



**PortAugusta**

CITY COUNCIL

# **Port Augusta City Council**

**FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2013**

# ANNUAL FINANCIAL STATEMENTS

FOR THE YER ENDED 30 June 2013

## CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- The accompanying financial statements comply with *the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.*
- The financial statements present a true and fair view of the Council's financial position at 30 June, 2013 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Council provide reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council's accounting and other records.



**G.J. PERKIN**  
**CITY MANAGER**



**S.C. JOHNSON**  
**MAYOR**

Date:

14/11/13.

## PORT AUGUSTA CITY COUNCIL

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

		<b>2013</b>	<b>2012</b>
	Notes	\$	\$
<b>INCOME</b>			
Rates	3	14,199,152	13,399,941
Statutory charges	3	238,219	219,597
User charges	3	4,280,308	4,242,647
Grants, Subsidies & Contributions	3	10,301,476	11,014,579
Investment Income	3	250,353	151,087
Reimbursements	3	415,336	328,412
Other Income	3	<u>1,249,909</u>	<u>1,642,167</u>
<b>TOTAL INCOME</b>		<u>30,934,754</u>	<u>30,998,430</u>
<b>EXPENSES</b>			
Employee Costs	4	15,389,560	14,518,051
Materials, Contracts & Other Expenses	4	13,907,023	13,501,453
Finance Costs	4	981,252	1,035,360
Depreciation, Amortisation & Impairment	4	<u>5,020,303</u>	<u>6,452,712</u>
<b>TOTAL EXPENSES</b>		<u>35,298,139</u>	<u>35,507,577</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>(4,363,385)</u>	<u>(4,509,147)</u>
Asset disposal and fair value adjustments	5	83,794	(67,668)
Amounts received specifically for new or upgraded assets	3	<u>250,000</u>	<u>5,828,050</u>
<b>NET SURPLUS/(DEFICIT) transferred to Equity Statement</b>		<u>(4,029,591)</u>	<u>1,251,236</u>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - infrastructure, property, plant & equipment		<u>1,957,295</u>	<u>(120,902)</u>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<u>1,957,295</u>	<u>(120,902)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(2,072,296)</u>	<u>1,130,334</u>

This Statement is to be read in conjunction with the attached Notes.

## PORT AUGUSTA CITY COUNCIL

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### BALANCE SHEET FOR YEAR ENDED 30 JUNE 2013

	Notes	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	6,905,718	8,199,103
Trade & other receivables	6	1,776,847	1,355,345
Inventories	6	<u>248,316</u>	<u>252,385</u>
<b>Total Current Assets</b>		<u>8,930,881</u>	<u>9,806,834</u>
<b>Non-current Assets</b>			
Financial Assets	7	105,875	118,382
Infrastructure, Property, Plant & Equipment	8	190,588,031	190,708,994
Other Non-current Assets	7	<u>3,538,690</u>	<u>2,416,211</u>
<b>Total Non-current Assets</b>		<u>194,232,596</u>	<u>193,243,587</u>
<b>TOTAL ASSETS</b>		<u>203,163,477</u>	<u>203,050,420</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	9	5,936,917	5,770,473
Borrowings	9	6,068,085	4,057,107
Provisions	9	1,257,135	1,157,783
Other Current Liabilities			
Liabilities relating to Non-current Assets held for Sale			
<b>Total Current Liabilities</b>		<u>13,262,137</u>	<u>10,985,363</u>
<b>Non-current Liabilities</b>			
Trade & Other Payables	10	-	-
Borrowings	9	13,802,719	13,883,584
Provisions	9	286,807	297,363
Other Non-current Liabilities			
<b>Total Non-current Liabilities</b>		<u>14,089,526</u>	<u>14,180,947</u>
<b>TOTAL LIABILITIES</b>		<u>27,351,663</u>	<u>25,166,309</u>
<b>NET ASSETS</b>		<u>175,811,814</u>	<u>177,884,111</u>
<b>EQUITY</b>			
Accumulated Surplus(Deficit)		(2,316,202)	1,713,389
Asset Revaluation Reserve	10	178,128,015	176,170,721
Other Reserves	11		
<b>TOTAL EQUITY</b>		<u>175,811,814</u>	<u>177,884,111</u>

This Statement is to be read in conjunction with the attached Notes.

## PORT AUGUSTA CITY COUNCIL

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	ACCUMULATED SURPLUS	ASSET REVALUATION RESERVE	TOTAL EQUITY
<b>2013</b>			
	Notes		
Balance at end of previous reporting period	1,713,389	176,170,721	177,884,111
Net Surplus/ (Deficit) for year	<u>(4,029,591)</u>	<u>                    </u>	<u>(4,029,591)</u>
<b>Balance at end of period</b>	<b><u>(2,316,202)</u></b>	<b><u>176,170,721</u></b>	<b><u>173,854,520</u></b>
Gain on revaluation of property, plant & equipment	10	<u>1,957,294</u>	<u>1,957,294</u>
<b>Balance at end of period</b>	<b><u>(2,316,202)</u></b>	<b><u>178,128,015</u></b>	<b><u>175,811,814</u></b>
<b>2012</b>			
	Notes		
Balance at end of previous reporting period	462,153	176,291,623	176,753,776
Net Surplus/ (Deficit) for year	<u>1,251,236</u>	<u>                    </u>	<u>1,251,236</u>
<b>Balance at end of period</b>	<b><u>1,713,389</u></b>	<b><u>176,291,623</u></b>	<b><u>178,005,012</u></b>
Gain on revaluation of property, plant & equipment	10	<u>(120,902)</u>	<u>(120,902)</u>
<b>Balance at end of period</b>	<b><u>1,713,389</u></b>	<b><u>176,170,721</u></b>	<b><u>177,884,111</u></b>

This Statement is to be read in conjunction with the attached Notes.

## PORT AUGUSTA CITY COUNCIL

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### CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Operating Receipts		30,243,250	31,003,093
Investment Receipts		250,353	151,087
<u>Payments</u>			
Operating Payments to suppliers & employees		(28,788,853)	(28,704,021)
Finance Payments		(876,373)	(1,043,175)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>828,377</b>	<b>1,406,984</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		250,000	5,828,050
Sale of replaced assets		141,705	267,223
Sale of surplus assets		246,816	31,921
Repayments of loans by community groups		12,508	7,303
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(2,331,007)	(3,234,329)
Expenditure on new/upgraded assets		(2,099,378)	(1,877,007)
Loans made to community groups		(363)	(137,830)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(3,779,719)</b>	<b>885,331</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from Borrowings		4,100,000	5,311,220
Proceeds from Aged Care Facility deposits		680,321	1,290,399
<u>Payments</u>			
Repayments of Borrowings		(2,169,887)	(2,722,581)
Repayment of Aged Care Facility deposits		(952,480)	(597,207)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>1,657,954</b>	<b>3,281,831</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(1,293,388)</b>	<b>5,574,146</b>
Cash & cash equivalents at beginning of period		8,199,104	2,624,957
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>		<b>6,905,716</b>	<b>8,199,104</b>

This Statement is to be read in conjunction with the attached Notes

## **PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### **NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **1.1 Basis of Preparation**

##### **1.1.1 Compliance with Australian Accounting Standards**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by the Council by certificate under Regulation 14 of the Local Government (Financial Management) Regulation 2011.

##### **1.1.2 Historical Cost Convention**

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### **1.1.3 Critical Accounting Estimates**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### **1.1.4 Rounding**

All amounts in the financial statements have been rounded to the nearest dollar (\$0).

## **PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### **2.0 The Local Government Reporting Entity**

The Port Augusta City Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 4 Mackay Street, Port Augusta, South Australia. These financial statements include the consolidated fund and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

Wadlata Outback Centre  
Australian Arid Lands Botanic Gardens  
Port Augusta Cultural Centre – Yarta Purlti  
Ryan Mitchell Swim Centre  
Nerrilda Nursing Home  
AM Ramsay Village  
Port Augusta Childcare Centre  
Miriam High Special Needs Centre  
Port Augusta Men's Shed  
Substance Misuse Service  
Sobering Up Unit  
Port Augusta Outdoor Adventure Centre  
Port Augusta Public Library

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

### **3.0 Income recognition**

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as income during the reporting period 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 amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$827,244 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$1,634,200; and in June 2013, again two quarters of the 2013/14 allocation: \$1,584,272. Accordingly, in the reporting period ended 30 June 2012, Council's operating deficit was effectively understated by \$806,756. It is anticipated that these amounts in advance will be adjusted at some future time, but details of the timing of this are not currently available. The total amounts to be adjusted at 30 June 2013 is \$1,584,272 (\$2012, \$1,634,200). The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2."



## **PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### **4.0 Cash Equivalents and other Financial Instruments**

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999 (as amended). Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

A detailed statement of the accounting policies applied to the Financial Instruments forms part of Note 12.

### **5.0 Inventories**

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### 6.0 Infrastructure, Property, Plant & Equipment

#### 6.1 Initial Recognition

All assets are initially recognised as cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as *other non-current assets* and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of the acquisition.

#### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

#### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and values are provided in Note 8.

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### 6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure and property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets. Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

#### Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years

#### Building & Other Structures

Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

#### Infrastructure

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC70	to 80 years
Reticulation Pipes – other25	to 75 years
Pumps & Telemetry	15 to 25 years
Reclaimed Water Plant & Irrigation System	30 years
CED Schemes	50 years

#### Other Assets

Library Books	10 to 15 years
Artworks	indefinite

### 6.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the *present value of future cash outflows* or *value in use*).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the *value in use* is the depreciated replacement cost.

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

### **7.0 Payables**

#### **7.1 Goods & Services**

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

#### **7.2 Payments Received in Advance & Deposits**

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

### **8.0 Borrowings**

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

### **9.0 Employee Benefits**

#### **9.1 Salaries, Wages & Compensated Absences**

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncost) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within twelve months are recognised by using the shorthand method and a benchmark number of years of staff service. The benchmark is five years. It has been determined that the liability is not materially different from the liability measured using the present value of expected future payments and is consistent with Council's experience of staff retention and leave taken.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

#### **9.2 Superannuation**

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme and to Hesta Super Fund. The Statewide Superannuation Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### 10.0 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

### 11.0 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

### 12.0 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax

- Receivables and Creditors include GST receivable and payable
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

### 13.0 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2013 reporting period and have not been used in preparing these reports.

AASB 7	<i>Financial Instruments - Disclosure</i>
AASB 9	<i>Financial Instruments</i>
AASB 10	<i>Consolidated Financial Statements</i>
AASB 11	<i>Joint Arrangements</i>
AASB 12	<i>Disclosure of Interests in Other Entities</i>
AASB 13	<i>Fair Value Measurement</i>
AASB 119	<i>Employee Benefits</i>
AASB 127	<i>Separate Financial Statements</i>
AASB 128	<i>Investments in Associates and Joint Ventures</i>
AASB 132	Financial Instruments: Presentation

Standards containing consequential amendments to other Standards and Interpretations arising from the above – AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6 and AASB 2012-10.

*(Standards not affecting Local Government have been excluded from the above list)*

Council is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

**PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

# PORT AUGUSTA CITY COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 2 FUNCTIONS & ACTIVITIES OF THE COUNCIL

	REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES							
	INCOME		EXPENSES		SURPLUS/(DEFICIT)		GRANTS INCLUDED IN INCOME	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Administration								
City Management & Economic Development	2,640,601	3,667,206	596,125	647,811	2,044,476	3,019,395	2,640,703	3,666,781
Human Resource Management	228,385	263,629	82,712	89,333	145,673	174,296		
Records Management			249,413	257,184	(249,413)	(257,184)		
Financial & Customer Services	12,252,082	11,658,691	754,665	806,606	11,497,418	10,852,085		
Information Technology			505,524	599,994	(505,524)	(599,994)		
Occupational Health & Safety			95,042		(95,042)			
Public Order & Safety								
General Inspection	116,691	101,042	291,496	262,900	(174,806)	(161,858)		
Other General Services	48,723	16,242	137,348	60,293	(88,625)	(44,050)		3,500
Health Services								
Substance Misuse Service	426,340	421,747	459,716	454,514	(33,376)	(32,767)	426,340	421,747
Sobering Up Unit	757,493	598,939	733,944	601,262	23,549	(2,322)	757,098	598,418
Nerrilda Nursing Home	3,520,545	3,629,014	4,548,108	4,250,072	(1,027,563)	(621,058)	2,586,758	2,661,730
A.M. Ramsay Village	2,968,733	3,248,610	3,638,847	3,602,448	(670,113)	(353,838)	1,750,193	1,879,736
OPAL Program	59,600	56,364	99,125	65,477	(39,525)	(9,113)	57,800	56,000
Immunisation Program	9,078	7,765	11,975	12,178	(2,896)	(4,413)	8,811	7,489
Environmental Health	674	821	116,771	134,061	(116,097)	(133,240)		
Social Security & Welfare								
Health Focus	228,017	236,466	272,505	258,109	(44,488)	(21,644)	208,136	215,749
Childcare Service	735,703	645,221	1,102,411	1,019,069	(366,708)	(373,848)	266,872	236,173
Special Needs Program	539,933	441,234	497,402	496,665	42,531	(55,431)	519,301	399,678
DVA Shed Program	56,103	53,527	65,299	54,558	(9,197)	(1,031)	44,010	38,800
HACC Project			46,881		(46,881)			
Youth Activities Service	6,000	3,000	55,622	61,015	(49,622)	(58,015)	3,000	3,000
Ageing/Disability Planning			13,275	40,022	(13,275)	(40,022)		
Senior Citizens Centre			29,897	30,227	(29,897)	(30,227)		
Housing & Community Amenities								
City Planning	98,859	92,360	220,761	295,631	(121,902)	(203,271)		
Projects & Events	1,909	1,645	198,652	235,562	(196,743)	(233,917)		
Community Harmony Program	91,488	55	148,738	114,659	(57,250)	(114,605)	10,000	
Community Donations			33,146	25,140	(33,146)	(25,140)		
Community Safety Program	42,504	21,000	264,610	257,003	(222,106)	(236,003)	21,500	21,000
Community Bus Service	62,706	20,450	61,435	39,674	1,272	(19,224)	30,545	
Halls		15,760	43,394	114,359	(43,394)	(98,598)		
Civic Centre			359,599	396,854	(359,599)	(396,854)		
Housing	55,246	52,487	136,622	96,666	(81,376)	(44,179)		
Cemeteries	188,129	186,524	334,168	343,126	(146,039)	(156,602)		
Sanitation & Garbage	1,352,401	1,231,330	1,501,876	1,507,138	(149,474)	(275,807)		
Foreshores		12,380	342,095	313,734	(342,095)	(301,354)		
Public Conveniences			96,371	95,490	(96,371)	(95,490)		
Street Lighting			355,343	314,217	(355,343)	(314,217)		
Lakes Management			18,315	39,775	(18,315)	(39,775)		
Other Property & Services	136,756	113,680	303,629	274,927	(166,873)	(161,246)	42,600	30,000
Stormwater Drainage			246,529	261,044	(246,529)	(261,044)		
Central Oval Reclaimed Water Plant			278,569	131,604	(278,569)	(131,604)		
Effluent Drainage	649,320	609,485	531,133	581,004	118,187	28,481		
Protection of the Environment								

# PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

## NOTE 2 FUNCTIONS & ACTIVITIES CONTINUED

	REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES							
	INCOME		EXPENSES		SURPLUS/(DEFICIT)		GRANTS INCLUDED IN INCOME	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Recreation & Culture								
Library & Information Service	61,719	71,490	636,202	569,804	(574,483)	(498,314)	48,627	59,033
Fountain Gallery	18,400	17,523	37,897	37,039	(19,497)	(19,516)		
Cultural Centre	117,512	120,128	700,020	683,468	(582,508)	(563,340)	7,000	1,440
Active Field Officer & Aquatic Centre Program	48,101	152,994	205,547	257,245	(157,446)	(104,251)	19,545	25,000
Ryan Mitchell Swimming Centre	183,286	172,534	505,960	500,311	(322,674)	(327,777)		
Be Active Community Centre	22,941	41,816	53,802	70,580	(30,861)	(28,764)		
Junior Sports Foundation		1,440	547	11,744	(547)	(10,304)		
Sporting Clubs			1,063	9,634	(1,063)	(9,634)		
Parks & Gardens & Playgrounds	1,604	4,406	1,049,815	929,279	(1,048,211)	(924,873)		
Ovals	6,618	5,048	1,038,527	629,707	(1,031,909)	(624,659)		
ETSA Oval Complex			59,322	91,151	(59,322)	(91,151)		
Mining Manufacturing & Construction Building Act	50,831	35,476	308,935	326,982	(258,104)	(291,506)		
Transport & Communication								
Aerodromes	312,758	221,143	384,937	399,613	(72,179)	(178,470)		
Maintenance of Roads, Bridges etc	907,395	684,780	3,085,783	4,398,941	(2,178,389)	(3,714,161)	838,213	602,210
Street Sweeping			88,962	84,659	(88,962)	(84,659)		
Footpaths			183,284	217,424	(183,284)	(217,424)		
Parking			11,264	12,922	(11,264)	(12,922)		
Economic Affairs								
Regional & Economic Development Related Projects	18,755	145,066	657,220	646,961	(638,465)	(501,895)		60,000
Wadlata Interpretive Centre	146,080	161,972	484,335	525,120	(338,255)	(363,148)		
Wadlata Retail Centre	227,506	250,527	217,086	217,991	10,420	32,537		
Wadlata Visitor Information Centre	52,156	61,213	210,419	216,234	(158,263)	(155,021)		10,000
Wadlata Outback Tucker Box	226,037	235,729	219,459	254,332	6,578	(18,604)		
Arid Lands Garden Interpretive Centre	495,574	494,127	839,088	812,069	(343,514)	(317,942)		
Arid Lands Garden Operation	857	25,064	545,751	437,053	(544,893)	(411,989)		
Arid Lands Nursery Operation	83,093	157,024	128,960	178,925	(45,868)	(21,901)		
Information Bays			5,835	2,929	(5,835)	(2,929)		
Public Debt Transactions								
Treasury - Debt Servicing	184,779	93,299	904,390	951,321	(719,612)	(858,022)		
Other Purposes NEC								
Machinery Operating	494,731	438,958	603,300	569,919	(108,570)	(130,961)	14,423	17,095
Depot & Nursery			1,526,834	1,545,108	(1,526,834)	(1,545,108)		
Engineering Services			724,508	677,707	(724,508)	(677,707)		
Other NEC								
<b>TOTALS</b>	<b>30,934,755</b>	<b>30,998,430</b>	<b>35,298,140</b>	<b>35,507,577</b>	<b>(4,363,385)</b>	<b>(4,509,147)</b>	<b>10,301,476</b>	<b>11,014,579</b>



**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**NOTE 3 INCOME**

	Notes	2013 \$	2012 \$
<b>RATES REVENUES</b>			
<b>GENERAL RATES</b>			
General Rates		12,990,808	12,382,798
Less Mandatory Rebates		62,651	36,052
Less Discretionary Rebates, remissions & write offs		<u>1,094,170</u>	<u>1,224,066</u>
		<u>11,833,987</u>	<u>11,122,679</u>
<b>OTHER RATES (INCLUDING SERVICE CHARGES)</b>			
Natural Resource Management Levy		221,310	264,600
Community Waste Water Management Systems		649,320	609,485
Waste Management Levy		<u>1,348,828</u>	<u>1,231,330</u>
		<u>2,219,458</u>	<u>2,105,415</u>
<b>OTHER CHARGES</b>			
Penalties for late payment		116,931	95,305
Legal & other costs recovered		<u>28,776</u>	<u>76,542</u>
		<u>145,707</u>	<u>171,846</u>
		<u>14,199,152</u>	<u>13,399,941</u>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**NOTE 3 INCOME (Continued)**

		<b>2013</b>	<b>2012</b>
	Notes	<b>\$</b>	<b>\$</b>
<b>STATUTORY CHARGES</b>			
Development Act Fees		37,331	34,208
Town Planning Fees		97,832	93,049
Animal Registration Fees & Fines		75,856	58,257
Parking Fines/expiation fees		15,108	26,063
Sundry		<u>12,092</u>	<u>8,020</u>
		<u>238,219</u>	<u>219,597</u>
<b>USER CHARGES</b>			
Cemetery Fees		163,753	144,684
Halls Hire		17,937	33,295
Sales - General		778,947	798,589
Rentals		44,064	52,487
Nursing Home Fees		1,923,900	1,925,984
Childcare Fees		459,008	400,017
Swimming Pool & Aquatic Centre Fees		183,283	166,476
Wadlata Interpretive Centre Fees		140,208	172,603
Other Fees		548,185	476,027
Sundry		<u>21,024</u>	<u>72,485</u>
		<u>4,280,308</u>	<u>4,242,647</u>
<b>INVESTMENT INCOME</b>			
Interest on Investments			
Local Government Finance Authority		246,386	149,523
Loans to community groups		<u>3,967</u>	<u>1,564</u>
		<u>250,353</u>	<u>151,087</u>
<b>REIMBURSEMENTS</b>			
For Roadworks		68,691	77,582
For Private Works		364	4,988
Other		<u>346,281</u>	<u>245,842</u>
		<u>415,336</u>	<u>328,412</u>
<b>OTHER INCOME</b>			
Contributions from developers	21		
Insurance & other recoupments - infrastructure		678,965	680,223
Sundry		<u>570,945</u>	<u>961,943</u>
		<u>1,249,909</u>	<u>1,642,167</u>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**NOTE 3 INCOME (Continued)**

	Notes	2013 \$	2012 \$
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		250,000	5,828,050
Other grants, subsidies and contributions		<u>10,301,476</u>	<u>11,014,579</u>
		<u>10,551,476</u>	<u>16,842,629</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
<b>Sources of grants</b>			
Commonwealth government		6,701,151	7,143,126
State government		3,850,325	9,672,764
Other		<u>0</u>	<u>26,739</u>
		<u>10,551,476</u>	<u>16,842,629</u>

**INDIVIDUALLY SIGNIFICANT ITEMS**

On 26 June 2012, Council received a grant of \$5,000,000 from the State Government of South Australia for the Central Oval Redevelopment Project. Additional funding of \$250,000 was received on the 23 January 2013 from the Federal Government. It is expected that monies from these grants will be expended during the 2013/2014 and 2014/2015 financial years.

250,000	5,000,000
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**Conditions over grants & contributions**

*Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:*

<i>Unexpended at the close of the previous reporting period</i>	5,048,313	58,529
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>	48,313	58,529
<i>Subtotal</i>	5,000,000	0
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>	343,131	5,048,313
<i>Subtotal</i>	343,131	5,048,313
<i>Unexpended at the close of this reporting period and held as restricted assets</i>	5,343,131	5,048,313
<i>Net increase (decrease) in restricted assets in the current reporting period</i>	294,818	4,989,784

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**NOTE 4 EXPENSES**

	Notes	2013 \$	2012 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		12,334,139	11,797,415
Employee Leave Expenses		1,618,859	1,365,296
Superannuation - Defined Contribution Plan Contributions	17	824,247	759,740
Superannuation - Defined Benefit Plan Contributions	17	287,944	285,224
Superannuation - Other	17	134,620	146,249
Workers Compensation Insurance		488,798	456,321
Less: Capitalised and distributed costs		(299,047)	(292,193)
<b>Total Operating Employee Costs</b>		<b>15,389,560</b>	<b>14,518,051</b>
<b>Total Number of Employees</b>			
<i>(Full time equivalent at end of reporting period)</i>		215.5	221.8
<b>MATERIALS, CONTRACTS &amp; EXPENSES</b>			
<b>Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the financial reports		15,100	15,000
Elected members' expenses		229,928	212,644
Election Expenses		3,572	525
Operating Lease Rentals - non cancellable leases	16		
- minimum lease payments		182,739	272,870
- contingent rentals			
<b>Sub Total Prescribed Expenses</b>		<b>431,340</b>	<b>501,039</b>
<b>Other Materials, Contracts &amp; Expenses</b>			
Contractors		6,190,008	6,035,762
Energy		2,280,974	1,969,675
Legal Expenses		52,709	69,114
Levies paid to government - NRM Levy		231,589	233,316
Other levies		37,989	35,607
Parts, Accessories & Consumables		2,035,496	1,993,350
Professional Services		73,375	80,276
Communications		202,828	155,735
Contributions & Donations		195,462	196,588
Insurances		452,504	435,542
Rates & Taxes		93,875	81,889
Travel & Accommodation		64,920	74,837
Affiliations		854	-
Advertising		194,497	154,038
Subscriptions		67,819	70,576
Training		100,637	134,380
Postage Printing Stationery		128,214	120,612
Plant Hire		419,942	334,255
Bank Charges		63,505	58,774
Sundry		588,486	766,086
<b>Sub Total Other Materials, Contracts &amp; Expenses</b>		<b>13,475,683</b>	<b>13,000,414</b>
<b>TOTAL MATERIALS, CONTRACTS &amp; EXPENSES</b>		<b>13,907,023</b>	<b>13,501,453</b>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**NOTE 4 EXPENSES (cont)**

	Notes	2013 \$	2012 \$
<b>FINANCE COSTS</b>			
Interest on overdraft & short-term borrowings		16,586	18,779
Interest on Loans		<u>964,666</u>	<u>1,016,581</u>
		<u>981,252</u>	<u>1,035,360</u>
 <b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		2,023,024	2,031,018
Infrastructure		2,301,835	3,515,326
Plant & Equipment		410,210	464,023
Furniture & Equipment		<u>285,235</u>	<u>442,346</u>
		<u>5,020,303</u>	<u>6,452,712</u>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**NOTE 5 ASSET DISPOSAL AND FAIR VALUE ADJUSTMENTS**

	Notes	2013 \$	2012 \$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		388,521	291,589
Less: Carrying amount of assets sold		<u>304,727</u>	<u>359,257</u>
<b>Gain (Loss) on disposal</b>		<u>83,794</u>	<u>(67,668)</u>
<b>NET GAIN(LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<u>83,794</u>	<u>(67,668)</u>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**NOTE 6 CURRENT ASSETS**

	Notes	2013 \$	2012 \$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		145,122	356,553
Deposits at Call		<u>6,760,596</u>	<u>7,842,550</u>
		<u>6,905,718</u>	<u>8,199,103</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		1,253,330	767,844
Rates Postponed for State Seniors			
Accrued Revenues		113,353	286,456
Debtors - General		267,563	273,422
Other levels of Government		57,800	121,942
GST Recoupment		209,292	
Loans to community organisations		<u>12,508</u>	<u>12,145</u>
		<u>1,913,847</u>	<u>1,461,810</u>
Less: Allowance for Doubtful Debts		<u>137,000</u>	<u>106,465</u>
		<u>1,776,847</u>	<u>1,355,345</u>
<b>INVENTORIES</b>			
Stores & Materials		93,259	93,680
Trading Stock		<u>155,057</u>	<u>158,705</u>
		<u>248,316</u>	<u>252,385</u>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**NOTE 7 NON-CURRENT ASSETS**

	Notes	2013 \$	2012 \$
<b>FINANCIAL ASSETS</b>			
<b>Receivables</b>			
Loans to community organisations		105,875	118,382
		<u>105,875</u>	<u>118,382</u>
Less: Allowance for Doubtful Debts		<u>-</u>	<u>-</u>
<b>TOTAL FINANCIAL ASSETS</b>		<u>105,875</u>	<u>118,382</u>
Capital Works-in-Progress		1,438,690	316,211
Nursing Home Bed Places		<u>2,100,000</u>	<u>2,100,000</u>
<b>TOTAL OTHER NON-CURRENT ASSETS</b>		<u>3,538,690</u>	<u>2,416,211</u>



## **PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### **NOTE 8 (Cont) INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

#### **Valuation of Assets**

At July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1,19 to retain previously established deemed cost under GAAP as it deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

#### **Land**

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Land assets were valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June, 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Pursuant to Council's election, freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June, 2010 at current replacement cost. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 119.16(c) are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

#### **Buildings & Other Structures**

Building & Other Structure assets were valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June, 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

#### **Infrastructure**

Transportation assets were valued by Tonkins Consulting at written down current replacement cost during the reporting period ended 30 June, 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June, 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community waste water management system infrastructure was valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June, 2005 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

## **PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### **Plant & Equipment**

Plant & Equipment assets were valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June, 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

### **Furniture and Fittings**

Furniture and Fittings were valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June, 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

### **All other assets**

Pursuant to Council's election, these assets are recognised on the cost basis.

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 8 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012				2013			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	10,174,993	-	-	10,174,993	10,058,991	-	-	10,058,991
Buildings & Other Structures	109,111,163	574,415	(41,205,169)	68,480,410	109,685,579	283,572	(43,228,193)	66,740,958
Infrastructure	151,514,946	3,733,558	(48,465,191)	106,783,313	156,344,768	0	(47,411,548)	108,933,220
Plant & Equipment	6,986,470	614,112	(3,823,358)	3,777,224	7,215,932	452,740	(4,037,643)	3,631,029
Furniture & Fittings	5,115,899	95,185	(3,718,030)	1,493,055	5,211,084	16,014	(4,003,265)	1,223,834
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>282,903,470</b>	<b>5,017,271</b>	<b>(97,211,747)</b>	<b>190,708,994</b>	<b>288,516,354</b>	<b>752,326</b>	<b>(98,680,648)</b>	<b>190,588,031</b>
<b>2012 Totals</b>	<b>277,180,018</b>	<b>6,097,608</b>	<b>(90,759,035)</b>	<b>192,518,591</b>	<b>282,903,470</b>	<b>5,017,271</b>	<b>(97,211,747)</b>	<b>190,708,994</b>

	2012						2013	
	\$		ADDITIONS		DISPOSALS	DEPRECIATION	NET REVALUATION	2013 CARRYING AMOUNT
	CARRYING AMOUNT		NEW/UPGRADE	RENEWALS				
Land	10,174,993	-	-	-	(116,002)	-	-	10,058,991
Buildings & Other Structures	68,480,410	-	-	283,572	-	(2,023,024)	-	66,740,958
Infrastructure	106,783,313	1,265,210	1,229,238	-	-	(2,301,835)	1,957,294	108,933,220
Plant & Equipment	3,777,224	36,822	415,918	-	(188,725)	(410,210)	-	3,631,029
Furniture & Fittings	1,493,055	-	-	16,014	-	(285,235)	-	1,223,834
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>190,708,994</b>	<b>1,302,032</b>	<b>1,944,742</b>	<b>(304,727)</b>	<b>(5,020,303)</b>	<b>1,957,294</b>		<b>190,588,031</b>
<b>2012 Totals</b>	<b>192,518,592</b>	<b>1,837,558</b>	<b>3,179,712</b>	<b>(253,254)</b>	<b>(6,452,712)</b>	<b>(120,902)</b>		<b>190,708,994</b>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**NOTE 9 LIABILITIES**

	Notes	2013 Current \$	2013 Non-Current \$	2012 Current \$	2012 Non-Current \$
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		1,900,644		1,639,171	
Payments received in advance		20,895		40,907	
Accrued expenses - employee entitlements		1,205,802		1,101,840	
Accrued expenses - other		623,766		530,585	
Aged Care Facility Deposits		<u>2,185,811</u>		<u>2,457,969</u>	
		<u>5,936,917</u>	<u>-</u>	<u>5,770,473</u>	<u>-</u>
Amounts included in provisions that are not expected to be settled within 12 months of the reporting date.		2,493,000		2,305,000	
<b>BORROWINGS</b>					
Loans - LGFA		<u>6,068,085</u>	<u>13,802,719</u>	<u>4,057,107</u>	<u>13,883,584</u>
		<u>6,068,085</u>	<u>13,802,719</u>	<u>4,057,107</u>	<u>13,883,584</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
<b>PROVISIONS</b>					
Employee Entitlements (including oncosts)		<u>1,257,135</u>	<u>286,807</u>	<u>1,157,783</u>	<u>297,363</u>
		<u>1,257,135</u>	<u>286,807</u>	<u>1,157,783</u>	<u>297,363</u>
Amounts included in provisions that are not expected to be settled within 12 months of the reporting date.		948,135		812,783	

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### NOTE 10 RESERVES

<b>ASSET REVALUATION RESERVE</b>	<b>30/06/2012</b>	<b>Net Increments (Decrements)</b>	<b>Transfers on Sale</b>	<b>30/06/2013</b>
	Notes	\$	\$	\$
Land		10,571,565		10,571,565
Buildings & Other Structures		59,971,279	-	59,971,279
Infrastructure		81,384,755		81,384,755
Roads, Bridges, Footpaths		19,199,242	1,957,295	21,156,537
Plant & Equipment		2,017,467	-	2,017,467
Furniture & Fittings		926,413		926,413
Nursing Home Bed Places		2,100,000	-	2,100,000
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<u>176,170,721</u>	<u>1,957,295</u>	<u>178,128,016</u>

### **PURPOSES OF RESERVES**

#### **Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**NOTE 11 RECONCILIATION TO CASH FLOW STATEMENT****(a) Reconciliation of Cash**

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. 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:

	Notes	2013 \$	2012 \$
Total Cash & Equivalent Assets	6	6,905,718	8,199,103
Less: Short-term borrowings	BS	-	0
Balances per Statement of Cash Flows		<u>6,905,718</u>	<u>8,199,103</u>

**(b) Reconciliation of Change in Net Assets to Cash from Operating Activities**

Net Surplus (Deficit)	(4,029,591)	1,251,236
<b>Non-cash items in Income Statement</b>		
Depreciation, amortisation & impairment	5,020,303	6,452,712
Change in allowances for under-recovery	30,535	(45,325)
Grants for capital acquisitions treated as investing activity	(250,000)	(5,828,050)
Nursing Home Deposits treated as financing activity	272,159	(693,192)
Net increase (decrease) in unpaid employee benefits	192,756	(44,066)
Net (Gain) Loss on Disposals	<u>(83,794)</u>	<u>67,668</u>
	<u>1,152,368</u>	<u>1,160,983</u>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (increase) decrease in receivables	(451,674)	242,589
Net (increase) decrease in inventories	4,069	(99,043)
Net increase (decrease) in trade & other payables	<u>123,614</u>	<u>102,455</u>
<b>Net Cash provided by (or used in) operations</b>	<u>828,377</u>	<u>1,406,984</u>

**(c) Financing Arrangements**

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts	700,000	700,000
Corporate Credit Cards	32,000	12,000
LGFA Cash Advance Debenture Facility	5,000,000	5,000,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

# PORT AUGUSTA CITY COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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### NOTE 12 FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

**Bank, Deposits at Call, Short Term Deposits** **Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned.

**Terms & conditions:** Deposits are returning fixed interest rates between 3.5% and 5.1% (2012:3.5% and 5.1%). Short term deposits have an average maturity of 30 days and an average interest rates of 4.3% (2012: 30 days, 4.3%).

**Carrying amount:** approximates fair value due to the short term to maturity.

**Receivables - Rates & Associated Charges (including legals & penalties for late payment)** **Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & conditions:** Secured over the subject land, arrears attract interest of 9.0% (2012:9.0%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying amount:** approximates fair value (after deduction of any allowance).

**Receivables - Fees & other charges** **Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & conditions:** Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying amount:** approximates fair value (after deduction of any allowance).

**Receivables - other levels of government** **Accounting Policy:** Carried at nominal value.  
**Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.

**Carrying amount:** approximates fair value.

**Receivables - Retirement Home Contributions** **Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

**Carrying amount:** approximates fair value (after deduction of any allowance).

**Liabilities - Creditors and Accruals** **Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** approximates fair value.

**Liabilities - Retirement Home Contributions** **Accounting Policy:** To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

**Terms & conditions:** Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

**Carrying amount:** approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.

**Liabilities - Interest Bearing Loans** **Accounting Policy:** Carried at the principal amounts. Interest is charged as an expense as it accrues.

**Terms & conditions:** secured over future revenues, loans are repayable by equal 6 monthly instalments of principal & interest; interest is charged at fixed rates between 4.35% and 7.48% (2012: 4.35% and 7.48%)

**Carrying amount:** approximates fair value.

**Liabilities - Finance Leases** **Accounting Policy:** accounted for in accordance with AASB 117.

# PORT AUGUSTA CITY COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### NOTE 12 FINANCIAL INSTRUMENTS (Continued)

#### Liquidity Analysis

2013	Due	Due	Due	Total Contractual Cash Flows	Carrying Values
	≤ 1 year	> 1 year ≥ 5 years	> 5 years		
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	6,905,718			6,905,718	6,905,718
Receivables	314,224			314,224	314,224
Other Financial Assets				-	-
<b>Total</b>	<b>7,219,942</b>	<b>-</b>	<b>-</b>	<b>7,219,942</b>	<b>7,219,942</b>
<b><u>Financial Liabilities</u></b>					
Payables	1,900,644			1,900,644	1,900,644
Short-term Borrowings	-			-	-
NHA Bonds	2,185,811			2,185,811	2,185,811
Borrowings	6,068,085	13,802,719	-	19,870,804	19,870,804
<b>Total</b>	<b>10,154,540</b>	<b>13,802,719</b>	<b>-</b>	<b>23,957,259</b>	<b>23,957,259</b>
<b>2012</b>					
2012	Due	Due	Due	Total Contractual Cash Flows	Carrying Values
	≤ 1 year	> 1 year ≥ 5 years	> 5 years		
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	8,199,103			8,199,103	8,199,103
Receivables	587,501			587,501	587,501
Other Financial Assets				-	-
<b>Total</b>	<b>8,786,604</b>	<b>-</b>	<b>-</b>	<b>8,786,604</b>	<b>8,786,604</b>
<b><u>Financial Liabilities</u></b>					
Payables	1,608,934			1,608,934	1,608,934
Short-term Borrowings	0			0	0
NHA Bonds	2,457,969			2,457,969	2,457,969
Borrowings	4,057,107	13,883,584	-	17,940,691	17,940,691
<b>Total</b>	<b>8,124,010</b>	<b>13,883,584</b>	<b>-</b>	<b>22,007,594</b>	<b>22,007,594</b>

The following interest rates were applicable to Council's borrowings at balance day.

	30 June 2013		30 June 2012	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%		%	
<b>Overdraft</b>	10.15	-	10.15	0
<b>Other Variable Rates</b>	5.50	6,676,000	5.50	6,676,000
<b>Fixed Interest Rates</b>	5.97	13,194,804	5.97	11,264,691
<b>NET FAIR VALUE</b>		<b>19,870,804</b>		<b>17,940,691</b>

All carrying values approximate fair value for all recognised financial instruments. With the exception of investments, there is no recognised market for the financial assets of the Council.

#### RISK EXPOSURES

**Credit risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair value of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market; and hence neither market risk or currency risk apply

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.



**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**Note 13 COMMITMENTS FOR EXPENDITURE**

	<u>Notes</u>	<b>2013</b> \$	<b>2012</b> \$
<b>Capital Commitments</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings & Structures Central Oval Redevelopemnt		<u>14,000,000</u>	<u>839,000</u>
		<u>14,000,000</u>	<u>839,000</u>
These expenditures are payable:			
Less than 1 year		12,000,000	550,000
Later than one year and not later than 5 years		2,000,000	289,000
Later than 5 years			
		<u>14,000,000</u>	<u>839,000</u>
<b>Other Expenditure Commitments</b>			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		66,000	60,000
Waste Collection Contract		3,366,017	3,772,773
Refuse Reserve Contract		3,429,484	3,429,484
Parks & Gardens Contract		1,590,838	1,951,258
Cleaning Services		363,297	562,018
Catering Services		1,821,774	2,163,871
Security Services		<u>412,000</u>	<u>517,766</u>
		<u>11,049,410</u>	<u>12,457,170</u>
These expenditures are payable:			
Less than one year		3,243,189	3,184,124
Not later than 5 years		<u>7,806,221</u>	<u>9,273,046</u>
		<u>11,049,410</u>	<u>12,457,170</u>

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### Note 14 FINANCIAL PERFORMANCE INDICATORS

2013

2012

These Financial Indicators have been calculated in accordance with *Information Paper - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

<b>Operating Surplus Ratio</b>	(31.2%)	(34.3%)
<u>Adjusted Operating Surplus</u>		
Rates - general & other less NRM levy		

This ratio expressed the operating surplus as a percentage of general rates and other rates, net of NRM levy.

<b>Adjusted Operating Surplus Ratio</b>	(42.6%)	(40.5%)
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In each of June 2009, June 2010, June 2011 and 2012 the Commonwealth Government made an advance of one quarterly payment of the Financial Assistance Grant. In June 2012, an advance of two quarterly payments was made (see Note 1 Recognition of Income). Accordingly there were four "quarterly" payments in 2010 and 2011, and five payments in 2012. The Adjusted Surplus Ratio adjusts for this distortion.

<b>Net Financial Liabilities</b>	18,563,224	15,493,479
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Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM Levy)

<b>Net Financial Liabilities Ratio</b>	60.4%	50.4%
<u>Net Financial Liabilities</u>		
Total Operating Revenue Less NRM Levy		

<b>Asset Sustainability Ratio</b>		
<u>Net Asset Renewals</u>	43.6%	46.0%
Depreciation Expense		

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### NOTE 15 UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a uniform and consistent basis. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2013 \$	2012 \$
Income	30,934,754	30,998,430
less Expenses	<u>(35,298,139)</u>	<u>(35,507,577)</u>
	<u>(4,363,385)</u>	<u>(4,509,147)</u>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	2,331,007	3,234,329
less Depreciation, Amortisation and Impairment	(5,020,303)	(6,452,712)
less Proceeds from Sale of Replaced Assets	<u>(141,705)</u>	<u>(267,223)</u>
	<u>(2,831,001)</u>	<u>(3,485,606)</u>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets ( <i>Including investment property &amp; real estate developments</i> )	2,099,378	1,877,007
less Amounts specifically for New and Upgraded Assets	(250,000)	(5,828,050)
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	<u>(246,816)</u>	<u>(31,921)</u>
	<u>1,602,562</u>	<u>(3,982,964)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u>(3,134,946)</u>	<u>2,959,424</u>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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**NOTE 16 OPERATING LEASES*****Leases providing revenue to the Council***

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 3.

***Lease payment commitments of Council***

Council has entered into non-cancellable operating leases for various items of computer equipment. No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows: No contingent rentals were paid during the current or previous reporting periods.

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Not later than one year	295,245	199,637
Later than one year and not later than 5 years	<u>1,013,746</u>	<u>412,520</u>
	<u>1,308,991</u>	<u>612,157</u>

## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### NOTE 17 SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme and to HESTA. The Statewide Superannuation has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

#### **Marketlink (Accumulation Fund) Members**

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2012/2013 ; 9% in 2011/2012). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2011/2012) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue. The Salarylink Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent full actuarial investigation conducted by the Scheme's actuary, A.C. Miller, FIAA, of Russel Employee Benefits as at 30 June 2011, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### **Contributions to other schemes**

Council also makes contributions to other Superannuation Schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employees are represented by their share of net assets of the scheme, and no further liability attaches to the Council.

**PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

**NOTE 18 SEGMENT REPORTING**

The Port Augusta City Council operates two Residential Aged Care Facilities (RACF's) in the City being Nerrilda and A.M. Ramsay Village. This segment report has been produced to comply with the requirements of the Commonwealth Government, a major funding source

BUSINESS SEGMENTS	TOTAL	RACF	OTHER	TOTAL	RACF	OTHER
	COUNCIL			COUNCIL		
	2013	2013	2013	2012	2012	2012
	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>						
Grants & Subsidies	10,301,476	4,336,950	5,964,525	11,014,579	4,541,466	6,473,113
User Charges	4,280,308	1,965,681	2,314,627	4,242,647	1,959,045	2,283,602
Reimbursements	415,336	48,117	367,219	328,412	25,369	303,043
Investment Income	250,353	65,574	184,779	151,087	57,788	93,299
Other Revenue	15,687,281	72,956	15,614,325	15,261,705	293,957	14,967,748
<b>TOTAL REVENUE</b>	<b>30,934,754</b>	<b>6,489,278</b>	<b>24,445,475</b>	<b>30,998,430</b>	<b>6,877,624</b>	<b>24,120,806</b>
<b>EXPENDITURE</b>						
Operating Costs	30,277,835	7,655,622	22,622,213	29,054,865	7,283,810	21,771,054
Depreciation	5,020,303	531,333	4,488,971	6,452,712	568,709	5,884,003
	35,298,139	8,186,955	27,111,184	35,507,577	7,852,519	27,655,057
<b>Operating (Loss)/Surplus before Capital Revenues</b>	<b>(4,363,386)</b>	<b>(1,697,677)</b>	<b>(2,665,709)</b>	<b>(4,509,147)</b>	<b>(974,895)</b>	<b>(3,534,251)</b>
Capital Revenues	333,794		333,794	5,760,382		5,760,382
<b>RESULT</b>						
<b>Operating Result (Loss)/Surplus</b>	<b>(4,029,592)</b>	<b>(1,697,677)</b>	<b>(2,331,915)</b>	<b>1,251,236</b>	<b>(974,895)</b>	<b>2,226,131</b>
<b>ASSETS</b>						
Current Assets	8,930,881	2,309,673	6,621,208	9,806,834	2,568,223	7,238,611
Non-Current Assets	190,693,906	8,380,266	182,313,640	190,827,376	9,217,547	181,609,829
Intangible Assets	3,538,690	2,100,000	1,438,690	2,416,211	2,100,000	316,211
<b>TOTAL ASSETS</b>	<b>203,163,477</b>	<b>12,789,939</b>	<b>190,373,538</b>	<b>203,050,420</b>	<b>13,885,770</b>	<b>189,164,651</b>
<b>LIABILITIES</b>						
Current Liabilities	13,262,137	3,197,145	10,064,992	10,985,363	3,383,176	7,602,186
Non-Current Liabilities	14,089,526	1,431,629	12,657,897	14,180,947	1,848,559	12,332,387
<b>TOTAL LIABILITIES</b>	<b>27,351,663</b>	<b>4,628,774</b>	<b>22,722,889</b>	<b>25,166,309</b>	<b>5,231,736</b>	<b>19,934,574</b>
<b>NET ASSETS</b>	<b>175,811,814</b>	<b>8,161,165</b>	<b>167,650,649</b>	<b>177,884,111</b>	<b>8,654,034</b>	<b>169,230,077</b>

**PORT AUGUSTA CITY COUNCIL**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**NOTE 18 SEGMENT REPORTING CONTINUED**

<b>REVENUE</b>	<b>\$</b>	<b>EXPENSES</b>	<b>\$</b>
Government Subsidies	4,243,205	Wages & Superannuation - Care	2,655,115
Resident Charges	1,965,681	Wages & Superannuation - Admin	331,863
Capital Grants	0	Wages & Superannuation - Other	1,906,540
Bond Retentions	93,746	Management Fees	208,556
Interest Income	65,574	Depreciation & Amortisation	531,333
Donations & Contributions	833	Interest	122,899
Other Operating Revenue	<u>120,238</u>		
<b>TOTAL OPERATING REVENUE</b>	<b><u>6,489,277</u></b>	Building Repairs & Maintenance	233,113
		Insurance	265,736
		Motor Vehicles	17,125
		Utilities	198,533
		Other Expenses	<u>1,716,143</u>
		<b>TOTAL EXPENSES</b>	<b><u>8,186,955</u></b>
<b>SEGMENT RESULT SURPLUS(DEFICIT)</b>			<b>(1,697,679)</b>
<b>SEGMENT ASSETS</b>	<b>\$</b>	<b>SEGMENT LIABILITIES</b>	<b>\$</b>
<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash	2,188,261	Borrowings	223,295
Trade Receivables	121,412	Trade Payables	214,300
Other Current Assets		Employee Provisions	447,493
		Accommodation Bonds	2,185,810
		Other Current Liabilities	<u>126,247</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>2,309,673</u></b>	<b>TOTAL CURRENT LIABILITIES</b>	<b><u>3,197,145</u></b>
Property, Plant & Equipment	8,380,266	Loans	1,360,985
Intangibles	2,100,000	Employee Provisions	70,644
Other Non-Current Assets		Accommodation Bonds	0
		Other non-current liabilities	
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>10,480,266</u></b>	<b>TOTAL LIABILITIES</b>	<b><u>1,431,629</u></b>
<b>SEGMENT TOTAL ASSETS</b>	<b><u>12,789,939</u></b>	<b>SEGMENT TOTAL LIABILITIES</b>	<b><u>4,628,774</u></b>
<b>SEGMENT NET ASSETS</b>	<b>8,161,165</b>		

## **PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### **NOTE 19 CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

#### **1. LAND UNDER ROADS**

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 383km of road reserves of average width 20 metres.

#### **2. POTENTIAL INSURANCE LOSSES**

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.



## PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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### Note 20 ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally raised.

	2013	2012
<b>CASH &amp; FINANCIAL ASSETS</b>		
Unexpended grant funds and accumulated interest Central Oval	5,374,143	5,000,000
	<u>5,374,143</u>	<u>5,000,000</u>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>	<u>5,374,143</u>	<u>5,000,000</u>

On 26 June 2012, Council received a grant of \$5,000,000 from the State Government of South Australia for the Central Oval Redevelopment Project. Additional revenue from investment of these funds amounted to \$124,143 in 2012/2013. Commonwealth funding of \$250,000 was also received for the project in July 2012. It is expected that monies from this grant will be expended during the 2013/2014 and 2014/2015 financial years.

**PORT AUGUSTA CITY COUNCIL**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

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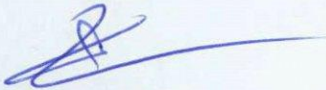
**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 June 2013**

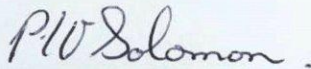
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Port Augusta City Council for the year ended 30 June 2013, the Council's Auditor, Ian McDonald has maintained his independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.



**GREG PERKIN**  
**CITY MANAGER**



**PETER SOLOMAN**  
**PRESIDING MEMBER**  
**AUDIT COMMITTEE**

14/11/2013

# PORT AUGUSTA CITY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

## Working Paper - RECONCILIATION OF GOVERNMENT GRANTS

This schedule records all amounts received from other levels of Government, whether described as grants, subsidies or otherwise. All amounts (other than untied grants) are required to be held as cash or authorised investments until expended. (Amounts shown as negative are awaiting reimbursement to Council.)

	Notes	Opening	Movements		Closing
		Balance 1 July 2012	Received/ Receivable	Expended	Balance 30 June 2013
		\$	\$	\$	\$
<b>GRANTS (with discretion use)</b>					
<b>GENERAL PURPOSE (Untied)</b>					
Grants Commission Grant - general purpose		0	2,640,704	2,640,704	0
Grants Commission Grant - roads funding		0	397,349	397,349	0
Roads to Recovery		0	440,864	440,864	0
<b>Subtotal</b>		<b>0</b>	<b>3,478,917</b>	<b>3,478,917</b>	<b>0</b>
<b>SPECIFIC PURPOSE (Recurrent)</b>					
Nerrilda		0	2,586,758	2,586,758	0
Health Focus Program		0	184,694	184,694	0
Ramsay Village		0	1,750,193	1,750,193	0
Childcare Centre		0	266,872	266,872	0
Special Needs Funding		0	213,095	213,095	0
NFWRHS Health Service		68,851	147,500	153,578	62,773
HACC - Special Needs		0	45,071	45,071	0
Health Focus Dementia Program		0	23,442	23,442	0
Substance Mis-Use Service		(93)	426,340	439,114	(12,867)
Sobering Up Centre		(20,445)	757,098	760,524	(23,871)
Immunisation		0	8,811	8,811	0
HACC - Mens DVA Shed		0	44,010	44,010	0
Youth Advisory Service		0	3,000	3,000	0
Be Active / Star Club Field Officer		0	15,000	15,000	0
Library Service		0	48,627	48,627	0
OPAL Program		0	57,800	57,800	0
Fuel Tax Subsidy		0	14,423	14,423	0
<b>Subtotal</b>		<b>48,313</b>	<b>6,592,734</b>	<b>6,615,012</b>	<b>26,035</b>
<b>SPECIFIC PURPOSE (Non-Recurrent)</b>					
HACC - Collaborative Project Cwth		0	63,302	44,780	18,522
HACC - Collaborative Project State		0	10,333		10,333
HACC - Transitional Project		0	40,000	1,759	38,241
Dryzone		0	10,000	10,000	0
Bus Shelters		0	30,545	30,545	0
Outdoor Adventure Centre		0	4,545	4,545	0
Urban and Regional Strategy		0			0
Outreach		0			0
Secure Taxi Rank		0	21,500	21,500	0
Cultural Centre Gallery Lighting		0	7,000	7,000	0
Foreshore Protection		0	42,600	42,600	0
<b>Subtotal</b>		<b>0</b>	<b>229,825</b>	<b>162,729</b>	<b>67,096</b>
<b>TOTAL OPERATING GRANTS</b>		<b>48,313</b>	<b>10,301,476</b>	<b>10,256,658</b>	<b>93,131</b>
<b>2012 Totals</b>		<b>58,529</b>			<b>48,313</b>
<b>CAPITAL GRANTS</b>					
<b>SPECIFIC PURPOSE (Recurrent)</b>					
<b>Subtotal</b>					
<b>SPECIFIC PURPOSE (Non-Recurrent)</b>					
Central Oval		5,000,000	250,000		5,250,000
<b>Subtotal</b>		<b>5,000,000</b>	<b>250,000</b>	<b>0</b>	<b>5,250,000</b>
<b>TOTAL CAPITAL GRANTS</b>		<b>5,000,000</b>	<b>250,000</b>	<b>0</b>	<b>5,250,000</b>
<b>2012 Totals</b>		<b>0</b>			<b>5,000,000</b>

Recognised as revenue in advance of expenditure  
Current receivable - Other levels of Government

6

5,048,313

5,343,131