

RURAL CITY OF MURRAY BRIDGE
AUDITED FINANCIAL STATEMENTS

2003/04

Rural City Of Murray Bridge Annual Financial Statements

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Rural City Of Murray Bridge

Operating Statement for the year ended 30 June 2004

	Notes	2003/2004		2002/2003	
		\$	\$	\$	\$
OPERATING REVENUE					
Rates					
- General	9.	8,316,676		7,279,433	
- Other	9.	85,819		154,152	
Statutory Charges	10.	304,852		303,691	
User Charges	11.	902,943		882,101	
Operating Grants and Subsidies	12.	5,151,052		4,706,979	
Investment Income		147,287		80,105	
Reimbursements	13.	384,615		1,487,525	
Gain on Disposal of Non - Current Assets		92,146		66,759	
Commercial Activity Revenue		-		-	
Other	14.	280,728		99,674	
TOTAL OPERATING REVENUE			15,666,118		15,060,419
OPERATING EXPENSES					
Employee Costs	3.	4,941,432		5,258,106	
Contractual Services	4.	2,855,137		2,898,060	
Material	5.	1,450,917		2,199,258	
Financial Charges	6.	337,422		294,316	
Depreciation	7.	3,436,565		3,361,954	
Loss on Revaluations		-		-	
Loss on Disposal of Non - Current Assets		-		-	
Other	8.	2,163,003		666,285	
TOTAL OPERATING EXPENSE			15,184,476		14,677,979
Operating Surplus/(Deficit) before Capital Revenues			481,642		382,440
CAPITAL REVENUES					
Capital Grants, Subsidies and Monetary Contributions	12.		1,652,612		701,809
Physical resources received free of charge			-		-
Operating Surplus/(Deficit) after Capital revenues and before Extraordinary Items			2,134,254		1,084,249
Extraordinary Items			-		-
Net Surplus/(Deficit) resulting from Operations			2,134,254		1,084,249

Rural City Of Murray Bridge

Statement of Financial Position as at 30 June 2004

	Notes	2003/2004		2002/2003	
		\$	\$	\$	\$
CURRENT ASSETS					
Cash	15.	1,743,343		2,277,885	
Receivables	16.	1,245,987		996,936	
Inventory	17.	100,384		145,453	
Other	18.	155,310		388,918	
TOTAL CURRENT ASSETS			<u>3,245,024</u>		<u>3,809,192</u>
CURRENT LIABILITIES					
Bank Overdraft		-		-	
Creditors	19.	1,598,742		1,569,828	
Provisions	20.	425,000		469,945	
Loans	21.	793,702		861,122	
Other		-		-	
TOTAL CURRENT LIABILITIES			<u>2,817,444</u>		<u>2,900,895</u>
Net Current Assets/(Current Liabilities)			<u>427,580</u>		<u>908,297</u>
NON - CURRENT ASSETS					
Receivables	16.	30,097		34,873	
Inventory		-		-	
Investments		-		-	
Land	22.	12,254,975		12,207,605	
Buildings	22.	10,425,837		10,114,611	
Infrastructure	22.	48,427,991		47,404,237	
Equipment	22.	2,518,512		2,021,852	
Furniture and Fittings	22.	727,497		909,570	
Library Books	22.	254,612		286,499	
Other	22.	2,715,865		2,450,410	
TOTAL NON - CURRENT ASSETS			<u>77,355,386</u>		<u>75,429,657</u>
NON - CURRENT LIABILITIES					
Creditors		-		-	
Provisions	20.	540,517		436,020	
Loans	21.	3,811,335		4,605,074	
Other		-		-	
TOTAL NON - CURRENT LIABILITIES			<u>4,351,852</u>		<u>5,041,094</u>
NET ASSETS			<u>73,431,114</u>		<u>71,296,860</u>
EQUITY					
Accumulated Surplus		57,072,175		54,435,900	
Reserves		16,358,939		16,860,960	
TOTAL EQUITY			<u>73,431,114</u>		<u>71,296,860</u>

Rural City Of Murray Bridge

Statement of Changes in Equity for the year ended 30 June 2004

	Notes	2003/2004		2002/2003	
		\$	\$	\$	\$
ACCUMULATED SURPLUS					
Balance at beginning of period		54,435,900		53,603,053	
Net Surplus/(Deficit)		2,134,254		1,084,249	
Transfer from reserves		511,000		607,537	
Transfer to reserves		<u>(8,979)</u>		<u>(858,939)</u>	
Balance at end of period			<u>57,072,175</u>		<u>54,435,900</u>
ASSET REVALUATION RESERVE					
Balance at beginning of period		15,857,313		15,857,313	
Transfer to reserve Revaluation increment		-		-	
Transfer from reserves		<u>-</u>		<u>-</u>	
Balance at end of period			<u>15,857,313</u>		<u>15,857,313</u>
OTHER RESERVE					
Balance at beginning of period		1,003,647		752,246	
Transfer to reserve		8,979		858,939	
Transfer from reserves		<u>(511,000)</u>		<u>(607,538)</u>	
Balance at end of period			<u>501,626</u>		<u>1,003,647</u>
TOTAL EQUITY			<u>73,431,114</u>		<u>71,296,860</u>

Rural City Of Murray Bridge

Statement of Cash Flows for the year ended 30 June 2004

	Notes	2003/2004 \$ Inflows (Outflows)	2002/2003 \$ Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts		15,320,618	15,972,550
Payments		(11,380,768)	(12,245,608)
NET CASH PROVIDED BY OPERATING ACTIVITIES	28.	<u>3,939,850</u>	<u>3,726,942</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
New Loans Received		-	2,202,800
Community Group Loan Principal Repayments		9,080	11,440
Payments			
Principal Paid on Loans		(861,159)	(783,421)
NET CASH USED IN FINANCING ACTIVITIES		<u>(852,079)</u>	<u>1,430,819</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Receipts			
Capital Grants, Subsidies/Contribution		1,652,612	701,809
Sale of Plant & Equipment		645,368	179,911
Sale of Land		-	326,000
Payments			
Purchase of Land		(47,370)	(763,229)
Purchase of Buildings		(639,366)	(822,554)
Purchase of Infrastructure		(3,285,754)	(1,314,813)
Purchase of Plant & Equipment		(1,430,924)	(675,128)
Purchase of Furniture & Fittings		(91,923)	(290,222)
Purchase of Library Books		(66,513)	(59,661)
Purchase of P & G Improvements		(358,443)	(901,443)
NET CASH FLOWS USED IN INVESTMENT ACTIVITIES		<u>(3,622,313)</u>	<u>(3,619,330)</u>
NET INCREASE (DECREASE) IN CASH HELD		(534,542)	1,538,431
CASH AT BEGINNING OF REPORTING PERIOD		2,277,885	739,454
CASH AT END OF REPORTING PERIOD		<u>1,743,343</u>	<u>2,277,885</u>

This Statement should be read in conjunction with accompanying notes.

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2004

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.

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

(b) *Basis of Accounting*

This financial report is a general purpose financial 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 are included at Council or independent valuation.

(c) *Recognition of Assets*

All items of property, plant and equipment with a value greater than \$500 are recognised as assets.

(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 a depreciable asset.

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

Major depreciation periods are:

Bridges	- steel & concrete	50 to 80 years
	- timber	30 to 40 years
Buildings		30 to 50 years
Main Drains		75 to 85 years
Plant and Equipment		5 to 15 years
Sealed Roads & Streets	- Construction	20 to 40 years
	- bituminous seals	7 to 10 years
Unsealed roads		5 to 10 years
Improvements to park & gardens		15 to 20 years
Motor Vehicles		5 to 10 years
Library books		1 to 5 years

(e) *Expenses*

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

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2004

(f) *Employee Benefits*

Liabilities for long service leave are measured as the present value of the estimated future cash outflows to be made by the local government in respect of services provided by the employees up to the reporting date. The interest rates attaching, as at the reporting date, to Commonwealth government guaranteed securities are used to discount the estimated future cash outflows to their present value.

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 23.

(g) *Inventories*

Inventories are valued at cost or in cases where the net realisable value is less than cost, at their estimated realisable value.

(h) *Investments*

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

(i) *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 rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

Unreceived contributions over which Council has control are recognised as receivables. In respect of uncollected rates provision is made for amounts considered uncollectible.

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 are undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 10.

(j) *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.

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2004

(k) Leases

The local government's rights and obligations under finance leases, which are leased to effectively transfer to the local government substantially all of the risks and benefits incident to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as plant and equipment under lease, and are amortised to expense over the period during which the local government is expected to benefit from use of the leased assets. Minimum lease payments are allocated between expense and reduction of the lease liability, according to the interest rate implicit in the lease.

Lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or after the end of the succeeding year disclosed as a current liability, and the remainder of the liability is disclosed as a non-current liability.

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

(l) Cash

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

(m) GST

In accordance with the requirements of UIG Abstract 31 "Accounting for the Goods and Services Tax (GST)", revenue, 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 a receivable in the statements of financial position.

Finance Lease liabilities are stated inclusive of the amount of GST on the finance lease liability. Council has also recognised receivables, which represent the entitlement to recover input tax credits from the Australian Taxation Office for the GST payable on the finance lease liability.

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.

(n) Full Cost Attribution

There was a statutory change to the Local Government (Financial management) Regulations whereupon it became mandatory for Council to provide financial information on a full cost basis from the 1st July 2002.

Accordingly Council has introduced for the full financial year, Full Cost Attribution whereby certain defined 'Administrative' costs were allocated to the 'end service or function' according to a predetermined method based on the cost driver for a project or function and according to the type of administrative cost incurred. Where appropriate, costs have been allocated to capital functions and services.

The recovery amount and the attributed cost have been offset against each other in the Operating Statement.

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2004

2. FUNCTIONS/ACTIVITIES OF THE COUNCIL

The activities relating to the Council's components reported on in Note 3 are as follows:

ADMINISTRATION

General and office operations not attributable to other specific activities, rates, general grants, human services, public functions, elections and elected members.

PUBLIC ORDER AND SAFETY

Dog control, fire protection, livestock impounding and general inspection.

HEALTH

Preventive services (immunisation), health inspections, other health services (community health).

SOCIAL SECURITY AND WELFARE

Aged home, senior citizens, other community organisations.

HOUSING AND COMMUNITY AMENITIES

Cemetery, public conveniences, sanitation and garbage, street cleaning, street lighting, town planning (development control), effluent drainage and other community projects.

PROTECTION OF THE ENVIRONMENT

Protection of the environment projects.

SPORT AND RECREATION

Halls, public library, parks and gardens, sport and recreation and swimming facilities.

MINING, MANUFACTURING AND CONSTRUCTION

Administration of building act and development act.

TRANSPORT AND COMMUNICATIONS

Road construction and maintenance, kerb and water table, footpaths, street trees, street furniture, traffic control, stormwater drainage, on-street parking control and bus services.

ECONOMIC AFFAIRS NEC

Tourism, visitor information centre and economic development.

OTHER PURPOSES NEC

Public debt transactions, plant operations, works depot, vandalism, asset management, geographical support, pest plants, other property, other services and private works.

Rural City of Murray Bridge
Financial Statement Notes for year ended 30 June 2004
Note 2.A

Expenses and revenues have been attributed to the following functions/activities descriptions of which are set out in Note 2

	Administration		Public Order & Safety		Health		Social Security & Welfare		Housing & Community Amenities		Protection of Environment	
	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s
Expenses	3,189	(84)	179	301	146	104	3,437	2,972	1,615	2,516	139	16
Revenues												
- Grants	2,313	2,171	51	13	-	-	2,661	2,161	-	35	-	-
- Others	8,702	7,665	76	103	61	45	805	589	269	351	-	-
Total	11,015	9,836	127	116	61	45	3,466	2,750	269	386	-	-
Equity	7,826	9,920	(52)	(185)	(85)	(59)	29	(222)	(1,346)	(2,130)	(139)	(16)

	Sport & Recreation		Mining, Manufacturing & Constructi		Transport & Communications		Economic Affairs NEC		Other Purposes NEC	
	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s	30/06/04 \$'000s	30/06/03 \$'000s
Expenses	1,807	1,468	64	67	3,510	3,559	266	-	893	3,779
Revenues										
- Grants	279	384	-	-	1,500	645	-	-	-	-
- Others	125	68	56	-	145	140	12	-	264	1,392
Total	404	452	56	-	1,645	785	12	-	264	1,392
Equity	(1,403)	(1,016)	(8)	(67)	(1,865)	(2,754)	(194)	-	(629)	(2,387)

Total		30/06/03 \$'000s
30/06/04 \$'000s	15,185	14,678
	6,804	5,409
	10,515	10,353
	17,319	15,762
	2,134	1,684

Change In Equity resulting from Operations

Financial Statement Notes for year ended 30 June 2004

	2003/2004 \$	2002/2003 \$
3. EMPLOYEE COSTS		
Wages & Salaries	4,866,009	4,816,032
Superannuation Expenses	640,174	439,778
Leave Entitlement Provision	457,497	366,847
	<u>5,963,680</u>	<u>5,622,657</u>
Less: Amounts Capitalised		
Non-Current Assets Constructed by Council	1,022,248	363,483
	<u>4,941,432</u>	<u>5,259,174</u>
Actual payments to Employees per Payment Summaries	5,906,158	5,022,808
4. CONTRACTUAL SERVICES		
Contractual services involve payments or liabilities for the external provision of services:		
Plant & Machinery	65,998	283,049
Contractors	2,151,303	2,228,887
Other	390,615	155,424
Operating Leases	247,221	230,700
	<u>2,855,137</u>	<u>2,898,060</u>
5. MATERIALS		
Materials are payment or liability for physical goods including energy. They include:		
Energy		
- electricity	362,255	357,960
- fuel/lubricants	269,666	310,701
Water	73,297	108,028
Road Repair Materials	582,610	920,303
Other Materials	163,089	502,266
	<u>1,450,917</u>	<u>2,199,258</u>
6. FINANCIAL CHARGES		
Finance Charges are the costs of financing councils activities and they include:		
Interest Payments		
LGFA	324,172	270,046
Banks	13,250	24,270
	<u>337,422</u>	<u>294,316</u>

Financial Statement Notes for year ended 30 June 2004

	2003/2004 \$	2002/2003 \$
7. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation expense for the year was charged in respect of:		
Plant & Machinery	381,041	391,654
Office Equip. Furniture & Fittings	273,996	215,900
Library	98,400	106,400
Infrastructure	2,262,000	2,256,600
Buildings	328,140	300,800
Other	92,988	90,600
	<u>3,436,565</u>	<u>3,361,954</u>

8. OTHER EXPENSES

Other Expenses include all other expenses not included elsewhere. They include:

Insurances	476,273	407,276
Levies paid to governments	32,727	123,295
Communications	99,009	95,557
Members Expense	70,552	48,794
Bad Debts	147,717	164,637
Legal Fees	89,860	69,794
Donations	147,466	67,847
Rates & Taxes	-	75,776
Subscriptions	139,509	155,247
Bank Fees	44,444	39,414
Rates Rebates	584,138	
Others	331,308	
	<u>2,163,003</u>	

9. RATE INCOME

These are rates and charges charged against the property within the district as declared by Council.

They are made up of:

General Rates		8,316,676	7,279,433
Special Rates -	Riverglenn	50,000	52,952
	Woodlane	27,018	17,482
Separate Rate -	Garbage Collection Bins	8,801	4,500
	Beautification Town Centre	-	79,218
		<u>85,819</u>	<u>154,152</u>

Financial Statement Notes for year ended 30 June 2004

	2003/2004 \$	2002/2003 \$
10. STATUTORY CHARGES		
These are fees and charges from regulatory services. They include:		
Dog Act	69,360	90,384
Parking Regulations	3,829	8,376
Development Act	187,072	165,536
Health Act	42,303	36,993
Other	2,288	2,402
	<u>304,852</u>	<u>303,691</u>
11. USER CHARGES		
User Charges are revenues from sale of goods and services or rent of property facilities. They include:		
Aged Home Rentals	575,718	555,147
Cemetery Fees	78,896	77,360
Bus Fares	43,242	51,597
Swimming Pool	47,882	46,226
Property, Rentals & Hire	75,982	43,673
Others	81,223	
	<u>902,943</u>	
12. GRANTS & SUBSIDIES		
These include all general and specific purpose grants from all Commonwealth and State Governments. They include:		
Operating Grants		
General Purpose Grants	2,256,535	2,051,840
Road Grants	275,509	260,560
Library Grants	49,267	109,713
Nursing Home Operating Grants	2,155,163	1,951,818
Bus Service	54,632	69,252
Aged & Related Service Grants	252,944	208,537
Crime Prevention	50,500	13,000
Other Grants	56,502	42,259
	<u>5,151,052</u>	<u>4,706,979</u>
Capital Grants		
Road Grants	684,500	309,403
Parks & Gardens Grants	169,175	223,648
Stormwater Drainage Grant	485,705	-
Library Book Purchase Grant	61,037	-
Lerwin Expansion Grant	252,195	-
Other Capital Grants	-	168,758
	<u>1,652,612</u>	<u>701,809</u>

Financial Statement Notes for year ended 30 June 2004

	2003/2004 \$	2002/2003 \$
13. REIMBURSEMENTS		
These are amounts received by council as payment for work done acting as an agent for third parties.		
They include:		
Reimbursement for Road works	44,237	99,960
Private Works	215,306	1,277,354
Insurance Reimbursement	31,342	52,347
Training Scheme Reimbursement	-	1,894
Home Help Project Reimbursement	2,281	1,355
Rates Charges	48,266	
Other	43,183	54,615
	<u>384,615</u>	<u>1,487,525</u>

14. OTHER INCOME

These are revenues not included elsewhere. They include:

Insurance Bonus	-	50,302
Donations	217,075	25,211
Transfer Leave Provision	7,416	
Others	56,237	
	<u>280,728</u>	

15. CASH

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:

Cash at Bank and on Hand	96,187	136,204
Deposits At Call	1,647,156	2,141,681
Balance	1,743,343	2,277,885
Less: Bank Overdraft	-	-
Balances per Statement of Cash Flow	<u>1,743,343</u>	<u>2,277,885</u>

Financial Statement Notes for year ended 30 June 2004

	2003/2004	2002/2003
	\$	\$
16. RECEIVABLES		
Current		
Rates Receivable	492,850	569,180
Loans & Advances	4,776	9,080
Other Debtors	409,986	461,741
Accrued Income	281,081	-
ATO for GST Payments	139,294	225,551
	<u>1,327,987</u>	<u>1,265,552</u>
Less Provision for Doubtful Debts	82,000	268,615
	<u>1,245,987</u>	<u>996,937</u>
Non Current		
These include loans and advances to sporting clubs and other community groups.		
Loans & Advances	30,097	34,873
Less Provision for Doubtful Debts	-	-
	<u>30,097</u>	<u>34,873</u>
17. INVENTORIES		
Current		
Stores Fuel	1,084	1,285
Other Stores	99,300	144,168
	<u>100,384</u>	<u>145,453</u>
18. OTHER ASSETS		
Current		
Prepayments	155,310	388,918
	<u>155,310</u>	<u>388,918</u>
19. CREDITORS		
Current		
Creditors	1,079,411	1,305,662
Accrued Expenses	227,784	199,333
Amounts Received in Advance	291,547	64,833
	<u>1,598,742</u>	<u>1,569,828</u>

Financial Statement Notes for year ended 30 June 2004

	2003/2004 \$	2002/2003 \$
20. PROVISIONS		
Current		
Annual Leave	325,000	319,969
Long Service Leave	<u>100,000</u>	<u>149,976</u>
	<u>425,000</u>	<u>469,945</u>
Non Current		
Annual Leave	126,539	70,000
Long Service Leave	<u>413,978</u>	<u>366,020</u>
	<u>540,517</u>	<u>436,020</u>
21. LOANS		
Current		
Secured Loans	707,876	748,138
Finance Leases	<u>85,826</u>	<u>112,984</u>
	<u>793,702</u>	<u>861,122</u>
Non Current		
Secured Loans	3,784,193	4,492,075
Finance Leases	<u>27,142</u>	<u>112,999</u>
	<u>3,811,335</u>	<u>4,605,074</u>
22. PROPERTY, PLANT & EQUIPMENT		
Land		
At Independent Valuation at 30 June 2000	11,417,137	11,417,137
Plus purchases at cost	<u>837,838</u>	<u>790,468</u>
	<u>12,254,975</u>	<u>12,207,605</u>
Buildings		
At Independent Valuation at 30 June 2000	10,302,563	10,302,563
Plus purchases at cost	1,489,695	850,329
Less Accumulated Depreciation	<u>1,366,421</u>	<u>1,038,281</u>
	<u>10,425,837</u>	<u>10,114,611</u>
Infrastructure		
At Independent Valuation at 30 June 2000	49,049,412	49,049,412
Plus purchases at cost	8,547,679	5,261,925
Less Accumulated Depreciation	<u>9,169,100</u>	<u>6,907,100</u>
	<u>48,427,991</u>	<u>47,404,237</u>
Plant & Equipment		
At Independent Valuation at 30 June 2000	1,626,000	1,626,000
Plus purchases at cost	1,924,290	1,358,009
Less Accumulated Depreciation	<u>1,031,778</u>	<u>962,157</u>
	<u>2,518,512</u>	<u>2,021,852</u>

Financial Statement Notes for year ended 30 June 2004

	2003/2004	2002/2003
	\$	\$
Office Equipment & Furniture & Fittings		
At Independent Valuation at 30 June 2000	776,130	776,130
Plus purchases at cost	900,863	808,940
Less Accumulated Depreciation	<u>949,496</u>	<u>675,500</u>
	<u>727,497</u>	<u>909,570</u>
Library		
At valuation plus cost	1,179,321	1,179,321
Plus purchases at cost	249,439	182,926
Less Accumulated Depreciation	<u>1,174,148</u>	<u>1,075,748</u>
	<u>254,612</u>	<u>286,499</u>
Other Non Current Assets		
At Independent Valuation at 30 June 2000	572,950	572,950
Plus purchases at cost	2,468,203	2,109,760
Less Accumulated Depreciation	<u>325,288</u>	<u>232,300</u>
	<u>2,715,865</u>	<u>2,450,410</u>

Independent valuation undertaken by Graham L Martin B.Bus (Prop) AAPI Certified Practicing Valuer of Maloney Field Services as at the 30th June 2000 and in accordance with AAS27 Accounting Standard.

23. SUPERANNUATION

The council contribute in respect of its employees to a defined benefit superannuation plan established in respect of all municipalities in the State. In accordance with statutory requirements, the Council contributes to the Local Government Superannuation Scheme ("the scheme") amounts determined by the plan actuary. As such, assets accumulated 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 2003, 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 plan was undertaken as at 30 June 2002 by LC Brett, BSc., FIA, FIAA and that the actuary indicated that without improvements to benefit conditions, or other unanticipated events, current Council contribution rates for contributory member are sufficient to meet members' benefits as they accrue.

The amount of superannuation contributions paid by the Council during the year was: \$ 626,503 (2002/2003 \$ 439,778).

Financial Statement Notes for year ended 30 June 2004

	2003/2004 \$	2002/2003 \$
24. CAPITAL COMMITMENTS		
At the reporting date, the Council had the following obligations under non-cancellable contracts (these are not recognised as a liability):		
Not longer than one year	4,845,971	-
Longer than 1 year but not longer than 2 years	-	-
Longer than 2 year but not longer than 5 years	-	-
Longer than 5 years	-	-
	<u>4,845,971</u>	<u>-</u>

25. FINANCE LEASE COMMITMENTS

At the reporting date, the Council had the following obligations under finance leases (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):

Not longer than one year	91,815	127,182
Longer than 1 year but not longer than 2 years	28,227	91,818
Longer than 2 year but not longer than 5 years	-	28,226
Longer than 5 years	-	-
Minimum lease payments	120,042	247,226
Less future finance charges	7,074	21,244
Lease Liability	<u>112,968</u>	<u>225,982</u>

26. OPERATING LEASE COMMITMENTS

At the reporting date, the Council had the following obligations under non-cancellable operating leases (these are not recognised as a liability):

Not longer than one year	129,625	86,256
Longer than 1 year but not longer than 2 years	84,275	79,893
Longer than 2 year but not longer than 5 years	112,451	35,856
Longer than 5 years	1,008	-
	<u>327,359</u>	<u>202,005</u>

27. CONTINGENT LIABILITIES

A wrongful dismissal claim has been brought against council. The action is being defended and is due to go to arbitration in October 2004.

Financial Statement Notes for year ended 30 June 2004

	2003/2004 \$	2002/2003 \$
28 RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO CHANGE IN NET ASSETS RESULTING FROM OPERATIONS		
Change in Net Assets resulting from Operations	2,134,254	1,084,249
Items not involving cash:		
Depreciation	3,436,565	3,361,954
Loss (Gain) on Disposal	(92,146)	(66,303)
Bad and Provision for Doubtful Debts	(186,615)	115,320
Capital Grants	(1,652,612)	(701,809)
Changes in Operating Assets & Liabilities		
Decrease (Increase) in Receivables	(66,739)	(405,509)
Increase (Decrease) in Creditors	28,914	614,840
Increase (Decrease) in Provisions	59,552	63,827
Decrease (Increase) in Inventories	45,069	8,191
Decrease (Increase) in Prepayments	233,608	(347,818)
	<u>3,939,850</u>	<u>3,726,942</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2004

29. FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest Rate Risk Exposure

The council's exposure to interest risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below. Exposure arises predominantly from assets and a liability 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.

	<u>Weighted Average Interest Rate</u>	<u>Floating Interest Rate</u>	<u>Fixed Interest Rates</u>			<u>Non Interest Bearing</u>	<u>Total</u>
			<u>1 year or less</u>	<u>1 to 5 Years</u>	<u>> 5 years</u>		
2003/2004							
Financial Assets							
Cash	0.25%	94,787				1,400	96,187
Deposits	5.00%	1,647,156					1,647,156
Receivables	0.30%		4,776	5,227	24,870	960,130	995,003
			1,741,943	4,776	5,227	24,870	961,530
							2,738,346
Financial Liabilities							
Overdraft							-
Borrowing - Debentures	6.50%		707,876	1,746,373	2,037,820		4,492,069
Lease Liabilities	7.74%		85,826	27,142			112,968
Creditors & Accruals						1,624,287	1,624,287
			-	793,702	1,773,515	2,037,820	1,624,287
							6,229,324
2002/2003							
Financial Assets							
Cash	0.25%	134,804				1,400	136,204
Deposits	4.50%	2,141,681					2,141,681
Receivables	0.30%		9,080	10,003	24,870	987,856	1,031,809
			2,276,483	9,080	10,003	24,870	989,256
							3,309,694
Financial Liabilities							
Overdraft	6.15%						-
Borrowing - Debentures	6.75%		748,438	2,217,510	2,274,565		5,240,213
Lease Liabilities	7.60%		112,983	112,999			225,982
Creditors & Accruals						1,369,828	1,369,828
			-	861,121	2,330,509	2,274,565	1,369,828
							7,036,023

(b) Credit Risk Exposures

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 debt.

The Council does not have significant exposure to any concentration of credit risk.

The net fair value of other monetary assets and financial liabilities is based on market prices where a market exists or by discounting expected future values 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 cash flows. The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate 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.

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2004

30. COMPARISON OF BUDGET AND ACTUAL RESULTS (OPERATING)

	Actual 2003/2004		Budget 2003/2004	
	\$	\$	\$	\$
OPERATING REVENUE				
Rates				
- General	8,316,676		7,500,000	
- Other	85,819		67,000	
Statutory Charges	304,852		350,000	
User Charges	902,943		800,000	
Operating Grants and Subsidies	5,151,052		7,000,000	
Investment Income	147,287		100,000	
Reimbursements	384,615		1,400,000	
Gain on Disposal of Non - Current Assets	92,146		-	
Commercial Activity Revenue	-		-	
Other	280,728		4,000,000	
TOTAL OPERATING REVENUE		15,666,118		21,217,000
OPERATING EXPENSES				
Employee Costs	4,941,432		5,500,000	
Contractual Services	2,855,137		3,000,000	
Material	1,450,917		2,300,000	
Financial Charges	337,422		300,000	
Depreciation	3,436,565		3,700,000	
Loss on Revaluations	-		-	
Loss on Disposal of Non - Current Assets	-		-	
Other	2,163,003		4,200,000	
TOTAL OPERATING EXPENSE		15,184,476		19,000,000
Operating Surplus/(Deficit) before Capital Revenues		481,642		2,217,000
CAPITAL REVENUES				
Capital Grants, Subsidies and Monetary Contributions		1,652,612		200,000
Physical resources received free of charge				
Operating Surplus/(Deficit) after Capital revenues and before Extraordinary Items		2,134,254		2,417,000
Extraordinary Items		-		-
Net Surplus/(Deficit) resulting from Operations		2,134,254		2,417,000

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2004

CHIEF EXECUTIVE OFFICER'S STATEMENT

I, DAVID JOHN ALTMANN, the person for the time being occupying the position of CHIEF EXECUTIVE OFFICER of the RURAL CITY OF MURRAY BRIDGE do hereby state that the financial Statements for the council for the 2003/2004 financial year are to the best of my knowledge presented fairly and in accordance with 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.

Signed 

Date 11/10/2004

ADOPTION STATEMENT

Laid before the RURAL CITY OF MURRAY BRIDGE COUNCIL

and adopted on the 25-10-04

Signed 

Date 27-10-04

INDEPENDENT AUDIT REPORT TO THE MAYOR AND COUNCILLORS OF THE RURAL CITY OF MURRAY BRIDGE

Scope

I have audited the financial statements of the Rural City of Murray Bridge for the financial year ended **30 June 2004** as set out on pages 1 - 22.

The Chief Executive Officer is responsible for the preparation and presentation of the financial statements and the information contained therein. I have conducted an independent audit of the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosure in the financial statements, and the evaluation of accounting policies and significant accounting estimates.

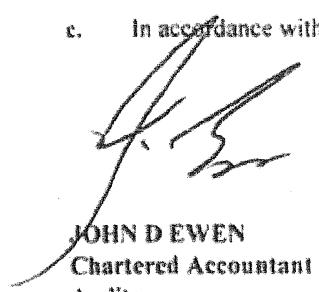
These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards and the Local Government Act 1999, so as to present a view of equity which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of the Rural City of Murray Bridge are properly drawn up:

- a. So as to give a true and fair view of:
 - (i) The Council's state of affairs as at 30 June 2004 and its operating result for the year ended on that date; and
 - (ii) The other matters required by chapter 8 of the Local Government Act 1999 and the Local Government Act 1999 to be dealt with in the accounts;
- b. In accordance with the provisions of the local government Act 1999 and the Local Government (Financial Management) Regulations 1999; and
- c. In accordance with Statement of Accounting Concepts and applicable Accounting Standards.


JOHN D EWEN
Chartered Accountant
Auditor

14 October 2004
Adelaide