

Naracoorte Lucindale Council

UNIFORM PRESENTATION OF FINANCES	2004-05 Actual \$'000	2005-06 Estimate \$'000	2006-07 Budget \$'000
Operating Revenue (a) (g)			
Rates - General & Other	6,464	6,914	7,280
Statutory Charges	188	154	151
User Charges	259	249	315
Grants & Subsidies	1,765	2,123	1,869
Interest	79	40	56
Reimbursements	207	276	129
Commercial Activity Revenue	917	748	823
Other	520	591	1,116
Total Operating Revenue	10,399	11,095	11,739
less Operating Expenses (b) (g)			
Employee Costs	3,609	3,400	4,260
Contractual Services	1,759	1,680	2,566
Materials	1,219	1,068	1,413
Interest	133	162	244
Depreciation	6,671	4,470	4,470
Other	895	998	953
Total Operating Expenses	14,286	11,778	13,906
Operating Surplus / (Deficit) (c)	(3,887)	(683)	(2,167)
Less: Net Outlays on Non-financial Assets			
Capital Expenditure on Renewal / Replacement of Existing Assets and New / Upgraded Assets	5,209	5,211	5,209
less Proceeds from Sale of Assets	1,907	840	1,518
less Depreciation	6,671	4,470	4,470
less Grants and Contributions specifically for New and Upgraded Assets (d)	286	126	343
Net Outlays on Non-financial Assets	(3,655)	(225)	(1,122)
Equals: Net Lending / (Borrowing) for Financial Year (e)	(232)	(458)	(1,045)
Net Financial Liabilities as at 30 June (f)	2,405	2,863	3,908

- (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.