

RURAL CITY OF MURRAY BRIDGE
AUDITED FINANCIAL STATEMENTS

2004/05

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 2005

	Notes	2004/2005 \$	2003/2004 \$
OPERATING REVENUE			
Rates			
- General	9.	9,008,328	8,316,676
- Other	9.	98,278	85,819
Statutory Charges	10.	333,856	304,852
User Charges	11.	892,675	902,943
Operating Grants and Subsidies	12.	4,956,506	5,151,052
Investment Income		80,178	147,287
Reimbursements	13.	737,025	384,615
Gain on Disposal of Non - Current Assets		75,902	92,146
Commercial Activity Revenue		-	-
Other	14.	612,380	280,728
TOTAL OPERATING REVENUE		16,795,128	15,666,118
OPERATING EXPENSES			
Employee Costs	3.	6,145,959	4,941,432
Contractual Services	4.	3,311,635	2,855,137
Material	5.	1,697,740	1,450,917
Financial Charges	6.	345,917	337,422
Depreciation	7.	3,444,493	3,436,565
Loss on Revaluations		-	-
Loss on Disposal of Non - Current Assets		-	-
Other	8.	2,447,417	2,163,003
TOTAL OPERATING EXPENSE		17,393,161	15,184,476
Operating Surplus/(Deficit) before Capital Revenues		(598,033)	481,642
CAPITAL REVENUES			
Capital Grants, Subsidies and Monetary Contributions	12.	1,393,180	1,652,612
Physical resources received free of charge			
Operating Surplus/(Deficit) after Capital revenues and before Extraordinary Items		795,147	2,134,254
Extraordinary Items		-	-
Net Surplus/(Deficit) resulting from Operations		795,147	2,134,254

Rural City Of Murray Bridge

Statement of Financial Position as at 30 June 2005

	Notes	2004/2005		2003/2004	
		\$	\$	\$	\$
CURRENT ASSETS					
Cash	15.	5,318,424		1,743,343	
Receivables	16.	918,889		1,245,987	
Inventory	17.	100,384		100,384	
Other	18.	385,310		155,310	
TOTAL CURRENT ASSETS			<u>6,723,007</u>		<u>3,245,024</u>
CURRENT LIABILITIES					
Bank Overdraft	15.	45,478		-	
Creditors	19.	1,745,821		1,598,742	
Provisions	20.	426,098		425,000	
Loans	21.	996,253		793,702	
Other		-		-	
TOTAL CURRENT LIABILITIES			<u>3,213,650</u>		<u>2,817,444</u>
Net Current Assets/(Current Liabilities)			<u>3,509,357</u>		<u>427,580</u>
NON - CURRENT ASSETS					
Receivables	16.	29,368		30,097	
Inventory		-		-	
Investments		-		-	
Land	22.	12,036,515		12,254,975	
Buildings	22.	17,824,260		10,425,837	
Infrastructure	22.	55,382,061		48,427,991	
Equipment	22.	3,672,315		2,518,512	
Furniture and Fittings	22.	1,158,984		727,497	
Library Books	22.	230,215		254,612	
Other	22.	1,931,568		2,715,865	
TOTAL NON - CURRENT ASSETS			<u>92,265,286</u>		<u>77,355,386</u>
NON - CURRENT LIABILITIES					
Creditors		-		-	
Provisions	20.	762,000		540,517	
Loans	21.	8,874,883		3,811,335	
Other		1,904,522		-	
TOTAL NON - CURRENT LIABILITIES			<u>11,541,405</u>		<u>4,351,852</u>
NET ASSETS			<u>84,233,238</u>		<u>73,431,114</u>
EQUITY					
Accumulated Surplus		56,513,309		57,072,175	
Reserves		27,719,929		16,358,939	
TOTAL EQUITY			<u>84,233,238</u>		<u>73,431,114</u>

Rural City Of Murray Bridge

Statement of Changes in Equity for the year ended 30 June 2005

	Notes	2004/2005 \$	2003/2004 \$
ACCUMULATED SURPLUS			
Balance at beginning of period		57,072,175	54,435,900
Net Surplus/(Deficit)		795,147	2,134,254
Transfer from reserves		10,554	511,000
Transfer to reserves		<u>(1,364,567)</u>	<u>(8,979)</u>
Balance at end of period		<u>56,513,309</u>	<u>57,072,175</u>
ASSET REVALUATION RESERVE			
Balance at beginning of period		15,857,313	15,857,313
Transfer to reserve Revaluation increment		10,006,977	-
Transfer from reserves		<u>-</u>	<u>-</u>
Balance at end of period		<u>25,864,290</u>	<u>15,857,313</u>
OTHER RESERVE			
Balance at beginning of period		501,626	1,003,647
Transfer to reserve		1,364,567	8,979
Transfer from reserves		<u>(10,554)</u>	<u>(511,000)</u>
Balance at end of period		<u>1,855,639</u>	<u>501,626</u>
TOTAL EQUITY		<u>84,233,238</u>	<u>73,431,114</u>

Rural City Of Murray Bridge

Statement of Cash Flows for the year ended 30 June 2005

	Notes	2004/2005 \$ Inflows (Outflows)	2003/2004 \$ Inflows (Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts		16,590,173	15,320,618
Payments		(13,478,925)	(11,380,768)
NET CASH PROVIDED BY OPERATING ACTIVITIES	26.	<u>3,111,248</u>	<u>3,939,850</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
New Loans Received		7,964,324	-
Community Group Loan Principal Repayments		4,776	9,080
Payments			
Principal Paid on Loans		(793,703)	(861,159)
Loan to Community Group		(9,000)	-
NET CASH USED IN FINANCING ACTIVITIES		<u>7,166,397</u>	<u>(852,079)</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Receipts			
Capital Grants, Subsidies/Contribution		1,393,180	1,652,612
Sale of Plant & Equipment		773,676	645,368
Sale of Land		-	-
Payments			
Purchase of Land		-	(47,370)
Purchase of Buildings		(4,241,220)	(639,366)
Purchase of Infrastructure		(2,175,250)	(3,285,754)
Purchase of Plant & Equipment		(1,867,279)	(1,430,924)
Purchase of Furniture & Fittings		(239,964)	(91,923)
Purchase of Library Books		(74,002)	(66,513)
Purchase of P & G Improvements		(317,183)	(358,443)
NET CASH FLOWS USED IN INVESTMENT ACTIVITIES		<u>(6,748,042)</u>	<u>(3,622,313)</u>
NET INCREASE (DECREASE) IN CASH HELD		3,529,603	(534,542)
CASH AT BEGINNING OF REPORTING PERIOD		1,743,343	2,277,885
CASH AT END OF REPORTING PERIOD		<u>5,272,946</u>	<u>1,743,343</u>

This Statement should be read in conjunction with accompanying notes.

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

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.

(f) *Employee Entitlements*

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.

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

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 15.

(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.

(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.

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

(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*

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.

(o) *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 other financial reporting requirements (eg, Australian GAAP).

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

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

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 2005

Note 2A

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	
	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s
Expenses	3,906	3,189	149	179	142	146	3,066	3,437	2,209	1,615	73	139
Revenues												
- Grants	2,372	2,313	-	51	-	-	2,908	2,661	42	-	85	-
- Others	9,274	8,702	140	76	71	61	655	805	346	269	50	-
Total	11,646	11,015	140	127	71	61	3,563	3,466	388	269	135	-
Equity	7,740	7,826	(9)	(52)	(71)	(85)	497	29	(1,821)	(1,346)	62	(139)

	Sport & Recreation		Mining, Manufacturing & Constructive		Transport & Communications		Economic Affairs NEC		Other Purposes NEC	
	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s	30/06/2005 \$'000s	30/06/2004 \$'000s
Expenses	2,004	1,807	75	64	3,931	3,510	207	206	1,632	893
Revenues										
- Grants	339	279	-	-	540	1,500	14	-	-	-
- Others	184	125	45	56	446	145	15	12	663	264
Total	523	404	45	56	986	1,645	29	12	663	264
Equity	(1,481)	(1,403)	(30)	(8)	(2,945)	(1,865)	(178)	(194)	(969)	(629)

Total	
30/06/2005 \$'000s	30/06/2004 \$'000s
17,394	15,185
6,300	6,804
11,889	10,515
18,189	17,319
795	2,134

Expenses

Revenues

- Grants

- Others

Total

Change In Equity resulting from Operations

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
3. EMPLOYEE COSTS		
Wages & Salaries	5,823,153	4,866,009
Superannuation Expenses	498,104	640,174
Leave Entitlement Provision	646,590	457,497
	<u>6,967,847</u>	<u>5,963,680</u>
Less: Amounts Capitalised		
Non-Current Assets Constructed by Council	821,888	1,022,248
	<u>6,145,959</u>	<u>4,941,432</u>
Actual payments to Employees per Payment Summaries	5,960,215	5,906,158
4. CONTRACTUAL SERVICES		
Contractual services involve payments or liabilities for the external provision of services:		
Plant & Machinery	39,436	65,998
Contractors	2,433,474	2,151,303
Other	578,265	390,615
Operating Leases	260,460	247,221
	<u>3,311,635</u>	<u>2,855,137</u>
5. MATERIALS		
Materials are payment or liability for physical goods including energy. They include:		
Energy		
- electricity	373,274	362,255
- fuel/lubricants	262,086	269,666
Water	64,220	73,297
Road Repair Materials	553,518	582,610
Other Materials	444,642	163,089
	<u>1,697,740</u>	<u>1,450,917</u>
6. FINANCIAL CHARGES		
Finance Charges are the costs of financing councils activities and they include:		
Interest Payments		
LGFA	330,689	324,172
Banks	15,228	13,250
	<u>345,917</u>	<u>337,422</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
7. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and amortisation expense for the year was charged in respect of:		
Plant & Machinery	388,969	381,041
Office Equip, Furniture & Fittings	273,996	273,996
Library	98,400	98,400
Infrastructure	2,262,000	2,262,000
Buildings	328,140	328,140
Other	92,988	92,988
	<u>3,444,493</u>	<u>3,436,565</u>

8. OTHER EXPENSES

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

Insurances	459,732	476,273
Levies paid to governments	219,032	32,727
Communications	106,611	99,009
Members Expense	84,854	70,552
Bad Debts	12,181	147,717
Legal Fees	86,044	89,860
Donations	116,084	147,466
Rates & Taxes	-	-
Subscriptions	145,874	139,509
Bank Fees	42,963	44,444
Rates Rebates	638,488	584,138
Others	535,554	331,308
	<u>2,447,417</u>	<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	9,008,328	8,316,676
Special Rates -		
Riverglen	50,026	50,000
Woodlane	27,072	27,018
Separate Rate -		
Garbage Collection Bins	21,180	8,801
Beautification Town Centre	-	-
	<u>98,278</u>	<u>85,819</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
10. STATUTORY CHARGES		
These are fees and charges from regulatory services. They include:		
Dog Act	110,374	69,360
Parking Regulations	-	3,829
Development Act	181,395	187,072
Health Act	42,087	42,303
Other	-	2,288
	<u>333,856</u>	<u>304,852</u>
11. USER CHARGES		
User Charges are revenues from sale of goods and services or rent of property facilities. They include:		
Aged Home Rentals	606,710	575,718
Cemetery Fees	75,051	78,896
Bus Fares	-	43,242
Swimming Pool	51,713	47,882
Property, Rentals & Hire	57,244	75,982
Others	101,957	81,223
	<u>892,675</u>	<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	2,362,182	2,256,535
Road Grants	343,442	275,509
Library Grants	46,405	49,267
Nursing Home Operating Grants	1,906,140	2,155,163
Bus Service	-	54,632
Aged & Related Service Grants	223,930	252,944
Crime Prevention	35,000	50,500
Other Grants	39,407	56,502
	<u>4,956,506</u>	<u>5,151,052</u>
Capital Grants		
Road Grants	34,265	684,500
Parks & Gardens Grants	-	169,175
Stormwater Drianage Grant	161,824	485,705
Library Book Purchase Grant	66,000	61,037
Lerwin Expansion Grant	828,000	252,195
Art Gallery Development Grant	189,350	
Environmental Projects Grant	85,000	
Other Capital Grants	28,741	-
	<u>1,393,180</u>	<u>1,652,612</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
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
Private Works	383,996	215,306
Insurance Reimbursement	65,392	31,342
Workers Compensation Reimbursement	16,940	-
Home Help Project Reimbursement	4,889	2,281
Rates Charges	65,118	48,266
Other	200,690	43,183
	<u>737,025</u>	<u>384,615</u>

14. OTHER INCOME

These are revenues not included elsewhere. They include:

Workers Compensation Bonus	63,309	-
LGFA Bonus	14,770	-
Donations	44,496	217,075
Developers Contribution	390,102	-
Transfer Leave Provision	-	7,416
Others	99,703	56,237
	<u>612,380</u>	<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	798,099	96,187
Deposits At Call	<u>4,520,325</u>	<u>1,647,156</u>
Balance	5,318,424	1,743,343
Less: Bank Overdraft	<u>45,478</u>	<u>-</u>
Balances per Statement of Cash Flow	<u>5,272,946</u>	<u>1,743,343</u>

The following grants are unspent as at the 30 June 2005 due to Council resolution or external requirements

Nursing Home operational grant (relates to 05/06 year)	50,000
Stormwater study no complete	13,060
HACC's Capital grant	5,000
HACC's Operational grant	<u>15,000</u>
	<u>83,060</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
16. RECEIVABLES		
Current		
Rates Receivable	450,182	492,850
Loans & Advances	9,727	4,776
Other Debtors	342,231	409,986
Accrued Income	25,273	281,081
ATO for GST Payments	185,476	139,294
	<u>1,012,889</u>	<u>1,327,987</u>
Less Provision for Doubtful Debts	94,000	82,000
	<u>918,889</u>	<u>1,245,987</u>
Non Current		
These include loans and advances to sporting clubs and other community groups.		
Loans & Advances	29,370	30,097
Less Provision for Doubtful Debts	-	-
	<u>29,370</u>	<u>30,097</u>
17. INVENTORIES		
Current		
Stores Fuel	1,084	1,084
Other Stores	99,300	99,300
	<u>100,384</u>	<u>100,384</u>
18. OTHER ASSETS		
Current		
Prepayments	385,310	155,310
	<u>385,310</u>	<u>155,310</u>
19. CREDITORS		
Current		
Creditors	1,229,496	1,079,411
Accrued Expenses	513,598	227,784
Amounts Received in Advance	2,727	291,547
	<u>1,745,821</u>	<u>1,598,742</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
20. PROVISIONS		
Current		
Annual Leave	305,339	325,000
Long Service Leave	120,759	100,000
	<u>426,098</u>	<u>425,000</u>
Non Current		
Annual Leave	230,000	126,539
Long Service Leave	532,000	413,978
	<u>762,000</u>	<u>540,517</u>
21. LOANS		
Current		
Secured Loans	969,111	707,876
Finance Leases	27,142	85,826
	<u>996,253</u>	<u>793,702</u>
Non Current		
Secured Loans	8,874,883	3,784,193
Finance Leases	-	27,142
	<u>8,874,883</u>	<u>3,811,335</u>
22. PROPERTY, PLANT & EQUIPMENT		
Land		
At Independent Valuation at 30 June 2000		11,417,137
At Independent Valuation at 30 June 2005	12,036,515	
Plus purchases at cost		837,838
	<u>12,036,515</u>	<u>12,254,975</u>
Buildings		
At Independent Valuation at 30 June 2000		10,302,563
At Independent Valuation at 30 June 2005	17,824,260	
Plus purchases at cost		1,489,695
Less Accumulated Depreciation		1,366,421
	<u>17,824,260</u>	<u>10,425,837</u>
Infrastructure		
At Independent Valuation at 30 June 2000		49,049,412
At Independent Valuation at 30 June 2005	55,382,061	
Plus purchases at cost		8,547,679
Less Accumulated Depreciation		9,169,100
	<u>55,382,061</u>	<u>48,427,991</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
Plant & Equipment		
At Independent Valuation at 30 June 2000		1,626,000
At Independent Valuation at 30 June 2005	3,672,315	
Plus purchases at cost		1,924,290
Less Accumulated Depreciation		1,031,778
	<u>3,672,315</u>	<u>2,518,512</u>
Office Equipment & Furniture & Fittings		
At Independent Valuation at 30 June 2000		776,130
At Independent Valuation at 30 June 2005	1,158,984	
Plus purchases at cost		900,863
Less Accumulated Depreciation		949,496
	<u>1,158,984</u>	<u>727,497</u>
Library		
At valuation plus cost	1,179,321	1,179,321
Plus purchases at cost	323,442	249,439
Less Accumulated Depreciation	1,272,548	1,174,148
	<u>230,215</u>	<u>254,612</u>
Other Non Current Assets		
At Independent Valuation at 30 June 2000		572,950
At Independent Valuation at 30 June 2005	1,931,568	
Plus purchases at cost		2,468,203
Less Accumulated Depreciation		325,288
	<u>1,931,568</u>	<u>2,715,865</u>

Independent valuation undertaken by Graham L Martin B.Bus (Prop) AAPI Certified Practicing Valuer of Maloney Field Services as at the 30th June 2005 and in accordance with AAS27 Accounting Standard for all assets other than Infrastructure assets (Roads, footpaths & Kerb and gutter) which is at Council Valuation.

23. SUPERANNUATION

The council contributes 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 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 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: \$ 498,104 (2003/2004 \$ 626,503).

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
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	980,000	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>980,000</u>	<u>4,845,971</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	28,227	91,815
Longer than 1 year but not longer than 2 years	-	28,227
Longer than 2 year but not longer than 5 years	-	-
Longer than 5 years	-	-
	<u>28,227</u>	<u>120,042</u>
Minimum lease payments	28,227	120,042
Less future finance charges	<u>1,085</u>	<u>7,074</u>
Lease Liability	<u>27,142</u>	<u>112,968</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	84,275	129,625
Longer than 1 year but not longer than 2 years	56,694	84,275
Longer than 2 year but not longer than 5 years	56,765	112,451
Longer than 5 years	-	1,008
	<u>197,734</u>	<u>327,359</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

	2004/2005 \$	2003/2004 \$
27. RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO CHANGE IN NET ASSETS RESULTING FROM OPERATIONS		
Change in Net Assets resulting from Operations	795,147	2,134,254
Items no involving cash:		
Depreciation	3,444,493	3,436,565
Loss (Gain) on Disposal	(75,902)	(92,146)
Bad and Provision for Doubtful Debts	12,000	(186,615)
Capital Grants	(1,393,180)	(1,652,612)
Changes in Operating Assets & Liabilities		
Decrease (Increase) in Receivables	320,049	(66,739)
Increase (Decrease) in Creditors	16,060	28,914
Increase (Decrease) in Provisions	222,581	59,552
Decrease (Increase) in Inventories	-	45,069
Decrease (Increase) in Prepayments	(230,000)	233,608
	<u>3,111,248</u>	<u>3,939,850</u>

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

28. 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</u> <u>Average</u> <u>Interest</u> <u>Rate</u>	<u>Floating</u> <u>Interest</u> <u>Rate</u>	<u>Fixed Interest Rates</u>			<u>Non</u> <u>Interest</u> <u>Bearing</u>	<u>Total</u>
			<u>1 year or</u> <u>less</u>	<u>1 to 5</u> <u>Years</u>	<u>> 5 years</u>		
2004/2005							
Financial Assets							
Cash	0.25%	796,599				1,500	798,099
Deposits	5.25%	4,520,325					4,520,325
Receivables	0.30%		9,727	4,500	24,870	909,162	948,259
		5,316,924	9,727	4,500	24,870	910,662	6,266,683
Financial Liabilities							
Overdraft	6.25%	45,478					45,478
Borrowing - Debentures	6.32%		969,111	4,954,407	3,920,476		9,843,994
Lease Liabilities	7.74%		27,142				27,142
Creditors & Accruals						1,745,821	1,745,821
		45,478	996,253	4,954,407	3,920,476	1,745,821	11,662,435
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	1,241,211	1,276,084
		1,741,943	4,776	5,227	24,870	1,242,611	3,019,427
Financial Liabilities							
Overdraft	6.15%						-
Borrowing - Debentures	6.75%		707,876	1,746,373	2,037,820		4,492,069
Lease Liabilities	7.60%		85,826	27,142			112,968
Creditors & Accruals						1,598,742	1,598,742
		-	793,702	1,773,515	2,037,820	1,598,742	6,203,779

(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 be 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 2005

29. COMPARISON OF BUDGET AND ACTUAL RESULTS (OPERATING)

	Actual 2004/2005		Budget 2004/2005	
	\$	\$	\$	\$
OPERATING REVENUE				
Rates				
- General	9,008,328		8,795,849	
- Other	98,278		77,000	
Statutory Charges	333,856		277,500	
User Charges	892,675		875,000	
Operating Grants and Subsidies	4,956,506		4,980,610	
Investment Income	80,178		136,000	
Reimbursements	737,025		344,300	
Gain on Disposal of Non - Current Assets	75,902		-	
Commercial Activity Revenue	-		-	
Other	612,380		43,000	
TOTAL OPERATING REVENUE		16,795,128		15,529,259
OPERATING EXPENSES				
Employee Costs	6,145,959		5,961,646	
Contractual Services	3,311,635		3,850,000	
Material	1,697,740		2,574,128	
Financial Charges	345,917		278,600	
Depreciation	3,444,493		3,471,200	
Loss on Revaluations	-		-	
Loss on Disposal of Non - Current Assets	-		-	
Other	2,447,417		780,000	
TOTAL OPERATING EXPENSE		17,393,161		16,915,574
Operating Surplus/(Deficit) before Capital Revenues		(598,033)		(1,386,315)
CAPITAL REVENUES				
Capital Grants, Subsidies and Monetary Contributions		1,393,180		1,387,572
Physical resources received free of charge				
Operating Surplus/(Deficit) after Capital revenues and before Extraordinary Items		795,147		1,257
Extraordinary Items		-		-
Net Surplus/(Deficit) resulting from Operations		795,147		1,257

Rural City Of Murray Bridge

Financial Statement Notes for year ended 30 June 2005

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 2004/2005 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 _____

4/11/2005
Date _____

ADOPTION STATEMENT

Laid before the RURAL CITY OF MURRAY BRIDGE COUNCIL

and adopted on the 14TH NOVEMBER 2005


Signed _____

14/11/05
Date _____

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 2005** as set out on pages **1 - 21**.

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.

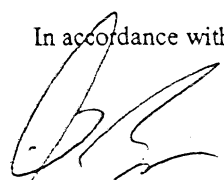
These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Concepts and Standards and the Local Government Act 1999, so as to present a view of equity which is consistent with 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 2005 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

7th November 2005
Adelaide