

CITY OF PORT AUGUSTA

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE, 2002

	Note	2002 \$	2001 \$
OPERATING REVENUE			
Rates			
General		4,638,209	4,414,965
Other		217,540	201,544
Statutory Charges		164,825	148,418
User Charges		1,750,879	1,696,504
Operating Grants and Subsidies		8,015,315	6,956,757
Investment Income		89,825	153,915
Reimbursements		266,367	402,834
Other		677,334	447,889
		<hr/>	<hr/>
TOTAL OPERATING REVENUE		15,820,294	14,422,827
OPERATING EXPENSES			
Wages and Salaries	3	7,075,921	6,619,288
Contractual Services	4	3,604,618	3,396,043
Materials	5	2,728,010	2,456,885
Finance Charges		285,265	272,992
Depreciation	6	2,378,404	2,333,748
Loss on Disposal of Non-Current Assets		123,308	50,671
Other	7	1,782,034	1,472,161
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		17,977,560	16,601,788
Operating (Loss)/Surplus before Capital Revenues		(2,157,266)	(2,178,962)
CAPITAL REVENUES			
Capital Grants, Subsidies and Monetary Contributions		3,004	20,334
		<hr/>	<hr/>
Operating Surplus after Capital revenues and before Extraordinary items		(2,154,262)	(2,158,627)
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CHANGE IN COMMUNITY WEALTH RESULTING FROM OPERATIONS		(2,154,262)	(2,158,627)

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 2002

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash	8	924,298	1,173,224
Receivables	9	1,219,386	848,752
Prepayments	9	76,084	67,073
Inventories	10	146,730	176,405
TOTAL CURRENT ASSETS		2,366,498	2,265,454
CURRENT LIABILITIES			
Bank Overdraft	8		
Creditors and Provisions	11&12	1,266,244	1,035,216
Loans	13	1,239,500	1,121,147
TOTAL CURRENT LIABILITIES		2,505,744	2,156,363
NET CURRENT ASSETS		(139,246)	109,091
NON-CURRENT ASSETS			
Land	14	5,684,365	5,684,365
Buildings, Structures & Reserve Infrastructure	14	19,811,526	20,618,009
Infrastructure	14	18,370,856	19,428,468
Equipment	14	1,362,750	1,210,737
Furniture and Fittings	14	890,222	880,521
Receivables	14	10,242	11,693
Capital Works in Progress	14	121,436	
TOTAL NON-CURRENT ASSETS		46,251,397	47,833,793
NON-CURRENT LIABILITIES			
Creditors and Provisions	12	701,476	722,096
Loans	13	3,382,228	3,038,079
TOTAL NON-CURRENT LIABILITIES		4,083,704	3,760,175
NET ASSETS		42,028,447	44,182,709
EQUITY			
Accumulated Surplus		4,729,037	6,883,300
Reserves		37,299,409	37,299,409
TOTAL EQUITY		42,028,446	44,182,709

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 2002

	Note	2002 \$	2001 \$
ACCUMULATED SURPLUS			
Balance at beginning of period		6,883,300	9,041,927
Change in financial position resulting from operations (Deficit)/Surplus		(2,154,262)	(2,158,627)
		<hr/>	<hr/>
Balance at end of period		4,729,037	6,883,300
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		42,028,446	44,182,709

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 2002

	Note	2002 \$	2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES			Inflows (Outflows)
Payments		(15,003,456)	(13,804,845)
GST Paid		(814,582)	(709,494)
GST Remitted		(345,197)	(298,619)
Receipts		15,385,773	14,433,724
GST Collected		392,402	343,473
GST Received		739,151	607,397
NET CASH PROVIDED BY OPERATING ACTIVITIES	8	354,091	571,636
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Loans Received		1,600,000	1,279,000
Loan Repayments from Community Groups		34,324	91,434
Interest Received		89,825	153,915
Accommodation Bonds		159,837	180,471
Payments			
Principal on Loans		(1,104,666)	(1,087,348)
Interest on Loans		(251,300)	(259,582)
Loans to Community Groups			
Accommodation Bonds		(192,669)	(189,443)
Other Charges		(20,606)	(25,347)
NET CASH PROVIDED BY FINANCING ACTIVITIES		314,745	143,100
CASH FLOWS FROM OTHER ACTIVITIES			
Receipts			
Capital Grants, Subsidies		3,004	20,334
Sale of Equipment		361,691	221,570
Payments			
Purchase of Land		-	-
Purchase of Buildings		-	(59,883)
Purchase of Infrastructure		(293,359)	(373,694)
Purchase of Equipment		(769,910)	(308,762)
Purchase of Furniture and Fittings		(97,752)	(85,292)
Purchase of Capital Works in Progress		(121,436)	-
NET CASH USED IN OTHER ACTIVITIES		(917,762)	(585,727)
NET INCREASE(DECREASE) IN CASH HELD		(248,926)	129,009
CASH AT BEGINNING OF REPORTING PERIOD		1,173,224	1,044,216
CASH AT END OF REPORTING PERIOD	8	924,298	1,173,224

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 2002

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 2002

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 2002

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 2002

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 2002

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, 2002 (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 ment		Statutory Charges & Other
Administration Public Order & Safety	713,201	142,212	43,736		105,143	451,011	1,455,302	2,324,552		116	26,758	4,913,939	7,265,365	-5,810,063
Fire Protection	46,735	251	5,852		4,368	19,013	76,219			391,823	4,493	33,804	33,804	42,415
Other	54,423		134			11,285	65,842					15,708	33,804	65,842
Health Inspection	2,139,055	278,569	248,497		107,912	199,890	2,973,924	2,443,466				4,932	2,855,489	118,435
Health														
Other														
Social Security & Welfare	761,229	229,307	135,666		82,062	60,910	1,269,174	721,882		515,661	6,452	20,093	1,264,087	5,087
Aged & Disabled Services	589,179	61,821	57,589		23,697	41,392	773,678	433,785	3,004	197,388	2,426	24,593	661,195	112,484
Families & Children	49,874	6,419	13,324			14,158	83,776	56,832				8,192	65,024	18,752
Other														
Housing & Community Amenities	2,600	38,156	9,074		20,862	1,032	71,723			44,061	130		44,191	27,533
Housing	15,249	40,713	84			4,650	60,696						37,295	23,401
Town Planning														11,498
Other Community Development	1,141	412,915	4,906		50,395	16,609	435,571			16,157			16,157	419,414
Sanitation & Garbage	4,783	16,221	124,603		71,313	838	196,839						196,839	108,736
Sewerage	9,269	19,733	6,107			2,314	108,736						108,736	588,619
Urban Stormwater Drainage	199,978	155,739	318,827			278,102	952,646	126,950		114,917	61,938	60,221	364,027	351,464
Other Community Amenities	38,337	278,228	15,690			19,208	351,464							
Protection of the Environment														
Recreation & Culture														
Libraries	239,600	4,187	15,643		149,074	47,180	455,685	53,725		5,845	205	4,204	63,774	391,910
Other Cultural Services	29,394	112,596	78,861		218,831	53,676	274,527	10,583		16,927	86,622	2,604	30,114	244,413
Sport & Recreation	327,369	355,662	312,712			80,808	1,295,382	20,700		103,060		695	211,078	1,084,305
Fuel & Energy														
Agricultural Services														
Mining Manufacturing Construction														
Building Act	111,638	8,237	763			25,068	145,705					23,602	23,806	121,898
Other	135	158	237			972	1,501							1,501
Transport & Communication														
Road Construction and Maintenance														
Sealed Roads	171,150	107,327	203,785		1,229,263	64,940	1,776,465	390,745					390,745	1,385,720
Formed and Surfaced Roads	55,649	2,156	40,717			67,471	165,993						165,993	
Natural Surface Formed Roads														
Natural Surface Unformed Roads	3,068	379	339			14,733	18,519						18,519	
Bridges	43,741	83,053	7,044		10,034	18,189	152,027			35,969		3,029	38,998	152,027
Footpaths	14,466	17,521	3,425		9,200	7,610	53,055					1,256	1,256	14,057
Aerodromes	1,141	3,431	2,717			470	16,959			4,931		60,807	305,591	15,703
Parking	23,795	272,765	3,331			3,905	303,797	239,854						-1,794
Bus														
Other Transport														
Economic Affairs NEC	820,403	826,779	757,221		151,853	391,444	2,947,701	895,987		304,024	44,591	483,404	1,728,007	1,219,694
Other Purposes NEC														
Public Debt Transactions	609,319	130,083	317,126		132,899	8,463	285,265	296,255			32,753	89,825	89,825	195,440
Other Purposes NEC												4,461	333,469	864,421
TOTALS	7,075,921	3,604,618	2,728,010	285,265	2,378,404	1,905,342	17,977,560	8,015,315	3,004	1,750,879	266,367	5,787,733	15,823,298	2,154,262

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 3	EMPLOYEE COSTS	2002	2001
		\$	\$
	Salaries and Wages	5,811,245	5,475,615
	Superannuation Expenses	571,122	479,829
	Leave Entitlements	742,538	746,837
	Training	25,417	18,368
		<u>7,150,322</u>	<u>6,720,649</u>
	Less		
	Amounts Capitalised		
	Non-Current Assets Constructed By Council	<u>74,401</u>	101,361
		<u>7,075,921</u>	<u>6,619,288</u>
NOTE 4	CONTRACTUAL SERVICES		
	Contractual services involve payments or liabilities for the external provision of services. They include:		
	Consultants	81,961	91,756
	Contractors	<u>3,522,657</u>	<u>3,304,287</u>
		<u>3,604,618</u>	<u>3,396,043</u>
NOTE 5	MATERIALS		
	Materials are payment or liabilities for physical goods including energy. They include:		
	Electricity	413,333	396,090
	Water	374,137	355,892
	Fuel/lubricants	152,373	154,393
	Other	<u>1,788,167</u>	<u>1,550,510</u>
		<u>2,728,010</u>	<u>2,456,885</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	1,350,971	1,349,356
	Furniture and Equipment	88,051	84,282
	Plant and Machinery	<u>132,899</u>	<u>93,627</u>
		<u>2,378,404</u>	<u>2,333,748</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 7	OTHER EXPENDITURE	2002	2001
		\$	\$
	Other Expenses includes:		
	Insurances	308,518	306,555
	Plant and Machinery Hire (Internal)	231,878	225,687
	Plant and Machinery Hire (External)	73,844	71,370
	Elected Member Expenses	82,649	83,289
	Communications	130,618	126,052
	Subscriptions	64,500	56,004
	Contributions	175,273	154,223
	Travel and Accommodation	65,396	52,893
NOTE 8	CASH		
	Cash on Hand	4,571	4,671
	Deposits at Call	919,727	1,168,552
	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	924,298	1,173,224
	less: Bank Overdraft		-
		<hr/>	<hr/>
	Balance per Statement of Cash Flows	924,298	1,173,224
	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	(2,154,262)	(2,158,627)
	Depreciation	2,378,404	2,333,748
	Interest treated as Financing Activity	174,833	93,730
	Other charges relating to Financing Activities	20,607	25,347
	Increase (Decrease) Employee Entitlement	(4,622)	149,065
	Loss (Gain) on disposal of Assets	123,308	50,671
	Decrease (Increase) Debtors	(403,507)	107,569
	Decrease (Increase) in Prepayments	(9,011)	(25,579)
	Capital Grants treated as Capital Revenues	(3,004)	(20,334)
	Increase (Decrease) in Creditors and Accruals	201,670	8,989
	(Increase) Decrease in Inventory	29,675	7,057
		<hr/>	<hr/>
	Net Cash used in Operating Activities	354,091	571,636

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 9	RECEIVABLES	2002	2001
	Current		
	Rates Receivable	672,187	461,944
	Less Provision for Doubtful Debts	<u>274,682</u>	<u>100,000</u>
		<u>397,505</u>	<u>361,944</u>
	Loans and Advances to Community Groups	9,339	42,122
	GST Debtor	94,586	57,243
	Other Debtors	<u>717,956</u>	<u>387,443</u>
		<u>821,881</u>	<u>486,808</u>
	Total Current Receivables	<u>1,219,386</u>	<u>848,752</u>
	Non Current		
	Loans and Advances to Community Groups	10,242	11,693
	Loans to Community Groups include all loans and advances to sporting organisations and community based bodies.		
NOTE 10	INVENTORIES		
	Stores	31,876	53,971
	Souvenir Stock Wadlata and Arid Lands	<u>114,854</u>	<u>122,434</u>
		<u>146,730</u>	<u>176,405</u>
NOTE 11	CREDITORS		
	Current		
	Creditors	547,002	229,484
	Interest Accruals	90,613	77,254
	Other Accruals	<u>166,439</u>	<u>282,286</u>
		<u>804,054</u>	<u>589,024</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 12	PROVISIONS	2002	2001
		\$	\$
	Current		
	Annual Leave	422,190	406,192
	Long Service Leave	<u>40,000</u>	<u>40,000</u>
		<u>462,190</u>	<u>446,192</u>
	Non-Current		
	Annual Leave	40,000	40,000
	Long Service Leave	<u>661,476</u>	<u>682,096</u>
		<u>701,476</u>	<u>722,096</u>
NOTE 13	BORROWINGS		
	Current		
	Bank Overdraft		-
	Loans Secured	1,234,300	1,104,273
	Nursing Home Accommodation Bonds	<u>5,200</u>	<u>16,874</u>
		<u>1,239,500</u>	<u>1,121,147</u>
	Non-Current		
	Loans Secured	3,053,969	2,688,122
	Nursing Home Accommodation Bonds	<u>328,259</u>	<u>349,957</u>
	Total Borrowings	<u>3,382,228</u>	<u>3,038,079</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2002	2001
		\$	\$
	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>349,636</u>
		<u>18,367,741</u>	<u>18,367,741</u>
	less accumulated Depreciation	<u>3,040,395</u>	<u>2,431,301</u>
	Total Buildings	<u>15,327,346</u>	<u>15,936,440</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>160,795</u>	<u>128,636</u>
	Total Structures	<u>2,659,581</u>	<u>2,691,740</u>
	Reserves / Infrastructure		
	at Independent Valuation as at 30 June 1997 *	2,389,745	2,389,745
	at cost	<u>255,795</u>	<u>255,795</u>
		<u>2,645,540</u>	<u>2,645,540</u>
	less accumulated Depreciation	<u>820,941</u>	<u>655,711</u>
	Total Reserves / Infrastructure	<u>1,824,598</u>	<u>1,989,829</u>
	Total Buildings Structures & Reserve Infrastructure	<u>19,811,526</u>	<u>20,618,009</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2002	2001
		\$	\$
	Plant and Equipment		
	at cost	1,849,654	1,599,531
	less accumulated Depreciation	<u>579,897</u>	<u>469,301</u>
	Total Plant and Equipment	<u>1,269,757</u>	<u>1,130,230</u>
	Minor Plant		
	at Council Valuation as at 30 June 1994	47,018	47,018
	at cost	<u>87,572</u>	<u>65,557</u>
		<u>134,590</u>	<u>112,575</u>
	less accumulated Depreciation	<u>41,597</u>	<u>32,068</u>
	Total Minor Plant	<u>92,993</u>	<u>80,507</u>
	Total Plant, Equipment and Minor Plant	<u>1,362,750</u>	<u>1,210,737</u>
	Office Furniture and Equipment		
	at Councils Valuation as at 30 June 1994	409,719	409,719
	at cost	<u>1,127,226</u>	<u>1,029,473</u>
		<u>1,536,945</u>	<u>1,439,192</u>
	less accumulated Depreciation	<u>646,723</u>	<u>558,672</u>
	Total Office Furniture and Equipment	<u>890,222</u>	<u>880,520</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 14	INFRASTRUCTURE ASSETS	2002	2001
		\$	\$
	Roads Bridges and Footpaths		
	at Independent valuation as at 30 June 1997 *	18,515,817	18,515,817
	at cost	<u>2,081,095</u>	<u>1,787,735</u>
		<u>20,596,912</u>	<u>20,303,552</u>
	less accumulated Depreciation	<u>6,172,143</u>	<u>4,942,880</u>
	Total Roads Bridges and Footpaths	<u>14,424,769</u>	<u>15,360,672</u>
	Stormwater Drainage		
	at Independent valuation as at 30 June 1997 *	2,900,055	2,900,055
	at cost		
	less accumulated Depreciation	<u>356,565</u>	<u>285,252</u>
		<u>2,543,490</u>	<u>2,614,803</u>
	Effluent Drainage		
	at Independent valuation as at 30 June 1997	1,654,572	1,654,572
	less accumulated Depreciation	<u>251,975</u>	<u>201,580</u>
		<u>1,402,597</u>	<u>1,452,992</u>
	Total Infrastructure Assets	<u>18,370,856</u>	<u>19,428,467</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.

NOTE 14	CAPITAL WORKS IN PROGRESS	2002	2001
		\$	\$
	Plant and Equipment		
	at cost	121,436	-
		<u>121,436</u>	<u>-</u>
	Total Capital Works in Progress	<u>121,436</u>	<u>-</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 15	AMOUNTS HELD IN CASH OR OUTSTANDING AT BALANCE DAY	2002 \$	2001 \$
	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	51,867	82,443
	Crime Prevention Program	65,100	137,482
	Sobering Up Unit	6,672	17,993
	DVA Shed Program	-	9,891
	Health Focus Subsidy		11,548
	Swimming Pool Subsidy	-	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	30,056	45,681
	Later than one year but less than five years	6,857	36,913

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

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 \$571,122.
(2000/2001 \$479,829)

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 18	PERFORMANCE INDICATORS	2002	2001
	Debt Servicing Ratio <i>Ratio of debt servicing costs to total revenue</i>	8.65%	9.26%
	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>	28.18%	28.92%
	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>	30.69%	32.01%
	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>	.944 to 1	1.05 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, 2002 (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							
2002	2,324,552	4,940,813	7,265,365	45.9%	1,455,302	8.1%	5,810,063
2001	2,135,416	4,673,637	6,809,053	47.1%	1,372,768	8.3%	5,436,285
Public Order & Safety							
2002		33,804	33,804	0.2%	76,219	0.4%	(42,415)
2001		58,015	58,015	0.4%	114,805	0.7%	(36,455)
Health							
2002	2,443,466	412,023	2,855,489	18.0%	3,039,766	16.9%	(184,277)
2001	2,369,688	431,038	2,800,726	19.4%	2,971,260	17.9%	(86,499)
Social Security and Welfare							
2002	1,215,502	774,804	1,990,306	12.6%	2,126,628	11.8%	(136,322)
2001	1,183,969	783,922	1,967,891	13.6%	2,101,340	12.7%	(248,798)
Housing and Community Amenities							
2002	126,950	334,720	461,670	2.9%	1,837,710	10.2%	(1,376,040)
2001	124,705	346,020	470,724	3.3%	1,720,967	10.4%	(964,934)
Protection of the Environment							
2002					351,464	2.0%	(351,464)
2001					27,097	0.2%	(12,840)
Recreation and Culture							
2002	85,008	219,958	304,966	1.9%	2,025,594	11.3%	(1,720,628)
2001	67,424	178,977	246,401	1.7%	1,904,377	11.5%	(1,483,232)
Fuel and Energy							
2002						0.1%	
2001							
Agriculture							
2002							
2001					31,595	0.2%	
Mining and Manufacture							
2002		23,806	23,806	0.2%	147,206	0.8%	(123,400)
2001		20,626	20,626	0.1%	134,355	0.8%	(91,570)
Transport and Communication							
2002	630,599	105,992	736,590	4.7%	2,486,814	13.8%	(1,750,224)
2001	315,612	111,795	427,407	3.0%	2,323,990	14.0%	(2,050,442)
Economic Affairs							
2002	895,987	832,020	1,728,007	10.9%	2,947,701	16.4%	(1,219,694)
2001	717,351	675,898	1,393,249	9.6%	2,632,920	15.9%	(437,461)
Other Purposes							
2002	296,255	127,039	423,295	2.7%	1,483,156	8.3%	(1,356,117)
2001	62,926	186,143	249,069	1.7%	1,266,316	7.6%	(984,010)
TOTAL							
2002	8,018,319	7,804,979	15,823,298	100.0%	17,977,560	100.0%	(2,154,262)
2001	6,977,092	7,466,069	14,443,161	100.0%	16,601,788	100.0%	(1,123,272)

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2002

NOTE 20 COMPARISON OF BUDGET AND ACTUAL RESULTS (OPERATING)

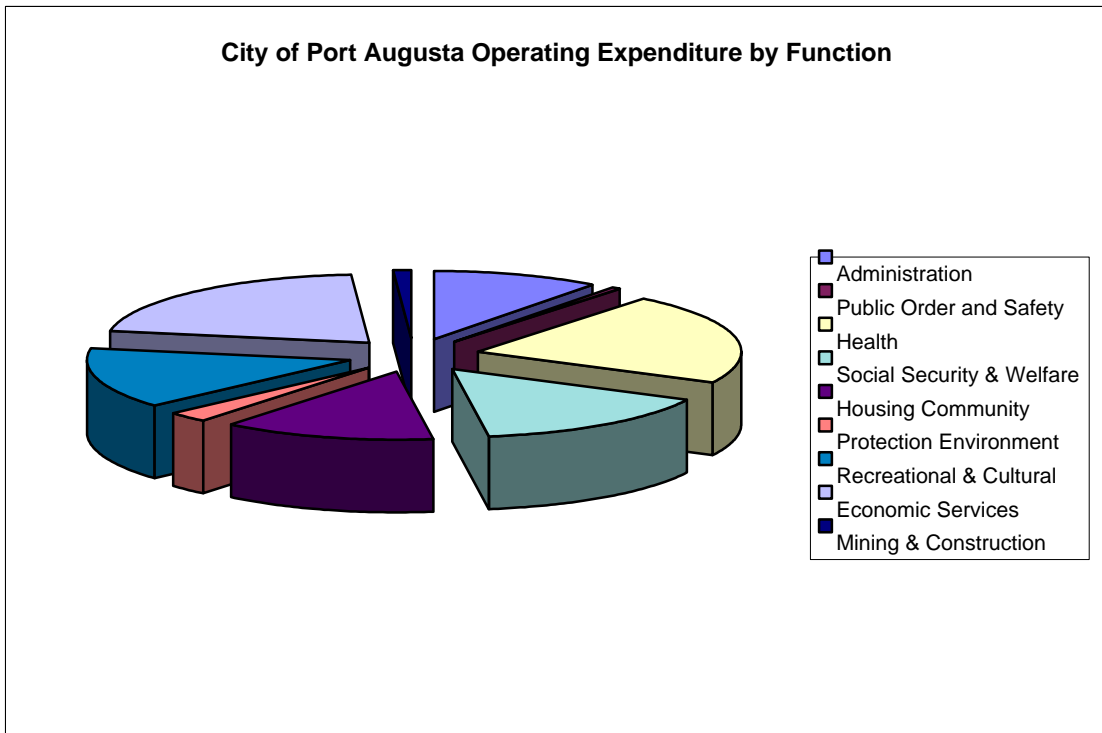
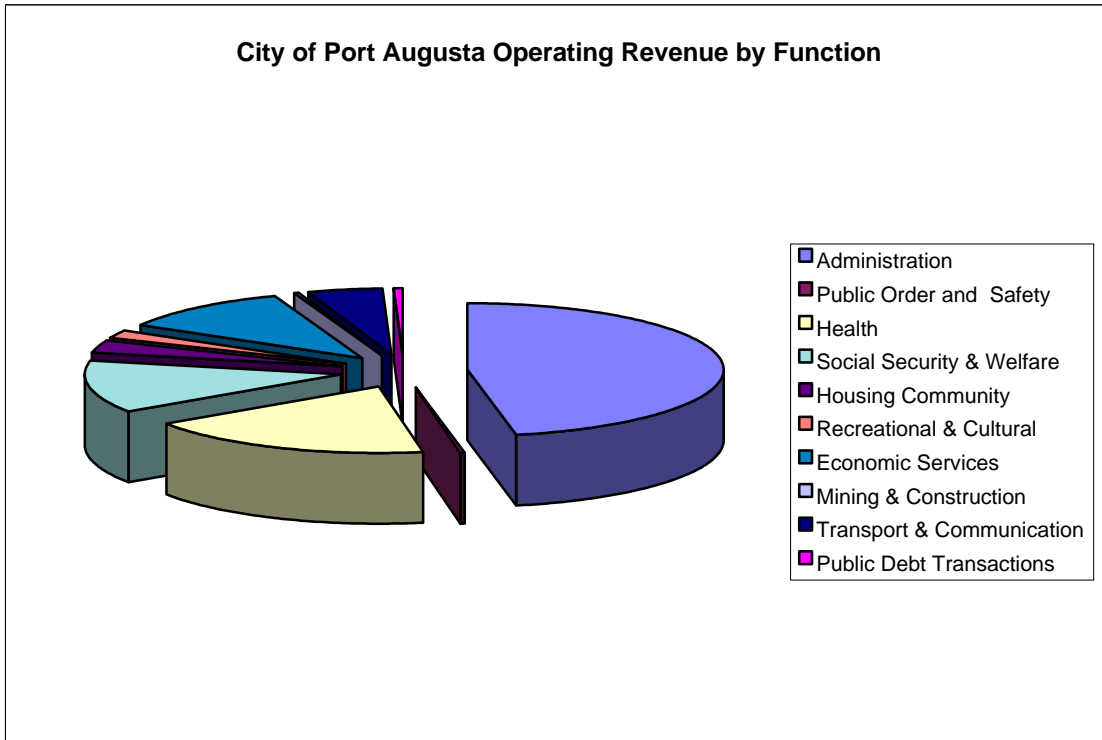
	2002 Operating		2001 Operating	
	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$
Revenue				
Administration	7,107,000	7,265,365	6,506,700	6,809,053
Public Order and Safety	34,600	33,804	38,100	58,015
Health	2,324,000	2,855,489	2,214,100	2,800,726
Social Security & Welfare	1,776,500	1,990,306	1,646,100	1,967,891
Housing Community	919,200	461,670	937,400	470,724
Recreational & Cultural	420,600	304,966	200,000	246,401
Economic Services	565,000	1,728,007	554,000	1,393,249
Mining & Construction	30,300	23,806	30,300	20,626
Transport & Communication	718,000	736,590	457,000	427,407
Public Debt Transactions	54,200	89,825	108,000	153,915
Other Purposes	597,000	333,469	563,000	95,154
Total Revenue	<u>14,546,400</u>	<u>15,823,298</u>	<u>13,254,700</u>	<u>14,443,161</u>
Expenses				
Administration	1,275,800	1,455,302	1,160,500	1,372,768
Public Order and Safety	86,700	76,219	134,100	114,805
Health	2,340,100	3,039,766	2,217,300	2,971,260
Social Security & Welfare	1,869,100	2,126,628	1,776,100	2,101,340
Housing Community	1,954,400	1,837,710	2,002,900	1,720,967
Protection Environment		351,464		27,097
Recreational & Cultural	1,564,000	2,025,594	1,371,700	1,904,377
Agricultural Services				31,595
Fuel and Energy				
Economic Services	1,187,600	2,947,701	899,000	2,632,920
Mining & Construction	127,400	147,206	121,100	134,355
Transport & Communication	1,915,800	2,486,814	1,826,500	2,323,990
Public Debt Transactions	305,700	285,265	283,000	272,992
Other Purposes	1,535,500	1,197,891	1,462,200	993,323
Total Expenses	<u>14,162,100</u>	<u>17,977,560</u>	<u>13,254,400</u>	<u>16,601,788</u>
less unfunded Depreciation		2,378,404		2,333,748
Surplus		224,100		175,100

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

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 2002

NOTE 21 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
2002						
Financial Assets						
Cash & Bank					4,571	4,571
Deposits	4.5%	919,727				919,727
Receivables						
		919,727			4,571	924,298
Financial Liabilities						
Borrowings	6.76%		1,234,300	3,053,969		4,288,269
Creditors & Accruals					804,054	804,054
NHA Bonds					333,459	333,459
			1,234,300	3,053,969	1,137,513	5,425,782
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

(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 2002

NOTE 21 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 2002

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.

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 2002

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 AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 3	EMPLOYEE COSTS	2002	2001
		\$	\$
	Salaries and Wages	5,811,245	5,475,615
	Superannuation Expenses	571,122	479,829
	Leave Entitlements	742,538	746,837
	Training	25,417	18,368
		<u>7,150,322</u>	<u>6,720,649</u>
	Less		
	Amounts Capitalised		
	Non-Current Assets Constructed		
	By Council	<u>74,401</u>	101,361
		<u>7,075,921</u>	<u>6,619,288</u>
NOTE 4	CONTRACTUAL SERVICES		
	Contractual services involve payments or liabilities for the external provision of services. They include:		
	Consultants	81,961	91,756
	Contractors	<u>3,522,657</u>	<u>3,304,287</u>
		<u>3,604,618</u>	<u>3,396,043</u>
NOTE 5	MATERIALS		
	Materials are payment or liabilities for physical goods including energy. They include:		
	Electricity	413,333	396,090
	Water	374,137	355,892
	Fuel/lubricants	152,373	154,393
	Other	<u>1,788,167</u>	<u>1,550,510</u>
		<u>2,728,010</u>	<u>2,456,885</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	1,350,971	1,349,356
	Furniture and Equipment	88,051	84,282
	Plant and Machinery	<u>132,899</u>	<u>93,627</u>
		<u>2,378,404</u>	<u>2,333,748</u>

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 7	OTHER EXPENDITURE	2002	2001
		\$	\$
	Other Expenses includes:		
	Insurances	308,518	306,555
	Plant and Machinery Hire (Internal)	231,878	225,687
	Plant and Machinery Hire (External)	73,844	71,370
	Elected Member Expenses	82,649	83,289
	Communications	130,618	126,052
	Subscriptions	64,500	56,004
	Contributions	175,273	154,223
	Travel and Accommodation	65,396	52,893
NOTE 8	CASH		
	Cash on Hand	4,571	4,671
	Deposits at Call	919,727	1,168,552
	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	924,298	1,173,224
	less: Bank Overdraft		-
		<hr/>	<hr/>
	Balance per Statement of Cash Flows	924,298	1,173,224
		<hr/>	<hr/>
	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	(2,154,262)	(2,158,627)
	Depreciation	2,378,404	2,333,748
	Interest treated as Financing Activity	174,833	93,730
	Other charges relating to Financing Activities	20,607	25,347
	Increase (Decrease) Employee Entitlement	(4,622)	149,065
	Loss (Gain) on disposal of Assets	123,308	50,671
	Decrease (Increase) Debtors	(403,507)	107,569
	Decrease (Increase) in Prepayments	(9,011)	(25,579)
	Capital Grants treated as Capital Revenues	(3,004)	(20,334)
	Increase (Decrease) in Creditors and Accruals	201,670	8,989
	(Increase) Decrease in Inventory	29,675	7,057
		<hr/>	<hr/>
	Net Cash used in Operating Activities	354,091	571,636
		<hr/>	<hr/>

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 9	RECEIVABLES	2002	2001
	Current		
	Rates Receivable	672,187	461,944
	Less Provision for Doubtful Debts	<u>274,682</u>	<u>100,000</u>
		<u>397,505</u>	<u>361,944</u>
	Loans and Advances to Community Groups	9,339	42,122
	GST Debtor	94,586	57,243
	Other Debtors	<u>717,956</u>	<u>387,443</u>
		<u>821,881</u>	<u>486,808</u>
	Total Current Receivables	<u>1,219,386</u>	<u>848,752</u>
	Non Current		
	Loans and Advances to Community Groups	10,242	11,693
	Loans to Community Groups include all loans and advances to sporting organisations and community based bodies.		
NOTE 10	INVENTORIES		
	Stores	31,876	53,971
	Souvenir Stock Wadlata and Arid Lands	<u>114,854</u>	<u>122,434</u>
		<u>146,730</u>	<u>176,405</u>
NOTE 11	CREDITORS		
	Current		
	Creditors	547,002	229,484
	Interest Accruals	90,613	77,254
	Other Accruals	<u>166,439</u>	<u>282,286</u>
		<u>804,054</u>	<u>589,024</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 12	PROVISIONS	2002	2001
		\$	\$
	Current		
	Annual Leave	422,190	406,192
	Long Service Leave	<u>40,000</u>	<u>40,000</u>
		<u>462,190</u>	<u>446,192</u>
	Non-Current		
	Annual Leave	40,000	40,000
	Long Service Leave	<u>661,476</u>	<u>682,096</u>
		<u>701,476</u>	<u>722,096</u>
NOTE 13	BORROWINGS		
	Current		
	Bank Overdraft		-
	Loans Secured	1,234,300	1,104,273
	Nursing Home Accommodation Bonds	<u>5,200</u>	<u>16,874</u>
		<u>1,239,500</u>	<u>1,121,147</u>
	Non-Current		
	Loans Secured	3,053,969	2,688,122
	Nursing Home Accommodation Bonds	<u>328,259</u>	<u>349,957</u>
	Total Borrowings	<u>3,382,228</u>	<u>3,038,079</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2002	2001
		\$	\$
	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>349,636</u>
		<u>18,367,741</u>	<u>18,367,741</u>
	less accumulated Depreciation	<u>3,040,395</u>	<u>2,431,301</u>
	Total Buildings	<u>15,327,346</u>	<u>15,936,440</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>160,795</u>	<u>128,636</u>
	Total Structures	<u>2,659,581</u>	<u>2,691,740</u>
	Reserves / Infrastructure		
	at Independent Valuation as at 30 June 1997 *	2,389,745	2,389,745
	at cost	<u>255,795</u>	<u>255,795</u>
		<u>2,645,540</u>	<u>2,645,540</u>
	less accumulated Depreciation	<u>820,941</u>	<u>655,711</u>
	Total Reserves / Infrastructure	<u>1,824,598</u>	<u>1,989,829</u>
	Total Buildings Structures & Reserve Infrastructure	<u>19,811,526</u>	<u>20,618,009</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2002	2001
		\$	\$
	Plant and Equipment		
	at cost	1,849,654	1,599,531
	less accumulated Depreciation	<u>579,897</u>	<u>469,301</u>
	Total Plant and Equipment	<u>1,269,757</u>	<u>1,130,230</u>
	Minor Plant		
	at Council Valuation as at 30 June 1994	47,018	47,018
	at cost	<u>87,572</u>	<u>65,557</u>
		<u>134,590</u>	<u>112,575</u>
	less accumulated Depreciation	<u>41,597</u>	<u>32,068</u>
	Total Minor Plant	<u>92,993</u>	<u>80,507</u>
	Total Plant, Equipment and Minor Plant	<u>1,362,750</u>	<u>1,210,737</u>
	Office Furniture and Equipment		
	at Councils Valuation as at 30 June 1994	409,719	409,719
	at cost	<u>1,127,226</u>	<u>1,029,473</u>
		<u>1,536,945</u>	<u>1,439,192</u>
	less accumulated Depreciation	<u>646,723</u>	<u>558,672</u>
	Total Office Furniture and Equipment	<u>890,222</u>	<u>880,520</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 14	INFRASTRUCTURE ASSETS	2002	2001
		\$	\$
	Roads Bridges and Footpaths		
	at Independent valuation as at 30 June 1997 *	18,515,817	18,515,817
	at cost	<u>2,081,095</u>	<u>1,787,735</u>
		<u>20,596,912</u>	<u>20,303,552</u>
	less accumulated Depreciation	<u>6,172,143</u>	<u>4,942,880</u>
	Total Roads Bridges and Footpaths	<u>14,424,769</u>	<u>15,360,672</u>
	Stormwater Drainage		
	at Independent valuation as at 30 June 1997 *	2,900,055	2,900,055
	at cost		
	less accumulated Depreciation	<u>356,565</u>	<u>285,252</u>
		<u>2,543,490</u>	<u>2,614,803</u>
	Effluent Drainage		
	at Independent valuation as at 30 June 1997	1,654,572	1,654,572
	less accumulated Depreciation	<u>251,975</u>	<u>201,580</u>
		<u>1,402,597</u>	<u>1,452,992</u>
	Total Infrastructure Assets	<u>18,370,856</u>	<u>19,428,467</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.

NOTE 14	CAPITAL WORKS IN PROGRESS	2002	2001
		\$	\$
	Plant and Equipment		
	at cost	121,436	-
		<u>121,436</u>	<u>-</u>
	Total Capital Works in Progress	<u>121,436</u>	<u>-</u>

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 15	AMOUNTS HELD IN CASH OR OUTSTANDING AT BALANCE DAY	2002 \$	2001 \$
	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	51,867	82,443
	Crime Prevention Program	65,100	137,482
	Sobering Up Unit	6,672	17,993
	DVA Shed Program	-	9,891
	Health Focus Subsidy		11,548
	Swimming Pool Subsidy	-	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	30,056	45,681
	Later than one year but less than five years	6,857	36,913

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

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 \$571,122.
(2000/2001 \$479,829)

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 18	PERFORMANCE INDICATORS	2002	2001
	Debt Servicing Ratio <i>Ratio of debt servicing costs to total revenue</i>	8.65%	9.26%
	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>	28.18%	28.92%
	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>	30.69%	32.01%
	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>	.944 to 1	1.05 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 AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

NOTE 21 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 Avge Interest Rate	Floating Interest Rate	1 year or less	1 to 5 years	Non Interest Bearing	Total
2002						
Financial Assets						
Cash & Bank					4,571	4,571
Deposits	4.5%	919,727				919,727
Receivables						
		919,727			4,571	924,298
Financial Liabilities						
Borrowings	6.76%		1,234,300	3,053,969		4,288,269
Creditors & Accruals					804,054	804,054
NHA Bonds					333,459	333,459
			1,234,300	3,053,969	1,137,513	5,425,782
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

(b) Credit Risk Exposure

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

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 2002

NOTE 21 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 2002

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 2001/2002 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 4 November, 2002.

M.J. DUNEMANN
DIRECTOR
FINANCIAL & INFORMATION SERVICES

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

N.J. BALUCH
MAYOR

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

CHIEF FINANCIAL OFFICERS STATEMENT

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M.J. DUNEMANN
DIRECTOR
FINANCIAL & INFORMATION SERVICES

ADOPTION STATEMENT

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M.J. DUNEMANN
DIRECTOR
FINANCIAL & INFORMATION SERVICES

N.J. BALUCH
MAYOR