

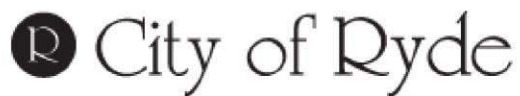
Meeting Date: Tuesday 22 October 2013
Location: Council Chambers, Level 6, Civic Centre, 1 Devlin Street, Ryde
Time: 7.30pm

ATTACHMENTS FOR COUNCIL MEETING

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ATTACHMENT 8



Lifestyle and opportunity @ your doorstep

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General and Special Purpose Financial Statements

Year Ended 30 June 2013

ITEM 4 (continued)

ATTACHMENT 8



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ITEM 4 (continued)

ATTACHMENT 8

General Purpose Financial Statements - Year Ended 30 June 2013

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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General Purpose Financial Statements - Year Ended 30 June 2013

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the Local Government Act 1993
(as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

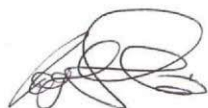
- The Local Government Act 1993 (as amended) and the Regulations made thereunder.
- The Australian Accounting Standards and professional pronouncements.
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, this Report:

- presents fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records

We are not aware of any matter that would render this Report false or misleading in any way.

Signed in accordance with a resolution of Council made on 24 September 2013.



Councillor Roy Maggio
Mayor



Councillor Justin Li
Deputy Mayor



Mr Roy Newsome
Acting General Manager



Mr John Todd
Chief Financial Officer
(Responsible Accounting Officer)

ITEM 4 (continued)
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General Purpose Financial Statements - Year Ended 30 June 2013
**INCOME STATEMENT
 for the year ended 30 June 2013**

Original Budget* 2013 (\$'000)	Notes	Actual 2013 (\$'000)	Actual 2012 (\$'000)
INCOME FROM CONTINUING OPERATIONS			
60,554	Rates and Annual Charges 3(a)	61,079	58,514
11,959	User Charges and Fees 3(b)	13,294	12,105
3,526	Interest and Investment Revenue 3(c)	4,328	4,482
6,432	Other Revenues 3(d)	7,527	6,023
6,820	Grants & Contributions provided for operating purposes 3(e&f)	7,126	8,990
1,836	Grants & Contributions provided for capital purposes 3(e&f)	18,029	22,786
Other Income:			
-	Net gain from the disposal of assets 5	-	771
-	Net share of interests in joint ventures and associates using the equity method 19	-	-
91,127	TOTAL INCOME FROM CONTINUING OPERATIONS	111,383	113,671
EXPENSES FROM CONTINUING OPERATIONS			
39,225	Employee Benefits and On-costs 4(a)	38,005	36,471
606	Borrowing Costs 4(b)	130	202
25,001	Materials and Contracts 4(c)	24,914	24,413
19,711	Depreciation, Amortisation and Impairment 4(d)	19,075	18,387
13,918	Other Expenses 4(e)	12,778	10,952
-	Interest and Investment Losses 3(c)	-	-
-	Net Loss from the disposal of assets 5	4,247	-
-	Share of interests in joint ventures and associates using the equity method 19	-	-
98,461	TOTAL EXPENSES FROM CONTINUING OPERATIONS	99,149	90,425
(7,334)	OPERATING RESULT FROM CONTINUING OPERATIONS	12,234	23,246
-	Operating result from discontinued operations 24	-	-
(7,334)	NET OPERATING RESULT FOR THE YEAR	12,234	23,246
(9,170)	NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS & CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES	(5,795)	460

* Original budget as approved by Council - Refer Note 16

The above Income Statement should be read in conjunction with the accompanying notes.

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General Purpose Financial Statements - Year Ended 30 June 2013

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 (\$'000)	2012 (\$'000)
Net operating result for the year - from Income Statement		12,234	23,246
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	20(b)	(257,869)	-
Adjustment to correct prior period errors	20(d)	-	-
Amounts which will be reclassified subsequently to operating result when specific conditions are met.			
Realised available-for-sale investment gains recognised in revenue	20(b)	-	-
Gain (loss) on revaluation of available-for-sale investments	20(b)	-	-
Total other comprehensive income for the year		<u>(245,635)</u>	<u>23,246</u>
Total comprehensive income for the year			
Attributable to:			
- Council		<u>(245,635)</u>	<u>23,246</u>
- Non-controlling Interests			

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

ITEM 4 (continued)
ATTACHMENT 8
General Purpose Financial Statements - Year Ended 30 June 2013
**BALANCE SHEET
 As at 30 June 2013**

	Notes	2013		2012	
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
ASSETS					
Current Assets					
Cash and Cash Equivalents	6(a)	15,805		13,973	
Investments	6(b)	46,450		38,000	
Receivables	7	5,697		6,379	
Inventories	8	447		330	
Other	8	388		231	
Non-Current assets classified as held for Sale	22	910		-	
Total Current Assets			69,697		58,913
Non-Current Assets					
Investments	6(b)	29,622		27,109	
Receivables	7	1,004		1,023	
Infrastructure, Property, Plant and Equipment	9	1,911,231		2,171,833	
Investments accounted for using equity method	19	-		-	
Investment Property	14	2,620		2,275	
Intangible assets	25	-		-	
Other	8	-		-	
Total Non-Current Assets			1,944,477		2,202,240
TOTAL ASSETS			<u>2,014,174</u>		<u>2,261,153</u>
LIABILITIES					
Current Liabilities					
Payables	10(a)	14,843		16,387	
Borrowings	10(a)	527		492	
Provisions	10(a)	9,853		9,130	
Total Current Liabilities			25,223		26,009
Non-Current Liabilities					
Payables	10(a)	-		-	
Borrowings	10(a)	2,895		3,412	
Provisions	10(a)	180		221	
Total Non-Current Liabilities			3,075		3,633
TOTAL LIABILITIES			<u>28,298</u>		<u>29,642</u>
NET ASSETS			<u>1,985,876</u>		<u>2,231,511</u>
EQUITY					
Retained Earnings	20	1,725,369		1,713,135	
Revaluation reserves	20	260,507		518,376	
Council equity interest			1,985,876		2,231,511
Minority equity interest			-		-
TOTAL EQUITY			<u>1,985,876</u>		<u>2,231,511</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

ITEM 4 (continued)

ATTACHMENT 8

General Purpose Financial Statements - Year Ended 30 June 2013

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2013

	2013 (\$'000)							2012 (\$'000)						
	20	Asset			Non-controlling Interest	Total Equity	20	Asset			Non-controlling Interest	Total Equity		
		Retained Earnings	Revaluation Reserve	Other Reserves				Equity Interest	Revaluation Reserve	Other Reserves			Equity Interest	
Opening Balance	1,713,135	518,376	-	-	2,231,511	-	1,689,889	518,376	-	-	2,208,265	-	2,208,265	
Correction of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restated Opening Balance	1,713,135	518,376	-	-	2,231,511	-	1,689,889	518,376	-	-	2,208,265	-	2,208,265	
Net Operating Result for the Year	12,234	(257,869)	-	(245,635)	(245,635)	-	23,246	-	-	-	23,246	-	23,246	
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income	12,234	(257,869)	-	(245,635)	(245,635)	-	23,246	-	-	-	23,246	-	23,246	
Closing Balance	1,725,369	260,507	-	1,985,876	1,985,876	-	1,713,135	518,376	-	-	2,231,511	-	2,231,511	

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

ITEM 4 (continued)
ATTACHMENT 8
General Purpose Financial Statements - Year Ended 30 June 2013
**STATEMENT OF CASH FLOWS
 for the year ended 30 June 2013**

Original Budget* 2013 (\$'000)	Notes	2013 (\$'000)	2012 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
60,554		61,183	58,290
12,966		14,034	12,885
3,543		4,283	4,413
7,129		26,792	19,761
-		1,622	1,752
6,740		8,059	7,604
Payments			
(39,370)		(37,439)	(34,864)
(23,542)		(31,673)	(25,719)
(274)		(130)	(203)
-		(1,460)	(1,510)
(15,455)		(12,815)	(11,307)
12,291	11(b)	32,456	31,102
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
50,030		18,373	28,545
-		-	-
1,100		1,174	1,200
-		-	-
-		-	-
-		-	-
Payments			
(46,450)		(27,929)	(32,093)
-		-	-
(22,322)		(21,760)	(22,543)
-		-	-
-		-	-
-		-	-
(17,642)		(30,142)	(24,891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
-		-	-
-		-	-
Payments			
(381)		(482)	(442)
-		-	-
-		-	-
(381)		(482)	(442)
(5,732)		1,832	5,769
13,973	11(a)	13,973	8,204
8,241	11(a)	15,805	13,973

* Original budget as approved by Council - Refer Note 16

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting. City of Ryde is a not for profit entity for the purpose of preparing the financial statements.

(i) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(ii) Early adoption of standards

City of Ryde has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2012.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(iv) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(v) Critical accounting estimates and assumptions

City of Ryde makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (i) Estimated fair values of investment properties.
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

(vi) Critical judgements in applying the entity's accounting policies

- (i) Impairment of Receivables
Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 Commitments
Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.
- (iii) Valuation of Infrastructure assets
Council employs a number of staff who possess Tertiary qualifications in Engineering. Those staff are also responsible for estimating the cost of construction of new infrastructure works, especially for works done in-house. Using this expertise Council has revalued its infrastructure

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

assets to the cost of replacing those assets in-house. Those estimates are based on the actual costs to replace infrastructure assets by Council recently.

The same staff are also responsible for estimating the useful lives of infrastructure assets, based on their experiences and similar assets in other Council areas. These changes, based on these judgements, have the potential to impact the amount of depreciation into the future. This will be further reviewed during 2013/2014 and clearly identified for those financial statements.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, annual charges, grants and contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User charges and fees

User charges and fees (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Sale of plant, property, infrastructure and equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

(c) Principles of consolidation

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports. A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) Associates

Associates are all entities over which the Council has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iv) Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated into the financial statements under the appropriate headings. Details of the activity are set out in note 19.

Joint venture entities

The interest in a joint venture partnership is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post acquisition movements in reserves is recognised in other comprehensive income. Details relating to the partnership are set out in Note 19.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Council's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

(d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance cost. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases where Council is a lessor is recognised in income on a straight-line basis over the lease term.

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 14 days.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(i) Inventories

(i) Raw materials and stores, work in progress and finished goods

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation in a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

(k) Investments and other financial assets

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held to maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables (note 7) in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non current asset, except those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets - reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, Council may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future and until maturity at the date of classification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

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Notes to the General Purpose Financial Statements 30 June 2013

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit and loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities reclassified as available-for-sale are recognised in equity.

Details of how the fair value of financial instruments is determined are disclosed in note 1(l).

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act and s212 of the LG (General) Regulations 2005. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed, however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

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The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(m) Infrastructure, property, plant and equipment

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Division of Local Government. At balance date the following classes of IPPE were stated at their fair value:

- Operational land (External Valuation).
- Buildings – Specialised/Non Specialised (External Valuation).
- Water/Sewerage Networks (Internal Valuation).
- Plant and equipment (as approximated by depreciated historical cost).
- Road assets – roads, bridges and footpaths (Internal Valuation).
- Drainage assets – (Internal Valuation).
- Bulk earthworks – (Internal Valuation).
- Community land – (External Valuation).
- Land Improvements (as approximated by depreciated historical cost).
- Other structures (as approximated by depreciated historical cost).
- Other assets (as approximated by depreciated historical cost).

Operational land was last valued in 2008 and will be revalued by June 2014. Council is of the opinion that the carrying amount of the asset would not differ materially had a revaluation occurred at the reporting date.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. In determining the useful lives and unit rates for each asset type, an "evidence" based approach has been taken. For most assets, there is no ready "tradeable" market, and Councils are the major if not only provider of such assets (eg local roads and their drainage). In-house technical expertise is available and is used. The major exception is buildings, which were valued externally.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

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Notes to the General Purpose Financial Statements 30 June 2013

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This classification is made in Note 9(a).

(n) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location, or condition of the specific asset. If this information is not available, Council uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in profit and loss as part of other income.

Investment property includes properties that are under construction for future use as investment properties. These are also carried at fair value unless the fair value can not yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

(o) Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(q) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(r) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value

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Notes to the General Purpose Financial Statements 30 June 2013

reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other Long term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked for significant increases in contributions to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(t) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

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Notes to the General Purpose Financial Statements 30 June 2013

(u) Land under roads

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

(v) Provisions for close down and restoration and for environmental clean up costs - Tips and quarries

(i) Restoration

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period. The amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

(ii) Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

(w) Allocation between current and non-current assets and liabilities

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 settled. The asset or liability is classified as current if it is

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Notes to the General Purpose Financial Statements 30 June 2013

expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013*)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013* but is available for early adoption. When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed.

*In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9 shortly.

(ii) Revised AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as

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Notes to the General Purpose Financial Statements 30 June 2013

under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules. As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv) Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. Council does not recognise defined benefit assets and liabilities for the reasons set out in note 1 (s)(iii) and so these changes will not have an impact on its reported results.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(y) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating the reserves are recognised within Council's Income Statement.

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Notes to the General Purpose Financial Statements 30 June 2013

Representations from both State and Local Government are being sought to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(z) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

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Notes to the General Purpose Financial Statements 30 June 2013

NOTE 2(a) FUNCTIONS OR ACTIVITIES

FUNCTIONS/ACTIVITIES	INCOME FROM CONTINUING OPERATIONS						EXPENSES FROM CONTINUING OPERATIONS						OPERATING RESULTS FROM CONTINUING OPERATIONS						GRANTS INCLUDED IN INCOME						TOTAL ASSETS HELD (CURRENT & NON-CURRENT)					
	Actual 2013		Actual 2012		Actual 2013		Actual 2012		Actual 2013		Actual 2012		Actual 2013		Actual 2012		Actual 2013		Actual 2012		Actual 2013		Actual 2012							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000							
Programs	338	434	323	5,696	5,414	(5,368)	(5,261)	(5,092)	179	145	182,348	250,732	373	760	3,552	4,188	(4,050)	(2,022)	(2,792)	364	152	137	137	137						
Catchment Program	1,618	1,631	1,672	4,252	3,883	(2,634)	(2,020)	(2,212)	789	780	1	2	12	29	2,865	2,412	(3,078)	(2,836)	(2,366)	1	1	2	2	2						
Centres And Neighbourhood Program	3	3	3	371	344	(368)	(340)	(275)	4	4	1	2	3	3	3	3	(340)	(340)	(275)	4	4	4	4	4						
Community And Cultural Program	9	10	15	625	571	(616)	(560)	(599)																						
Customer And Community Relations Program				26	53	(26)	(53)	(75)																						
Economic Development Program				3,695	3,035	(3,695)	(3,607)	(3,034)																						
Environmental Program				13,651	17,173	(9,548)	(12,438)	(6,941)	26	11	111,861	109,975																		
Foreshore Program				1,258	942	(1,242)	(878)	(991)																						
Governance And Civic Program				5,366	5,087	(4,450)	(4,177)	(4,142)	266	264	1,371	1,386																		
Internal Corporate Services Program				16,066	15,313	(10,461)	(9,095)	(8,979)	434	50	1,280,524	1,270,636																		
Land Use Planning Program				235	240	(230)	(232)	(284)																						
Library Program				696	666	(650)	(650)	(650)																						
Open Space, Sport & Recreation Program				174	824	(214)	(180)	(176)	2,465	174	39,181	53,848																		
Organisational Development Program				5,302	5,025	(4,143)	(3,176)	(3,176)																						
Paths And Cycleways Program				7,481	6,773	(710)	(589)	(104)																						
Property Portfolio Program				1,724	2,497	(1,641)	(2,247)	(2,208)																						
Regulatory Program				8,243	9,279	(7,065)	(6,374)	(3,731)	948	808	320,251	443,466																		
Risk Management Program				46	33	(46)	(22)	(45)																						
Roads Program				934	1,054	(263)	(137)	(270)	243	367	210	220																		
Strategic City Program				15,279	14,104	(15,279)	(14,104)	(13,400)	216	226	2,014,174	2,261,153																		
Traffic & Transport Program				61,013	64,374	(96,461)	(99,149)	(90,425)	5,931	2,829	2,014,174	2,261,153																		
Waste And Recycling Program				50,137	49,297	(50,137)	(50,370)	(49,297)	3,451	4,266	2,014,174	2,261,153																		
Total Functions & Activities	40,989	61,013	64,374	96,461	99,149	(97,471)	(98,136)	(26,051)	5,931	2,829	2,014,174	2,261,153																		
General Purpose Revenue	50,137	50,370	49,297	98,461	99,149	(7,334)	12,234	23,246	9,382	7,095	2,014,174	2,261,153																		
Totals	91,127	111,383	113,671	196,922	198,298	(14,765)	(86,102)	(3,175)	15,313	14,124	4,028,348	4,522,306																		

⁽¹⁾ Section 94 Contributions are not budgeted in the original budget, but are brought into the budget each quarter after they are received, and then transferred to the Section 94 reserve.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 2(b) COMPONENTS OF FUNCTIONS OR ACTIVITIES

The activities relating to the Council's functions and activities reported on in Note 2 (a) are as follows:

Catchment program

Managing, monitoring and maintaining water quality and reuse, our stormwater and natural waterways.

Centres and Neighbourhood program

Developing, delivering, maintaining and managing our public domain infrastructure, facilities and place management.

Community and Cultural program

Managing all community services, community development, community buildings and events and driving cultural development.

Customer and Community Relations program

Engaging with our community, all media and community relations, branding and marketing our city and developing and managing all our customer services.

Economic Development program

Business sector and economic development.

Environmental program

Monitoring and managing our environmental performance, developing environmental policy and making our community aware of environmental impact.

Foreshore program

Managing all aspects of our foreshore.

Governance and Civic program

Supporting our mayor and councillors; through council process and civic events; and providing guidance on governance to support other areas of council.

Internal Corporate Services program

Developing and managing our information, records and corporate knowledge; implementing information technology, communications, business, financial and HR infrastructure and services. Managing our fleet and plant; planning and developing assets; all project management and administrative support.

Land Use Planning program

Planning, delivering and managing our land and urban design and enhancing and informing on our heritage.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 2(b) Components of Functions or Activities (continued)

Library program

Delivering all our library services.

Open Space, Sport & Recreation program

Developing, delivering, maintaining and managing all our sports, recreation, outdoor, open spaces and natural areas infrastructure, services and facilities.

Organisational Development program

Addressing workforce planning, driving culture and performance, assessing process efficiency and overseeing all corporate communications.

Paths and Cycleways program

Developing, managing and maintaining our footpaths and cycleways.

Property Portfolio program

Developing, managing and maintaining our portfolio of corporate, commercial and civic properties.

Regulatory program

Delivering all our regulatory assessments and activities, including building regulations, environmental regulations, road, parking and footpath enforcement and animal management.

Risk Management program

Managing all legal services, procurement and internal auditing, assessing and managing business continuity, risk and disaster management.

Roads program

Managing and maintaining our roads, bridges and retaining walls.

Strategic City program

Providing strategic direction and planning; and manages the reporting on our corporate performance.

Traffic & Transport program

Managing our transport, traffic and carparking; developing sustainable transport options.

Waste and Recycling program

Managing our domestic and commercial waste services, educating on and facilitating recycling and disposal services.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 3 INCOME FROM CONTINUING OPERATIONS

	2013 (\$'000)	2012 (\$'000)
(a) Rates and Annual Charges		
Ordinary Rates		
Residential	25,384	24,397
Business	12,985	12,417
Environmental Management Levy	5,926	5,693
Total Ordinary Rates	44,295	42,507
Special Rates		
Macquarie Park	1,235	1,185
Total Special Rates	1,235	1,185
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic Waste Management Services	14,287	13,674
Stormwater Management Service Charge	986	981
Section 611 Charges	276	167
Total Annual Charges	15,549	14,822
Total Rates and Annual Charges	61,079	58,514

Council has used 2010 valuations provided by the NSW Valuer General in calculating its rates.

(b) User Charges and Fees

User Charges (pursuant to s.502)

Aquatic Centre	4,798	4,480
Sports Facility Rental	540	565
Hall Hire	463	455
Road Restorations	2,285	1,508
Gutter Crossings	285	281
Commercial Waste Service	811	787
Other	37	38
Total User Charges	9,219	8,114

Fees

Regulatory/Statutory Fees	1,865	1,699
s603 Certificates	145	167
Discretionary		
- Parking fees	867	862
- Environmental Planning	878	794
- Private Works	109	103
- Vacation Care	5	141
- Home Maintenance & Modification	59	106
- Other	147	119
Total Fees	4,075	3,991
Total User Charges and Fees	13,294	12,105

(c) Interest and Investment Revenue (Losses)

Overdue Rates & Charges	203	174
Cash, cash equivalents and investments:		
- Externally restricted	789	422
- Internally restricted	-	-
- Unrestricted	3,302	3,872
Impairment Losses		
- Investments	-	-
Premiums recognised on financial instrument transactions		
Amortisation of discounts and premiums:		
- Investments held to maturity	34	14
Total Interest and Investment Revenue	4,328	4,482

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 3 Income from Continuing Operations (continued)

	2013 (\$'000)	2012 (\$'000)		
(d) Other Revenues				
Fair value adjustments - investment properties	345	75		
Rental income:				
- Investment Property	227	211		
- Other Property	1,277	943		
Parking Fines	3,823	3,113		
Other Fines	53	71		
Ex Gratia rates	-	-		
Materials Recycling	207	165		
Lease - Telecommunications	177	234		
Legal Fees Recoveries				
- Rates	-	-		
- Other	13	1		
Insurance Claims	5	97		
Staff Vehicle Leases and Other Payments	545	492		
Eastwood Plaza	49	36		
Sundry Sales	67	31		
Other	739	554		
Total Other Revenue	7,527	6,023		
	OPERATING	2012	CAPITAL	
	2013	(\$'000)	2013	2012
	(\$'000)		(\$'000)	(\$'000)
(e) Grants				
General Purpose (Untied)				
Financial Assistance	2,939	3,734	-	-
Pensioner Rebate Subsidy - Rates	513	532	-	-
Total General Purpose (Untied)	3,452	4,266	-	-
Specific Purpose				
Pensioner Rebate Subsidy - Domestic Waste	216	216	-	-
Vacation Care	51	56	-	-
Master Plans	-	-	-	-
Library	266	264	-	-
Home Maintenance & Modification	459	394	-	-
Child Care Assistance	-	-	-	-
DEEWR - Apprentice Rebate Scheme	23	34	-	-
Community Staff Funding	225	207	-	-
Street & Traffic Lighting	364	355	-	-
Roads To Recovery	-	-	424	424
RTA Transport	-	-	481	573
Parks Grants	-	-	546	50
Domestic Waste Management	-	-	-	-
Graffiti Management	100	-	-	-
Town Centres	-	-	2,430	-
Catchment Management	-	-	179	-
Other	131	122	35	134
Total Specific Purpose	1,835	1,648	4,095	1,181
Total Grants	5,287	5,914	4,095	1,181
Comprising:				
- Commonwealth funding	3,934	4,746	0	0
- State funding	1,353	1,168	4,095	1,181
- Other funding	-	-	-	-
	5,287	5,914	4,095	1,181

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 3 Income from Continuing Operations (continued)

	OPERATING		CAPITAL	
	2013 (\$'000)	2012 (\$'000)	2013 (\$'000)	2012 (\$'000)
(f) Contributions				
Developer Contributions (s94)				
- Open Space	-	-	5,550	4,985
- Parking	-	-	-	-
- Drainage	-	-	571	213
- Traffic Facilities	-	-	3,203	1,702
- Other	-	-	263	40
- Meadowbank	-	-	-	-
- Community Facilities	-	-	2,381	1,575
Voluntary Planning Agreements	-	-	1,653	404
Other Councils	557	532	-	-
Community Facilities	153	-	-	-
Community Events	5	-	-	-
Other	36	55	283	86
RTA Contributions				
- Roads & Bridges	292	1,584	-	-
- Other	96	99	-	-
Buildings & Property (In Kind) ⁽¹⁾	-	-	-	12,500
Buildings & Property (In Kind) - s94	-	-	-	-
Customer/Resident Contributions	-	-	30	100
LSL Contributions from other Councils	26	211	-	-
Macquarie Park Master Plans	-	-	-	-
Bus Shelters	-	-	-	-
Waste Performance Improvement Program	674	595	-	-
Total Contributions	1,839	3,076	13,934	21,605
Total Grants & Contributions	7,126	8,990	18,029	22,786
		2013 (\$'000)		2012 (\$'000)
(g) Restrictions relating to Grants and Contributions				
Certain grants and contributions are obtained by Council on the condition that they be spent in a specified manner:				
Grants and contributions recognised in the current reporting period which have not been spent		15,570		9,749
Less:				
Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period		3,074		2,573
Net increase/(decrease) in Restricted Grants and Contributions		12,496		7,176

(1) In 2011/2012 Council received the West Ryde Community Centre at 3 Anthony Street, West Ryde.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS

	2013	2012
	(\$'000)	(\$'000)
(a) Employee Benefits & On Costs		
Salaries and Wages	27,875	25,599
Employee Leave Entitlements	7,528	8,251
Superannuation	3,647	3,290
Workers' Compensation Insurance	1,164	1,152
FBT	115	151
Training Costs (excluding salaries)	409	369
Other	410	505
Less: Capitalised Costs	<u>(3,143)</u>	<u>(2,846)</u>
Total Employee Costs Expensed	<u>38,005</u>	<u>36,471</u>
Number of FTE Employees	442	427
(b) Borrowing Costs		
Interest on overdrafts	-	-
Interest on loans	130	202
Charges on finance leases	-	-
Discounts recognised on financial instrument transactions		
Amortisation of discounts and premiums		
- Investments held to maturity	-	-
- Remediation		
Less: Capitalised Costs		
Total Borrowing Costs Expensed	<u>130</u>	<u>202</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 4 Expenses from Continuing Operations (continued)

	2013 (\$'000)	2012 (\$'000)
(c) Materials and Contracts		
Raw materials and consumables	991	1,427
Contractor and Consultancy Costs	23,722	22,634
Audit Fees:		
- Audit Services	55	53
- Other ⁽¹⁾	1	2
Legal Fees:		
- Planning & Development	145	172
- Other	485	301
Operating leases		
- Computers	-	-
Infringement Notice Contract (SEINS)	478	384
Other	-	-
Less: Capitalised Costs	(963)	(560)
Total Materials & Contracts	24,914	24,413
 ⁽¹⁾ During the year the following fees were paid or payable for services provided by the Council's auditor – Hill Rogers Spencer Steer:		
(i) Audit and other assurance services		
Audit and review of financial statements	55	53
Other assurance services:		
- Audit of regulatory returns	-	-
- Due diligence services	-	-
Total remuneration for audit and other assurance services	55	53
(ii) Taxation services		
Tax compliance services	-	-
Total remuneration for taxation services	-	-
(iii) Other Services		
Advice on Financial Projections for projects	2	2
Attendance of Council meetings	1	1
Total remuneration for other services	3	3
Total remuneration of Hills Rogers Spencer Steer	58	56

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 4 Expenses from Continuing Operations (continued)

(d) Depreciation, Amortisation and Impairment	Depreciation/Amortisation		Impairment	
	2013 (\$'000)	2012 (\$'000)	2013 (\$'000)	2012 (\$'000)
Plant and Equipment	2,187	1,564		
Office Equipment	1,335	1,387		
Furniture & Fittings	191	180		
Property Plant and Equipment Leased	-	-		
Land Improvements (Depreciable)	928	928		
Buildings - Specialised	1,188	1,188		
- Non-specialised	1,238	1,232		
Other Structures	2,380	2,496		
Infrastructure:				
- Roads, Bridges and Footpaths	5,435	5,435		
- Stormwater Drainage	3,801	3,801		
Other Assets:				
- Heritage Collections	-	-		
- Library Books	508	484		
Total Depreciation Costs	19,191	18,695	-	-
Less: Capitalised Costs/Impairment reversals	(116)	(308)		
Total Depreciation and Total Impairment	19,075	18,387	-	-

(e) Other Expenses	2013 (\$'000)	2012 (\$'000)
Other expenses for the year include the following:-		
Fair Value decrements - Investment Properties	-	-
Bad & Doubtful Debts	74	(8)
Mayoral Fee	58	57
Councillors' Fees	260	254
Councillors' (incl. Mayor) Expenses	107	117
Election Costs (excl. Employee Costs)	450	-
Interest on Refundable Deposits	72	134
Insurance	1,085	1,062
Insurance - Statewide Mutual Provision	-	-
Street Lighting	2,156	1,811
Communications Costs	230	191
Contribution to Fire Control	1,485	1,497
Contribution to Dept of Planning	239	231
Contributions & Donations - Community Grants	783	482
Waste Development Tax	2,669	2,280
Membership Fees	117	112
Valuation Fees	166	147
Electricity & Heating	1,640	1,360
Water Rates	349	305
Bank Fees & Charges	212	198
Property Lease Costs	5	56
Postage & Courier Costs	222	259
Advertising	216	210
Operating Leases	-	-
Parking Infringement Collection	-	-
Remediation	-	-
Green Waste Collection Charges	-	-
Other Expenses	187	197
Less: Capitalised Costs	(4)	-
Total Other Expenses From Continuing Operations	12,778	10,952

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 5 GAIN OR LOSS FROM THE DISPOSAL OF ASSETS

	2013 (\$'000)	2012 (\$'000)
GAIN (OR LOSS) ON DISPOSAL OF STRATUM LAND		
Proceeds from disposal	100	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>100</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF PROPERTY		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>-</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF PLANT & EQUIPMENT		
Proceeds from disposal	1,071	1,200
Less: Carrying amount of assets sold	1,275	1,444
Gain (or loss) on disposal	<u>(204)</u>	<u>(244)</u>
GAIN (OR LOSS) ON DISPOSAL OF REAL ESTATE ASSETS HELD FOR SALE		
Proceeds from sales	-	-
Less: Cost of sales	-	-
Gain (or loss) on disposal	<u>-</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF OFFICE EQUIPMENT		
Proceeds from disposal	3	-
Less: Carrying amount of assets sold	23	-
Gain (or loss) on disposal	<u>(20)</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF LIBRARY BOOKS		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>-</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF WORKS IN PROGRESS		
Proceeds from disposal	-	-
Less: Carrying value of Works in Progress ⁽¹⁾	5,496	-
Gain (or loss) on disposal	<u>(5,496)</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF FINANCIAL ASSETS		
Proceeds from disposal	3,372	2,015
Less: Carrying value of Financial assets	1,999	1,000
Gain (or loss) on disposal	<u>1,373</u>	<u>1,015</u>
NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS	<u>(4,247)</u>	<u>771</u>

(1) Council resolved on Tuesday 25 September 2012 to discontinue with the redevelopment of the Civic Centre Precinct.

The total costs associated with that project were \$5.496 million as at that date, which have now been written off to the Income Statement as they were held as Work in Progress.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 6(a) CASH AND CASH EQUIVALENTS

Notes	2013 (\$'000)	2012 (\$'000)
Cash at bank and on hand	458	300
Deposits at call	15,347	13,673
	<u>15,805</u>	<u>13,973</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 6(b) INVESTMENTS

The following financial assets are held as investments:

	2013		2012	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Financial Assets at Fair Value through Profit and Loss	-	-	-	-
Held to Maturity Investments	46,450	29,622	38,000	27,109
Available for Sale Financial Assets	-	-	-	-
Total	46,450	29,622	38,000	27,109
Financial Assets at Fair Value Through Profit and Loss				
At beginning of year	-	-	500	-
Revaluation to income statement	-	-	-	-
Additions	-	-	-	-
Disposals (Sale/Redemption)	-	-	(500)	-
Reclassification	-	-	-	-
At end of year	-	-	-	-
Held for Trading:				
- Managed funds	-	-	-	-
- CDOs	-	-	-	-
- FRNs	-	-	-	-
- Listed equity securities	-	-	-	-
TOTAL	-	-	-	-
Held to Maturity Investments				
At beginning of year	38,000	27,109	49,530	10,502
Amortisation of discounts & premiums	-	34	-	14
Additions	18,950	8,979	12,000	20,093
Disposals	(15,000)	(2,000)	(26,030)	(1,000)
Impairment	-	-	-	-
Transfer to Current	4,500	(4,500)	2,500	(2,500)
At end of year	46,450	29,622	38,000	27,109
Comprising of:				
- CDOs	-	-	-	-
- FRNs	3,000	16,881	1,000	17,870
- Fixed Bonds	-	1,991	-	1,989
- Other	43,450	10,750	37,000	7,250
TOTAL	46,450	29,622	38,000	27,109

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 6(c) RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

Notes	2013		2012	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Total cash, cash equivalents and investments	62,255	29,622	51,973	27,109
External restrictions	9,481	24,941	6,112	14,831
Internal restrictions	48,149	4,681	38,610	12,278
Unrestricted	4,625	-	7,251	-
Total	62,255	29,622	51,973	27,109

Notes	Opening Balance 30 June 2012 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000	Closing Balance 30 June 2013 \$'000
External Restrictions				
<i>Included in liabilities</i>	-	-	-	-
<i>Other</i>				
Developer Contributions (A)	11,775	12,757	(2,415)	22,117
Specific Purpose Unexpended Grants (B)	1,942	2,813	(659)	4,096
Domestic Waste Management (C)	4,355	14,550	(14,116)	4,789
Stormwater Management	963	990	(551)	1,402
Macquarie Park Special Rate	1,692	1,241	(1,114)	1,819
External Works Drainage Contributions	215	1	(17)	199
Total External Restrictions	20,942	32,352	(18,872)	34,422

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 6(c) Restricted Cash, Cash Equivalents and Investments (continued)

Notes	Opening Balance 30 June 2012 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000	Closing Balance 30 June 2013 \$'000
Internal Restrictions				
Plant Replacement Reserve	1,869	2,169	(2,027)	2,011
Employee Leave Entitlements	2,900	210	-	3,110
Incompleted/Carry Over Works and Projects	3,271	2,760	(3,264)	2,767
Refundable Deposits	8,201	223	-	8,424
Voluntary Planning Agreements	792	1,653	(217)	2,228
Asset Replacement Reserve	7,008	5,850	(3,794)	9,064
Ryde Aquatic Leisure Centre	2,721	3,460	(4,429)	1,752
Investment Property Reserve	16,766	-	(1,127)	15,639
Civic Centre Precinct Redevelopment Reserve	1,971	500	(1,213)	1,258
Financial Security Reserve	2,064	1,374	-	3,438
Insurance Fluctuation Reserve	282	195	(63)	414
Other	3,044	1,862	(2,181)	2,725
Total Internal Restrictions	50,889	20,256	(18,315)	52,830
Total Restrictions	71,831	52,608	(37,187)	87,252

- A. Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (See separate Note 17).
- B. Grants which are not yet expended for the purposes for which the grants were obtained.
- C. Domestic Waste Management funds are externally restricted assets which must be applied for the purposes for which they were raised.

ITEM 4 (continued)
ATTACHMENT 8
Notes to the General Purpose Financial Statements 30 June 2013
NOTE 7 RECEIVABLES

<u>Purpose</u>	2013		2012	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Rates and Annual Charges	1,310	874	1,373	915
Rates Interest & Extra Charges	195	130	162	108
User Charges & Fees				
Environmental & Health Restorations	353	-	283	-
Recreational Facilities	569	-	201	-
Property & Infrastructure Works	151	-	94	-
Home Modification Service	58	-	175	-
Ryde Aquatic Leisure Centre	10	-	12	-
	105	-	111	-
Interest on Investments	893	-	882	-
Contributions to Works	140	-	248	-
Government Grants & Subsidies	854	-	1,639	-
Commercial Waste	340	-	266	-
GST	318	-	852	-
Asset Sales	-	-	-	-
Workers Compensation	16	-	19	-
Voluntary Planning Agreement	-	-	-	-
Computer Equipment Charges	-	-	-	-
Other	570	-	280	-
Total	5,882	1,004	6,597	1,023
Less: <u>Provision for Doubtful Debts</u>				
- Rates and Annual Charges	-	-	-	-
- Interest and extra charges	-	-	-	-
- User Charges and Fees	185	-	218	-
- Government Grants & Subsidies	-	-	-	-
	5,697	1,004	6,379	1,023
EXTERNALLY RESTRICTED RECEIVABLES (Included Above)				
Domestic Waste Management	-	-	318	212
TOTAL RESTRICTED RECEIVABLES	-	-	318	212
UNRESTRICTED RECEIVABLES	5,697	1,004	6,061	811
TOTAL RECEIVABLES	5,697	1,004	6,379	1,023

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 7 Receivables (continued)

Rates and Annual Charges

Rates are secured by underlying properties.

Interest is charged on overdue rates at 10% (2012 9%). Rates are due for payment on 31 August, 30 November, 28 February and 31 May in each financial year. Overdue rates are those not paid within 1 day of the due date. The amount of the overdue debts upon which interest is charged is \$2,184,000 (2012 \$2,288,000)

User Charges and Fees

User charges and fees are unsecured. The credit risk for this class of debtor is 100% of the carrying value. A provision for doubtful debts in respect of the class of debtor has already been provided in an amount of \$185,000.

Government Grants

Government grants and subsidies (subject to terms and conditions of the relevant agreement) have been guaranteed.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 8 INVENTORIES & OTHER ASSETS

	2013		2012	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Inventories				
Real Estate	-	-	-	-
Stores and Materials	447	-	330	-
Other	-	-	-	-
Total Inventories	447	-	330	-
Inventories not expected to be realised within the next 12 months	97	-	132	-
Other Assets				
Prepayments	388	-	231	-
Total Other Assets	388	-	231	-

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 9(a) INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

ASSET TYPE	At 30 June 2012				MOVEMENTS DURING THE YEAR						At 30 June 2013				
	Cost	Fair Value	Accumulated Depreciation & Impairment	Written Down Value (WDV)	Asset Purchases	Transfers From WP	WDV of Disposals	Transfers and Adjustments	Depreciation & Impairment	Gross Book Value	Accumulated Depreciation	Cost	Fair Value	Accumulated Depreciation & Impairment	Written Down Value (WDV)
Plant and Equipment		23,432	11,577	11,855	3,212	18	1,275	-	2,187	-	-	-	24,331	12,708	11,623
Office Equipment		12,809	9,402	3,407	383	111	23	-	1,335	-	-	-	12,240	9,697	2,543
Furniture and Fixings		4,448	2,830	1,618	-	14	-	(33)	191	-	-	-	4,429	3,022	1,407
Leased Plant & Equipment		209	209	-	-	-	-	-	-	-	-	209	209	-	-
Land															
- Operational Land		204,089	-	204,089	-	-	-	-	-	-	-	-	202,773	-	202,773
- Community Land		1,017,725	-	1,017,725	-	-	-	(1,316)	-	-	-	-	1,017,725	-	1,017,725
- Land Improvements (non-depr'n)		7,428	-	7,428	211	112	-	-	-	-	-	-	7,749	-	7,749
- Land Improvements (depr'n)		12,833	9,984	2,849	6	2	-	-	928	-	-	-	12,841	10,912	1,929
- Land Under Infrastructure		11,552	-	11,552	-	-	-	-	-	-	-	-	11,552	-	11,552
Buildings															
- Specialised		43,497	14,460	29,037	-	-	-	-	1,188	(15,589)	(7,276)	-	27,908	8,372	19,536
- Non-specialised		125,304	49,976	75,328	2,916	7,443	-	-	1,238	(28,814)	10,092	-	105,849	61,306	44,543
Other Structures															
- Carparks		10,936	2,695	8,241	168	-	-	-	170	12,219	1,394	-	23,323	4,259	19,064
- Foreshore Assets		17,199	4,043	13,156	-	-	-	-	140	(12,209)	(2,105)	-	4,990	2,078	2,912
- Parks		62,119	23,436	38,683	2,736	652	-	-	1,666	(6,890)	(15,529)	-	58,617	9,574	49,043
- Road Ancillary		12,346	3,884	8,462	330	46	-	-	218	(3,468)	(1,986)	-	9,254	2,116	7,138
- Other		2,636	1,573	1,063	14	25	-	-	186	(2,675)	(1,738)	-	-	-	-
Infrastructure															
- Roads, Bridges and Footpaths															
- Road Pavement		395,347	80,082	315,265	4,196	566	-	-	3,532	(119,226)	(23,623)	-	280,885	59,960	220,925
- Road Ancillaries		18,845	5,841	13,004	327	69	-	-	275	(13,143)	(3,094)	-	6,098	3,032	3,066
- Bridges		20,864	4,622	16,242	41	-	-	-	170	(16,776)	(2,921)	-	4,129	1,872	2,257
- Footpaths and Cycleways		67,116	13,289	53,827	1,765	674	-	-	725	(15,132)	1,249	-	54,423	15,243	39,180
- Kerb & Guttering		93,931	23,229	70,702	294	25	-	-	763	1,900	15,908	-	96,150	39,900	56,250
- Stormwater Drainage		372,269	121,537	250,732	1,209	509	-	-	3,801	(128,154)	(62,854)	-	244,833	62,485	182,348
Other Assets															
- Heritage Collections		137	-	137	-	6	-	-	-	-	-	-	152	-	152
- Library Books		3,260	1,866	1,394	451	-	-	-	508	-	-	-	3,241	1,871	1,370
Capital Works in Progress		16,019	-	16,019	5,895	(10,272)	5,496	-	-	-	-	6,146	-	-	6,146
TOTALS		2,540,329	384,515	2,171,833	24,165	-	6,794	(1,916)	19,191	(348,957)	(92,393)	6,146	2,273,701	308,616	1,911,231

NOTE 9(b) RESTRICTED INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

Includes DWM Restricted Assets	980	121	859	-	-	-	-	-	66	-	-	980	187	793
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Notes:

Excludes investment properties and non-current assets held for sale.
Additions to Buildings and Infrastructure are made up of Asset Renewals (\$14,016) and New Assets (\$6,092). Renewals are defined as replacements of existing assets with equivalent capacity or performance as opposed to the acquisition of new assets.

ITEM 4 (continued)
ATTACHMENT 8
Notes to the General Purpose Financial Statements 30 June 2013
NOTE 10(a) PAYABLES, BORROWINGS & PROVISIONS

	2013		2012	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Payables				
Goods and Services	5,390	-	5,280	-
Payments Received in Advance	664	-	1,248	-
Payments received in advance - Rates	191	-	184	-
Accrued Expenses	510	-	1,630	-
Advances	-	-	-	-
Interest Expenses	1	-	1	-
Deposits and Retentions	8,047	-	7,883	-
Staff Taxation Payments	-	-	-	-
Staff Salaries & Wages	-	-	-	-
Trust Account Deposits	-	-	-	-
Domestic Waste	-	-	123	-
Other Contributions	-	-	-	-
Other	40	-	38	-
Total Payables	14,843	-	16,387	-
Current Payables not expected to be settled within the next 12 months	6,236	-	6,109	-
Borrowings				
Bank Overdraft	-	-	-	-
Loans - secured ⁽¹⁾	527	2,895	492	3,412
Loans - unsecured	-	-	-	-
Government Advances	-	-	-	-
Ratepayers advances	-	-	-	-
Finance lease liability	-	-	-	-
Deferred payment liabilities	-	-	-	-
Total Interest Bearing Liabilities	527	2,895	492	3,412
Provisions⁽²⁾⁽³⁾				
Annual & Other Accrued Leave	3,199	-	3,048	-
Sick Leave	203	-	200	-
Long Service Leave	6,451	180	5,882	221
Employee Leave Entitlements On Costs	-	-	-	-
Site Remediation (see Note 26)	-	-	-	-
Self Insurance Liabilities	-	-	-	-
Other Employee Provisions	-	-	-	-
Total Provisions	9,853	180	9,130	221
Current provisions not expected to be settled within the next 12 months	5,381	-	5,707	-
Liabilities relating to restricted assets				
Domestic Waste Management	-	-	123	-
Total Liabilities relating to restricted assets	-	-	123	-
Liabilities relating to unrestricted assets	25,223	3,075	25,886	3,633
Total	25,223	3,075	26,009	3,633

⁽¹⁾ Loans are secured by the rating income of Council.

⁽²⁾ Vested ELE is all carried as a current provision.

⁽³⁾ Increase in provision due to movement in the Commonwealth Government Securities for 2012

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 10(b) DESCRIPTION AND MOVEMENTS IN PROVISIONS

Class of Provision	Opening Balance (\$'000)	Increase in Provision (\$'000)	Payments (\$'000)	Re-Measurement (\$'000)	Closing Balance (\$'000)
Annual & Other Accrued Leave	3,048	2,527	2,376	-	3,199
Sick Leave	200	3	-	-	203
Long Service Leave	6,103	1,085	557	-	6,631
Total	9,351	3,615	2,933	-	10,033

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 11 RECONCILIATION OF OPERATING RESULT TO NET CASH MOVEMENT FROM OPERATING ACTIVITIES

(a) Reconciliation of Cash Assets

	Notes	2013 (\$'000)	2012 (\$'000)
Total Cash and Cash Equivalents	6(a)	15,805	13,973
<u>Less: Bank Overdraft</u>	10	-	-
Balances as per Statement of Cash Flow		<u>15,805</u>	<u>13,973</u>

(b) Reconciliation of net Operating Result to Cash Provided from Operating Activities

		2013 (\$'000)	2012 (\$'000)
Net Operating Result from Income Statement		12,234	23,246
Add:			
Depreciation and Impairment	4	19,075	18,387
Impairment of investments	3	-	-
Increase in provision for doubtful debts	7	-	-
Increase in provision for leave entitlements	10	682	1,722
Increase in Other Provisions	10	-	-
Decrease in receivables	7	734	-
Decrease in inventories	8	-	90
Decrease in other current assets	8	-	738
Increase in payables	10	-	1,032
Increase in accrued interest payable	10	-	-
Increase in other current liabilities	10	50	-
Decrements from revaluations	4	-	-
Loss on sale of assets	5	4,247	-
Fair value adjustments to investment property	4	-	-
Amortisation of discounts & premiums recognised	3,4	-	-
Other	3,4	-	-
Less:			
Decrease in provision for doubtful debts	7	(33)	(15)
Decrease in employee leave entitlements	10	-	-
Decrease in Other Provisions	10	-	-
Increase in receivables	7	-	(657)
Increase in inventories	8	(117)	-
Increase in other current assets	8	(157)	-
Decrease in payables	10	(3,880)	-
Decrease in accrued interest payable	10	-	(1)
Decrease in other current liabilities	10	-	(80)
Reversal of previous revaluation decrements		-	-
Non cash contributions and dedications		-	-
Gain on sale of Assets	5	-	(771)
Fair value adjustments to financial assets at fair value through profit and loss	6	-	-
Fair value adjustments to investment properties	3	(345)	(75)
Amortisation of discounts & premiums recognised	3	(34)	(14)
Non Cash Capital Grants & Contributions	3	-	(12,500)
Net cash provided by (used in) operating activities		<u>32,456</u>	<u>31,102</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 11 Reconciliation of Operating Result to Net Cash Movement From Operating Activities (continued)

	2013 (\$'000)	2012 (\$'000)
(c) Non-Cash Financing and Investing Activities		
Acquisition of Plant & Equipment by means of finance leases	-	-
S.94 contributions in kind	-	-
Dedications	-	12,500
	<u>-</u>	<u>12,500</u>
(d) Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts Facility	-	-
Corporate credit cards	45	45
	<u>45</u>	<u>45</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 12 COMMITMENTS FOR EXPENDITURE

	2013 (\$'000)	2012 (\$'000)
(a) Capital Commitments (exclusive of GST)		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	-	-
Plant & Equipment	-	-
Macquarie Business Centre signage	24	-
Architectural Services - surf attraction	33	-
Parking Meter Upgrade	173	-
Parramatta River Flood Study	-	73
Granite Paving	1,614	-
Gross Pollutant Trap	-	128
Total	<u>1,844</u>	<u>200</u>
These expenditures are payable:		
- Not later than one year	1,844	200
- Later than one year and not later than 5 years	-	-
- Later than 5 years	-	-
Total	<u>1,844</u>	<u>200</u>
 (b) Finance lease commitments		
Commitments under finance leases at the reporting date are payable as follows:		
- Not later than one year	-	-
- Later than one year and not later than 5 years	-	-
- Later than 5 years	-	-
Total	<u>-</u>	<u>-</u>
Minimum lease payments	-	-
Less: future finance charge	-	-
Lease liability	<u>-</u>	<u>-</u>
Representing lease liabilities:		
- Current	-	-
- Non-Current	-	-
Total	<u>-</u>	<u>-</u>
Description of Leases:		

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 12 Commitments for Expenditure (continued)

	2013 (\$'000)	2012 (\$'000)
(c) Non-cancellable operating lease commitments		
Commitments under non-cancellable operating leases at 30 June 2013 but not recognised in the financial statements are payable as follows:		
- Not later than one year	-	-
- Later than one year and not later than 5 years	-	-
- Later than 5 years	-	-
Total	<u>-</u>	<u>-</u>
(d) Repairs and maintenance: investment property		
Contractual obligations for future repairs and maintenance	-	-
Total	<u>-</u>	<u>-</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 13 STATEMENT OF PERFORMANCE MEASURES – CONSOLIDATED RESULTS

	Amounts (\$'000)	Current Year Indicators	2012	2011
1. UNRESTRICTED CURRENT RATIO				
Current Assets Less All External Restrictions ⁽¹⁾	\$60,119	4.42:1	3.72:1	4.79:1
Current Liabilities Less Specific Purpose Liabilities ⁽²⁾⁽³⁾⁽⁴⁾	\$13,606			
2. DEBT SERVICE RATIO				
Debt Service Cost (Principal & Interest Payments)	\$612	0.68%	0.75%	0.83%
Income from continuing operations, excluding capital items and specific purpose grants/contributions	\$89,680			
3. RATE COVERAGE RATIO				
Rates and Annual Charges	\$61,079	54.84%	51.48%	56.29%
Income from continuing operations	\$111,383			
4. RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGE				
Rates and Annual Charges Outstanding	\$2,509	3.93%	4.19%	3.99%
Rates and Annual Charges Collectable	\$63,840			
5. BUILDINGS & INFRASTRUCTURE RENEWALS RATIO				
Asset Renewals (building & infrastructure) ⁽⁵⁾	\$14,018	93.64%	80.19%	47.87%
Depreciation, amortisation and impairment (building & infrastructure)	\$14,970			

⁽¹⁾ Refer to Notes 6 - 8 Inclusive

⁽²⁾ Refer to Note 10(a)

⁽³⁾ \$5,381K provisions not expected to be settled deducted.

⁽⁴⁾ \$6,236K provisions not expected to be settled deducted.

⁽⁵⁾ Refer Note 9(a) - Notes

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 14 INVESTMENT PROPERTIES

	2013 (\$'000)	2012 (\$'000)
At Fair Value		
Opening balance at July 1 2012	2,275	2,200
Net gain (loss) from fair value adjustment	345	75
Closing Balance at 30 June 2013	<u>2,620</u>	<u>2,275</u>
(a) Amounts Recognised in Profit and Loss for Investment Property		
Rental income	227	211
Net gain (loss) from fair value adjustment	345	75
Direct operating expenses from property that generated rental income	(23)	(21)
Total	<u>549</u>	<u>265</u>
(b) Valuation Basis		
The basis of the valuation of investment properties is at fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition subject to similar leases. The 2013 revaluations were based on independent assessments made by Scott Fullarton Valuations Pty Ltd, a member of the Australian Property Institute.		
(c) Contractual obligations		
Refer to Note 12 for disclosure of any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
(d) Leasing Arrangements		
The investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows.		
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
- Not later than one year	227	212
- Later than one year and not later than 5 years	638	733
- Later than 5 years	74	121
Total	<u>939</u>	<u>1,066</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 15 FINANCIAL RISK MANAGEMENT

Risk Management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the Finance Unit under policies approved by the Council.

Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Financial assets				
Cash and cash equivalents	15,805	13,973	15,805	13,973
Receivables	6,701	7,402	6,701	7,402
Financial assets at fair value through profit or loss	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Held-to-maturity investments	76,072	65,109	76,393	65,174
	<u>98,578</u>	<u>86,484</u>	<u>98,899</u>	<u>86,549</u>
Financial liabilities				
Payables	14,843	16,387	14,843	16,387
Borrowings	3,422	3,904	3,422	3,904
	<u>18,265</u>	<u>20,291</u>	<u>18,265</u>	<u>20,291</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to be the carrying value which approximates net market value
- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

Fair value hierarchy

The fair values of financial instruments carried at fair value have been classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The levels of the hierarchy are as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The value of financial instruments carried at fair value shown in the relevant level of the hierarchy is shown below:

	2013 \$'000	2012 \$'000
Level 1	-	-
Level 2	-	-
Level 3	-	-

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 15 Financial Risk Management (continued)

(a) Cash and cash equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance Unit manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with the Local Government Act and Minister's Order. The policy is regularly reviewed by Council and an Investment Report provided to Council monthly setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns. Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

	30/06/2013 \$'000	30/06/2012 \$'000
Impact of a 10% ⁽¹⁾ movement in price of investments:		
- Equity	-	-
- Income statement	-	-
Impact of a 1% ⁽¹⁾ movement in interest rates on cash and investments:		
- Equity	919	791
- Income statement	919	791

Notes:

(1) Sensitivity percentages based on management's expectation of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents, managed funds, and FRNs.) Recent market volatility has seen larger market movements for certain types of investments.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 15 Financial Risk Management (continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's receivables credit risk at balance date follows:

	2013 Rates & Annual Charges	2013 Other Receivables	2012 Rates & Annual Charges	2012 Other Receivables
(i) Ageing of Receivables				
- Current (not yet overdue)	-	4,339	-	5,020
- Past due	2,184	363	2,288	312
	<u>2,184</u>	<u>4,702</u>	<u>2,288</u>	<u>5,332</u>

(ii) Movement in Provision for Impairment for Receivables

	2013	2012
Balance at the beginning of the year	218	233
Plus: New provisions recognised during the year	121	5
Less: Amounts already provided for & written off	(154)	(20)
Balance at the end of the year	<u>185</u>	<u>218</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 15 Financial Risk Management (continued)

(c) Payables
Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below.

2013 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	14,843	-	-	14,843	14,843
Borrowings	527	2,281	614	3,422	3,422
	<u>15,370</u>	<u>2,281</u>	<u>614</u>	<u>18,265</u>	<u>18,265</u>
2012 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	16,387	-	-	16,387	16,387
Borrowings	492	2,191	1,221	3,904	3,904
	<u>16,879</u>	<u>2,191</u>	<u>1,221</u>	<u>20,291</u>	<u>20,291</u>

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. The Finance Unit regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The following interest rates were applicable to Council's borrowings at balance date:

	30 June 2013		30 June 2012	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$'000	%	\$'000
Overdraft	N/A	-	N/A	-
Bank Loans – Variable ⁽¹⁾	3.02%	3,423	3.73%	3,905
		<u>3,423</u>		<u>3,905</u>

Note:

⁽¹⁾ The interest rate risk applicable to Variable Rate Bank Loans is not considered significant.

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ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 16 MATERIAL BUDGET VARIATIONS

Council's original budget was incorporated as part of the 2012-2016 Delivery Plan adopted by the Council on 26 June 2012.

Whilst the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the Local Government Act requires Council to review its original budget on a quarterly basis, so that it is able to manage the various variations between actuals and budget that invariably occur throughout the year.

In accordance with section 407 of the Local Government Act 1993, variations to Council's budget are reported to Council on a quarterly basis as part of the Management Plan Implementation Report. These documents can be viewed on Council's website at www.ryde.nsw.gov.au

This Note sets out the details of material variations between the original budget and actual results for the Income Statement. Material favourable (F) and unfavourable (U) variances represent amounts of 10% or more of the budgeted amount.

Revenues

User Charges and Fees \$1,335K 11% (F)

Council received user charges of \$13,294k which was above the original budget by \$1,335k (11%). Council undertakes work on behalf of utility companies such as power, water and telecommunications, where those companies have dug up the Council footpath. The Council undertakes the restoration works, which the utility company pays.

Council received an additional \$1.47 million more in restoration funding than was originally budgeted.

Interest and Investment Revenue \$802K 23% (F)

Council received interest revenue of \$4,328k which was above the original budget by \$802k (23%). Council adopted a conservative approach to its original budget for interest, plus Council received a total of \$11.97 million in additional Sect 94 Contributions throughout the year. This coupled with \$11.71 million on hand has increased the amount of interest received on reserves. This additional interest has been restricted in the Section 94 reserve.

Other Revenues \$1,095K 17% (F)

Council received other revenues of \$7,527k which was above the original budget by \$1,095k (17%). This relates to additional \$1.31 million in parking fines above what was budgeted.

Grants & Contributions provided for operating purposes \$306K 4% (F)

Council received other revenues of \$7,126k which was above the original budget by \$306k (4%). This relates to additional grants from the RMS of \$272K and a grant for the removal of graffiti of \$100k.

Grants & Contributions provided for capital purposes \$16,193K 882% (F)

Council received capital income of \$18,029k which was above the original budget by \$16,193k (882%). This relates to \$11.97 million in Section 94 contributions, \$2.43 million from TfNSW for works, plus \$687K from RMS and \$356K for parks and playgrounds.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 16 Material Budget Variations (continued)

Expenses**Employee Benefits and On-costs** -\$1,220K -3% (F)

Due to vacancies throughout the year, Council was able to have a saving of \$2.09 million in direct salaries.

Other Expenses -\$1,140K -8% (F)

The savings in other expenses relate to Non-Capital Projects, which are an operating costs, and relate to studies or plans, which were commenced in 2013/2013, but have been delayed and will be completed in 2013/2014.

Net Loss from the disposal of assets \$4,247K 100% (U)

Whilst Council received a net gain on the disposal of some of its investments, being a total of \$1,373k favourable.

Council also had to write off \$5,496k being the costs held in Work in Progress for the redevelopment of the Civic Centre Precinct, which was due to the resolution of Council on 25 September 2013 to discontinue to redevelop the site.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 17 STATEMENT OF DEVELOPER CONTRIBUTIONS

PURPOSE	OPENING BALANCE \$'000		CONTRIBUTIONS RECEIVED DURING YEAR \$'000		INTEREST & INCOME EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	INTERNAL BORROWINGS (TO/FROM) \$'000	EXPENDITURE RECLASSIFIED \$'000	HELD AS RESTRICTED ASSET** \$'000	WORKS PROVIDED TO DATE \$'000	PROJECTED FUTURE CONTRIBUTIONS \$'000	PROJECTED COST OF WORKS STILL OUTSTANDING \$'000	PROJECTED OVER/(UNDER) FUNDING \$'000	CUMULATIVE INTERNAL BORROWINGS due/(payable) \$'000
	CASH	NON-CASH	CASH	NON-CASH										
Community & Culture	1,908	2,381	-	147	25	4,411	-	46,862	25	46,862	54,968	(3,695)	-	
Open Space & Public Domain	2,416	5,550	-	228	828	7,366	-	124,787	828	124,787	131,689	464	-	
Roads, Traffic, Carparks & Cycleway	721	3,203	-	94	713	3,305	-	29,705	713	29,705	33,615	(605)	-	
Stormwater Management	6,181	571	-	291	724	6,319	-	2,117	724	2,117	7,242	1,194	-	
Administration	549	203	-	29	125	716	-	217	125	217	834	99	-	
TOTAL UNDER PLANS	11,775	11,968	-	789	2,415	22,117	-	203,688	2,415	203,688	228,348	(2,543)	-	
Planning agreements	793	1,853	-	217	217	2,229	-	-	-	-	-	-	-	-
TOTAL CONTRIBUTIONS	12,568	13,621	-	789	2,632	24,346	-	-	-	-	-	-	-	-

City of Ryde Council adopted the Section 54 Development Contributions Plan 2007 - 11 December 2007. This development contribution Plan repeals previous plans.

* Reconcilable with Note 3
 ** Reconcilable with Note 6 (Restricted assets excludes amounts expended in advance)
 *** Cumulative balance of borrowing within and between plans
 **** The total balance under plans are restricted and reflected in Note 6(c) as External Restrictions, whereas the total balance of planning agreements (Voluntary Planning Agreements) is restricted in Note 6 (c) as Internal.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 18 CONTINGENCIES

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources:

LIABILITIES NOT RECOGNISED

1 Guarantees

(i) Defined Benefits Superannuation Contribution Plans

The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all employers.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2013 was \$1,259,615. The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20 February 2013 and covers the period ended 30 June 2013. However the position is monitored annually and the Actuary has estimated that as at 30th June 2013 a deficit still exists. Effective from 1 July 2013, employers are required to contribute additional contributions to assist in extinguishing this deficit. The amount of additional contributions payable until the deficit is extinguished is \$342,059.

The share of this deficit that can be broadly attributed to City of Ryde was estimated to be in the order of \$1,590,350 as at 30 June 2013.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government. Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years. The future realisation and finalisation of claims incurred but not reported to 30 June 2013 may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity. StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council. Council has a contingent liability to contribute further equity in the event of the erosion of the Company's capital base as a result of the Company's past performance and/or claims experience or as a result of any increase prudential requirements of APRA. These future equity contributions would be required to maintain the Company's level of Net Assets in accordance with its Licence Requirements.

2 Remediation Works

(i) Old landfill sites

The Council has a number of old landfill sites that were used for the purpose of disposal of domestic and other waste, which have since been converted to playing fields. No liability arises from any potential toxicity or subterranean leakage, but there will be ongoing remediation works that may be required from time to time to reinstate the playing surfaces, due to subsidence following further settling of the waste within the landfill.

Council has not, as yet, been able to reliably determine the quantum of liability for this future works, but has estimated that it could cost approximately \$150,000 per annum.

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ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 18 Contingencies (continued)

ASSETS NOT RECOGNISED

(i) Infringement Notices/Fines

Fines & penalty income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau. Council's Revenue Recognition policy for such income is to account for it as revenue on receipt. Accordingly, at Year End, there is a potential asset due to Council representing issued but updated Infringement Notices. Due to the limited information available on the status, value and duration of outstanding Notices, Council is unable to determine the value of outstanding income.

(ii) Pedestrian Bridge and Tunnel, Top Ryde

Council, as part of the approval of a Development Application for the Top Ryde City Shopping Centre entered into an agreement with the owners and developers, Belvista Pty Ltd, where a monetary contribution was paid for the purchase of a tract of land at the front of Council's Administration Centre, 1 Devlin St, Ryde. Also one of the conditions of the Development Application was a long-term lease of 49 years, with a 50 year option, between Council and the Developers, where Council leased the airspace in which a number of assets were to be constructed. The assets consisted of:

Two pedestrian bridges across Devlin Street.

The tunnels into the Top Ryde City Shopping Centre, plus the tunnels towards the Civic Centre site.

What this means to Council is that there is a contingent asset that will become Council's at the end of the lease.

(iii) Michael Lardelli Park - Putney (Royal Rehabilitation site)

Council as part of the development of the Royal Rehabilitation site at Putney is to take possession of a detention basin and park within the development. This was official opened in March 2012 by the Mayor, but Council is yet to take possession and ownership of the park, as it is contingent on works being completed.

Until that time the developer is responsible for the maintenance of the park. Council will, when it takes ownership, bring the asset to account, which is estimated at \$4.26 million.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 19 INTERESTS IN JOINT VENTURES AND ASSOCIATES

Council has no interests in joint ventures or associates.

NOTE 20 REVALUATION RESERVES AND RETAINED EARNINGS

	2013 (\$'000)	2012 (\$'000)
(a) Retained earnings		
Movements in retained earnings were as follows:		
At beginning of year	1,713,135	1,689,889
Adjustment to correct prior years errors (Note 20 (d))	-	-
Net operating result for the year	<u>12,234</u>	<u>23,246</u>
At end of year	<u>1,725,369</u>	<u>1,713,135</u>
(b) Revaluation reserves		
Infrastructure, property, plant and equipment revaluation reserve	<u>260,507</u>	<u>518,376</u>
Total assets	<u>260,507</u>	<u>518,376</u>
Movements:		
Property, plant and equipment revaluation reserve		
At beginning of year	518,376	518,376
Revaluation - gross ⁽¹⁾	(350,362)	-
Depreciation transfer - gross	<u>92,493</u>	<u>-</u>
At end of year	<u>260,507</u>	<u>518,376</u>
Available-for-sale investments revaluation reserve		
At beginning of year	-	-
Revaluation- gross	-	-
Transfer to net profit - gross	<u>-</u>	<u>-</u>
At end of year	<u>-</u>	<u>-</u>
(c) Nature and purpose of reserves		
(i) Infrastructure, property, plant and equipment revaluation reserve		
The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.		
(d) Correction of errors in previous years		
There are no correction of errors in previous years.		
(1) The major adjustment relates to a change in the valuation of Council's infrastructure assets and are affected mainly by Roads and Stormwater Drainage assets.		

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 21 RESULTS BY FUND

Council has only one consolidated fund.

NOTE 22 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2013 (\$'000)	2012 (\$'000)
Operational Land	910	-
Buildings	-	-
Total	<u>910</u>	<u>-</u>

NOTE 23 EVENTS OCCURRING AFTER BALANCE SHEET DATE

There have been no events occurring after Balance Sheet Date that require reporting.

NOTE 24 DISCONTINUED OPERATIONS

There were no operations discontinued by Council during the year.

NOTE 25 INTANGIBLE ASSETS

Council has no Intangible Assets to report.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

NOTE 26 REINSTATEMENT, REHABILITATION AND RESTORATION LIABILITIES

Site Remediation

Council was required by law to restore sites at Wellington Road and Parsonage Street to their original condition, following their former usage as Council works depots. These works have been completed and the sites reinstated.

Council is investigating its liabilities during 2013/2014 in relation to old landfill sites, and this is noted at Note 18 - Contingent Liabilities. Once quantified it will be noted here.

	2013 (\$'000)	2012 (\$'000)
At beginning of the year	-	-
Revised Costs	-	-
Remediation Works	-	-
At end of the Year	<u>-</u>	<u>-</u>

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

Hill Rogers
Spencer Steer

CITY OF RYDE
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *general purpose financial statements* of the *City of Ryde*, which comprises the Statement of Financial Position as at 30 June 2013, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

Assurance Partners

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Notes to the General Purpose Financial Statements 30 June 2013

Hill Rogers
Spencer Steer

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial statements:
 - (i) have been presented in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER



BRETT HANGER
Partner

Dated at Sydney this 8th day of October 2013

City of Ryde
General Purpose Financial Statements
Independent Auditors' Report

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ITEM 4 (continued)

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Notes to the General Purpose Financial Statements 30 June 2013

Hill Rogers
Spencer Steer

8 October 2013

The Mayor
City of Ryde
1 Devlin Street
RYDE NSW 2112

Mayor,

Audit Report - Year Ended 30 June 2013

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2013 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit:

I. RESULTS FOR THE YEAR

I.1 Operating Result

The operating result for the year was a surplus of \$12.234 million as compared with \$23.246 million in the previous year.

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ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

*Hill Rogers
Spencer Steer*

The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2013	% of	2012	% of	Increase
	\$'000	Total	\$'000	Total	(Decrease)
					\$'000
Revenues before capital items					
Rates & annual charges	61,079	65%	58,514	64%	2,565
User charges, fees & other revenues	20,821	22%	18,899	21%	1,922
Grants & contributions provided for operating purposes	7,126	8%	8,990	10%	(1,864)
Interest & investment revenue	4,328	5%	4,482	5%	(154)
	93,354	100%	90,885	100%	2,469
Expenses					
Employee benefits & costs	38,005	38%	36,471	40%	1,534
Materials, contracts & other expenses	41,939	42%	35,365	39%	6,574
Depreciation, amortisation & impairment	19,075	19%	18,387	20%	688
Borrowing costs	130	0%	202	0%	(72)
	99,149	100%	90,425	100%	8,724
Surplus/(Deficit) before capital items	(5,795)		460		(6,255)
Grants & contributions provided for capital purposes	18,029		22,786		(4,757)
Net Surplus/(Deficit) for the year	12,234		23,246		(11,012)

The table above shows an overall decrease over the previous year of \$11.012 million and can be attributable to decreased grants and contributions received and the write off of capital works in progress.

1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.

ITEM 4 (continued)

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Notes to the General Purpose Financial Statements 30 June 2013

Hill Rogers
Spencer Steer

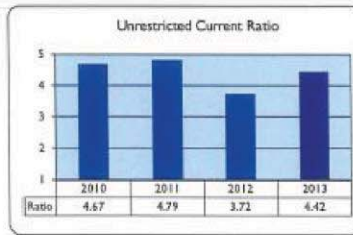
	2013 \$000	2012 \$000
Funds were provided by:-		
Operating Result (as above)	12,234	23,246
Add back non funding items:-		
- Depreciation, amortisation & impairment	19,075	18,387
- Book value of non-current assets sold	6,794	1,444
- Non-cash Contributions of assets acquired	0	(12,500)
- (Gain)/Loss of fair value to investment properties	(345)	(75)
	37,758	30,502
Transfers from internal reserves (net)	0	10,115
Net Changes in current/non-current assets & liabilities	1,929	2,264
	39,687	42,881
Funds were applied to:-		
Purchase and construction of assets	(24,165)	(22,895)
Increase/Purchase in Non-current Investments	(2,513)	(16,607)
Principal repaid on loans	(482)	(442)
Transfers to externally restricted assets (net)	(3,174)	(1,782)
Transfers to internal reserves (net)	(9,539)	0
	(39,873)	(41,726)
Increase/(Decrease) in Available Working Capital	(186)	1,155

2. FINANCIAL POSITION

2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$46.513 million representing a factor of 4.42 to 1.



2.2 Available Working Capital – (Working Funds)

A more meaningful financial indicator specific to local government is the level of **Available Working Capital**. Net Current Assets are adjusted by eliminating both external and internal restrictions held for future purposes.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

*Hill Rogers
Spencer Steer*

At the close of the year the Available Working Capital of Council stood at \$5.174 million as detailed below;

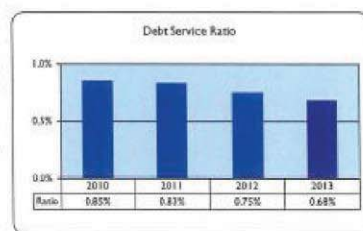
	2013	2012	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	44,474	32,904	11,570
Add: Payables, provisions & inventories not expected to be realised in the next 12 months included above	11,520	11,684	(164)
Adjusted Net Current Assets	55,994	44,588	11,406
Add: Budgeted & expected to pay in the next 12 months			
- Borrowings	527	492	35
- Employees leave entitlements	4,472	3,423	1,049
- Deposits & retention moneys	1,811	1,774	37
Less: Externally restricted assets	(9,481)	(6,307)	(3,174)
Less: Internally restricted assets	(48,149)	(38,610)	(9,539)
Available Working Capital as at 30 June	5,174	5,360	(186)

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside we are of the opinion that Available Working Capital as at 30 June 2013 was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service these repayments was 0.68%.

Total debt at 30 June 2013 amounted to \$3.422 million.



2.4 Summary

Council's overall financial position as at 30 June 2013, when taking into account the above financial indicators was, in our opinion, sound.

ITEM 4 (continued)

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Notes to the General Purpose Financial Statements 30 June 2013

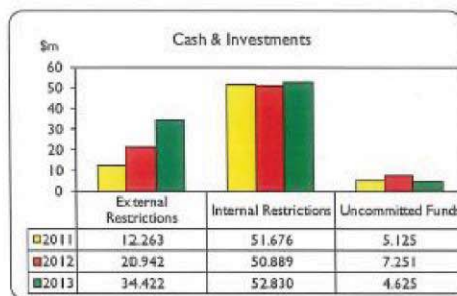
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3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$91.877 million as compared with \$79.082 million and \$69.064 million at the close of financial years 2012 and 2011 respectively.

The chart alongside summarises the purposes for which cash and investments were held.



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 of \$22.117 million, domestic waste management charges of \$4.789 million and specific purpose grants, contributions and levies of \$7.516 million.

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "Reserves". These Reserves totalled \$52.830 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$4.625 million, which is available to provide liquidity for day to day operations.

3.2 Cash Flows

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash increased by \$1.832 million to \$15.805 million at the close of the year.

In addition to operating activities which contributed net cash of \$32.456 million were the proceeds from the sale of investments (\$18.373 million) and other assets (\$1.174 million). Cash outflows other than operating activities were used to purchase investments (\$27.929 million), repay loans (\$482,000) and to purchase and construct assets (\$21.76 million).

ITEM 4 (continued)

ATTACHMENT 8

Notes to the General Purpose Financial Statements 30 June 2013

Hill Rogers
Spencer Steer

4. RECEIVABLES

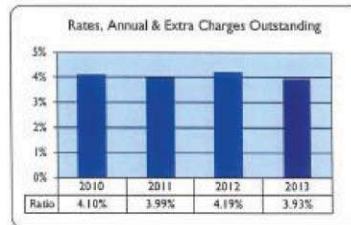
4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$61.079 million and represented 55% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$63.367 million of which \$61.183 million (97%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$2.509 million at the end of the year and represented 3.93% of those receivables.



4.3 Other Receivables

Receivables (other than rates, annual & extra charges) totalled \$4.377 million and mainly consisted of user charges and fees (\$1.246 million), accrued interest on investments (\$893,000) and amounts due from government departments (\$1.172 million).

Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$185,000.

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$10.033 million.

A cash reserve of \$3.11 million was held at year end representing 31% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

5.2 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$8.047 million which were fully funded by internally restricted cash and investments.

ITEM 4 (continued)

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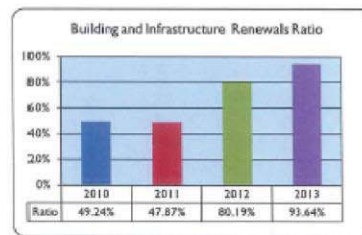
Notes to the General Purpose Financial Statements 30 June 2013

*Hill Rogers
Spencer Steer*

6. BUILDINGS AND INFRASTRUCTURE RENEWALS

The Buildings and Infrastructure Renewals ratio measures the rate at which these assets are renewed against the rate at which they are depreciating.

The ratio indicates that asset renewals for 2013 represented 94% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



7. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 24 April 2013. This included our recommendations on possible ways to strengthen and/or improve procedures management's comments and proposed actions.

8. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,
HILL ROGERS SPENCER STEER

B. Hanger
BRETT HANGER
Partner

ITEM 4 (continued)

ATTACHMENT 8



 City of Ryde
Lifestyle and opportunity @ your doorstep



**Special Purpose
Financial Statements**
Year Ended 30 June 2013

ITEM 4 (continued)

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Special Purpose Financial Statements – Year Ended 30 June 2013

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ATTACHMENT 8

Special Purpose Financial Statements – Year Ended 30 June 2013

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2013

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ATTACHMENT 8

Special Purpose Financial Statements – Year Ended 30 June 2013

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2013

**STATEMENT BY COUNCILLORS AND MANAGEMENT MADE
PURSUANT TO THE LOCAL GOVERNMENT CODE OF ACCOUNTING
PRACTICE AND FINANCIAL REPORTING**

The attached Special Purpose Financial Statements have been prepared in accordance with:

- NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*
- Division of Local Government Guidelines *"Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality"*
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water, Department of Environment, Climate Change and Water Guidelines.

To the best of our knowledge and belief, these Statements

- presents fairly the Council's operating result and financial position for each of Council's declared Business Activities for the year, and
- accords with Council's accounting and other records

We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 24 September 2013.



Councillor Roy Maggio
Mayor



Councillor Justin Li
Deputy Mayor



Mr Roy Newsome
Acting General Manager



Mr John Todd
Chief Financial Officer
(Responsible Accounting Officer)

ITEM 4 (continued)

ATTACHMENT 8

Special Purpose Financial Statements – Year Ended 30 June 2013

INCOME STATEMENT OF OTHER BUSINESS ACTIVITIES
 for the year ended 30 June 2013
 (\$000's)

	Ryde Aquatic Leisure Centre (Category 1)		Commercial Waste Management (Category 2)	
	2013	2012	2013	2012
Income from continuing operations				
Annual Charges	-	-	-	-
User Charges	4,661	4,371	811	787
Fees	-	-	-	-
Interest	-	-	-	-
Other income	120	8	-	-
Grants & Contributions provided for Non-Capital Purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Total Income From Continuing Operations	4,781	4,379	811	787
Expenses from continuing operations				
Employee benefits and on costs	2,703	2,526	-	12
Materials and Contracts	742	742	391	266
Borrowing costs	-	-	-	-
Depreciation and impairment	1,167	877	-	-
Loss on sale of assets	-	40	-	-
Calculated Taxation Equivalents	147	138	-	-
Other expenses	44	41	206	126
Total Expenses From Continuing Operations	4,803	4,364	597	404
Surplus (Deficit) from Continuing Operations before capital amounts	(22)	15	214	383
Grants & Contributions provided for Capital Purposes	-	-	-	-
Surplus (Deficit) from Continuing Operations after capital amounts	(22)	15	214	383
Surplus (Deficit) from Discontinued Operations	-	-	-	-
Surplus (Deficit) from All Operations before Tax	(22)	15	214	383
Less Corporate Taxation Equivalent (30%) [based on Operating result before capital]	-	5	64	115
Surplus (Deficit) After Tax	(22)	10	150	268
Opening Retained profits *	31,409	31,044	200	200
Adjustments for Amounts Unpaid:-				
Taxation Equivalent Payments	147	138	-	-
Corporate Taxation Equivalent	-	5	64	115
Plus: Subsidy from Council	-	-	-	-
Plus: Equity Contributions	688	365	-	-
Less: Equity Withdrawals	-	-	-	-
Less: TER Dividend payment (non restricted activities)	(147)	(143)	(64)	(115)
Less: Surplus Dividend payment (non restricted activities)	-	(10)	(150)	(268)
Closing Retained Profits	32,075	31,409	200	200
RETURN ON CAPITAL (%)	-0.1%	0.0%	N/A	N/A
SUBSIDY FROM COUNCIL	-	-	-	-

ITEM 4 (continued)
ATTACHMENT 8
Special Purpose Financial Statements – Year Ended 30 June 2013
**BALANCE SHEET OF OTHER BUSINESS ACTIVITIES
 for the year ended 30 June 2013**

(\$000's)

	Ryde Aquatic Leisure Centre		Commercial Waste Management	
	(Category 1)		(Category 2)	
	2013	2012	2013	2012
CURRENT ASSETS				
Cash Asset and cash equivalents	8,429	1,782	-	-
Investments	-	-	-	-
Receivables	72	79	288	220
Inventories	12	12	-	-
Other	-	-	51	33
TOTAL CURRENT ASSETS	8,513	1,873	339	253
NON-CURRENT ASSETS				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	29,587	43,752	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	29,587	43,752	-	-
TOTAL ASSETS	38,100	45,625	339	253
CURRENT LIABILITIES				
Payables	257	254	82	48
Interest Bearing Liabilities	-	-	-	-
Provisions	647	528	-	3
TOTAL CURRENT LIABILITIES	904	782	82	51
NON-CURRENT LIABILITIES				
Payables	-	-	-	-
Interest Bearing Liabilities	-	-	-	-
Provisions	12	12	57	2
TOTAL NON-CURRENT LIABILITIES	12	12	57	2
NET ASSETS	37,184	44,831	200	200
EQUITY				
Retained Earnings	32,075	31,409	200	200
Revaluation Reserves	5,109	13,422	-	-
TOTAL EQUITY	37,184	44,831	200	200

ITEM 4 (continued)

ATTACHMENT 8

Notes to the Special Purpose Financial Statements – Year Ended 30 June 2013

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Report (SPFS) for National Competition Policy reporting purposes follows.

These financial statements are a SPFS prepared for use by the Council and Division of Local Government. For the purposes of these statements, the Council is not a reporting entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition criteria of applicable Australian Accounting Standards, other authoritative pronouncements of the AASB and Australian Accounting Interpretation. The disclosures in these special purpose financial statements have been prepared in accordance with the Local Government Act and Regulation and the Local Government Code of Accounting Practice and Financial Reporting.

This special purpose financial report, unless otherwise stated, has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the Local Government Act and Regulations, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government". The "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality" issued by the Division of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; Council subsidies; and return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with Pricing & Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

Category 1

Name	Brief Description of Activity
Ryde Aquatic Leisure Centre	Provision of aquatic and dry court sports and leisure facilities

Category 2

Name	Brief Description of Activity
Commercial Waste Removal	Commercial waste collection, recycling and disposal.

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

Taxation Equivalent Payments

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Statement) like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council nominated business activities and are reflected in the SPFS. For the purposes of disclosing

ITEM 4 (continued)

ATTACHMENT 8

Notes to the Special Purpose Financial Statements – Year Ended 30 June 2013

comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all Council nominated business activities:

Tax	Notional Rate Applied %
Corporate Tax Rate	30%
Land Tax	1.6% of the value in excess of \$387,000 but less than \$2,366,000. 2% of the value in excess of \$2,366,000
Payroll Tax	5.48% of total labour payments for the individual business activity in excess of \$658,000
Stamp Duty	Statutory rates as published by the Office of State Revenue.

Income Tax

An income tax equivalent has been applied on the profits of the business. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional, that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the GPFR. The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned or exclusively used by the business activity.

Loan and Debt Guarantee Fees

The debt guarantee fee is designed to ensure that Council business activities face "true" commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statement of Business Activities.

(ii) Return on Investments (Rate of Return)

The Policy statement requires that Councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field". Funds are subsequently available for meeting commitments or financing future investment strategies. Where a business activity has required the investment of capital assets, the rate of return on investment is disclosed in the Income Statement of Business Activities.

(iii) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

ITEM 4 (continued)

ATTACHMENT 8

Notes to the Special Purpose Financial Statements – Year Ended 30 June 2013

Hill Rogers
Spencer Steer

CITY OF RYDE
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *special purpose financial statements* of the *City of Ryde*, which comprises the Statement of Financial Position as at 30 June 2013, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

Assurance Partners

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ITEM 4 (continued)

ATTACHMENT 8

Notes to the Special Purpose Financial Statements – Year Ended 30 June 2013

Hill Rogers
Spencer Steer

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

HILL ROGERS SPENCER STEER



BRETT HANGER
Partner

Dated at Sydney this 8th day of October 2013

ITEM 4 (continued)

ATTACHMENT 8

 City of Ryde
Lifestyle and opportunity @ your doorstep



Special Schedules
Year Ended 30 June 2013

ITEM 4 (continued)

ATTACHMENT 8



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ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

SPECIAL SCHEDULES
for the year ended 30 June 2013

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ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

SPECIAL SCHEDULES - Schedule No. 1

NET COST OF SERVICES

for the year ended 30 June 2013

(\$'000)

Function or Activity	EXPENSES FROM CONTINUING OPERATIONS		REVENUES FROM CONTINUING OPERATIONS			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
GOVERNANCE	2,315		7			(2,308)	
		2,315			7		(2,308)
ADMINISTRATION							
Corporate Support	3,277		218			(3,058)	
Engineering & Works	7,130		740			(6,389)	
Other Support Services	18,366		(984)			(19,350)	
		28,772			(25)		(28,797)
PUBLIC ORDER & SAFETY							
Statutory Contribution to Fire Service Levy	1,912					(1,912)	
Fire Protection - Other							
Animal Control	302		49			(253)	
Beach Control							
Enforcement of Local Govt Regs	748		1,321			573	
Emergency Services	266		16			(250)	
Other	1,992		3,995			2,004	
		5,220			5,381		161
HEALTH							
Administration & Inspection	359		367			8	
Immunisation	105		35			(70)	
Food Control							
Insect/Vermin Control							
Noxious Plants	5					(5)	
Health Centres	45					(45)	
Other							
		515			402		(112)
COMMUNITY SERVICES & EDUCATION							
Administration	702		26			(675)	
Family Care							
Child Care	17					(17)	
Youth Services	180		29			(151)	
Other Families & Children	143		65			(78)	
Aged & Disabled	546		593			47	
Migrant Services							
Aboriginal Services							
Other Community Services	1,241		237			(1,003)	
Education	14		59			45	
		2,842			1,010		(1,833)

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

NET COST OF SERVICES (CONT)

Function or Activity	EXPENSES FROM CONTINUING OPERATIONS		REVENUES FROM CONTINUING OPERATIONS			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
HOUSING & COMMUNITY AMENITIES							
Housing							
Town Planning	5,213		2,819	1,792		(603)	
Domestic Waste Management	13,491		14,575			1,084	
Other Waste Management	1,596		1,019			(577)	
Street Cleaning	681					(681)	
Other Sanitation & Garbage							
Urban Stormwater Drainage	4,955		1,214	209		(3,532)	
Environmental Protection	683		10			(672)	
Public Cemeteries							
Public Conveniences	413					(413)	
Other Community Amenities							
		27,032			21,639		(5,394)
WATER SUPPLIES							
SEWERAGE SERVICES							
RECREATION & CULTURE							
Public Libraries	5,143		918			(4,225)	
Museums							
Art Galleries							
Community Centres	367		185			(183)	
Public Halls	470		441			(29)	
Other Cultural Services	303		92			(211)	
Swimming Pools	4,849		4,873			24	
Sporting Grounds	2,852		534	463		(1,855)	
Parks & Gardens (Lakes)	6,972		330	35		(6,607)	
Other Sport & Recreation	254		255			1	
		21,211			8,126		(13,085)
FUEL & ENERGY SUPPLIES							
Gas Supplies							
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	604		217			(387)	
Abattoirs							
Quarries & Pits							
Other							
		604			217		(387)

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

NET COST OF SERVICES (CONT)

Function or Activity	EXPENSES FROM CONTINUING OPERATIONS		REVENUES FROM CONTINUING OPERATIONS			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
TRANSPORT & COMMUNICATION							
Urban Roads : Local	9,798		4,057	13,100		7,359	
Urban Roads : Regional	197		74			(123)	
Sealed Rural Roads : Local							
Bridges on Urban Roads : Local	63					(63)	
Bridges on Urban Roads : Regional							
Bridges on Urban Roads : Other							
Footpaths	401			2,430		2,029	
Aerodromes							
Parking Areas	89					(89)	
Bus Shelters & Services	79					(79)	
Water Transport							
RTA Works (State)							
Street Lighting	2,217		364			(1,853)	
Other	279		261			(18)	
		13,123			20,286		7,163
ECONOMIC AFFAIRS							
Camping Areas							
Caravan Parks							
Tourism & Area Promotion	5					(5)	
Industrial Development & Promotion							
Saleyards & Markets							
Real Estate Development							
Commercial Nurseries							
Other Business Undertakings	801		851			50	
		806			851		45
TOTALS - FUNCTIONS		102,441			57,894		(44,546)
GENERAL PURPOSE REVENUES ⁽¹⁾					52,631		52,631
SHARE OF GAIN(DEFICIT) FROM ASSOCIATES AND JOINT VENTURES USING EQUITY METHOD ⁽²⁾							
CORRECTION OF FUNDAMENTAL ERROR ⁽²⁾							
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES BEFORE EXTRAORDINARY ITEMS ⁽²⁾		102,441			110,525		8,085
EXTRAORDINARY ITEMS ⁽²⁾							
SURPLUS/(DEFICIT) FROM ALL ACTIVITIES ⁽²⁾		102,441			110,525		8,085

NOTE : 1 Includes:
Rates and Annual Charges (incl. Ex-Gratia)
Non-Capital General Purpose Grants
Interest on Investments

2. As reported on the Income Statement

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

SPECIAL SCHEDULES - Schedule No. 2(a)
STATEMENT OF LONG-TERM DEBT (ALL PURPOSES)
for the year ended 30 June 2013
(\$,000)

Classification of Debt	Principal Outstanding at beginning of Year		New Loans Raised during the year	Debt Redemption during the year		Interest Applicable For Year	Principal Outstanding at end of Year	
	Current	Non-Current		Total	From Revenue		Sinking Funds	Current
LOANS (By Source)								
Commonwealth Bank								
Treasury Corporation								
Other State Government								
Public Subscriptions	492	3,412	3,904	482	-	130	527	2,895
Financial Institutions								
Other								
TOTAL LOANS	492	3,412	3,904	482	-	130	527	2,895
OTHER LONG TERM DEBT								
Ratespayer's Advances								
Government Advances								
Finance Leases								
Deferred Payments								
TOTAL LONG TERM DEBT	492	3,412	3,904	482	-	130	527	2,895

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

STATEMENT OF INTERNAL LOANS (Section 410(3) LGA 1993)
for the year ended 30 June 2013
(\$'000)

SUMMARY OF INTERNAL LOANS

Borrower (by Purpose)	Amount Originally Raised	Total Repaid During the Year Principal & Interest	Principal Outstanding at End of Year
General			
Water			
Sewerage			
Domestic Waste Management			
Gas			
Other	365	-	365
TOTALS	365	-	365

DETAILS OF INDIVIDUAL INTERNAL LOANS

Borrower (by purpose)	Lender (by Purpose)	Date of Minister's Approval	Date Raised	Dates of Maturity	Rate of Interest	Amount Originally Raised	Total Repaid During the Year Principal & Interest	Principal Outstanding at End of Year
RALC Surf Attraction	RALC Reserve					365	-	365
TOTALS						365	-	365

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

SPECIAL SCHEDULES - Schedule No. 7
CONDITION OF PUBLIC WORKS
AS AT 30 June 2013
(\$'000)

Asset Class	Asset Category	Per Note 1		Per Note 4		Valuation	Per Note 9		Asset Condition (weighted by replacement cost)	Estimated Cost to bring to a satisfactory standard	Required Annual Maintenance Expense	Current Annual Maintenance
		Depreciation Rate (%)	Depreciation Expense	Cost	Accumulated Depreciation		WDV					
*Buildings		1.81%	2,426	133,757	69,678	64,079	2,082	966	2,381			
**Public Roads		1.23%	5,435	441,685	120,007	321,678	20,502	1,393	6,054			
Road Pavement/Hd Ancillaries												
Footpaths/Cycleways							4,249	544	1,242			
Bridges							0	200	201			
Kerb & Gutter							13,500	240	44			

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

SPECIAL SCHEDULES - Schedule No. 7
CONDITION OF PUBLIC WORKS
AS AT 30 June 2013
(\$'000)

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense	Cost	Valuation	Accumulated Depreciation	WDV	Asset Condition (weighted by replacement cost)	Estimated Cost to bring to a satisfactory standard	Required Annual Maintenance Expense	Current Annual Maintenance
Drainage Works		1.55%	3,801		244,833	62,485	182,348	95% of conduit assets and 96% of pits and devices assets are considered to be in a satisfactory condition.	14,187	488	1,000
Other Structures		Various	2,380		96,184	18,027	78,157	All playing fields and 69% of park assets are considered to be in a satisfactory condition.	687	962	0
Totals			14,042	0	916,459	270,197	646,262		55,207	4,793	10,932

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

SPECIAL SCHEDULES - Schedule No. 7

CONDITION OF PUBLIC WORKS

AS AT 30 June 2013

(\$'000)

Notes:
Satisfactory condition refers to an asset condition rating of 1 or 2, where a condition rating scale from 1 (Very Good Condition) to 5 (Asset Unserviceable) is utilised (Source: International Infrastructure Management Manual 2006). It does not include any planned enhancements to the asset.

Condition Rating	Condition Description
1	Very Good Condition – Only normal maintenance required
2	Minor Defects Only – Minor maintenance required (5%)
3	Maintenance Required to Return to Accepted Level of Service – Significant maintenance required (10%-20%)
4	Requires Renewal – Significant renewal / upgrade required (20%-40%)
5	Asset Unserviceable – Over 50% of asset requires replacement

Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard (asset condition rating 1 or 2).
Current Annual Maintenance is what has been spent in the current year to maintain assets.

Council undertook a major review of its Asset Management practices for Buildings, Roads and Drainage Assets in 2005/2007, further reviews were undertaken in 2007/2008 for Land and Other Structures. A further review was undertaken of Council's footpath network during the 2008/2009 financial year.

***Buildings**
In assessing the condition of the building assets, an overall condition rating is applied to the building. When a building is noted as satisfactory, this should be interpreted that the majority of assets within the building (ie building components) are in a satisfactory condition. However there may be individual assets within the building that may be in an unsatisfactory condition.

****Public Roads**
Included within the "Public Roads" group of assets is Urban Roads, Footpaths, and Kerb and Gutter
Council has adopted the use of a Pavement Management System (PMS) and condition Rating data has been collected since 1991. Some 20% of the road network is condition rated each year. The current replacement cost of the road assets is \$281M
Council's footpath network has a current replacement value of \$54M. Council has designed and implemented a Footpath Management System, where every footpath is inspected and rated on a 1 to 5 rating basis.
Council has designed and implemented a Kerb & Gutter Management System with approximately 100% of the network inspected and rated. The current replacement value is \$96M.
The current replacement cost of bridges is \$4M.

ITEM 4 (continued)

ATTACHMENT 8

Special Schedules – Year Ended 30 June 2013

SPECIAL SCHEDULES - Schedule No. 8

Financial Projections

	2013(1) (\$'000)	2014 (\$'000)	2015 (\$'000)	2016 (\$'000)	2017 (\$'000)
Operating Budget					
Income From Continuing Operations	91,127	93,197	95,093	97,384	99,417
Expenditure From Continuing Operations	98,461	102,307	104,958	108,356	112,954
Operating Result From Continuing Operations	(7,334)	(9,109)	(9,865)	(10,972)	(13,537)
Capital Budget					
New Capital Works ⁽²⁾	20,293	19,687	18,410	17,112	13,642
Funded By:					
Loans	-	1,500	-	-	-
Asset Sales	1,000	1,150	925	1,075	900
Reserves	5,643	12,123	11,063	11,151	7,483
Grants & Contributions	1,836	214	-	60	-
General Revenue	11,814	4,700	6,422	4,826	5,259
Other	-	-	-	-	-
	20,293	19,687	18,410	17,112	13,642

⁽¹⁾ From income statement

⁽²⁾ New capital works are major non-recurrent projects