22 Adopted	2021-22 BR3	2022-23 Draft Budget	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Operating Surplus Ratio	Operating surplus as a percentage of operating revenue	0%-20%	0%	(2%)	(2%)	(1%)	0%	3%	5%	7%	9%	11%	12%	13%
Net Financial Liabilities	Financial liabilities and a percentage of operating income	Less than 80%	48%	23%	33%	31%	17%	13%	8%	0%	0%	0%	0%	0%
Asset Sustainability Ratio	Expenditure on asset renewals as a percentage of forecast required expenditure in the asset management plans	90%-110%	60%	81%	70%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Asset Test Ratio	Borrowings as a percentage of total saleable property assets	Maximum 50%	23%	7%	11%	9%	3%	1%	0%	0%	0%	0%	0%	0%
Interest Expense Ratio	Number of times General Rates Revenue (less Landscape Levy) can service the annual interest expense	Maximum 10%	0.9%	0.3%	0.4%	0.8%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leverage Test Ratio	Total borrowings relative to General Rates Revenue (Less Landscape Levy)	Maximum 1.5 years	0.7	0.2	0.3	0.3	0.1	0.0	-	-	-	-	-	-
Cash Flow fom Operations Ratio	Operating income as a percentage of Operating Expenditure plus expenditure on renewal/replacement of assets	Greater than 100%	111%	108%	106%	99%	103%	106%	108%	109%	96%	111%	94%	115%
Borrowings	Total borrowings	Within Prudential Limits	78.5	24.2	37.9	32.6	12.4	4.2	-	-	-	-	-	-
			46%	14%	22%	17%	6%	2%	0%	0%	0%	0%	0%	0%
Operating Position	Operating Income less Expenditure	\$2m - \$10m	0.0	(4.4)	(4.7)	(2.6)	(0.2)	6.1	10.8	16.7	22.4	28.1	32.9	36.0
Future Fund	Proceeds from the sale of Council assets to fund new income generating assets or new strategic capital projects	N/A	2.2	14.0	18.8	43.8	69.3	69.3	69.3	69.3	69.3	69.3	69.3	69.3