

City of
Port Augusta

FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2001

CITY OF PORT AUGUSTA

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE, 2001

	Note	2001 \$	2000 \$
OPERATING REVENUE			
Rates			
General		4,414,965	4,194,000
Other		201,544	191,936
Statutory Charges		148,418	173,139
User Charges		1,696,504	1,632,499
Operating Grants and Subsidies		6,956,757	5,922,857
Investment Income		153,915	131,057
Reimbursements		402,834	118,702
Other		447,889	784,330
		<hr/>	<hr/>
TOTAL OPERATING REVENUE		14,422,827	13,148,518
OPERATING EXPENSES			
Wages and Salaries	3	6,619,288	5,858,650
Contractual Services	4	3,396,043	2,879,476
Materials	5	2,456,885	1,732,639
Finance Charges		272,992	281,223
Depreciation	6	2,333,748	2,329,622
Loss on Disposal of Non-Current Assets		50,671	19,756
Other	7	1,472,161	1,305,450
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		16,601,788	14,406,815
Operating (Loss)/Surplus before Capital Revenues		(2,178,962)	(1,258,297)
CAPITAL REVENUES			
Capital Grants, Subsidies and Monetary Contributions		20,334	135,025
		<hr/>	<hr/>
Operating Surplus after Capital revenues and before Extraordinary items		(2,158,627)	(1,123,272)
		<hr/>	<hr/>
CHANGE IN COMMUNITY WEALTH RESULTING FROM OPERATIONS		(2,158,627)	(1,123,272)

The above operating statement should be read in conjunction with the accompanying notes.

CITY OF PORT AUGUSTA

STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2001

	Note	2001 \$	2000 \$
CURRENT ASSETS			
Cash	8	1,173,224	1,338,711
Receivables	9	848,752	974,423
Prepayments	9	67,073	41,494
Inventories	10	176,405	183,462
TOTAL CURRENT ASSETS		<u>2,265,454</u>	<u>2,538,090</u>
CURRENT LIABILITIES			
Bank Overdraft	8		294,495
Creditors and Provisions	11&12	1,035,216	984,047
Loans	13	1,121,147	1,116,800
TOTAL CURRENT LIABILITIES		<u>2,156,363</u>	<u>2,395,342</u>
NET CURRENT ASSETS		<u>109,091</u>	<u>142,748</u>
NON-CURRENT ASSETS			
Land	14	5,684,365	5,684,365
Buildings, Structures & Reserve Infrastructure	14	20,618,009	21,364,609
Infrastructure	14	19,428,468	20,409,459
Equipment	14	1,210,737	1,266,889
Furniture and Fittings	14	880,521	877,797
Receivables	14	11,693	85,025
Capital Works in Progress			
TOTAL NON-CURRENT ASSETS		<u>47,833,793</u>	<u>49,688,144</u>
NON-CURRENT LIABILITIES			
Creditors and Provisions	12	722,096	629,810
Loans	13	3,038,079	2,859,746
TOTAL NON-CURRENT LIABILITIES		<u>3,760,175</u>	<u>3,489,556</u>
NET ASSETS		<u>44,182,709</u>	<u>46,341,336</u>
EQUITY			
Accumulated Surplus		6,883,300	9,041,927
Reserves		37,299,409	37,299,409
TOTAL EQUITY		<u>44,182,709</u>	<u>46,341,336</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

CITY OF PORT AUGUSTA

STATEMENT OF CHANGE IN EQUITY FOR THE 30 JUNE 2001

	Note	2001	2000
		\$	\$
ACCUMULATED SURPLUS			
Balance at beginning of period		9,041,927	10,165,199
Change in financial position resulting from operations (Deficit)/Surplus		(2,158,627)	(1,123,272)
		<hr/>	<hr/>
Balance at end of period		6,883,300	9,041,927
ASSET REVALUATION RESERVE			
Balance at beginning of period		37,299,409	37,299,409
-Revaluation increment			
-Revaluation decrement			
		<hr/>	<hr/>
Balance at end of period		37,299,409	37,299,409
		<hr/>	<hr/>
TOTAL EQUITY		44,182,709	46,341,336

The above statement should be read in conjunction with the accompanying notes.

CITY OF PORT AUGUSTA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2001

	Note	2001 \$	2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES			Inflows (Outflows)
Payments			
GST Paid		(13,804,845)	(11,459,444)
GST Remitted		(709,494)	
		(298,619)	
Receipts			
GST Collected		14,433,724	12,753,885
GST Received		343,473	
		607,397	
NET CASH PROVIDED BY OPERATING ACTIVITIES	8	571,636	1,294,441
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Loans Received		1,279,000	1,175,000
Loan Repayments from Community Groups		91,434	65,934
Interest Received		153,915	131,057
Accommodation Bonds		180,471	242,396
Payments			
Principal on Loans		(1,087,348)	(1,057,139)
Interest on Loans		(259,582)	(265,786)
Loans to Community Groups			(31,000)
Accommodation Bonds		(189,443)	(124,987)
Other Charges		(25,347)	(18,047)
NET CASH PROVIDED BY FINANCING ACTIVITIES		143,100	117,428
CASH FLOWS FROM OTHER ACTIVITIES			
Receipts			
Capital Grants, Subsidies		20,334	135,025
Sale of Equipment		221,570	296,543
Payments			
Purchase of Land			
Purchase of Buildings		(59,883)	(285,965)
Purchase of Infrastructure		(373,694)	(243,376)
Purchase of Equipment		(308,762)	(618,595)
Purchase of Furniture and Fittings		(85,292)	(147,467)
NET CASH USED IN OTHER ACTIVITIES		(585,727)	(863,835)
NET INCREASE(DECREASE) IN CASH HELD		129,009	548,034
CASH AT BEGINNING OF REPORTING PERIOD		1,044,216	496,181
CASH AT END OF REPORTING PERIOD	8	1,173,224	1,044,216

The above statement of cash flows should be read in conjunction with the accompanying notes.

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) **The Local Government Reporting Entity**

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. All entities controlled by the Council have been consolidated.

In the process of reporting on the Council as a single unit, all transaction and balances between those funds (for example, loans and transfers between funds) have been eliminated.

Trust Funds

Amounts received as tender deposits and retention amounts controlled by Council are included in the amount disclosed as "other creditors" within current Liabilities until they are refunded or forfeited..

Amounts received and paid by the Council, where the Council has merely acted as a collection agent, have been eliminated.

(b) **Basis of Accounting**

This financial report has been prepared to comply with Statements of Accounting Concepts and applicable Australian Accounting Standards. It has been prepared on the accrual basis under the convention of historical cost accounting, with the exception that non-current assets which are included at Council or independent valuation, or were re-valued to their current cost less accumulated depreciation as at 30 June 1997 and will be subsequently re-valued on that basis at least every 5 years.

(c) **Recognition of Assets**

All items of property, plant and equipment with a value greater than \$1,000 are recognised as assets.

Assets acquired are initially recorded at cost. Cost includes all costs incidental to the acquisition and incurred in getting the asset ready for use. Where assets are constructed by the Council, costs includes an appropriate share of variable and fixed overheads including interest on borrowed funds.

Buildings, Structures & Reserve Infrastructure Assets not controlled by Council have been excluded from the assets previously brought in as part of the revaluation.

(d) **Depreciation of Non-Current Assets**

Non-current assets having limited useful lives are systematically depreciated over their useful lives in a manner which reflects consumption of the service potential embodied in those assets. Land is not an asset to be depreciated.

Depreciation is recognised on a straight line basis using rates which are reviewed each reporting period.

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

Major depreciation periods are:

Bridges:	
timber	30 to 40 years
steel and concrete	50 to 80 years
Buildings	30 to 50 years
Stormwater Drains	75 to 85 years
Plant and equipment	5 to 15 years
Sealed roads and streets:	
construction	20 to 40 years
original surfacing & major resurfacing	
- bituminous seals	7 to 10 years
Unsealed Roads	5 to 10 years
Improvements to parks & gardens	15 to 20 years
Trees	10 to 25 years
Motor Vehicles	5 to 10 years
Library Books	10 to 25 years

(e) **Expenses**

Expenses are disclosed in the accounts after deducting any amounts capitalised and included in the cost of assets constructed by the Council.

(f) **Employee Entitlements**

Long Service Leave is accrued on the following basis:

Administration-Parks and Gardens-Works Depot

For full-time and part-time employees the Long Service Leave accrual is calculated from the commencement of employment.

Nerrilda

For full time and part-time employees long service leave is accrued for employees with more than four years service. This is consistent with Department of Health policy.

A.M. Ramsay Village

For full time and part-time employees long service leave is accrued for employees with more than four years service.

Child-care Centre

For full time and part-time employees long service leave is accrued for employees with more than four years service.

This basis of calculation provides an estimate of liability for long service leave in excess of that determined by using the present value basis of measurement.

An amount equal to 80% of the total liability for long service leave is held in cash.

Annual Leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to the reporting date. Such accruals are assessed as at each reporting

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

date, having regard to current rates of pay and other factors including experience of employee departures and their periods of service.

The Superannuation expense for the reporting period is the amount of the statutory contribution the Council makes to the Superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 17.

(g) **Investments**

Investments are valued at cost. Interest revenues are recognised as they accrue.

(h) **Rates, Grants, Donation and Other Contributions**

Rates, grants, donation and contributions are recognised as revenues when the Council obtains control over the assets comprising these contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

Contributions not received over which Council has control are recognised as receivables. In respect of uncollected rates provision is made for amounts considered not able to be collected.

Where contributions recognised as revenues during the year were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 15.

(i) **Allocation Between Current and Non-Current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid.

(j) **Cash**

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdraft.

(k) **Goods and Services Tax**

In accordance with the requirements of UIG Abstract 31 "Accounting for the Goods and Services Tax(GST)", revenues, expenses and assets are recognised net of the amount of GST except that:

- The amount of GST incurred by Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of an asset or part of an item of expense; and receivables and payables are stated with the amount of GST included.

The net GST receivable from the Australian Taxation Office has been recognised as receivable in the Statement in change of Equity.

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

Cash flows are reported on a gross basis in the Statement of Cash Flows. The GST component of the cash flows arising from investing or financing activities, which are recoverable from or payable to the Australian Taxation Office have however been classified as operating cash flows.

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 2 FUNCTIONS/ACTIVITIES OF COUNCIL

a) Expenses, revenues and assets have been attributed to the following functions/activities. These descriptions are set out in Note 2 (b).

b) The activities of the Council are categorised into the following broad functions:-

Administration: Operation and maintenance of the Civic Centre including Council Chamber, Mayor's Parlour and plant and equipment. Operation of resources for the efficient administration of Council's functions.

Public Order & Safety: Supervision of various By-laws, fire prevention, dog control, crime prevention and state emergency services.

Health: Health Inspection, Nerrilda, Mobile Assistance Patrol, Immunisation Services.

Social Security & Welfare: Contributions for aged care and children's services.

Operation of A.M. Ramsay Village, the Childcare Centre, Special Needs Program and maintenance of the L.G. Riches Centre.

Housing; & Community Amenities: Maintenance of housing rented to tenants, including Council Houses, Poinsettia Village and Julia Lodge. Provision of rubbish collection services and operation of the rubbish dump. Administration of town planning services. Maintenance of sewage services, stormwater drainage, protection of environment, cemeteries, public conveniences and other community development amenities.

Recreation & Culture: Maintenance of the Town Hall and Institute Building. Maintenance of parks and gardens, recreation reserves, foreshores, ovals, playgrounds. Operation of the Public Library and Community Information Service.

Agricultural Services: Contribution to Animal & Plant Control activities.

Mining, Manufacturing & Construction: Administration of Building Act and the Development Act.

Transport: Construction and maintenance of roads, drainage works, footpaths, parking facilities and signs. Maintenance of the Community Bus Service and cleaning of streets. Management of the aerodrome and boat ramps.

Economic Affairs: Pest control services, tourism, agriculture.

Other Services NEC: Operation of Works Depot, maintenance of Plant and Machinery

CITY OF PORT AUGUSTA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2001 (Cont'd)**

Revenues and Expenses by function or activity

	EXPENSES							REVENUES						Change in Community Wealth (operations)	
	Salaries & Wages	Contractual Services	Materials	Finance Charges	Depreciation	Other	Total	Grants Operating	Grants Capital	User Charges	Contributions & Donations	Reimb	Statutory Charges & Other		Total
Administration	700,067	128,608	47,733		102,066	394,294	1,372,768	2,135,416		79		11,513	4,662,044	6,809,053	-5,436,285
Public Order & Safety			30,000		4,368	21,531	84,805					27,014	31,001	58,015	30,000
Fire Protection	55,763	485	2,658												26,790
Other															69,865
Health	58,432		258			11,175	69,865								100,669
Health Inspection	2,053,563	295,444	242,614		105,862	203,911	2,901,395	2,367,807	1,881	372,209	6,003	52,826	2,800,726		
Other															6,568
Social Security & Welfare	794,972	216,158	133,261		82,635	56,272	1,283,298	732,083		517,381	10,618	16,647	1,276,730		
Aged & Disabled Services	544,827	61,357	59,420		24,201	42,485	732,288	381,474	18,453	203,205	6,355	24,910	634,398		
Families & Children	45,154	12,437	16,062			12,102	85,754	51,959				4,805	56,764		
Other															28,990
Housing & Community Amenities															19,670
Housing	1,999	24,307	8,893		20,862	273	56,333			36,300	364	27,357	36,663		
Town Planning		59,341				5,115	64,456						27,357		37,099
Other Community Development															11,498
Sanitation & Garbage	1,461	398,973	1,892		11,498	14,176	416,501			22,470			22,470		394,032
Sewerage	4,274	74,583	61,539		50,395	541	191,333								191,333
Urban Stormwater Drainage	12,208	12,174	3,767		71,313	2,286	101,748								101,748
Other Community Amenities	147,421	214,985	254,756			261,936	879,097	124,705		93,058	103,635	62,836	384,234		494,863
Protection of the Environment	7,309	11,197	5,431			3,159	27,097								27,097
Recreation & Culture															
Libraries	206,671	4,156	16,636		149,074	40,123	416,659	60,604		6,520		2,339	69,463		347,195
Other Cultural Services	11,045	126,547	69,221			41,861	248,675	6,820		23,470		2,320	32,610		216,065
Sport & Recreation	333,468	240,775	378,513		218,831	67,456	1,239,044			135,122	9,088	117	144,328		1,094,716
Fuel & Energy															
Agricultural Services															
Mining Manufacturing Construction	94,045	8,866	718			29,291	132,919				182	20,444	20,626		112,294
Building Act	364		136			935	1,435								1,435
Other															
Transport & Communication															
Road Construction and Maintenance	139,166	183,412	33,241		1,227,648	35,921	1,619,388	171,462							1,447,926
Sealed Roads															
Formed and Surfaced Roads	55,565	1,215	31,447			60,632	148,859								148,859
Natural Surface Formed Roads															
Natural Surface Unformed Roads	1,827		13			13,618	15,458								15,458
Bridges	44,385	78,221	16,820			19,757	159,183								159,183
Footpaths	16,249	17,337	5,150		10,034	8,193	56,963			40,192		3,301	40,192		16,771
Aerodromes	1,596	3,281	872		9,200	1,487	16,436								13,135
Parking	21,641	277,900	5,156			3,007	307,703	144,150		8,034		60,269	212,452		95,251
Bus															
Other Transport	713,618	800,078	765,598		110,781	242,844	2,632,920	717,351		238,466	196,134	241,298	1,393,249		1,239,671
Economic Affairs NEC															
Other Purposes NEC	552,198	120,874	256,818		134,980	-71,548	993,323	62,926			31,928	153,915	95,154		898,169
Public Debt Transactions															
Other Purposes NEC															
TOTALS	6,619,288	3,396,043	2,456,885	272,992	2,333,748	1,522,832	16,601,788	6,956,757	20,334	1,696,504	402,834	5,366,731	14,443,161		2,158,627

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 3	EMPLOYEE COSTS	2001	2000
		\$	\$
	Salaries and Wages	5,475,615	4,794,481
	Superannuation Expenses	479,829	377,634
	Leave Entitlements	746,837	715,781
	Training	18,368	25,627
		<u>6,720,649</u>	<u>5,913,523</u>
	Less		
	Amounts Capitalised		
	Non-Current Assets Constructed By Council	<u>101,361</u>	<u>54,873</u>
		<u>6,619,288</u>	<u>5,858,650</u>
NOTE 4	CONTRACTUAL SERVICES		
	Contractual services involve payments or liabilities for the external provision of services. They include:		
	Consultants	91,756	68,286
	Contractors	<u>3,304,287</u>	<u>2,811,190</u>
		<u>3,396,043</u>	<u>2,879,476</u>
NOTE 5	MATERIALS		
	Materials are payment or liabilities for physical goods including energy. They include:		
	Electricity	396,090	375,768
	Water	355,892	334,313
	Fuel/lubricants	154,393	140,700
	Other	<u>1,550,510</u>	<u>881,858</u>
		<u>2,456,885</u>	<u>1,732,639</u>
NOTE 6	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation and amortisation expenses for the year were charged in respect of:		
	Buildings	609,094	609,094
	Structures	32,159	32,159
	Reserves Infrastructure	165,230	165,230
	Infrastructure	1,349,356	1,340,599
	Furniture and Equipment	84,282	81,149
	Plant and Machinery	<u>93,627</u>	<u>101,391</u>
		<u>2,333,748</u>	<u>2,329,622</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 7	OTHER EXPENDITURE	2001	2000
		\$	\$
	Other Expenses includes:		
	Insurances	306,555	271,799
	Plant and Machinery Hire (Internal)	225,687	260,246
	Plant and Machinery Hire (External)	71,370	25,477
	Elected Member Expenses	83,289	69,480
	Communications	126,052	128,651
	Subscriptions	56,004	83,839
	Contributions	154,223	92,091
	Travel and Accommodation	52,893	49,712
NOTE 8	CASH		
	Cash on Hand	4,671	3,629
	Deposits at Call	1,168,552	1,335,082
	For the purposes of the statement of cash flows, cash includes, cash on hand and in bank and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows		
	Balance Cash at Bank and in hand as above	1,173,224	1,338,711
	less: Bank Overdraft	-	294,495
		<hr/>	<hr/>
	Balance per Statement of Cash Flows	1,173,224	1,044,216
	Reconciliation of net cash provided by operating activities to change in financial position from operating activities for the year.		
	Change in Community Wealth resulting from Operations	(2,158,627)	(1,123,272)
	Depreciation	2,333,748	2,329,622
	Interest treated as Financing Activity	93,730	132,119
	Other charges relating to Financing Activities	25,347	18,047
	Increase (Decrease) Employee Entitlement	149,065	141,979
	Loss (Gain) on disposal of Assets	50,671	19,756
	Decrease (Increase) Debtors	107,569	(263,576)
	Decrease (Increase) in Prepayments	(25,579)	35,659
	Capital Grants treated as Capital Revenues	(20,334)	(135,025)
	Increase (Decrease) in Creditors and Accruals	8,989	151,431
	(Increase) Decrease in Inventory	7,057	(12,299)
		<hr/>	<hr/>
	Net Cash used in Operating Activities	571,636	1,294,441

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 9	RECEIVABLES	2001	2000
			\$
	Current		
	Rates Receivable	461,944	509,217
	Less Provision for Doubtful Debts	<u>100,000</u>	<u>100,000</u>
		<u>361,944</u>	<u>409,217</u>
	Loans and Advances to Community Groups	42,122	60,224
	GST Debtor	57,243	-
	Other Debtors	<u>387,443</u>	<u>504,982</u>
		<u>486,808</u>	<u>565,206</u>
	Total Current Receivables	<u>848,752</u>	<u>974,423</u>
	Non Current		
	Loans and Advances to Community Groups	11,693	85,025
	Loans to Community Groups include all loans and advances to sporting organisations and community based bodies.		
NOTE 10	INVENTORIES		
	Stores	53,971	56,049
	Souvenir Stock Wadlata and Arid Lands	<u>122,434</u>	<u>127,413</u>
		<u>176,405</u>	<u>183,462</u>
NOTE 11	CREDITORS		
	Current		
	Creditors	229,484	274,785
	Interest Accruals	77,254	89,191
	Other Accruals	<u>282,286</u>	<u>230,658</u>
		<u>589,024</u>	<u>594,634</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 12	PROVISIONS	2001	2000
		\$	\$
	Current		
	Annual Leave	406,192	349,413
	Long Service Leave	<u>40,000</u>	<u>40,000</u>
		<u>446,192</u>	<u>389,413</u>
	Non-Current		
	Annual Leave	40,000	40,000
	Long Service Leave	<u>682,096</u>	<u>589,810</u>
		<u>722,096</u>	<u>629,810</u>
NOTE 13	BORROWINGS		
	Current		
	Bank Overdraft	-	294,495
	Loans Secured	1,104,273	1,090,800
	Nursing Home Accommodation Bonds	<u>16,874</u>	<u>26,000</u>
		<u>1,121,147</u>	<u>1,116,800</u>
	Non-Current		
	Loans Secured	2,688,122	2,509,943
	Nursing Home Accommodation Bonds	<u>349,957</u>	<u>349,803</u>
	Total Borrowings	<u>3,038,079</u>	<u>2,859,746</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2001	2000
		\$	\$
	Land		
	at Independent Valuation as at 30 June 1997 *	5,498,380	5,498,380
	at Cost	<u>185,985</u>	<u>185,985</u>
	Total Land	<u>5,684,365</u>	<u>5,684,365</u>
	Buildings		
	at Independent Valuation as at 30 June 1997 *	18,018,105	18,018,105
	at cost	<u>349,636</u>	<u>330,546</u>
		<u>18,367,741</u>	<u>18,348,650</u>
	less accumulated Depreciation	<u>2,431,301</u>	<u>1,822,206</u>
	Total Buildings	<u>15,936,440</u>	<u>16,526,444</u>
	Structures		
	at Independent Valuation as at 30 June 1997 *	521,100	521,100
	at cost	<u>2,299,276</u>	<u>2,299,276</u>
		<u>2,820,376</u>	<u>2,820,376</u>
	less accumulated Depreciation	<u>128,636</u>	<u>96,477</u>
	Total Structures	<u>2,691,740</u>	<u>2,723,899</u>
	Reserves / Infrastructure		
	at Independent Valuation as at 30 June 1997 *	2,389,745	2,389,745
	at cost	<u>255,795</u>	<u>215,002</u>
		<u>2,645,540</u>	<u>2,604,747</u>
	less accumulated Depreciation	<u>655,711</u>	<u>490,481</u>
	Total Reserves / Infrastructure	<u>1,989,829</u>	<u>2,114,266</u>
	Total Buildings Structures & Reserve Infrastructure	<u>20,618,009</u>	<u>21,364,609</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2001	2000
		\$	\$
	Plant and Equipment		
	at cost	1,599,531	1,586,067
	less accumulated Depreciation	<u>469,301</u>	<u>376,692</u>
	Total Plant and Equipment	<u>1,130,230</u>	<u>1,209,375</u>
	Minor Plant		
	at Council Valuation as at 30 June 1994	47,018	47,018
	at cost	<u>65,557</u>	<u>41,545</u>
		<u>112,575</u>	<u>88,563</u>
	less accumulated Depreciation	<u>32,068</u>	<u>31,049</u>
	Total Minor Plant	<u>80,507</u>	<u>57,514</u>
	Total Plant, Equipment and Minor Plant	<u>1,210,737</u>	<u>1,266,890</u>
	Office Furniture and Equipment		
	at Councils Valuation as at 30 June 1994	409,719	409,719
	at cost	<u>1,029,473</u>	<u>942,468</u>
		<u>1,439,192</u>	<u>1,352,187</u>
	less accumulated Depreciation	<u>558,672</u>	<u>474,390</u>
	Total Office Furniture and Equipment	<u>880,520</u>	<u>877,797</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 14	INFRASTRUCTURE ASSETS	2001	2000
			\$
	Roads Bridges and Footpaths		
	at Independent valuation as at 30 June 1997 *	18,515,817	18,515,817
	at cost	<u>1,787,735</u>	<u>1,419,371</u>
		<u>20,303,552</u>	<u>19,935,188</u>
	less accumulated Depreciation	<u>4,942,880</u>	<u>3,715,232</u>
	Total Roads Bridges and Footpaths	<u>15,360,672</u>	<u>16,219,956</u>
	Stormwater Drainage		
	at Independent valuation as at 30 June 1997 *	2,900,055	2,900,055
	at cost		
	less accumulated Depreciation	<u>285,252</u>	<u>213,939</u>
		<u>2,614,803</u>	<u>2,686,116</u>
	Effluent Drainage		
	at Independent valuation as at 30 June 1997	1,654,572	1,654,572
	less accumulated Depreciation	<u>201,580</u>	<u>151,185</u>
		<u>1,452,992</u>	<u>1,503,387</u>
	Total Infrastructure Assets	<u>19,428,467</u>	<u>20,409,459</u>

* All valuations for Land, Buildings and Infrastructure have been undertaken by Andrea J Carolan B App Sc PRM, AVLE(Val) and Michael H Rouvray Bach Bus (Property), GVLE(Val) of Maloney Field Services, Licenced Valuers.

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 15	AMOUNTS HELD IN CASH OR OUTSTANDING AT BALANCE DAY	2001 \$	2000 \$
	The following amounts have been advanced subject to certain conditions. They are to be expended in future years but are currently held in cash.		
	Substance Misuse Services - Subsidy	82,443	68,157
	Crime Prevention Program	137,482	102,731
	Sobering Up Unit	17,993	22,776
	DVA Shed Program	9,891	-
	Health Focus Subsidy	11,548	8,000
	Swimming Pool Subsidy	70,000	70,000
	The following amount is subject to grant or debenture loan funding arrangements in 2001/2002		
	Pichi Richi Rail Project	177,146	
NOTE 16	COMMITMENTS FOR EXPENDITURE		
	Capital Commitments		
	Purchase of Truck and Water Tank	108,117	-
	Operating Leases		
	Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
	Not later than one year	45,681	45,879
	Later than one year but less than five years	36,913	49,970

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 17 SUPERANNUATION

The Council contributes to the Local Government Superannuation Scheme (the scheme) in respect of its employees to a defined benefit Superannuation Scheme established in respect of all municipalities in the State. In accordance with statutory requirements, the Council contributes to the scheme amounts determined by the scheme actuary. As such, assets accumulate in the scheme to meet members' benefits as they accrue. If the assets of the scheme were insufficient to satisfy benefits payable to its beneficiaries, the Council would be required to meet its share of the deficiency. The audited general purpose financial report of the scheme as at 30 June 2000, which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the accrued benefits. No liability of the Council has been recognised as at the reporting date in respect of Superannuation benefits for its employees. The general purpose financial report of the scheme discloses that the most recent actuarial assessment of the scheme was undertaken as at 30 June 1999 by L.C. Brett, BSc., FIA, FIAA, and that the actuary indicated that without improvements to benefit conditions, or other unanticipated events, current contribution rates are sufficient to meet members benefits as they accrue.

The amount of Superannuation contributions paid by the Council during the year was \$479,829.
(1999/2000 \$377,634)

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 18	PERFORMANCE INDICATORS	2001	2000
	Debt Servicing Ratio <i>Ratio of debt servicing costs to total revenue</i>	9.26%	10.18%
	This is the ratio of the cost of servicing all debenture loans against total operating revenue		
	Debt Commitment Ratio <i>Ratio of debt servicing to total rate revenue</i>	28.92%	30.51%
	This ratio provides an indication of how much of Council's rate revenue is used to service it's debt.		
	Revenue Ratio <i>Ratio of total rate revenue to total revenue</i>	32.01%	33.36%
	This ratio is used to give an indication of what percentage of total revenue is comprised of rates		
	Working Capital Ratio <i>Ratio of Current Assets to Current Liabilities</i>	1.05 to 1	1.06 to 1
	This ratio provides an indication of Council's current position. A figure greater than 1 to 1 means that Council's current assets are greater than it's current liabilities		

CITY OF PORT AUGUSTA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2001 (Cont'd)

NOTE 19 Functions/Activities of the City

FUNCTIONS ACTIVITIES	TOTAL GRANTS \$	TOTAL OTHER \$	REVENUE TOTAL \$	%	EXPENSES TOTAL \$	%	OPERATIONS SURPLUS (DEFICIT) AND EXTRA ORDINARY ITEMS \$
Administration							
2001	2,135,416	4,673,637	6,809,053	47.1%	1,372,768	8.3%	5,436,285
2000	1,976,190	4,634,964	6,611,154	49.8%	1,338,187	9.3%	5,272,967
Public Order & Safety							
2001		58,015	58,015	0.4%	114,805	0.7%	(56,790)
2000		34,201	34,201	0.3%	70,655	0.5%	(36,455)
Health							
2001	2,369,688	431,038	2,800,726	19.4%	2,971,260	17.9%	(170,534)
2000	2,234,076	356,198	2,590,274	19.5%	2,676,773	18.6%	(86,499)
Social Security and Welfare							
2001	1,183,969	783,922	1,967,891	13.6%	2,101,340	12.7%	(133,449)
2000	1,064,804	712,118	1,776,923	13.4%	2,025,721	14.1%	(248,798)
Housing and Community Amenities							
2001	124,705	346,020	470,724	3.3%	1,720,967	10.4%	(1,250,243)
2000	365,327	377,790	743,117	5.6%	1,708,050	11.9%	(964,934)
Protection of the Environment							
2001					27,097	0.2%	(27,097)
2000					12,840	0.1%	(12,840)
Recreation and Culture							
2001	67,424	178,977	246,401	1.7%	1,904,377	11.5%	(1,657,976)
2000	142,845	205,146	347,991	2.6%	1,831,223	12.7%	(1,483,232)
Fuel and Energy							
2001						0.1%	
2000							
Agriculture							
2001					31,595	0.2%	(31,595)
2000							
Mining and Manufacture							
2001		20,626	20,626	0.1%	134,355	0.8%	(113,729)
2000		28,604	28,604	0.2%	120,175	0.8%	(91,570)
Transport and Communication							
2001	315,612	111,795	427,407	3.0%	2,323,990	14.0%	(1,896,582)
2000	142,243	116,931	259,174	2.0%	2,309,615	16.0%	(2,050,442)
Economic Affairs							
2001	717,351	675,898	1,393,249	9.6%	2,632,920	15.9%	(1,239,671)
2000	132,397	604,737	737,134	5.5%	1,174,594	8.2%	(437,461)
Other Purposes							
2001	62,926	186,143	249,069	1.7%	1,266,316	7.6%	(1,080,173)
2000		154,973	154,973	1.2%	1,138,983	7.9%	(984,010)
TOTAL							
2001	6,977,092	7,466,069	14,443,161	100.0%	16,601,788	100.0%	(2,158,627)
2000	6,057,882	7,225,661	13,283,543	100.0%	14,406,815	100.0%	(1,123,272)

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2001

NOTE 20 COMPARISON OF BUDGET AND ACTUAL RESULTS (OPERATING)

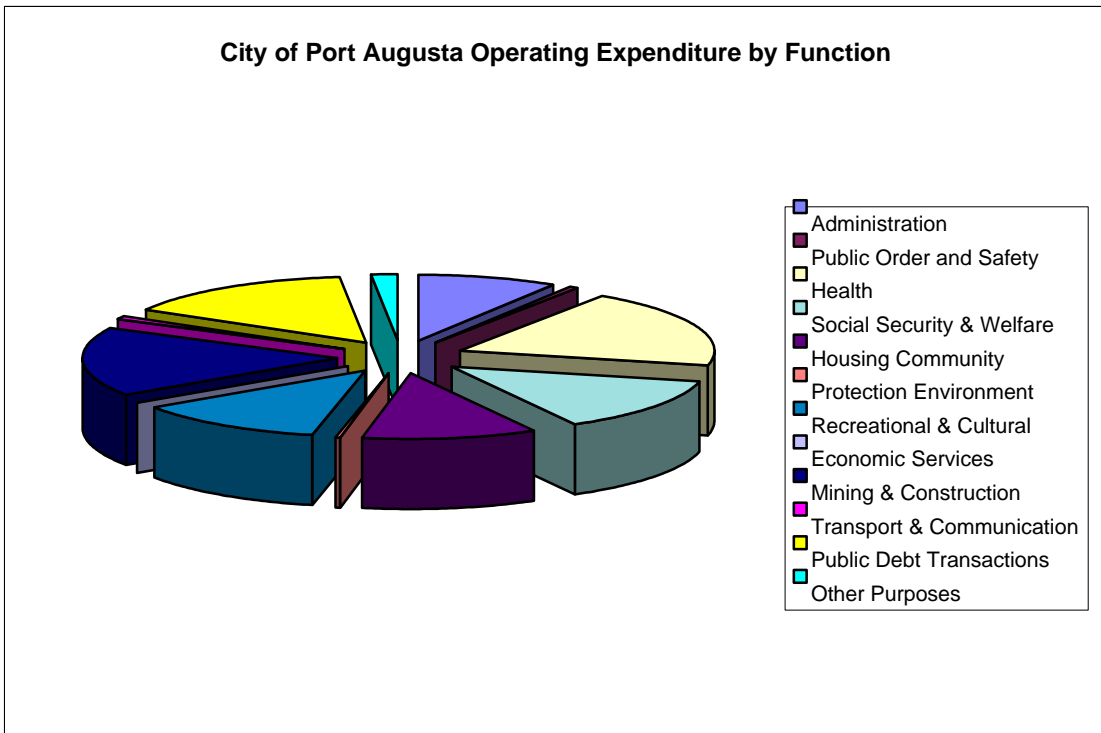
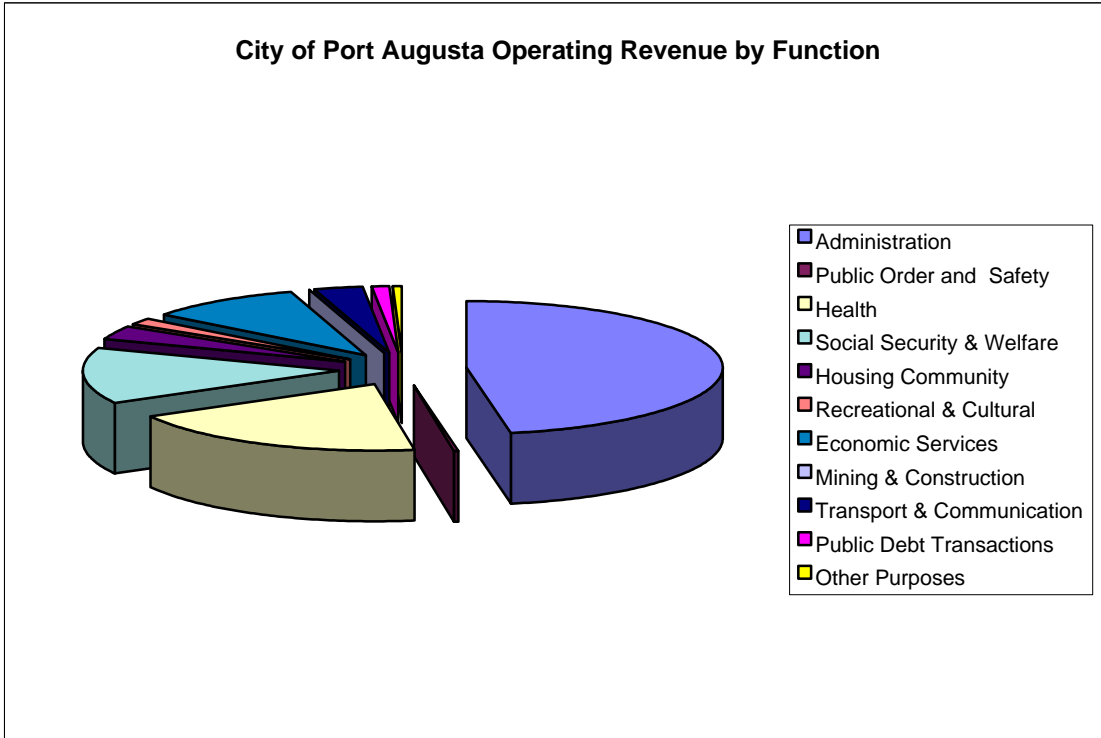
	2001 Operating		2000 Operating	
	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$
Revenue				
Administration	6,506,700	6,809,053	6,136,960	6,611,200
Public Order and Safety	38,100	58,015	44,100	34,200
Health	2,214,100	2,800,726	2,242,200	2,590,300
Social Security & Welfare	1,646,100	1,967,891	1,585,400	1,776,900
Housing Community	937,400	470,724	434,070	743,100
Recreational & Cultural	200,000	246,401	179,900	348,000
Economic Services	554,000	1,393,249	1,004,600	737,100
Mining & Construction	30,300	20,626	22,200	28,600
Transport & Communication	457,000	427,407	466,500	259,200
Public Debt Transactions	108,000	153,915	114,500	131,100
Other Purposes	563,000	95,154	52,200	23,900
Total Revenue	<u>13,254,700</u>	<u>14,443,161</u>	<u>12,282,630</u>	<u>13,283,600</u>
Expenses				
Administration	1,160,500	1,372,768	1,149,560	1,339,200
Public Order and Safety	134,100	114,805	138,200	70,700
Health	2,217,300	2,971,260	2,184,070	2,675,800
Social Security & Welfare	1,776,100	2,101,340	1,694,400	2,025,700
Housing Community	2,002,900	1,720,967	1,488,400	1,708,100
Protection Environment		27,097		12,840
Recreational & Cultural	1,371,700	1,904,377	1,295,800	1,831,200
Agricultural Services		31,595		
Fuel and Energy				
Economic Services	899,000	2,632,920	1,681,900	1,174,600
Mining & Construction	121,100	134,355	120,600	120,200
Transport & Communication	1,826,500	2,323,990	1,741,200	2,309,600
Public Debt Transactions	283,000	272,992	309,000	281,200
Other Purposes	1,462,200	993,323	595,300	857,800
Total Expenses	<u>13,254,400</u>	<u>16,601,788</u>	<u>12,398,430</u>	<u>14,406,940</u>
Deficit	300	(2,158,600)	(115,800)	(1,123,300)

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 20 CONTINUED

ACTUAL OPERATING REVENUE AND EXPENDITURE BY FUNCTION



CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 19 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE**(a) Interest Rate Risk Exposure**

The Councils exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below. Exposures arise predominantly from assets and liabilities at variable interest rates as Council intends to hold fixed rate assets and liabilities to maturity.

	Weighted Avg Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
2001						
Financial Assets						
Cash & Bank	.5%	6,318			4,671	10,989
Deposits	4.75%	1,162,235				1,162,235
Receivables					848,452	848,752
		1,168,553			853,423	2,021,975
Financial Liabilities						
Borrowings	7.19%		1,104,273	2,680,939		3,785,212
Creditors & Accruals					589,024	589,024
NHA Bonds					366,831	366,831
			1,104,273	2,680,939	955,855	4,741,067
2000						
Financial Assets						
Cash & Bank					3,629	3,629
Deposits	5.75%	1,335,082				1,335,082
Receivables					974,423	974,423
		1,335,082			978,052	2,313,134
Financial Liabilities						
Overdraft	10.65%	294,495				294,495
Borrowings	7.19%		1,090,800	2,509,358		3,600,158
Creditors & Accruals					594,634	594,634
NHA Bonds					375,803	375,803
		294,495	1,090,800	2,509,358	970,437	4,865,090

(b) Credit Risk Exposure

Credit risk represents the loss that would be recognised if other parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Council which have been recognised in the Statement of Financial Position, is the carrying amount, net of any provision for doubtful debts.

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

NOTE 31 CONTINUED

The Council does not have significant exposure to any concentration of credit risk. The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

Cash flows are discounted using standard valuation techniques and the applicable market yield having regard to the timing of the cash flows. The carrying amount of term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

Due to the nature of the financial instruments held by Council, the costs associated with their settlement would not be material and therefore have not been considered.

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

CHIEF FINANCIAL OFFICERS STATEMENT

I, Michael John Dunemann the person for the time being occupying the position of Director – Financial & Information Services of the Corporation of the City of Port Augusta do hereby state that the financial statements for the 2000/2001 financial year are to the best of knowledge presented fairly and in accordance with the accounting procedures which have been maintained in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

M.J. DUNEMANN
DIRECTOR
FINANCIAL & INFORMATION SERVICES

ADOPTION STATEMENT

Laid before the Council of the City of Port Augusta and adopted on 19 November, 2001.

M.J. DUNEMANN
DIRECTOR
FINANCIAL & INFORMATION SERVICES

N.J. BALUCH
MAYOR