



# Port Augusta City Council

FINANCIAL STATEMENTS  
FOR YEAR ENDED 30 JUNE 2005

## CITY OF PORT AUGUSTA

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### OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE, 2005

	Note	2005 \$	2004 \$
<b>OPERATING REVENUE</b>			
Rates			
General		6,010,673	5,528,548
Other		282,910	262,325
Statutory Charges		258,551	195,430
User Charges		2,394,703	1,979,118
Operating Grants and Subsidies		8,092,138	7,977,715
Investment Income		168,439	92,108
Reimbursements		273,233	293,130
Gain on Sale of Non-Current Assets		308,038	148,752
Other		593,298	876,657
		<hr/>	<hr/>
<b>TOTAL OPERATING REVENUE</b>		<b>18,381,984</b>	<b>17,353,782</b>
<b>OPERATING EXPENSES</b>			
Wages and Salaries	3	8,634,924	7,948,185
Contractual Services	4	2,871,326	3,215,952
Materials	5	2,312,707	2,405,653
Finance Charges		338,938	326,907
Depreciation	6	2,454,695	2,333,774
Loss on Disposal of Non-Current Assets			
Other	7	2,072,203	2,177,451
		<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>		<b>18,684,793</b>	<b>18,407,921</b>
<b>Operating (Loss)/Surplus before Capital Revenues</b>		<b>(302,809)</b>	<b>(1,054,138)</b>
<b>CAPITAL REVENUES</b>			
Capital Grants, Subsidies and Monetary Contributions		435,094	1,072,016
		<hr/>	<hr/>
<b>Operating Surplus after Capital revenues and before Extraordinary items</b>		<b>132,284</b>	<b>17,877</b>
		<hr/>	<hr/>
<b>CHANGE IN COMMUNITY WEALTH RESULTING FROM OPERATIONS</b>		<b>132,284</b>	<b>17,877</b>

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

## CITY OF PORT AUGUSTA

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash	8	2,590,259	1,540,175
Receivables	9	1,007,341	1,294,158
Prepayments	9	9,873	30,152
Inventories	10	<u>136,442</u>	<u>119,129</u>
<b>TOTAL CURRENT ASSETS</b>		<u>3,743,915</u>	<u>2,983,614</u>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	8	97,955	
Creditors and Provisions	11&12	1,709,255	1,531,533
Loans	13	<u>1,586,495</u>	<u>1,557,502</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,393,705</u>	<u>3,089,035</u>
<b>NET CURRENT ASSETS</b>		<u>350,210</u>	<u>(105,421)</u>
<b>NON-CURRENT ASSETS</b>			
Land	14	5,608,500	6,029,132
Buildings, Structures & Reserve Infrastructure	14	21,599,973	20,365,844
Infrastructure	14	28,712,554	16,964,059
Equipment	14	1,860,159	1,823,889
Furniture and Fittings	14	1,196,082	1,083,720
Receivables	14	37,894	
Capital Works in Progress	14	<u>53,650</u>	<u>251,522</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>59,068,812</u>	<u>46,518,166</u>
<b>INTANGIBLE ASSETS</b>			
Aged Care Bed Licences	15	<u>2,760,000</u>	
<b>TOTAL INTANGIBLE ASSETS</b>		<u>2,760,000</u>	
<b>NON-CURRENT LIABILITIES</b>			
Creditors and Provisions	12	828,785	772,523
Loans	13	<u>4,476,340</u>	<u>4,377,718</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>5,305,125</u>	<u>5,150,241</u>
<b>NET ASSETS</b>		<u>56,873,897</u>	<u>41,262,504</u>
<b>EQUITY</b>			
Accumulated Surplus		4,095,379	3,963,095
Reserves		<u>52,778,518</u>	<u>37,299,409</u>
<b>TOTAL EQUITY</b>		<u>56,873,897</u>	<u>41,262,504</u>

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

## CITY OF PORT AUGUSTA

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### STATEMENT OF CHANGE IN EQUITY FOR THE 30 JUNE 2005

	Note	2005 \$	2004 \$
<b>ACCUMULATED SURPLUS</b>			
Balance at beginning of period		3,963,095	3,945,218
Change in financial position resulting from operations (Deficit)/Surplus		132,284	17,877
<b>Balance at end of period</b>		<u>4,095,379</u>	<u>3,963,095</u>
<b>ASSET REVALUATION RESERVE</b>			
Balance at beginning of period		37,299,409	37,299,409
-Revaluation increment		15,479,109	
-Revaluation decrement			
<b>Balance at end of period</b>		<u>52,778,518</u>	<u>37,299,409</u>
<b>TOTAL EQUITY</b>		<u>56,873,897</u>	<u>41,262,504</u>

*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 2005

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2005 \$	Inflows (Outflows) 2004 \$
<b>Receipts</b>			
Interested Receivd		18,148,393	17,469,670
GST Collected		168,439	92,108
GST Received		458,504	431,017
		965,181	949,030
<b>Payments</b>			
Interest on Loans		(15,706,253)	(15,712,181)
GST Paid		(333,829)	(292,627)
GST Remitted		(844,557)	(954,363)
		(505,829)	(403,216)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	8	2,350,049	1,579,439
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Loans Received		1,534,500	2,220,000
Loan Repayments from Community Groups		5,422	10,242
Accommodation Bonds		449,686	222,404
<b>Payments</b>			
Principal on Loans		(1,552,301)	(1,441,611)
Accommodation Bonds		(256,870)	(106,140)
Loans to Community Groups		(50,090)	
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		130,347	904,895
<b>CASH FLOWS FROM OTHER ACTIVITIES</b>			
<b>Receipts</b>			
Capital Grants, Subsidies		435,094	1,072,016
Sale of Equipment		486,452	539,953
Sale of Land		517,145	189,200
<b>Payments</b>			
Purchase of Land			(312,267)
Purchase of Buildings		(1,343,839)	(630,106)
Purchase of Infrastructure		(626,063)	(1,055,448)
Purchase of Equipment		(826,681)	(959,960)
Purchase of Furniture and Fittings		(116,726)	(75,568)
Purchase of Capital Works in Progress		(53,650)	(170,622)
<b>NET CASH USED IN OTHER ACTIVITIES</b>		(1,528,268)	(1,402,802)
<b>NET INCREASE(DECREASE) IN CASH HELD</b>		952,128	1,081,532
<b>CASH AT BEGINNING OF REPORTING PERIOD</b>		1,540,176	458,644
<b>CASH AT END OF REPORTING PERIOD</b>	8	2,492,304	1,540,176

*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 2005

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### 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 is a general purpose report that has been prepared in accordance with Accounting Standards, urgent issues group consensus view, other authoritative pronouncements of the AASB and the Local Government Act 1999. 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.

(c) **International Financial Reporting Standards**

For the reporting periods beginning on or after 1 January, 2005, Council must comply with International Financial Reporting Standards(IFRS), as issued by the Australian Accounting Standards Board.

The financial statements have been prepared in accordance with the Australian Accounting Standards and other reporting requirements, for example Australian GAAP.

Council has not quantified the effects of the differences. Accordingly, there can be no assurances that performance and financial position would not be significantly different if determined in accordance with IFRS.

(d) **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.

## CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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### (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.

#### 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.**

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 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.



## **CITY OF PORT AUGUSTA**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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### (k) **Goods and Services Tax**

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.

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.

### (k) **Full Cost Attribution**

The philosophy of Full Cost Attribution has been adopted in these financial statements in accordance with the requirements of the Local Government Act 1999 and the associated Regulations.

Note 2(b) reflects Full Cost Attribution figures. It should be noted that the methodology adopted this year has spread Administration costs across the various other functions and activities of Council including capital expenditure.

## CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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### 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, 2005 (Cont'd)

Full Cost Attributed Revenues and Expenses by function or activity

	EXPENSES								REVENUES						Change in Community Wealth (operations)	
	Salaries & Wages	Contractual Services	Materials	Finance Charges	Depreciation	Other	Full Cost Attribution	Total	Grants Operating	Grants Capital	User Charges	Contributions & Donations	Reimb	Statutory Charges & Other		Total
Administration	953,595	197,166	126,072		101,252	369,846	-1,038,451	709,480	2,697,405				29,696	6,410,610	9,137,711	-8,428,231
Public Order & Safety																
Fire Protection																
Other	80,677	6,129	9,810			61,758	9,930	168,303					897	124,561	125,458	42,845
Health																
Health Inspection	73,336	240	4,358			34,645	9,026	121,605					4,326		4,326	117,279
Nursing Homes	2,711,222	514,177	354,810		188,430	237,523	333,695	4,339,855	2,808,644	93,167	1,100,885		21,716	33,154	4,057,565	282,290
Other	765,164	40,309	28,701			125,860	94,176	1,054,210	985,883		2,780		7,449	12,021	1,008,133	46,077
Social Security & Welfare																
Aged & Disabled Services	328	4,800	1,502			2,072	40	8,743								8,743
Families & Children	866,578	54,052	70,882		23,245	114,313	106,658	1,235,729	633,679	14,927	261,363		18,371	15,468	943,809	291,920
Other	52,416	10,778	25,801			38,001	6,451	133,447	60,280				940	16,141	77,360	56,087
Housing & Community Amenities																
Housing	5,766	34,634	9,922		20,862	5,170	710	77,065			51,216		-1,636		49,580	27,485
Town Planning	64,399	6,428				7,221	7,926	85,975						61,279	61,279	24,695
Other Community Development																
Sanitation & Garbage	502	492,745	14,310			31,312	62	538,931								538,931
Sewerage	4,907	23,738	134,810		50,395	445	604	214,900								214,900
Urban Stormwater Drainage	18,385	36,381	12,241		71,313	2,942	2,263	143,524								143,524
Other Community Amenities	432,834	149,658	265,679		15,866	354,036	53,273	1,271,347	163,556		100,346		79,499	48,931	392,332	879,015
Protection of the Environment	2,057	7,428	3,779			13,418	253	26,935								26,935
Recreation & Culture																
Libraries	313,359	5,700	14,336			59,997	38,568	431,960	72,488		4,175			4,052	80,715	351,245
Other Cultural Services	13,291	112,424	84,952		149,074	68,521	1,636	429,899			21,663		137	14,033	35,834	394,065
Sport & Recreation	383,534	266,935	364,746		218,831	55,980	47,205	1,337,230			125,956		4,892	5,580	136,427	1,200,803
Fuel & Energy																
Agricultural Services						8,667		8,667								8,667
Mining Manufacturing Construction																
Building Act	129,894	11,623	181			33,608	15,987	191,293						37,232	37,232	154,062
Other																
Transport & Communication																
Road Construction and Maintenance																
Sealed Roads	179,767	129,568	91,555		1,229,263	76,280	22,126	1,728,558	494,624					54,692	549,316	1,179,242
Formed and Surfaced Roads																
Natural Surface Formed Roads	106,433	48,578	23,478			41,094	13,100	232,682								232,682
Natural Surface Unformed Roads																
Bridges	1,186	15,925	2,507			22,673	146	42,437								42,437
Footpaths	40,665	127,672	18,172			8,819	5,005	200,333								200,333
Aerodromes	17,109	18,754	3,591		10,034	4,153	2,106	55,746			34,095			2,500	36,595	19,151
Parking	618	3,379	4,865		9,200	8	76	18,146								18,146
Bus	34,434	283,657	56			3,280	4,238	325,665	161,027		16,140			48,699	225,867	99,798
Other Transport																
Economic Affairs NEC	868,328	147,548	325,607		117,358	441,039	199,914	2,099,794	6,000	0	555,099		61,326	250,802	873,227	1,226,567
Other Purposes NEC																
Public Debt Transactions				338,938				338,938						168,439	168,439	170,499
Other Purposes NEC	514,138	120,900	315,983		249,572	-458,515	63,280	805,358	8,552	327,000	120,983		45,621	5,677	507,834	297,524
<b>TOTALS</b>	<b>8,634,924</b>	<b>2,871,326</b>	<b>2,312,707</b>	<b>338,938</b>	<b>2,454,695</b>	<b>1,764,165</b>		<b>18,376,755</b>	<b>8,092,138</b>	<b>435,094</b>	<b>2,394,703</b>		<b>273,233</b>	<b>7,313,871</b>	<b>18,509,039</b>	<b>-132,284</b>

**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 3</b>	<b>EMPLOYEE COSTS</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
	Salaries and Wages	7,298,964	6,674,955
	Superannuation Expenses	704,470	650,390
	Leave Entitlements	910,843	820,878
	Training	27,803	28,789
		<u>8,942,080</u>	<u>8,175,012</u>
	Less		
	Amounts Capitalised		
	Non-Current Assets Constructed		
	By Council	<u>307,156</u>	<u>226,827</u>
		<b><u>8,634,924</u></b>	<b><u>7,948,185</u></b>
<b>NOTE 4</b>	<b>CONTRACTUAL SERVICES</b>		
	Contractual services involve payments or liabilities for the external provision of services. They include:		
	Consultants	58,538	30,889
	Contractors	<u>2,812,788</u>	<u>3,185,063</u>
		<b><u>2,871,326</u></b>	<b><u>3,215,952</u></b>
<b>NOTE 5</b>	<b>MATERIALS</b>		
	Materials are payment or liabilities for physical goods including energy. They include:		
	Electricity	424,609	470,078
	Water	460,851	464,466
	Fuel/lubricants	193,430	175,352
	Other	<u>1,233,817</u>	<u>1,295,757</u>
		<b><u>2,312,707</u></b>	<b><u>2,405,653</u></b>
<b>NOTE 6</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
	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	1,350,971
	Furniture and Equipment	89,022	89,022
	Plant and Machinery	<u>208,219</u>	<u>87,298</u>
		<b><u>2,454,695</u></b>	<b><u>2,333,774</u></b>

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**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 7</b>	<b>OTHER EXPENDITURE</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
	Other Expenses includes:		
	Insurances	500,186	422,538
	Plant and Machinery Hire (Internal)	337,452	256,058
	Plant and Machinery Hire (External)	3,560	19,587
	Elected Member Expenses	137,733	168,710
	Communications	151,781	143,822
	Subscriptions	58,121	70,410
	Contributions	156,846	84,536
	Travel and Accommodation	78,894	50,309
<b>NOTE 8</b>	<b>CASH</b>		
	Cash on Hand	4,721	4,571
	Deposits at Call	2,583,538	1,535,604
	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	2,590,259	1,540,175
	less: Bank Overdraft	97,955	-
		<hr/>	<hr/>
	<b>Balance per Statement of Cash Flows</b>	<b>2,492,304</b>	<b>1,540,175</b>
	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	132,284	17,877
	Depreciation	2,454,695	2,333,774
	Increase (Decrease) Employee Entitlement	172,403	32,957
	Loss (Gain) on disposal of Assets	(308,038)	(148,752)
	(Increase)Decrease Provision for Doubtful Debts	20,103	379,379
	Accommodation Bonds recognised as income	(47,400)	(33,473)
	Decrease (Increase) Debtors	273,488	328,596
	Decrease (Increase) in Prepayments	20,279	20,325
	Capital Grants treated as Capital Revenues	(435,094)	(1,072,016)
	Increase (Decrease) in Creditors and Accruals	84,642	120,130
	(Increase) Decrease in Inventory	(17,313)	21,800
		<hr/>	<hr/>
	<b>Net Cash used in Operating Activities</b>	<b>2,350,049</b>	<b>1,241,839</b>

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**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 9</b>	<b>RECEIVABLES</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
	<b>Current</b>		
	Rates Receivable	479,872	594,332
	Less Provision for Doubtful Debts	<u>78,123</u>	<u>78,123</u>
		<u>401,749</u>	<u>516,209</u>
	Loans and Advances to Community Groups	6,774	-
	GST Debtor	66,348	139,647
	Other Debtors	552,573	638,302
	Less Provision for Doubtful Debts	<u>20,103</u>	<u></u>
		<u>605,592</u>	<u>777,949</u>
	<b>Total Current Receivables</b>	<b><u>1,007,341</u></b>	<b><u>1,294,158</u></b>
<b>NOTE 10</b>	<b>INVENTORIES</b>		
	Stores	20,074	11,494
	Souvenir Stock Wadlata and Arid Lands	<u>116,368</u>	<u>107,635</u>
		<b><u>136,442</u></b>	<b><u>119,129</u></b>
<b>NOTE 11</b>	<b>CREDITORS</b>		
	<b>Current</b>		
	Creditors	497,373	581,143
	Interest Accruals	146,067	140,958
	Other Accruals	<u>413,986</u>	<u>273,744</u>
		<b><u>1,057,426</u></b>	<b><u>995,845</u></b>

**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 12</b>	<b>PROVISIONS</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
	<b>Current</b>		
	Annual Leave	611,829	495,688
	Long Service Leave	<u>40,000</u>	<u>40,000</u>
		<b><u>651,829</u></b>	<b><u>535,688</u></b>
	<b>Non-Current</b>		
	Annual Leave	40,000	40,000
	Long Service Leave	<u>788,785</u>	<u>732,523</u>
		<b><u>828,785</u></b>	<b><u>772,523</u></b>
<b>NOTE 13</b>	<b>BORROWINGS</b>		
	<b>Current</b>		
	Bank Overdraft	<b>97,955</b>	-
	Loans Secured	1,561,583	1,552,302
	Nursing Home Accommodation Bonds	<u>24,912</u>	<u>5,200</u>
		<b><u>1,684,450</u></b>	<b><u>1,557,302</u></b>
	<b>Non-Current</b>		
	Loans Secured	3,932,975	3,960,056
	Nursing Home Accommodation Bonds	<u>543,365</u>	<u>417,662</u>
		<b><u>4,476,340</u></b>	<b><u>4,377,718</u></b>
	<b>Total Borrowings</b>	<b><u>6,160,790</u></b>	<b><u>5,935,020</u></b>

**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 14</b>	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
	<b>Land</b>		
	at Independent Valuation as at 30 June 1997		5,498,380
	at Independent Valuation as at 30 June 2005 *	5,608,500	
	at Cost		<u>530,752</u>
	<b>Total Land</b>	<b><u>5,068,500</u></b>	<b><u>6,029,132</u></b>
	<b>Buildings</b>		
	at Independent Valuation as at 30 June 1997		18,018,105
	at Independent Valuation as at 30 June 2005 *	15,617,021	
	at cost		<u>800,749</u>
		<u>15,617,021</u>	<u>18,818,854</u>
	less accumulated Depreciation		<u>4,258,583</u>
	<b>Total Buildings</b>	<b><u>15,617,021</u></b>	<b><u>14,560,271</u></b>
	<b>Structures</b>		
	at Independent Valuation as at 30 June 1997		521,100
	at Independent Valuation as at 30 June 2005 *	2,975,266	
	at cost		<u>2,299,276</u>
		<u>2,975,266</u>	<u>2,820,376</u>
	less accumulated Depreciation		<u>225,113</u>
	<b>Total Structures</b>	<b><u>2,975,266</u></b>	<b><u>2,595,263</u></b>
	<b>Reserves / Infrastructure</b>		
	at Independent Valuation as at 30 June 1997		2,389,745
	at Independent Valuation as at 30 June 2005 *	3,007,686	
	at cost		<u>1,971,966</u>
		<u>3,007,686</u>	<u>4,361,711</u>
	less accumulated Depreciation		<u>1,151,401</u>
	<b>Total Reserves / Infrastructure</b>	<b><u>3,007,686</u></b>	<b><u>3,210,310</u></b>
	<b>Total Buildings Structures &amp; Reserve Infrastructure</b>	<b><u>21,599,973</u></b>	<b><u>20,365,844</u></b>

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**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 14</b>	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
	<b>Plant and Equipment</b>		
	at Council Valuation as at 30 June 2005*	1,774,140	-
	at cost		2,327,870
	less accumulated Depreciation		<u>598,672</u>
	<b>Total Plant and Equipment</b>	<b><u>1,774,140</u></b>	<b><u>1,729,198</u></b>
	<b>Minor Plant</b>		
	at Council Valuation as at 30 June 1997		47,018
	at Council Valuation as at 30 June 2005*	86,019	
	at cost		<u>105,047</u>
		<u>86,019</u>	<u>152,065</u>
	less accumulated Depreciation		<u>57,374</u>
	<b>Total Minor Plant</b>	<b><u>86,019</u></b>	<b><u>94,691</u></b>
	<b>Total Plant, Equipment and Minor Plant</b>	<b><u>1,860,159</u></b>	<b><u>1,823,889</u></b>
	<b>Office Furniture and Equipment</b>		
	at Council Valuation as at 30 June 1997		409,719
	at Independent Valuation as at 30 June 2005*	1,196,082	
	at cost		<u>1,498,768</u>
		<u>1,196,082</u>	<u>1,908,487</u>
	less accumulated Depreciation		<u>824,767</u>
	<b>Total Office Furniture and Equipment</b>	<b><u>1,196,082</u></b>	<b><u>1,080,720</u></b>

**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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NOTE 14	INFRASTRUCTURE ASSETS	2005 \$	2004 \$
	<b>Roads Bridges and Footpaths</b>		
	at Independent Valuation as at 30 June 1997		18,515,817
	at Independent Valuation as at 30 June 2005*	23,466,726	
	at cost	<u>23,466,726</u>	<u>2,636,403</u>
		<u>23,466,726</u>	<u>21,152,220</u>
	less accumulated Depreciation	<u>                    </u>	<u>8,630,669</u>
	<b>Total Roads Bridges and Footpaths</b>	<b><u>23,466,726</u></b>	<b><u>12,521,551</u></b>
	<b>Stormwater Drainage</b>		
	at Independent Valuation as at 30 June 1997		2,900,055
	at Independent Valuation as at 30 June 2005 *	2,732,972	
	less accumulated Depreciation	<u>                    </u>	<u>499,191</u>
		<b><u>2,732,972</u></b>	<b><u>2,400,864</u></b>
	<b>Effluent Drainage/Water Assets</b>		
	at Independent Valuation as at 30 June 1997		1,654,572
	at Independent Valuation as at 30 June 2005*	1,606,908	
	at cost	<u>905,948</u>	<u>739,837</u>
		<u>2,512,856</u>	<u>2,394,409</u>
	less accumulated Depreciation	<u>                    </u>	<u>352,765</u>
		<b><u>2,512,856</u></b>	<b><u>2,041,644</u></b>
	<b>Total Infrastructure Assets</b>	<b><u>28,712,554</u></b>	<b><u>16,964,059</u></b>

\* All valuations for Land, Buildings and Infrastructure have been undertaken by Andrea J Carolan B App Sc PRM, AAPI and Jamahl D Waddington Bach Bus Property GAPI, of Maloney Field Services, Licenced Valuers.

**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 14</b>	<b>CAPITAL WORKS IN PROGRESS</b>	<b>2005</b>	<b>2004</b>
		<b>\$</b>	<b>\$</b>
	Infrastructure Works at cost	53,650	251,522
		<hr/>	<hr/>
	<b>Total Capital Works in Progress</b>	<b>53,650</b>	<b>251,522</b>
		<hr/>	<hr/>
<b>NOTE 15</b>	<b>INTANGIBLE ASSETS</b>		
	Aged Care Bed Places at Council valuation as at 30 June 2005*	<b>2,760,000</b>	
		<hr/>	<hr/>
	<b>Total Intangible Assets</b>	<b>2,760,000</b>	
		<hr/>	<hr/>

**CITY OF PORT AUGUSTA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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<b>NOTE 16</b>	<b>AMOUNTS HELD IN CASH OR OUTSTANDING AT BALANCE DAY</b>	<b>2005 \$</b>	<b>2004 \$</b>
	The following amounts have been advanced subject to certain conditions. They are to be expended/(recouped) in future years but are currently held in cash.		
	Substance Misuse Services - Subsidy	11,488	(11,823)
	Sobering Up Unit		103,101
	Loan Funding	135,000	160,166
	Arid Lands Botanic Garden Development	-	271,828
	Wadlata Interpretive Centre	146,259	216,750
	Capital Grants	66,000	
	Volunteers Program	98,258	
	Learning Communities Program	16,585	
<b>NOTE 17</b>	<b>COMMITMENTS FOR EXPENDITURE</b>		
	<b>Operating Leases</b>		
	Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
	Not later than one year	67,869	79,231
	Later than one year but less than five years	20,176	77,690
	<b>Capital Commitments</b>		
	Not Later than one year – Water Treatment Plant		90,000
	Not later than one year – Wadlata Upgrade	146,259	216,750
	Not later than one year – Arid Lands Upgrade		271,828
	Not later than one year – Aged Care	66,000	

## **CITY OF PORT AUGUSTA**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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### **NOTE 18 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 2004, 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 2002 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 \$704,470.  
(2002/2003 \$650,390)

## CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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NOTE 19	PERFORMANCE INDICATORS	2005	2004
	<b>Debt Servicing Ratio</b> <i>Ratio of debt servicing costs to total revenue</i>	10.22%	9.44%
	This is the ratio of the cost of servicing all debenture loans against total operating revenue		
	<b>Debt Commitment Ratio</b> <i>Ratio of debt servicing to total rate revenue</i>	29.85%	30.34%
	This ratio provides an indication of how much of Council's rate revenue is used to service it's debt.		
	<b>Revenue Ratio</b> <i>Ratio of total rate revenue to total revenue</i>	34.24%	33.37%
	This ratio is used to give an indication of what percentage of total revenue is comprised of rates. It is also an indicator of the extent to which Council is leveraging the rates raised to achieve greater service outcomes		
	<b>Working Capital Ratio</b> <i>Ratio of Current Assets to Current Liabilities</i>	1.11	.966 to 1
	This ratio provides an indication of Council's current position. A figure less 1 to 1 means that Council's current assets are less than it's current liabilities		

# CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE,2005

## NOTE 19 COMPARISON OF BUDGET AND ACTUAL RESULTS (OPERATING)

	2005 Operating		2004 Operating	
	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$
<b>Revenue</b>				
Administration	8,815,500	9,137,711	8,454,700	8,592,652
Public Order and Safety	63,000	125,458	32,000	30,514
Health	4,603,900	5,070,024	3,079,900	3,219,778
Social Security & Welfare	913,700	1,021,169	2,181,000	2,593,956
Housing Community	561,200	503,191	285,900	584,354
Protection Environment			20,000	10,847
Recreational & Cultural	250,200	252,976	236,500	243,626
Economic Services	811,200	873,227	834,800	1,779,736
Mining & Construction	30,100	37,232	22,300	36,787
Transport & Communication	772,000	811,777	752,000	701,165
Public Debt Transactions	90,000	168,439	90,000	92,108
Other Purposes	564,000	507,834	794,000	391,523
<b>Total Revenue</b>	<u>17,474,800</u>	<u>18,509,039</u>	<u>16,783,100</u>	<u>18,277,046</u>
<b>Expenses</b>				
Administration	1,548,900	1,747,931	1,450,100	715,171
Public Order and Safety	109,700	158,374	75,900	77,372
Health	4,610,900	5,078,774	3,164,800	3,590,286
Social Security & Welfare	1,127,300	1,264,770	2,280,600	2,871,221
Housing Community	2,123,500	2,266,903	1,971,200	2,429,963
Protection Environment		26,682	44,000	230,429
Recreational & Cultural	1,571,000	2,111,679	1,579,100	2,250,819
Agricultural Services		8,667	8,000	
Economic Services	1,431,400	1,899,880	1,406,400	1,768,023
Mining & Construction	163,000	175,306	152,000	158,344
Transport & Communication	2,121,900	2,556,772	1,914,300	2,638,343
Public Debt Transactions	350,000	338,938	309,000	326,907
Other Purposes	1,498,800	742,078	1,571,900	1,202,292
<b>Total Expenses</b>	<u>16,656,400</u>	<u>18,376,755</u>	<u>15,927,300</u>	<u>18,259,169</u>
<b>SURPLUS</b>	818,400	132,284	855,800	17,877
less unfunded Depreciation	1,410,000	2,454,695	1,410,000	2,333,774
<b>SURPLUS</b>	<u>2,228,400</u>	<u>2,586,979</u>	<u>2,265,800</u>	<u>2,351,651</u>

## CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

### NOTE 20 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	Fixed Rate 1 year or less	Fixed Rate 1 to 5 years	Non Interest Bearing	Total
<b>2005</b>						
<b>Financial Assets</b>						
Cash & Bank	.5%	55,901			4,721	60,622
Deposits	5.25%	2,529,637				2,529,637
Receivables	6.5%		6,774	37,894	1,000,567	1,045,235
		<b>2,585,538</b>	<b>6,774</b>	<b>37,894</b>	<b>1,005,288</b>	<b>3,635,494</b>
<b>Financial Liabilities</b>						
Bank Overdraft	9.9%	97,955				97,955
Borrowings	6.11%		1,561,583	3,932,975		5,494,558
Creditors & Accruals					1,057,426	1,057,426
NHA Bonds					568,277	568,277
		<b>97,955</b>	<b>1,561,583</b>	<b>3,932,975</b>	<b>1,625,703</b>	<b>7,223,416</b>
<b>2004</b>						
<b>Financial Assets</b>						
Cash & Bank	.5%	366,635			4,571	371,206
Deposits	5%	1,168,969				1,168,969
Receivables					1,294,158	1,294,158
		<b>1,535,604</b>			<b>1,298,729</b>	<b>2,834,333</b>
<b>Financial Liabilities</b>						
Bank Overdraft						
Borrowings	6.28%		1,552,302	3,960,056		5,512,358
Creditors & Accruals					995,845	995,845
NHA Bonds					422,862	422,862
			<b>1,552,302</b>	<b>3,960,056</b>	<b>1,418,707</b>	<b>6,931,065</b>

#### (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 2005

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### **NOTE 20      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 2005

### NOTE 21 SEGMENT REPORTING

The Port Augusta City Council operates two Nursing Homes 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

<b>BUSINESS SEGMENTS</b>	<b>TOTAL COUNCIL</b>	<b>NURSING HOMES 2005</b>	<b>OTHER 2005</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>			
Grants & Subsidies	8,092,138	2,808,644	5,283,495
User Charges	2,394,703	1,100,885	1,293,817
Reimbursements	273,233	21,716	251,517
Investment Income	168,439	21,809	146,630
Other Revenue	7,453,470	33,154	7,420,316
	<u>18,381,984</u>	<u>3,986,208</u>	<u>14,395,776</u>
<b>EXPENDITURE</b>			
Operating Costs	16,230,098	3,817,731	12,412,367
Depreciation	2,454,695	188,430	2,266,265
	<u>18,684,793</u>	<u>4,006,161</u>	<u>14,678,632</u>
<b>Operating (Loss)/Surplus before Capital Revenues</b>	<u>(302,809)</u>	<u>(19,953)</u>	<u>(282,856)</u>
Capital Revenues	<u>435,094</u>	<u>93,167</u>	<u>341,927</u>
<b>RESULT</b>			
<b>Operating Result (Loss)/Surplus</b>	<u>132,284</u>	<u>73,213</u>	<u>59,071</u>
<b>ASSETS</b>			
Current Assets	3,743,915	722,523	3,021,392
Non-Current Assets	59,068,812	4,314,932	54,753,880
Intangible Assets	<u>2,760,000</u>	<u>2,760,000</u>	
<b>TOTAL ASSETS</b>	<u>65,572,727</u>	<u>7,797,455</u>	<u>57,775,272</u>
<b>LIABILITIES</b>			
Current Liabilities	3,393,705	219,938	3,173,767
Non-Current Liabilities	<u>5,305,125</u>	<u>788,421</u>	<u>4,516,704</u>
<b>TOTAL LIABILITIES</b>	<u>8,698,830</u>	<u>1,008,359</u>	<u>7,690,471</u>
<b>NET ASSETS</b>	<u>56,873,897</u>	<u>6,789,096</u>	<u>50,084,801</u>

**CITY OF PORT AUGUSTA**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005

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**CHIEF FINANCIAL OFFICERS STATEMENT**

I, Michael John Dunemann the person for the time being occupying the position of Director – Corporate Services of the Corporation of the City of Port Augusta do hereby state that the financial statements for the 2004/2005 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**  
**CORPORATE SERVICES**

**ADOPTION STATEMENT**

Laid before the Council of the City of Port Augusta and adopted on 21 November, 2005

**M.J. DUNEMANN**  
**DIRECTOR**  
**CORPORATE SERVICES**

**N.J. BALUCH**  
**MAYOR**