

**DISTRICT COUNCIL
OF
CEDUNA**

FINANCIAL STATEMENTS

For the year ended 30 June 2004

DISTRICT COUNCIL OF CEDUNA
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
OPERATING REVENUE			
Rates – General		1,711,244	1,633,881
Rates – Other		360,287	345,329
Statutory charges	3	34,057	29,517
User charges		587,502	314,530
Operating grants and subsidies		1,784,269	1,401,882
Investment income	4	53,243	58,459
Reimbursements		139,018	181,688
Gain on disposal of non-current assets		77,265	30,404
Other		308,597	492,347
		<hr/>	<hr/>
TOTAL OPERATING REVENUE		5,055,482	4,488,037
OPERATING EXPENSES			
Employee costs	5	1,651,655	1,667,220
Contractual services		1,079,980	1,002,232
Materials		949,879	724,821
Finance charges	6	136,126	150,489
Depreciation	7	1,542,781	937,356
Other	8	794,797	647,205
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		6,155,218	5,129,323
		<hr/>	<hr/>
OPERATING DEFICIT before capital revenues		(1,099,736)	(641,286)
CAPITAL REVENUES			
Capital grants, subsidies and monetary contributions		548,605	857,067
		<hr/>	<hr/>
NET (DEFICIT)/SURPLUS RESULTING FROM OPERATIONS		(551,131)	215,781

DISTRICT COUNCIL OF CEDUNA
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash	9	451,210	1,011,824
Receivables	10	270,303	307,906
Inventory	11	17,113	3,168
Prepayments		49,387	12,708
TOTAL CURRENT ASSETS		<u>788,013</u>	<u>1,335,606</u>
CURRENT LIABILITIES			
Bank overdraft	12	79,813	305,759
Creditors	13	368,403	197,524
Provisions	14	240,929	185,130
Borrowings	15	113,878	110,115
TOTAL CURRENT LIABILITIES		<u>803,023</u>	<u>798,528</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(15,010)</u>	<u>537,078</u>
NON-CURRENT ASSETS			
Receivables	10	68,066	73,890
Land	16	2,528,804	2,784,904
Buildings	16	2,539,581	2,641,896
Infrastructure	16	17,921,056	17,860,113
Plant and machinery	16	1,453,570	1,476,765
Furniture and fittings	16	51,848	54,722
TOTAL NON-CURRENT ASSETS		<u>24,562,925</u>	<u>24,892,290</u>
NON-CURRENT LIABILITIES			
Provisions	14	22,154	57,250
Borrowings	15	1,800,498	1,839,624
TOTAL NON-CURRENT LIABILITIES		<u>1,822,652</u>	<u>1,896,874</u>
NET ASSETS		<u>22,725,263</u>	<u>23,532,494</u>
EQUITY			
Accumulated surplus		12,184,657	12,735,788
Reserves		10,540,606	10,796,706
TOTAL EQUITY		<u>22,725,263</u>	<u>23,532,494</u>

DISTRICT COUNCIL OF CEDUNA
STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
ACCUMULATED SURPLUS			
Balance at beginning of year		12,735,788	12,520,007
Net (deficit)/surplus per the income statement		(551,131)	215,781
		<hr/>	<hr/>
Balance at end of year		12,184,657	12,735,788
ASSET REVALUATION RESERVE			
Balance at beginning of year		10,796,706	10,796,706
Transfers from reserves		(256,100)	-
		<hr/>	<hr/>
Balance at end of year		10,540,606	10,796,706
		<hr/>	<hr/>
TOTAL EQUITY		22,725,263	23,532,494

DISTRICT COUNCIL OF CEDUNA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		4,954,974	4,418,651
Interest received		53,243	60,984
GST collected		150,097	158,562
GST refunded by the ATO		401,716	465,532
Payments		(4,335,353)	(4,002,020)
Interest paid		(136,126)	(149,704)
GST paid on creditable acquisitions		(392,184)	(389,638)
GST remitted to the ATO		(152,026)	(169,894)
NET CASH GENERATED FROM OPERATING ACTIVITIES	18	544,341	392,473
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Loans received		74,753	155,985
Loan repayments from community groups		5,824	6,295
<i>Payments:</i>			
Repayments of borrowings		(110,116)	(102,878)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		(29,539)	59,402
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Capital grants, subsidies and contributions		548,605	857,067
Sale of land		17,130	2,734
Sale of plant and machinery		386,565	
<i>Payments:</i>			
Purchase of buildings		(25,763)	(9,723)
Purchase of infrastructure		(1,177,322)	(1,701,572)
Purchase of plant and machinery		(595,255)	(496,006)
Purchase of furniture and fittings		(3,430)	-
NET CASH USED IN INVESTING ACTIVITIES		(849,470)	(1,165,821)
NET DECREASE IN CASH HELD		(334,668)	(713,946)
Cash at the beginning of the reporting period		706,065	1,420,011
CASH AT THE END OF THE REPORTING PERIOD	19	371,397	706,065

1 SIGNIFICANT ACCOUNTING POLICIES

(a) The local government reporting entity

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. All entities controlled by the Council have been consolidated.

In the process of reporting on the Council as a single unit, all transaction and balances between those funds (for example, loans and transfers between funds) have been eliminated.

(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 of non-current assets which are included at Council or independent valuation.

(c) Recognition of assets

All items of property, plant and equipment with a value greater than \$1,000 are recognised as assets. Assets acquired are initially recorded at cost. Cost includes all costs incidental to the acquisition and incurred in getting the asset ready for use. Where assets are constructed by the Council, costs includes an appropriate share of variable and fixed overheads.

(d) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets. Land is not depreciated.

Depreciation is recognised on a straight-line basis, using rates that are reviewed each reporting period. Estimates of remaining useful lives are made on a regular basis for all assets.

Major depreciation periods are:

Buildings	50 years
Stormwater drainage	50 years
Common effluent drainage	15 to 50 years
Plant and equipment	5 to 10 years
Aerodrome infrastructure	30 years
Boat ramps and pontoons	5 to 50 years
Sealed car parking	30 years
Sealed roads	20 years
Unsealed roads	12 years
Footpaths	30 years
Traffic control devices	10 years
Playground and reserve equipment	15 years
Improvements to parks & gardens	10 to 30 years
Furniture, fittings and office equipment	2 to 10 years

(e) Capital and recurrent expenditure

As a general rule, material expenditure in the purchase or development of assets is capital expenditure. Expenditure necessarily incurred in either maintaining the operational capacity of the non-current asset or ensuring that the original life estimate is achieved, is considered maintenance expenditure and treated as an expense as incurred.

(f) Employee benefits

Long service leave is accrued for full-time and part-time employees at various rates. Those employees who have exceeded 7 years of service are accrued at 100% of entitlement, those between 5 and 7 years at 50% of entitlement and all other employees at 10% of entitlement. This basis of calculation provides an estimate of liability for long service leave in excess of that determined by using the present value basis of measurement.

Annual leave entitlements are accrued in respect of services provided by employees up to the reporting date.

The superannuation expense for the reporting period is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in note 17.

(g) Investments

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

(h) Rates, grants, donation and other contributions

Rates, grants, donation and contributions are recognised as revenues when Council obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured.

Contributions that are not received over which Council has control are recognised as receivables. Provision is made in respect of rates considered not to be collectable at the year end.

(i) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid.

(j) Cash

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

(k) Land held for resale

Land held for development and/or resale are included in the Financial Accounts at cost, and are not revalued.

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of the asset or as part of an item of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2 FUNCTIONS/ACTIVITIES OF COUNCIL

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

Administration

General operations, Council operations, elections, Council offices, rates and general grants.

Public order and safety

Fire prevention, dog control, and state emergency services.

Health

Health inspections and immunisation services.

Social security and welfare

Aged & disabled services and children & community welfare.

Housing and community amenities

Housing, community development, sanitation & garbage, sewerage, urban stormwater drainage and other community amenities.

Environmental protection

Protection of the coastal environment.

Recreation and culture

Libraries, cultural services and sport & recreation.

Agricultural services

Rural services.

Mining, manufacturing and construction

Building control and town planning.

Transport:

Construction and maintenance of roads, footpaths, aerodromes, parking facilities, other road services and other transport facilities.

Economic affairs n.e.c.:

Tourism.

Other purposes n.e.c.:

Plant operations, depot costs, private works and other.

Note Full cost attribution

The philosophy of full cost attribution (FCA) has been fully adopted in these financial statements for the current year's financial figures in accordance with the requirements of the *Local Government Act 1999* and the associated Regulations. The corresponding comparison financial figures of the previous year do not include FCA with regards to capital works.

DISTRICT COUNCIL OF CEDUNA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

2 FUNCTIONS/ACTIVITIES OF COUNCIL (Continued)

FUNCTIONS/ ACTIVITIES	TOTAL GRANTS	TOTAL OTHER	REVENUE TOTAL	%	EXPENSES TOTAL	%	OPERATION SURPLUS/ (DEFICIT)
	\$	\$	\$		\$		\$
Administration							
2004	1,273,369	1,893,140	3,166,509	56.5	279,140	4.5	2,887,369
2003	1,493,228	1,821,049	3,314,277	62.0	338,959	6.6	2,975,318
Public order & safety							
2004	-	11,807	11,807	0.2	102,798	1.7	(90,991)
2003	6,000	10,960	16,960	0.3	106,535	2.1	(89,575)
Health							
2004	-	4,874	4,874	0.1	15,893	0.3	(11,019)
2003	-	4,228	4,228	0.1	15,485	0.3	(11,257)
Social security & welfare							
2004	192,914	10,930	203,844	3.6	295,657	4.8	(91,813)
2003	5,000	184,015	189,015	3.5	275,613	5.4	(86,598)
Housing & community amenities							
2004	53,300	561,468	614,768	11.0	1,367,162	22.2	(752,394)
2003	74,807	568,133	642,940	12.0	1,332,325	26.0	(689,385)
Environmental Protection							
2004	-	683	683	-	12,996	0.2	(12,313)
2003	16,091	1,082	17,173	0.3	30,957	0.6	(13,784)
Recreation & culture							
2004	2,500	11,099	13,599	0.2	596,897	9.7	(583,298)
2003	19,500	15,228	34,728	0.6	492,930	9.6	(458,202)
Agricultural services							
2004	-	401	401	-	14,969	0.2	(14,568)
2003	-	-	-	-	28,827	0.6	(28,827)
Mining, manufacturing & construction							
2004	-	42,331	42,331	0.8	153,754	2.5	(111,423)
2003	-	31,242	31,242	0.6	140,110	2.7	(108,868)
Transport & communication							
2004	782,991	330,845	1,113,836	19.9	1,943,539	31.6	(829,703)
2003	523,013	153,151	676,164	12.7	1,064,559	20.8	(388,395)
Economic affairs nec							
2004	27,800	152,502	180,302	3.2	489,577	8.0	(309,275)
2003	121,310	93,515	214,825	4.0	650,290	12.7	(435,465)
Other purposes nec							
2004	-	251,133	251,133	4.5	882,836	14.3	(631,703)
2003	-	203,552	203,552	3.8	652,733	12.7	(449,181)
TOTAL							
2004	2,332,874	3,271,213	5,604,087	100.0	6,155,218	100.0	(551,131)
2003	2,258,949	3,086,155	5,345,104	100.0	5,129,323	100.0	215,781

DISTRICT COUNCIL OF CEDUNA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
3	STATUTORY CHARGES	
	Development act fees	20,068
	Dog registration fees	7,472
	Parking fines and expiation fees	1,977
	Other	-
	<u>34,057</u>	<u>29,517</u>
4	INVESTMENT INCOME	
	Interest received from:	
	- LGFA	53,009
	- Community groups	5,450
	- Banks	-
	<u>53,243</u>	<u>58,459</u>
5	EMPLOYEE COSTS	
	Salaries and wages	1,715,338
	Superannuation expenses	127,257
	Leave entitlement provisions	24,666
	Other employee related expenses	575
	<u>1,815,261</u>	<u>1,880,094</u>
	<i>Less amounts</i> not included in the operating statement for capital works	<u>(212,874)</u>
	<u>1,651,655</u>	<u>1,667,220</u>
	<i>Number of full time equivalent employees at reporting date</i>	
	AWU	25
	ASU	17
6	FINANCE CHARGES	
	Interest paid to the LGFA	<u>141,085</u>
7	DEPRECIATION AND AMORTISATION EXPENSE	
	Buildings	78,482
	Infrastructure	579,932
	Plant and machinery	247,626
	Furniture and fittings	31,316
	<u>1,542,781</u>	<u>937,356</u>
8	OTHER EXPENSES	
	Included in other expenses are the following:	
	Councillors' emoluments and expenses	58,717
	Insurance	141,276
	Auditor's remuneration for audit services	7,780

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
9	CASH	
	Cash on hand	800
	Deposits - Local Government Finance Authority	<u>450,410</u>
		<u>1,011,024</u>
		<u>451,210</u>
	<i>Unspent grants include:</i>	
	Ceduna/Koonibba Water Authority	115,632
	Bush Breakaway	89,805
	Family & Youth Services	58,000
	Social Services Misuse Accord	30,000
	Skateboard Park	20,984
	Shark Proof Swimming Enclosure	4,304
	Roads to Recovery	-
	Smoky Bay Wastewater Treatment	-
	Ceduna District Health Services	-
	Far West Rural Services Group	-
	Oysterfest	-
	Department of Environment and Heritage	-
		4,057
		161,242
		31,242
		19,000
		14,546
		7,839
		3,000
10	RECEIVABLES	
	<i>Current:</i>	
	Rates receivable	7,267
	Sundry debtors	254,158
	Loans to community groups	5,824
	Accrued income	2,234
	Australian Taxation Office	<u>820</u>
		<u>270,303</u>
	<i>Non current:</i>	
	Loans to community groups	<u>68,066</u>
		<u>307,906</u>
11	INVENTORIES	
	Fuel	<u>17,113</u>
		<u>3,169</u>
12	BANK OVERDRAFT	
	BankSA (A division of St George Bank Limited)	<u>79,813</u>
		<u>305,759</u>
	<i>The Council has an overdraft facility of \$100,000 with BankSA. The overdraft facility may be withdrawn at any time and may be terminated by the bank without notice. The current interest rate on the overdraft facility is 9.4% p.a. The overdraft facility is secured over the general rates of the Council.</i>	
13	CREDITORS	
	<i>Current:</i>	
	Creditors	106,997
	Accrued interest and expenses	260,561
	Australian Taxation Office	<u>845</u>
		<u>2,967</u>
		<u>368,403</u>
		<u>198,562</u>

DISTRICT COUNCIL OF CEDUNA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
14		
PROVISIONS		
<i>Current:</i>		
Annual leave	182,675	149,681
Long service leave	<u>58,254</u>	<u>34,411</u>
	<u>240,929</u>	<u>184,092</u>
<i>Non current:</i>		
Long service leave	<u>22,154</u>	<u>57,250</u>
15		
BORROWINGS		
<i>Current:</i>		
Local Government Finance Authority	<u>113,878</u>	<u>110,115</u>
<i>Non current:</i>		
Local Government Finance Authority	<u>1,800,498</u>	<u>1,839,624</u>
<i>The Council has loan facilities, convertible cash advance debentures, with the Local Government Finance Authority (LGFA) of \$350,000 which may be called upon as required. The current variable interest rate on these facilities is 6.25% p.a. paid quarterly in arrears. The total of the unutilised facilities at the reporting date is \$136,035 (2003: \$10,787). The Council also has fixed debentures with the LGFA at fixed interest rates having varying maturities. All borrowings are secured over the general rates of the Council.</i>		
16		
PROPERTY, PLANT AND EQUIPMENT		
Land		
At valuation	1,764,400	2,020,500
At cost	<u>764,404</u>	<u>764,404</u>
	<u>2,528,804</u>	<u>2,784,904</u>
Buildings		
At valuation	2,966,751	2,966,751
At cost	<u>150,564</u>	<u>196,071</u>
	3,117,315	3,162,822
Less accumulated depreciation	<u>(577,734)</u>	<u>(520,926)</u>
	<u>2,539,581</u>	<u>2,641,896</u>
Infrastructure		
At valuation	6,994,398	6,994,398
At cost	<u>15,707,881</u>	<u>14,447,396</u>
	22,702,279	21,441,794
Less accumulated depreciation	<u>(4,781,223)</u>	<u>(3,581,681)</u>
	<u>17,921,056</u>	<u>17,860,113</u>

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
16		
PROPERTY, PLANT AND EQUIPMENT (Continued)		
Plant and equipment		
At valuation	517,971	517,971
At cost	<u>1,818,079</u>	<u>2,385,835</u>
	2,336,050	2,903,806
Less accumulated depreciation	<u>(882,480)</u>	<u>(1,427,041)</u>
	<u>1,453,570</u>	<u>1,476,765</u>
Furniture and fittings		
At valuation	171,444	171,444
At cost	<u>327,508</u>	<u>251,197</u>
	498,952	422,641
Less accumulated depreciation	<u>(447,104)</u>	<u>(367,919)</u>
	<u>51,848</u>	<u>54,722</u>

Parks and gardens

The Council is situated in the far western region of South Australia. This region is susceptible to dry and harsh conditions. As a result of this climate, parks and garden establishment costs are not capitalised but rather expensed in the income statement in the year the expense is incurred.

Trees

The Council has a significant natural asset in trees. These assets add considerable value to the community; however, because they cannot be measured reliably, these assets have not been brought to account

17 **SUPERANNUATION**

The Council contributes in respect of its employees to a defined benefit superannuation plan established in respect of all councils in the State. In accordance with statutory requirements, the Council contributes to the Local Government Superannuation Scheme ("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 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 members, are sufficient to meet members' benefits as they accrue.

The amount of superannuation contributions paid by the Council during the year was \$138,042 (2003: \$127,257).

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2004

		2004 \$	2003 \$
18	RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES to operating deficit before capital revenues		
	Operating deficit before capital revenues	(1,099,736)	(641,286)
	<i>Adjustment for non-cash items:</i>		
	Depreciation	1,542,781	937,356
	Gain on disposal of non-current assets	(77,265)	(30,404)
	Land disposal	<u>-</u>	<u>(3,900)</u>
		365,780	261,766
	<i>Change in operating assets and liabilities:</i>		
	Movement in debtors	37,603	95,840
	Movement in inventories	(13,945)	5,828
	Movement in prepayments	(36,679)	18,455
	Movement in creditors	170,879	(14,082)
	Movement in provisions	<u>20,703</u>	<u>24,666</u>
	Net cash provided by operating activities	<u>544,341</u>	<u>392,473</u>

19 RECONCILIATION OF CASH

For purposes of the statement of cash flows, the local government considers cash to include cash on hand and in banks and investments in money market instruments. 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	451,210	1,011,824
Bank overdraft	<u>(79,813)</u>	<u>(305,759)</u>
	<u>371,397</u>	<u>706,065</u>

20 CONTROLLING AUTHORITIES - SECTION 200

Contributions paid include the following:

Eyre Regional Development Board (ERDB)	39,380	7,738
Eyre Peninsula Local Government Association (EPLGA)	8,716	8,460

Council is a member of the ERDB which is a regional economic development authority charged with the responsibility of facilitating economic growth and activity in the Eyre region.

Council is a member of the EPLGA which is a regional local government representative body charged with the responsibility of representing the interests of its member Councils.

DISTRICT COUNCIL OF CEDUNA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

21 COMMITMENTS FOR CAPITAL EXPENDITURE

There is no capital commitments of expenditure contracted for as at the reporting date.

22 COMPARISONS OF BUDGET AND ACTUAL OPERATING RESULTS

	2004		2003	
	BUDGET	\$ ACTUAL	BUDGET	\$ ACTUAL
REVENUES				
Administration	3,242,802	3,166,509	3,103,547	3,314,277
Public order and safety	10,930	11,807	12,660	16,960
Health	2,000	4,874	6,000	4,228
Social security and welfare	128,289	203,844	166,445	189,015
Housing community	517,257	614,768	642,069	642,940
Protection of the environment	-	683	-	17,173
Recreation and culture	20,679	13,599	7,400	34,728
Agriculture	436	401	300	-
Mining and construction	34,700	42,331	36,670	31,242
Transport and communications	906,308	1,113,836	697,726	676,164
Economic affairs n.e.c.	151,238	180,302	161,260	214,825
Other purposes n.e.c.	<u>598,913</u>	<u>251,133</u>	<u>758,640</u>	<u>203,552</u>
TOTAL REVENUE	<u>5,613,552</u>	<u>5,604,087</u>	<u>5,592,717</u>	<u>5,345,104</u>
EXPENSES				
Administration	299,885	279,140	311,651	338,959
Public order and safety	56,589	102,798	53,772	106,535
Health	19,012	15,893	18,990	15,485
Social security and welfare	319,964	295,657	277,163	275,613
Housing community	870,554	1,367,162	907,808	1,332,325
Protection of environment	20,344	12,996	21,228	30,957
Recreation and culture	524,289	596,897	478,782	492,930
Agriculture	436	14,969	-	28,827
Mining and construction	180,941	153,754	146,839	140,110
Transport and communication	682,026	1,943,539	683,983	1,064,559
Economic affairs n.e.c.	382,510	489,577	396,395	650,290
Other purposes n.e.c.	<u>1,015,822</u>	<u>882,836</u>	<u>1,116,562</u>	<u>652,733</u>
TOTAL EXPENSES	<u>4,372,372</u>	<u>6,155,218</u>	<u>4,413,173</u>	<u>5,129,323</u>
SURPLUS/(DEFICIT)	<u>1,241,180</u>	<u>(551,131)</u>	<u>1,179,544</u>	<u>215,781</u>

DISTRICT COUNCIL OF CEDUNA
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2004

23 FINANCIAL INSTRUMENTS

(a) Interest rate risk

The Council's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is set out below.

	Weighted avg interest rate	Floating interest rate	1 Year or less	Fixed interest 1 to 5 Years	More than 5 Years	Non- interest bearing	Total
2004							
Financial assets							
Cash						800	800
Deposits	5.0%	450,410					450,410
Receivables						338,339	338,339
		<u>450,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,139</u>	<u>789,549</u>
Financial liabilities							
Overdraft	9.4%	79,813					79,813
Borrowings	7.1%	213,965	113,878	535,473	1,051,060		1,914,376
Creditors and accruals						368,403	368,403
		<u>293,778</u>	<u>113,878</u>	<u>535,473</u>	<u>1,051,060</u>	<u>368,403</u>	<u>2,362,592</u>
2003							
Financial assets							
Cash						800	800
Deposits	4.5%	1,011,024					1,011,024
Receivables						381,796	381,796
		<u>1,011,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382,596</u>	<u>1,393,620</u>
Financial liabilities							
Overdraft	8.9%	305,719					305,759
Borrowings	7.13%		110,115	788,564	1,051,060		1,949,739
Creditors and accruals						197,524	197,524
		<u>305,759</u>	<u>110,115</u>	<u>788,564</u>	<u>1,051,060</u>	<u>197,524</u>	<u>2,453,022</u>

(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 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 cash flows. The carrying amount of bank terms deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

(c) Net fair value of financial assets and liabilities

The agreeable net fair values and carrying amounts of financial assets and financial liabilities are not materially different from those disclosed in the statement of financial position and in the notes to and forming part of the accounts.

CHIEF EXECUTIVE OFFICER'S STATEMENT

I, Anthony John Irvine, the person for the time being occupying the position of Chief Executive Officer of the District Council of Ceduna do hereby state that the financial statements 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)

(Dated)

ADOPTION STATEMENT

Laid before the Elected Members of the District Council of Ceduna and adopted on

(Dated)

Ken McCarthy, Mayor