



Port Augusta City Council

FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2006

CITY OF PORT AUGUSTA

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE, 2006

	Note	2006 \$	2005 \$
OPERATING REVENUE			
Rates			
General		6,553,000	6,010,673
Other		313,110	282,910
Statutory Charges		227,492	258,551
User Charges		2,817,437	2,394,703
Operating Grants and Subsidies		8,438,119	8,092,138
Investment Income		176,888	168,439
Reimbursements		535,198	273,233
Gain on Sale of Non-Current Assets		239,601	308,038
Other		814,978	593,298
		<hr/>	<hr/>
TOTAL OPERATING REVENUE		20,115,822	18,381,984
OPERATING EXPENSES			
Wages and Salaries	3	9,441,369	8,634,924
Contractual Services	4	3,329,895	2,871,326
Materials	5	2,546,039	2,312,707
Finance Charges		336,739	338,938
Depreciation	6	2,443,205	2,454,695
Loss on Disposal of Non-Current Assets			
Other	7	2,560,210	2,072,203
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		20,657,457	18,684,793
Operating (Loss)/Surplus before Capital Revenues		(541,634)	(302,809)
CAPITAL REVENUES			
Capital Grants, Subsidies and Monetary Contributions		255,620	435,094
		<hr/>	<hr/>
Operating Surplus after Capital revenues and before Extraordinary items		(286,014)	132,284
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CHANGE IN COMMUNITY WEALTH RESULTING FROM OPERATIONS		(286,014)	132,284

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 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and Cash Equivalents	8	3,849,858	2,590,259
Trade and Other Receivables	9	849,201	1,017,214
Inventories	10	<u>135,540</u>	<u>136,442</u>
TOTAL CURRENT ASSETS		<u>4,834,599</u>	<u>3,743,915</u>
CURRENT LIABILITIES			
Short Term Borrowings	8		97,955
Short Term Provisions	12	60,000	40,000
Trade and Other Payables	11	2,764,388	2,277,532
Current portion of Long Term Borrowings	13	<u>1,685,241</u>	<u>1,561,583</u>
TOTAL CURRENT LIABILITIES		<u>4,509,629</u>	<u>3,977,070</u>
NET CURRENT ASSETS		<u>324,970</u>	<u>(233,155)</u>
NON-CURRENT ASSETS			
Land	14	5,578,500	5,608,500
Buildings, Structures & Reserve Infrastructure	14	22,287,020	21,599,973
Infrastructure	14	27,938,284	28,712,554
Equipment	14	1,940,336	1,860,159
Furniture and Fittings	14	1,440,545	1,196,082
Trade & Other Receivables	9	32,838	37,894
Capital Works in Progress	14	<u>374,826</u>	<u>53,650</u>
TOTAL NON-CURRENT ASSETS		<u>59,592,349</u>	<u>59,068,812</u>
INTANGIBLE ASSETS			
Aged Care Bed Licences	15	<u>1,692,000</u>	<u>2,760,000</u>
TOTAL INTANGIBLE ASSETS		<u>1,692,000</u>	<u>2,760,000</u>
NON-CURRENT LIABILITIES			
Long Term Provisions	12	911,703	788,785
Long Term Borrowings	13	<u>5,177,733</u>	<u>3,932,975</u>
TOTAL NON-CURRENT LIABILITIES		<u>6,089,436</u>	<u>4,721,760</u>
NET ASSETS		<u>55,519,883</u>	<u>56,873,897</u>
EQUITY			
Accumulated Surplus		3,809,365	4,095,379
Reserves		<u>51,710,518</u>	<u>52,778,518</u>
TOTAL EQUITY		<u>55,519,883</u>	<u>56,873,897</u>

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

CITY OF PORT AUGUSTA

STATEMENT OF CHANGE IN EQUITY FOR THE 30 JUNE 2006

	Note	2006 \$	2005 \$
ACCUMULATED SURPLUS			
Balance at beginning of period		4,095,379	3,963,095
Change in financial position resulting from operations (Deficit)/Surplus		(286,014)	132,284
Balance at end of period		<u>3,809,365</u>	<u>4,095,379</u>
ASSET REVALUATION RESERVE			
Balance at beginning of period		52,778,518	37,299,409
-Revaluation increment		(1,068,000)	15,479,109
-Revaluation decrement			
Balance at end of period		<u>51,710,518</u>	<u>52,778,518</u>
TOTAL EQUITY		<u>55,519,883</u>	<u>56,873,897</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 2006

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2006 \$	2005 \$
		Inflows	(Outflows)
Receipts		19,785,272	18,148,393
Interested Receivd		176,888	168,439
GST Collected		493,718	458,504
GST Received		1,049,674	965,181
Payments		(17,433,711)	(15,706,253)
Interest on Loans		(324,000)	(333,829)
GST Paid		(1,005,764)	(844,557)
GST Remitted		(594,875)	(505,829)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8	2,147,202	2,350,049
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Loans Received		2,930,000	1,534,500
Loan Repayments from Community Groups		5,779	5,422
Accommodation Bonds		478,148	449,686
Payments			
Principal on Loans		(1,561,584)	(1,552,301)
Accommodation Bonds		(245,286)	(256,870)
Loans to Community Groups			(50,090)
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,607,057	130,347
CASH FLOWS FROM OTHER ACTIVITIES			
Receipts			
Capital Grants, Subsidies		255,620	435,094
Sale of Equipment		440,229	486,452
Sale of Land		310,167	517,145
Payments			
Purchase of Land			
Purchase of Buildings		(1,493,439)	(1,343,839)
Purchase of Infrastructure		(480,460)	(626,063)
Purchase of Equipment		(722,840)	(826,681)
Purchase of Furniture and Fittings		(331,156)	(116,726)
Purchase of Capital Works in Progress		(374,826)	(53,650)
NET CASH USED IN OTHER ACTIVITIES		(2,396,705)	(1,528,268)
NET INCREASE(DECREASE) IN CASH HELD		1,357,554	952,128
CASH AT BEGINNING OF REPORTING PERIOD		2,492,304	1,540,176
CASH AT END OF REPORTING PERIOD	8	3,849,858	2,492,304

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of Preparation

1.1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by the Council by certificate under clause 11 of the Local Government (Financial Management) Regulation 1999 dated 26th November, 2006).

1.1.2 Compliance with International Financial Reporting Standards

AIFRS include certain specific provisions relating to not-for-profit entities that are not included in the International Financial Reporting Standards. In addition, Australian Accounting Standard AAS 27 *Financial Reporting by Local Governments* also applies. Except to the extent that these special provisions require, these financial statements comply with International Financial Reporting Standards.

The principal areas of non-compliance relate to the recognition of non-reciprocal revenues, the definition of value in use for the purposes of AASB 116 Impairments and the offsetting of revaluation increments and decrements within classes of assets, and are detailed more particularly below.

1.1.3 Application of AASB 1 *First-time Adoption of AIFRS*

These statements are the first Port Augusta City Council Financial Statements to be prepared in accordance with AIFRS and AASB1 *First-time Adoption of AIFRS* has been applied in their preparation. Previous financial statements have been prepared in accordance with the former Australian Generally Accepted Accounting Principles (GAAP) which differ in certain respects from AIFRS. When preparing these financial statements, Council has amended certain accounting and valuation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, where Council has taken the exemption available under AASB1 to only apply AASB 132 and AASB 139 from 1 July 2005, the comparative figures have been restated to reflect these adjustments.

1.1.4 Historical Cost Convention

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

1.1.5 Critical Accounting Estimates

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

1.1.5 Rounding

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

1.2 The Local Government Reporting Entity

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

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

1.3 Revenue recognition

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

Where grants, contributions and donations recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

1.4 Cash Assets and other Financial Instruments

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

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

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

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

1.5 Inventories

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

1.5.1 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

1.6 Property, Plant & Equipment

1.6.1 Transitional Provisions

Council has elected not to recognise land under roads in accordance with the deferral arrangements available under AASB 1045. All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

1.6.2 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

1.6.3 Materiality

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

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

1.6.4 Subsequent Recognition

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

1.6.5 Depreciation of Non-Current Assets

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

Plant, Furniture & Equipment

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

Building & Other Structures

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

Infrastructure

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC70	to 80 years
Reticulation Pipes – other	to 75 years
Pumps & Telemetry	15 to 25 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

1.6.6 Impairment

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

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the *value in use* is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

1.7 Payables

1.7.1 Goods & Services

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

1.7.2 Payments Received in Advance & Deposits

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

1.8 Borrowings

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

1.9 Employee Benefits

1.9.1 Salaries, Wages & Compensated Absences

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

Liabilities for employee benefits not expected to be paid or settled within 12 months are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

1.9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2005/06; 9% in 2004/05). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue. The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

1.10 Construction Contracts

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

1.11 Leases

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

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

1.12 GST Implications

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

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

1.13 Comparative Information & Transition to AIFRS

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

1.14 New Accounting Standards

Certain new accounting standards have been published that are not mandatory for the 30 June, 2006 reporting period.

- 1.14.1 AASB 2005-8 *Amendments to AASB 4, AASB 1023, AASB 139 & AASB 132*
- 1.14.2 AASB 7 *Financial Instruments: Disclosures* and AASB 2005-10 *Amendments to AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB1, AASB4 AASB 1023 & AASB 1038*
- 1.14.6 AASB 2005-6 *Amendments to AASB 121*
- 1.14.3 AASB 2005-9 *Amendments to AASB 4, AASB 1023, AASB 139 & AASB 132: Financial guarantee contracts*
- 1.14.4 AASB 7 *Financial Instruments: Disclosures*

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

- 1.14.5 AASB 2005-10 *Amendments to AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038: consequential amendments arising as a result of the release of AASB 7*
- 1.14.6 AASB 2006-1 *Amendments to AASB 121: clarification regarding monetary items forming part of the net investment in a foreign operation.*

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

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

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, Substance Mis-Use Service, Sobering Up Centre, 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:
Wadlata, Arid Lands, other tourism.

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, 2006 (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	1,080,730	400,430	76,502		117,439	465,958	-974,222	1,166,837	2,823,391		33		34,506	7,003,502	9,861,432	-8,694,595
Public Order & Safety																
Fire Protection													4,726	145,568	150,294	73,075
Other	114,554	5,168	19,960			71,613	12,074	223,369								
Health																
Health Inspection	74,514	3,166	649			20,957	7,854	107,139								107,139
Nursing Homes	2,911,466	527,306	385,741		208,523	259,881	306,858	4,599,775	2,809,872		1,095,815		25,420	118,296	4,049,403	550,373
Other	820,872	65,107	30,880			128,835	86,517	1,132,211	982,212		2,185		5,385	9,994	999,776	132,434
Social Security & Welfare																
Aged & Disabled Services	818	5,306	1,586			2,277	86	10,073								10,073
Families & Children	927,284	59,071	74,952		48,111	124,466	97,732	1,331,617	649,743	5,620	291,903		21,304	13,472	982,043	349,574
Other	78,609	12,609	20,853			27,048	8,285	147,405	97,582				24	8,947	106,554	40,851
Housing & Community Amenities																
Housing	5,329	9,344	10,189			5,424	562	30,847							43,008	-12,160
Town Planning	71,483	17,087				12,588	7,534	108,692						65,400	65,400	43,292
Other Community Development																
Sanitation & Garbage	1,077	514,895	15,170			31,498	113	562,754								562,754
Sewerage	2,728	16,012	137,509		55,293	164	288	211,994								211,994
Urban Stormwater Drainage	20,728	60,204	18,836		78,653	3,477	2,185	184,082								184,082
Other Community Amenities	499,489	175,271	350,181		32,010	563,463	52,644	1,673,059	133,190		152,721		308,495	60,935	655,341	1,017,718
Protection of the Environment	25,780	17,473	7,491			15,116	2,717	68,577								68,577
Recreation & Culture																
Libraries	305,019	6,183	20,750			65,020	32,148	429,119	60,056		3,806		786	6,759	71,407	357,713
Other Cultural Services	13,944	141,790	85,710		158,890	64,874	1,470	466,677	3,000		21,297		7,525	12,499	44,321	422,356
Sport & Recreation	336,993	356,197	417,947		233,230	81,265	35,518	1,461,150	70,395		164,247		4,802	1,065	240,508	1,220,642
Fuel & Energy																
Agricultural Services		2,318				8,992		11,310								11,310
Mining Manufacturing Construction																
Building Act	147,014	7,991				38,712	15,495	209,211						49,991	49,991	159,220
Other																
Transport & Communication																
Road Construction and Maintenance																
Sealed Roads	185,466	185,052	67,073		1,153,167	83,718	19,547	1,694,023	387,157		269,976		1,068	172,688	830,889	863,134
Formed and Surfaced Roads																
Natural Surface Formed Roads	110,493	90,656	62,190			34,812	11,646	309,797								309,797
Natural Surface Unformed Roads																
Bridges	265	6,553	5,120			25,974	28	37,941								37,941
Footpaths	25,004	127,155	30,356			1,015	2,635	186,166								186,166
Aerodromes	26,093	22,408	8,480		10,690	8,906	2,750	79,327	200,000		37,077		520	5,696	243,293	-163,966
Parking	1,263	4,095	5,624		9,810	42	133	20,967								20,967
Bus	42,671	82,903				16,475	4,497	146,546	50,413		22,797				73,210	73,336
Other Transport																
Economic Affairs NEC	854,850	325,320	320,144		131,438	600,397	183,139	2,415,287	111,055	250,000	564,677		97,081	200,203	1,223,016	1,192,271
Other Purposes NEC																
Public Debt Transactions				336,739				336,739						176,888	176,888	159,851
Other Purposes NEC	756,833	82,825	372,147		205,951	-442,359	79,767	1,055,165	60,053		147,895		23,556	33,564	265,068	790,097
TOTALS	9,441,370	3,329,895	2,546,039	336,739	2,443,205	2,320,608		20,417,856	8,438,119	255,620	2,817,437		535,198	8,085,468	20,131,841	286,015

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 3	EMPLOYEE COSTS	2006	2005
		\$	\$
	Salaries and Wages	7,698,428	7,298,964
	Superannuation Expenses	760,160	704,470
	Leave Entitlements	1,236,514	910,843
	Training	<u>27,806</u>	<u>27,803</u>
	Less	<u>9,722,908</u>	<u>8,942,080</u>
	Amounts Capitalised		
	Non-Current Assets Constructed		
	By Council	<u>281,539</u>	<u>307,156</u>
		<u>9,441,369</u>	<u>8,634,924</u>
NOTE 4	CONTRACTUAL SERVICES		
	Contractual services involve payments or liabilities for the external provision of services. They include:		
	Consultants	122,198	58,538
	Contractors	<u>3,207,697</u>	<u>2,812,788</u>
		<u>3,329,895</u>	<u>2,871,326</u>
NOTE 5	MATERIALS		
	Materials are payment or liabilities for physical goods including energy. They include:		
	Electricity	493,272	424,609
	Water	475,240	460,851
	Fuel/lubricants	237,818	193,430
	Other	<u>1,339,709</u>	<u>1,233,817</u>
		<u>2,546,039</u>	<u>2,312,707</u>
NOTE 6	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation and amortisation expenses for the year were charged in respect of:		
	Buildings	536,813	609,094
	Structures	168,837	32,159
	Reserves Infrastructure	154,391	165,230
	Infrastructure	1,302,213	1,350,971
	Furniture and Equipment	119,081	89,022
	Plant and Machinery	<u>161,870</u>	<u>208,219</u>
		<u>2,443,205</u>	<u>2,454,695</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 7	OTHER EXPENDITURE	2006	2005
		\$	\$
	Other Expenses includes:		
	Insurances	600,259	500,186
	Plant and Machinery Hire (Internal)	292,790	337,452
	Plant and Machinery Hire (External)		3,560
	Elected Member Expenses	163,214	137,733
	Communications	138,199	151,781
	Subscriptions	61,299	58,121
	Contributions	228,716	156,846
	Travel and Accommodation	69,231	78,894
NOTE 8	CASH		
	Cash on Hand	5,521	4,721
	Cash at Bank	267,368	
	Deposits at Call	3,576,969	2,583,538
	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	3,849,858	2,590,259
	less: Bank Overdraft	-	97,955
	Balance per Statement of Cash Flows	3,849,858	2,492,304
	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	(286,014)	132,284
	Depreciation	2,443,205	2,454,695
	Increase (Decrease) Employee Entitlement	305,036	172,403
	Loss (Gain) on disposal of Assets	(239,601)	(308,038)
	(Increase)Decrease Provision for Doubtful Debts	(28,372)	20,103
	Accommodation Bonds recognised as income	(83,066)	(47,400)
	Decrease (Increase) Debtors	185,790	273,488
	Decrease (Increase) in Prepayments	9,873	20,279
	Capital Grants treated as Capital Revenues	(255,620)	(435,094)
	Increase (Decrease) in Creditors and Accruals	95,069	84,642
	(Increase) Decrease in Inventory	902	(17,313)
	Net Cash used in Operating Activities	2,147,202	2,350,049

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 9	TRADE AND OTHER RECEIVABLES	2006	2005
		\$	\$
	Current		
	Rates Receivable	495,629	479,872
	Less Provision for Doubtful Debts	<u>78,123</u>	<u>78,123</u>
		<u>417,506</u>	<u>401,749</u>
	Prepayments	-	9,873
	Loans and Advances to Community Groups	6,051	6,774
	GST Debtor	80,623	66,348
	Other Debtors	393,496	552,573
	Less Provision for Doubtful Debts	<u>48,475</u>	<u>20,103</u>
		<u>431,695</u>	<u>615,465</u>
	Total Current Receivables	<u>849,201</u>	<u>1,017,214</u>
	Non Current		
	Loans and Advances to Community Groups	<u>32,838</u>	<u>37,894</u>
	Total Current Receivables	<u>32,838</u>	<u>37,894</u>
NOTE 10	INVENTORIES		
	Stores	21,111	20,074
	Souvenir Stock Wadlata and Arid Lands	<u>114,429</u>	<u>116,368</u>
		<u>135,540</u>	<u>136,442</u>
NOTE 11	TRADE AND OTHER PAYABLES		
	Current		
	Goods & Services	702,759	497,373
	Accruals Interest on Loans	140,958	146,067
	Accruals Annual Leave	813,947	651,829
	Nursing Home Bonds	718,073	568,277
	Accruals Other	348,453	328,127
	Amounts Received in Advance	<u>40,198</u>	<u>85,859</u>
	Total Current Trade and Other Payables	<u>2,764,388</u>	<u>2,277,532</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 12	PROVISIONS	2006	2005
		\$	\$
	Current		
	Employee Benefits	60,000	40,000
	Non Current		
	Employee Benefits	<u>911,703</u>	<u>788,785</u>
		<u>971,703</u>	<u>828,785</u>
NOTE 13	BORROWINGS		
	Current		
	Bank Overdraft	-	97,955
	Loans - Local Government Finance Authority	<u>1,685,241</u>	<u>1,561,583</u>
		<u>1,685,241</u>	<u>1,659,538</u>
	Non-Current		
	Loans - Local Government Finance Authority	<u>5,177,733</u>	<u>3,932,975</u>
		<u>5,177,733</u>	<u>3,932,975</u>
	Total Borrowings	<u>6,862,974</u>	<u>5,592,513</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2006	2005
		\$	\$
	Land		
	at Independent Valuation as at 30 June 2005 *	5,578,500	5,608,500
	at Cost	<u> </u>	<u> </u>
	Total Land	<u>5,578,500</u>	<u>5,068,500</u>
	Buildings		
	at Independent Valuation as at 30 June 2005 *	15,617,021	15,617,021
	at cost	<u>105,181</u>	<u> </u>
		<u>15,722,202</u>	<u>15,617,021</u>
	less accumulated Depreciation	<u>536,813</u>	<u> </u>
	Total Buildings	<u>15,185,389</u>	<u>15,617,021</u>
	Structures		
	at Independent Valuation as at 30 June 2005 *	2,975,266	2,975,266
	at cost	<u> </u>	<u> </u>
		<u>2,975,266</u>	<u>2,975,266</u>
	less accumulated Depreciation	<u>168,837</u>	<u> </u>
	Total Structures	<u>2,806,429</u>	<u>2,975,266</u>
	Reserves / Infrastructure		
	at Independent Valuation as at 30 June 2005 *	3,007,686	3,007,686
	at cost	<u>1,441,907</u>	<u> </u>
		<u>4,449,593</u>	<u>3,007,686</u>
	less accumulated Depreciation	<u>154,391</u>	<u> </u>
	Total Reserves / Infrastructure	<u>4,295,202</u>	<u>3,007,686</u>
	Total Buildings Structures & Reserve Infrastructure	<u>22,287,020</u>	<u>21,599,973</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 14	PROPERTY, PLANT & EQUIPMENT	2006 \$	2005 \$
	Plant and Equipment		
	at Council Valuation as at 30 June 2005*	1,692,845	1,774,140
	at cost	295,118	
	less accumulated Depreciation	<u>130,900</u>	<u> </u>
	Total Plant and Equipment	<u>1,857,063</u>	<u>1,774,140</u>
	Minor Plant		
	at Council Valuation as at 30 June 1997	86,019	86,019
	at Council Valuation as at 30 June 2005*	28,225	
	at cost	<u>114,244</u>	<u>86,019</u>
	less accumulated Depreciation	<u>30,971</u>	<u> </u>
	Total Minor Plant	<u>83,273</u>	<u>86,019</u>
	Total Plant, Equipment and Minor Plant	<u>1,940,336</u>	<u>1,860,159</u>
	Office Furniture and Equipment		
	at Independent Valuation as at 30 June 2005*	1,196,082	1,196,082
	at cost	<u>363,544</u>	<u> </u>
		<u>1,559,626</u>	<u>1,196,082</u>
	less accumulated Depreciation	<u>119,081</u>	<u> </u>
	Total Office Furniture and Equipment	<u>1,440,545</u>	<u>1,196,082</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 14	INFRASTRUCTURE ASSETS	2006 \$	2005 \$
	Roads Bridges and Footpaths		
	at Independent Valuation as at 30 June 2005*	23,466,726	23,466,726
	at cost	<u>319,118</u>	<u> </u>
		<u>23,785,844</u>	<u>23,466,726</u>
	less accumulated Depreciation	<u>1,153,167</u>	<u> </u>
	Total Roads Bridges and Footpaths	<u>22,632,677</u>	<u>23,466,726</u>
	 Stormwater Drainage		
	at Independent Valuation as at 30 June 2005 *	2,732,972	2,732,972
	at cost	<u>145,047</u>	<u> </u>
		<u>2,878,019</u>	<u>2,732,972</u>
	less accumulated Depreciation	<u>78,653</u>	<u> </u>
		<u>2,799,366</u>	<u>2,732,972</u>
	 Effluent Drainage/Water Assets		
	at Independent Valuation as at 30 June 2005*	1,606,908	1,606,908
	at cost	<u>969,726</u>	<u>905,948</u>
		<u>2,576,634</u>	<u>2,512,856</u>
	less accumulated Depreciation	<u>70,393</u>	<u> </u>
		<u>2,506,241</u>	<u>2,512,856</u>
	 Total Infrastructure Assets	<u>27,938,284</u>	<u>28,712,554</u>

* 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 AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 14	CAPITAL WORKS IN PROGRESS	2006	2005
		\$	\$
	Infrastructure Works at cost	374,826	53,650
		<hr/>	<hr/>
	Total Capital Works in Progress	<u>374,826</u>	<u>53,650</u>
NOTE 15	INTANGIBLE ASSETS		
	Aged Care Bed Places		
	at Council valuation as at 30 June 2005*		2,760,000
	at Council valuation as at 30 June 2006*	<u>1,692,000</u>	<hr/>
	Total Capital Works in Progress	<u>1,692,000</u>	<u>2,760,000</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 16	AMOUNTS HELD IN CASH OR OUTSTANDING AT BALANCE DAY	2006 \$	2005 \$
	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	(793)	13,821
	Sobering Up Unit	39,176	19,711
	Loan Funding Nerrilda Project	1,098,722	135,000
	Wadlata Interpretive Centre	150,000	146,259
	Capital Grants	96,066	66,000
	Volunteers Program	55,035	98,258
	Learning Communities Program	-	16,585
NOTE 17	COMMITMENTS FOR EXPENDITURE		
	Operating Leases		
	Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
	Not later than one year	140,465	67,869
	Later than one year but less than five years	359,424	20,176
	Capital Commitments		
	Not later than one year – Wadlata Upgrade	150,000	146,259
	Not later than one year – Aged Care	96,066	66,000

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

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 2005, 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 \$760,160 (2004/2005 \$704,470)

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE,2006

NOTE 19 COMPARISON OF BUDGET AND ACTUAL RESULTS (OPERATING)

	2006 Operating		2005 Operating	
	BUDGET \$	ACTUAL \$	BUDGET \$	ACTUAL \$
Revenue				
Administration	9,461,000	9,861,432	8,815,500	9,137,711
Public Order and Safety	94,000	150,294	63,000	125,458
Health	4,627,800	5,049,179	4,603,900	5,070,024
Social Security & Welfare	997,000	1,088,597	913,700	1,021,169
Housing Community	656,700	763,748	561,200	503,191
Protection Environment				
Recreational & Cultural	254,300	356,236	250,200	252,976
Economic Services	843,600	1,223,016	811,200	873,227
Mining & Construction	36,000	49,991	30,100	37,232
Transport & Communication	779,500	1,147,392	772,000	811,777
Public Debt Transactions	138,000	176,888	90,000	168,439
Other Purposes	602,000	636,545	564,000	507,834
Total Revenue	<u>18,489,900</u>	<u>20,503,318</u>	<u>17,474,800</u>	<u>18,509,039</u>
Expenses				
Administration	1,734,500	2,023,620	1,548,900	1,646,679
Public Order and Safety	151,400	211,295	109,700	158,374
Health	4,868,400	5,229,373	4,610,900	4,890,344
Social Security & Welfare	1,229,300	1,334,880	1,127,300	1,241,525
Housing Community	2,308,800	2,542,146	2,123,500	2,108,467
Protection Environment		65,859		26,682
Recreational & Cultural	1,721,800	1,895,692	1,571,000	1,743,774
Agricultural Services		11,310		8,667
Economic Services	1,501,500	2,100,710	1,431,400	1,782,522
Mining & Construction	172,100	193,716	163,000	175,306
Transport & Communication	2,079,700	1,259,864	2,121,900	1,308,275
Public Debt Transactions	333,000	336,739	350,000	338,938
Other Purposes	1,936,500	1,140,923	1,498,800	492,506
Total Expenses	<u>18,037,000</u>	<u>18,346,127</u>	<u>16,656,400</u>	<u>15,922,060</u>
SURPLUS	452,900	2,157,191	818,400	2,586,979
less unfunded Depreciation	1,410,000	2,443,205	1,410,000	2,454,695
SURPLUS(DEFICIT)	<u>1,862,900</u>	<u>(286,015)</u>	<u>2,228,400</u>	<u>132,284</u>

CITY OF PORT AUGUSTANOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 19	PERFORMANCE INDICATORS	2006	2005
	Debt Servicing Ratio Ratio of debt servicing costs to total revenue	9.39%	10.22%
	This is the ratio of the cost of servicing all debenture loans against total operating revenue		
	Debt Commitment Ratio Ratio of debt servicing to total rate revenue	27.48%	29.85%
	This ratio provides an indication of how much of Council's rate revenue is used to service it's debt.		
	Revenue Ratio Ratio of total rate revenue to total revenue	34.16%	34.24%
	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		
	Working Capital Ratio Ratio of Current Assets to Current Liabilities	1.07	0.95
	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 2006

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
2006						
Financial Assets						
Cash & Bank	5.00%	267,367			5,521	272,888
Deposits	5.50%	3,576,969				3,576,969
Receivables	6.50%		6,051	32,838	843,150	882,039
		3,844,336	6,051	32,838	848,671	4,731,896
Financial Liabilities						
Bank Overdraft Borrowings	6.29%		1,685,241	5,177,733		6,862,974
Creditors & Accruals					2,046,315	2,046,315
NHA Bonds					718,073	718,073
			1,685,241	5,177,733	2,764,388	9,627,362
2005						
Financial Assets						
Cash & Bank	0.50%	55,901			4,721	60,622
Deposits	5.25%	2,529,637				2,529,637
Receivables	6.50%		6,774	37,894	1,010,440	1,055,108
		2,585,538	6,774	37,894	1,015,161	3,645,367
Financial Liabilities						
Bank Overdraft Borrowings	9.90%	97,955				97,955
Creditors & Accruals	6.11%		1,561,583	3,932,975	1,709,255	5,494,558
NHA Bonds					568,277	568,277
		97,955	1,561,583	3,932,975	2,277,532	7,870,045

NOTE 20 CONTINUED

(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.

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 2006

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

BUSINESS SEGMENTS	TOTAL COUNCIL 2006 \$	NURSING HOMES 2006 \$	OTHER 2006 \$	TOTAL COUNCIL 2005 \$	NURSING HOMES 2005 \$	OTHER 2005 \$
REVENUE						
Grants & Subsidies	8,438,119	2,809,872	5,628,247	8,092,138	2,808,644	5,283,495
User Charges	2,817,437	1,095,815	1,721,622	2,443,402	1,100,885	1,342,517
Reimbursements	535,198	25,420	509,778	273,233	21,716	251,517
Investment Income	176,888	24,020	152,868	168,439	21,809	146,630
Other Revenue	8,148,181	118,296	8,029,885	7,404,771	33,154	7,371,617
TOTAL REVENUE	20,115,823	4,073,423	16,042,400	18,381,984	3,986,208	14,395,776
EXPENDITURE						
Operating Costs	18,214,251	4,391,252	13,822,999	16,230,098	4,151,426	12,078,672
Depreciation	2,443,205	208,523	2,234,682	2,454,695	188,430	2,266,265
	20,657,456	4,599,775	16,057,681	18,684,793	4,339,856	14,344,937
Operating (Loss)/Surplus before Capital Revenues	(541,634)	(526,353)	(15,281)	(302,809)	(353,648)	50,839
Capital Revenues	255,620		255,620	435,094	93,167	341,927
RESULT						
Operating Result (Loss)/Surplus	(286,014)	(526,353)	240,339	132,284	(260,482)	392,766
ASSETS						
Current Assets	4,834,599	722,523	4,112,076	3,743,915	722,523	3,021,392
Non-Current Assets	59,592,349	4,314,932	55,277,417	59,068,812	4,314,932	54,753,880
Intangible Assets	1,692,000	1,692,000		2,760,000	2,760,000	
TOTAL ASSETS	66,118,948	6,729,455	59,389,493	65,572,727	7,797,455	57,775,272
LIABILITIES						
Current Liabilities	4,509,629	219,938	4,289,691	3,393,705	783,015	3,173,767
Non-Current Liabilities	6,089,436	788,421	5,301,015	5,305,125	225,344	4,516,704
TOTAL LIABILITIES	10,599,065	1,008,359	9,590,706	8,698,830	1,008,359	7,690,471
NET ASSETS	55,519,883	5,721,096	49,798,787	56,873,897	6,789,096	50,084,801

CITY OF PORT AUGUSTA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

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 2005/2006 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 27th November, 2006

M.J. DUNEMANN
DIRECTOR
CORPORATE SERVICES

N.J. BALUCH
MAYOR