

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Attachment - 2

Operating activities excluded from budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(a) Operating activities excluded from budgeted deficiency	Adopted Budget 30 June 2024	Audited Actual 30 June 2023	Updated Budget Estimates 30 June 2024	Year to Date Actual 31 January 2024	Estimated Year at End Amount 30 June 2024
	\$	\$	\$	\$	\$
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.					
Adjustments to operating activities					
Less: Profit on asset disposals	(704,109)	(188,773)	(828,765)	(43,083)	(828,765)
Net Share of Interest in Associates	0	(519,536)	0	0	0
Less: Share of net profit of associates and joint ventures accounted for using the equity method	(1,666,666)	(978,043)	(2,500,000)	0	(2,500,000)
Add: Loss on disposal of assets	47,335	744,436	47,335	60,805	47,335
Add: Loss on revaluation of fixed assets	0	4,389,396	0	0	0
Add: Depreciation on assets	12,607,088	11,912,706	13,175,331	7,688,099	13,175,331
Non-cash movements in non-current assets and liabilities	0	116,627	0	0	0
Non-cash amounts excluded from operating activities	10,283,648	15,476,813	9,893,901	7,705,821	9,893,901
(b) Investing activities excluded from budgeted deficiency					
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Non cash amounts excluded from investing activities	0	425,955	0	0	0
(c) Current assets and liabilities excluded from budgeted deficiency					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.					
Adjustments to net current assets					
Less: Reserve accounts	(17,839,833)	(17,193,645)	(21,560,356)	(20,457,464)	(21,560,356)
Less: Land held for sale	(1,457,174)	(1,986,519)	(1,986,519)	(1,209,307)	(1,986,519)
Add: Current liabilities not expected to be cleared at end of year	3,067,534	4,505,347	4,542,000	2,999,317	4,542,000
Add: Infringement debtors transferred to non current asset	1,332,220	1,625,260	1,706,523	1,322,870	1,706,523
Total adjustments to net current assets	(16,229,473)	(14,674,817)	(19,004,875)	(18,667,454)	(19,004,875)
(d) Composition of estimated net current assets					
Current assets					
Cash and cash equivalents	7,553,820	15,330,270	6,879,571	29,342,928	6,879,571
Financial assets	20,829,487	17,140,000	21,560,356	20,457,464	21,560,356
Trade and other receivables	4,399,805	5,626,314	5,795,103	11,447,452	5,795,103
Inventories	1,682,292	1,331,138	1,371,072	1,391,156	1,371,072
	34,465,404	39,427,722	35,606,102	62,639,000	35,606,102
Less: current liabilities					
Trade and other payables	(10,381,434)	(8,590,827)	(8,762,644)	(8,765,552)	(8,762,644)
Borrowings	(1,735,314)	(1,585,417)	(1,493,074)	(1,615,725)	(1,493,074)
Employee related provisions	(6,074,075)	(5,525,851)	(5,691,627)	(5,322,087)	(5,691,627)
	(18,190,823)	(15,702,095)	(15,947,344)	(15,703,364)	(15,947,344)
Net current assets used in the Statement of Financial Activity					
Total current assets	34,465,404	39,427,722	35,606,102	62,639,000	35,606,102
Less: Total current liabilities	(18,190,823)	(15,702,095)	(15,947,344)	(15,703,364)	(15,947,344)
Less: Total adjustments to net current assets	(16,229,473)	(14,674,817)	(19,004,875)	(18,667,454)	(19,004,875)
Surplus or deficit after imposition of general rates	45,109	9,050,809	653,883	28,268,182	653,883