

Karoonda East Murray

UNIFORM PRESENTATION OF FINANCES	2004-05 Actual \$'000	2005-06 Estimate \$'000	2006-07 Budget \$'000
Operating Revenue ^{(a) (g)}			
Rates - General & Other	701	715	741
Statutory Charges	24	18	11
User Charges	58	55	63
Grants & Subsidies	985	2,028	1,516
Interest	75	80	51
Reimbursements	3	8	10
Commercial Activity Revenue	2	1	
Other	120	117	37
Total Operating Revenue	1,968	3,022	2,429
less Operating Expenses ^{(b) (g)}			
Employee Costs	443	460	511
Contractual Services	193	192	413
Materials	403	543	345
Interest	1	3	5
Depreciation	586	630	619
Other	(63)	295	3
Total Operating Expenses	1,563	2,123	1,896
Operating Surplus / (Deficit) ^(c)	405	899	533
Less: Net Outlays on Non-financial Assets			
Capital Expenditure on Renewal / Replacement of Existing Assets and New / Upgraded Assets	1,034	1,460	1,924
less Proceeds from Sale of Assets	59	90	230
less Depreciation	586	630	619
less Capital Grants and Monetary Contributions specifically for New and Upgraded Assets ^(d)	295		
Net Outlays on Non-financial Assets	94	740	1,075
Equals: Net Lending / (Borrowing) for Financial Year ^(e)	311	159	(542)
Net Financial Liabilities as at 30 June ^(f)	(870)	(1,029)	(487)

- (a) Operating revenue excludes book gains on disposal of assets. Operating revenue includes grants for all purposes, except grants specifically required to be spent on new assets or upgrading assets.
- (b) Operating expenses exclude book losses on revaluation and/or disposal of assets.
- (c) Operating Surplus / (Deficit) measures the extent to which operating revenue is or is not sufficient to meet all of the costs of providing council services, which include depreciation. Where an operating deficit exists, some costs being incurred in the current year are not being met by today's ratepayers.
- (d) Excludes the value of non-financial assets donated to the Council. Similarly, capital expenditure on assets excludes non-financial assets donated to the Council.
- (e) Net Lending / (Borrowing) equals Operating Surplus / (Deficit), less Net Outlays on Non-financial Assets. The Net Lending / (Borrowing) result is a measure of the Council's overall (i.e. Operating and Capital) budget on an accrual basis. The Net Lending / (Borrowing) result can be expected to fluctuate from year to year, given the lumpy nature of some capital expenditure. Achieving a zero result on the Net Lending / (Borrowing) measure in any one year essentially means that the Council has met all of its expenditure (both operating and capital) from the current year's revenues.
- (f) Net Financial Liabilities equal Total Liabilities less Financial Assets (being Cash, Investments, Receivables, Prepayments etc). The amount of Net Lending in any one year decreases the level of Net Financial Liabilities in the year by that amount. Conversely, the amount of Net Borrowing increases the level of Net Financial Liabilities.
- (g) Some individual revenue and expense items will need to be updated to take account of changes stemming from the introduction of Australian International Financial Reporting Standards.