



City of Ryde

**General and Special
Purpose Financial Reports**

Year Ended 30 June 2008

General Purpose Financial Report – Year Ended 30 June 2008

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City of Ryde

General Purpose Financial Report for the Year Ended 30 June 2008

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 Report has 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 21 October 2008.



Vic Tagg
Mayor



Sarkis Yedelian
Deputy Mayor



Michael Whittaker
General Manager



Richard Nankivell
Chief Financial Officer
(Responsible Accounting Officer)

Council of the City of Ryde

INCOME STATEMENT for the year ended 30 June 2008

Original Budget* 2008 (\$'000)		Notes	Actual 2008 (\$'000)	Actual 2007 (\$'000)
INCOME FROM CONTINUING OPERATIONS				
Revenue:				
50,110	Rates and Annual Charges	3(a)	50,335	48,270
10,528	User Charges and Fees	3(b)	13,413	12,095
3,796	Interest and Investment Income	3(c)	4,259	3,965
5,733	Other Revenues	3(d)	3,202	1,863
5,952	Grants & Contributions provided for operating purposes	3(e&f)	6,295	5,732
13,393	Grants & Contributions provided for capital purposes	3(e&f)	8,597	10,367
Other Income:				
112	Net gain from the disposal of assets	5	19,008	2,162
89,624	TOTAL INCOME FROM CONTINUING OPERATIONS		105,109	84,454
EXPENSES FROM CONTINUING OPERATIONS				
28,786	Employee Benefits and On-costs	4(a)	29,161	25,611
682	Borrowing Costs	4(b)	475	497
20,650	Materials and Contracts	4(c)	19,149	18,022
14,546	Depreciation and Amortisation & Impairment	4(d)	16,123	14,636
9,567	Other Expenses	4(e)	10,253	8,557
74,231	TOTAL EXPENSES FROM CONTINUING OPERATIONS		75,161	67,323
15,393	NET OPERATING RESULT FOR THE YEAR	2(a)	29,948	17,131
NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS & CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES				
2,000			21,351	6,764

* Original budget as approved by Council - Refer Note 16

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

Council of the City of Ryde

BALANCE SHEET As at 30 June 2008

	Notes	2008		2007	
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
ASSETS					
Current Assets					
Cash and Cash Equivalent Assets	6(a)	34,516		10	
Investments	6(b)	25,552		36,938	
Receivables	7	4,683		3,429	
Inventories	8	386		512	
Other	8	303		343	
Non-Current assets held for Sale	22	-		174	
Total Current Assets			65,440		41,406
Non-Current Assets					
Investments	6(b)	22,500		24,001	
Receivables	7	389		443	
Inventories	8	-		-	
Infrastructure, Property, Plant and Equipment	9	2,109,750		1,646,850	
Investments accounted for using equity method	19	-		-	
Investment Property	14	1,638		2,530	
Intangible assets	25	-		-	
Other	8	-		-	
Total Non-Current Assets			2,134,277		1,673,824
TOTAL ASSETS			2,199,717		1,715,230
LIABILITIES					
Current Liabilities					
Payables	10(a)	14,956		11,117	
Interest Bearing Liabilities	10(a)	700		1,443	
Provisions	10(a)	7,513		7,458	
Total Current Liabilities			23,169		20,018
Non-Current Liabilities					
Payables	10(a)	-		-	
Interest Bearing Liabilities	10(a)	5,240		5,933	
Provisions	10(a)	188		146	
Total Non-Current Liabilities			5,428		6,079
TOTAL LIABILITIES			28,597		26,097
NET ASSETS			2,171,120		1,689,133
EQUITY					
Retained Earnings	20	1,644,113		1,607,434	
Revaluation reserves	20	527,007		81,699	
Council equity interest			2,171,120		1,689,133
Minority equity interest			-		-
TOTAL EQUITY			2,171,120		1,689,133

The above Balance Sheet should be read in conjunction with the accompanying notes.

Council of the City of Ryde

STATEMENT OF CHANGES IN EQUITY for the year ending 30 June 2008

	Notes	2008 (\$'000)					2007 (\$'000)						
		Retained Earnings	Asset Revaluation Reserve	Other Reserves	Council Equity Interest	Minority Interest	Total Equity	Accum Surplus	Asset Revaluation Reserve	Other Reserves	Council Equity Interest	Minority Interest	Total Equity
Balance at the beginning of the reporting period	20	1,607,434	81,699		1,689,133	-	1,689,133	1,310,372	-		1,310,372	-	1,310,372
Transfer to/(from) asset revaluation reserve		-	445,308		445,308	-	445,308	-	81,699		81,699	-	81,699
Transfers to/(from) Other reserves		-		-	-	-	-	-		-	-	-	-
Income and expenses recognised directly in equity													
Adjustments due to asset revaluation *		6,731			6,731		6,731	279,931			279,931		279,931
Distributions to minority interests		-	-		-	-	-	-	-		-	-	-
Net movements recognised directly in equity													
Net operating result for the Year		29,948	-		29,948	-	29,948	17,131	-		17,131	-	17,131
Balance at the end of the reporting period	20	1,644,113	527,007	-	2,171,120	-	2,171,120	1,607,434	81,699	-	1,689,133	-	1,689,133
Effect of correction of error in previous years being an increase in retained earnings*													
Effect of accounting policy changes on retained earnings		6,731						279,931					

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

Council of the City of Ryde

CASH FLOW STATEMENT for the year ending 30 June 2008

Original Budget* 2008 (\$'000)	Notes	2008 (\$'000)	2007 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
50,141	Rates & Annual Charges	50,007	48,200
11,373	User Charges & Fees	14,633	10,450
3,796	Investment revenue and Interest	2,721	1,603
19,890	Grants and Contributions	14,863	15,104
6,288	Other	2,802	5,145
Payments			
(28,855)	Employee Benefits and on-costs	(28,567)	(25,935)
(20,299)	Materials and Contracts	(17,435)	(20,103)
(682)	Borrowing Costs	(480)	(519)
(13,173)	Other	(11,224)	(8,869)
28,479	Net cash provided (or used) in Operating Activities	27,320	25,076
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
46,940	Sale of Investments	121,589	49,240
-	Sale of Investment Property	-	-
-	Sale of Real Estate Assets	-	-
825	Sale of Infrastructure, Property, Plant and Equipment	20,264	4,213
-	Sale of Interests in Joint Ventures/Associates	-	-
-	Proceeds from Boundary Adjustment	-	-
-	Other	-	-
Payments			
(35,668)	Purchase of Investments	(107,200)	(55,011)
-	Purchase of Investment property	-	-
-	Purchase of Real Estate Assets	-	-
(41,140)	Purchase of Property, Plant and Equipment	(26,031)	(22,081)
-	Purchase of Interests in Joint Ventures/Associates	-	-
-	Other	-	-
(29,043)	Net cash provided by (or used in) Investing Activities	8,622	(23,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
2,000	Borrowings and Advances	-	-
-	Other	-	-
Payments			
(1,319)	Borrowings and Advances	(1,036)	(985)
(50)	Lease Liabilities	(16)	(48)
-	Other	(318)	(318)
631	Net cash provided by (or used in) Financing Activities	(1,370)	(1,351)
67	Net Increase (Decrease) in Cash & Cash Equivalents	34,572	85
(56)	Cash & Cash Equivalents at beginning Reporting Pd	(56)	(141)
11	Cash & Cash Equivalents at end of Reporting Pd	34,516	(56)

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

Note 1 Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulations and the Local Government Code of Accounting Practice and Financial Reporting.

AAS27

City of Ryde is required to comply with AAS 27 *Financial Reporting* by Local Government, and where AAS 27 conflicts with AIFRS, the requirements of AAS 27 have been applied. Where AAS 27 makes reference to another Australian accounting standard, the new Australian IFRS equivalent standards will apply. The specific 'not for profit' reporting requirements also apply.

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 at fair value through profit or loss, certain classes of infrastructure, property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS 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.

(b) Revenue recognition

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.

A provision for doubtful debts on rates has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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.

Income 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.

A provision for doubtful debt is recognised when collection in full is no longer probable.

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.

(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) Joint ventures

Jointly controlled assets

The proportionate interest 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 joint venture are set out in note 19.

Jointly controlled entities

The interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is

recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to the partnership are set out in Note 19.

Jointly controlled operations

Council has no jointly controlled operations at present. However, when such operations are entered into the assets which are controlled and the liabilities incurred by Council are recognized in the balance sheet. Expenses incurred and council's share of income are recognized in the Income Statement.

(d) Leases

Leases of property, plant and equipment where the Council 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 and 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 charges so as to achieve a constant rate on the finance balance outstanding. 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 shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives 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 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

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of the Council such as roads, drains, public buildings and the like-value in use is represented by the deprival value of the asset approximated by its written down replacement cost.

(g) Cash and cash equivalents

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, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

(i) Inventories

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

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 are assigned to individual items of inventory on the basis of weighted average costs. 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 held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The exception to this is plant and motor vehicles which are turned over on a regular basis - these are retained in property, plant and equipment.

An impairment loss is recognised for any initial or subsequent write down of the asset 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, 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 is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

(k) Investments and other financial assets

Classification

Council classifies its investments 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 re-evaluates this designation at each reporting date.

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

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 arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. 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 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. 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

Recognition and derecognition

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 recognized 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.

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 recognized 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 other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), Council establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of the market inputs and relying as little as possible on entity-specific inputs.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss -measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

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 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.

(I) 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.

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

All infrastructure, property, plant and equipment [except for investment properties - refer Note 1(n), and asset classes detailed below which were revalued at fair value] is stated at cost (or deemed cost) less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Council has revalued at fair value the following asset classes:

30 June 2007	Buildings
	Stormwater
	Roads, Bridges and Footpaths
30 June 2008	Operational Land
	Community Land
	Other Structures (parks, playground equipment, lighting, seawalls, wharves)

The methodology applied to the revaluation process was based on Asset Management Guidelines prepared and endorsed by the seven member councils of the Northern Sydney Regional Organisation of Councils (NSROC).

Council's other assets will be progressively revalued at fair value in accordance with a staged implementation advised by the Department of Local Government.

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.

Council does not have sufficient and reliable information that will allow comparative information in the financial report to be restated relating to the mentioned adjustments. As a result, Council has adjusted the accumulated depreciation for each asset to ensure the asset revaluation reserve is not materially misstated. The adjustment to accumulated depreciation of \$6.731M has been made against retained earnings as at 1 July 2007.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

All assets were depreciated using the straight line method in 2006/2007 as follows:

Buildings	100 years
Earthmoving Equipment	6 years
Office Equipment	10 years
Computers	5 years
Office Furniture	10 years
Roads Structure and Bridges	80 years
Sealed Roads Surface	80 years
Sealed Roads Structure	80 years
Footpaving	50 years
Drainage assets – Conduits	80 years
Drainage assets – Nodes	30 years
Library Books	5 years

For 2007/2008, those assets that were revalued at fair value as at 30 June 2007 have the depreciation expense determined by utilising the decay model outlined in the NSROC Asset Management Guidelines.

The assets that were revalued at fair value as at 30 June 2008 will have depreciation determined by using the decay method in 2008/09.

The depreciation of non current assets restated under the Fair Value review have had their accumulated depreciation adjusted based on their condition assessment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

(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, representing open-market value determined annually by external valuers. Changes in fair values are recorded in the income statement as part of other income/expenditure. Full revaluations are carried out every three years with an appropriate index used every year between the full revaluations.

(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.

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.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Council's outstanding borrowings during the year.

(r) Provisions

Provisions for legal claims and service warranties are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not 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.

(s) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave 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 reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(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 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 that it is unable to provide individual councils with an accurate split of their share of the Scheme's assets and liabilities and so no asset or liability is recognised.

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 report have been rounded off to the nearest thousand dollars.

(u) Land under roads

Council has elected not to recognise land under roads in accordance with the deferral arrangements available under AASB 1045. These provisions allow deferral of recognition until the new Standard for land under roads (AASB1051) becomes applicable (1 July 2008).

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

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.

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

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 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 UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2008 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB-12 Service Concession Arrangements, AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 12, revised UIG 4 determining whether an arrangement contains a Lease and revised UIG 129 Service Concession Arrangements: Disclosures.

Applicable 1 January 2008

Impact Nil – Council is not a party to any Service Concession Arrangements.

- (ii) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.

Applicable 1 January 2009

Impact Nil – The Standard is not applicable to not for profit entities.

- (iii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB1, AASB101, AASB107, AASB 111, AASB 116& AASB 138 and interpretations 1 & 12].

Applicable 1 January 2009

Impact Nil – The revised Standard has removed the option to expense all borrowing costs and – when adopted – will require the capitalization of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Council as the Council already capitalises borrowing costs relating to qualifying assets.

- (iv) AASB-1 13 Customer Loyalty Programmes

Applicable 1 July 2008

Impact Nil – Council has no Customer Loyalty Programmes.

- (v) AASB-1 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

Applicable 1 July 2008

Impact Nil – The Interpretation provides guidance on the maximum amount that may be recognized as an asset in relation to a defined benefit plan and the impact of minimum funding requirements on such an asset. Council does not recognize any assets in respect of its contributions to defined benefit plans as they cannot be reliably measured. As a result, there is not be expected to be any impact on the financial statements.

- (vi) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101.

Applicable 1 January 2009

Impact Nil – The revised Standard requires the presentation of a Statement of a comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognized in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (Statement of financial position), this one being as at the beginning of the comparative period.

- (vii) AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Applicable 1 July 2008

Impact Nil – The Standard is not applicable to Local Governments.

- (viii) AASB 1050 Administered Items: AASB 1051 Land Under Roads, AASB 1052 Disaggregated Disclosures, revised AASB 1004 Contributions, AASB 2007-9 Amendments to Australian Accounting Standards arising from the review of AAS 27, AAS 29, and AAS 31 and revised interpretation 1038 Contributions by owners Made to Wholly-Owned Public Sector Entities.

Applicable 1 July 2008

Impact

AASB 1050 is only applicable to government departments and will have no impact on Council.

AASB 1051 will allow Council to recognise or not recognise land under roads acquired before 30 June 2008. Land under roads acquired after 30 June 2008 must be recognised. This Standard will have significant impact to Council's financial statements.

AASB 1052 requires disclosure of financial information by function or activity Council already provides this information in Note 2(a) so there will be no additional impact on the financial statements.

AASB 1004 requires contributions to be made to Council to be recognized at fair value when they are controlled and to be appropriately disclosed. Council already accounts for contributions in this manner so there will be no additional impact on the financial statements.

Notes

- (1) Applicable to reporting periods commencing on or after given dates
- (2) Applicable only to not for profit and / or public sector entities

Council has not adopted the standards early.

(y) Land

Land is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This is disclosed in Note 9(a).

NOTES TO THE FINANCIAL STATEMENTS

Note 2(a) FUNCTIONS

INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS / ACTIVITIES. DETAILS OF THESE FUNCTIONS / ACTIVITIES ARE PROVIDED IN NOTE 2(b)													
FUNCTIONS/ACTIVITIES	INCOME FROM CONTINUING OPERATIONS			EXPENSES FROM CONTINUING OPERATIONS			OPERATING RESULTS FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Original Budget 2008 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	Original Budget 2008 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	Original Budget 2008 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Actual 2007 \$'000
PEOPLE													
Community Services	817	874	867	2,676	2,370	2,302	(1,859)	(1,496)	(1,435)	503	449	27,822	7,595
Community Relations & Events	553	495	126	2,317	2,199	1,286	(1,765)	(1,704)	(1,160)	0	0	12,762	11
Library Services	826	842	910	5,194	4,996	4,721	(4,368)	(4,154)	(3,811)	249	280	13,999	9,130
Parks	749	664	1,178	9,979	10,014	8,775	(9,230)	(9,350)	(7,597)	30	51	1,142,308	887,427
Ryde Aquatic Leisure Centre	4,848	4,668	4,776	5,938	5,632	5,263	(1,090)	(964)	(487)	0	317	47,600	34,617
	7,791	7,543	7,857	26,104	25,211	22,347	(18,313)	(17,668)	(14,490)	782	1,097	1,244,491	938,780
GOVERNANCE													
Corporate Services	42	103	488	41	980	440	0	(877)	48	0	0	3,767	2,712
	42	103	488	41	980	440	0	(877)	48	0	0	3,767	2,712
ENVIRONMENT													
Assessment	1,328	1,563	1,525	2,672	2,804	2,708	(1,344)	(1,240)	(1,183)	0	0	2	0
Environment	138	264	172	979	730	743	(842)	(465)	(571)	255	165	0	34
Health and Building	890	841	1,006	1,722	1,601	1,418	(831)	(760)	(412)	0	0	81	57
Regulation	3,970	3,738	2,278	2,221	2,062	1,804	1,750	1,676	474	0	0	74	876
Support Services	0	0	123	552	523	511	(552)	(523)	(388)	0	123	0	0
Urban Planning	13,774	8,481	8,020	2,497	2,451	1,814	11,277	6,030	6,206	104	30	2	112
	20,100	14,887	13,124	10,642	10,170	8,998	9,457	4,717	4,126	359	318	159	1,079

Note 2(a) (continued)

INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS / ACTIVITIES. DETAILS OF THESE FUNCTIONS / ACTIVITIES ARE PROVIDED IN NOTE 2(b)													
FUNCTIONS/ACTIVITIES	INCOME FROM CONTINUING OPERATIONS			EXPENSES FROM CONTINUING OPERATIONS			OPERATING RESULTS FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Original Budget 2008 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	Original Budget 2008 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	Original Budget 2008 \$'000	Actual 2008 \$'000	Actual 2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
ASSETS													
Access	4,630	4,682	4,231	12,865	15,115	14,614	(8,233)	(10,434)	(10,383)	1,159	1,551	551,565	403,796
Buildings & Property	838	20,021	3,997	2,310	3,518	2,953	(1,472)	16,503	1,044	167	294	43,115	33,431
Catchments & Assets	1,685	1,429	1,169	6,627	6,661	4,537	(4,942)	(5,232)	(3,368)	256	163	262,268	263,188
Waste & Fleet Management	11,667	12,202	11,191	11,705	10,563	10,161	(38)	1,639	1,030	181	206	8,279	596
Works	291	426	290	2,361	1,783	2,049	(2,070)	(1,357)	(1,759)	0	0	146	8,158
	19,111	38,760	20,878	35,867	37,640	34,314	(16,754)	1,119	(13,436)	1,762	2,214	865,374	709,169
Total Functions & Activities	47,044	61,293	42,347	72,654	74,001	66,099	(25,610)	(12,708)	(23,752)	2,904	3,629	2,113,792	1,651,740
General Purpose Revenues*	42,580	43,816	42,107	1,577	1,160	1,224	41,002	42,656	40,883	3,045	2,933	85,925	63,490
Totals	89,624	105,109	84,454	74,231	75,161	67,323	15,393	29,948	17,131	5,949	6,562	2,199,717	1,715,230

* Includes: Rates and Annual Charges (incl. Ex-gratia); Non-Capital General Purpose Grants; Interest on Investments; s611 Charges

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2(b) COMPONENTS OF FUNCTIONS

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

COMMUNITY SERVICES

- Social planning and Policy
- Community development
- Social service delivery

COMMUNITY RELATIONS & EVENTS

- Co-ordination of Community Events
- Publications and Media Releases
- Management & Hire of Community Halls

LIBRARY SERVICES

- Information and lending services
- Community information
- Local studies

PARKS

- Planning and administration of all the City's sporting and recreational facilities and open space
- Management of trees in public areas and on private land
- Landscape design and recreational planning
- Review and implementation of construction and maintenance works programs for sporting and recreational facilities and open space

RYDE AQUATIC LEISURE CENTRE

- Provide a first-class aquatic and multi-purpose sports facility
- Operate the facility on a commercial basis

CORPORATE SERVICES

Note 2(b) (Continued)

ASSESSMENT

- Assessment of development applications

ENVIRONMENT

- Preparation of the State of the Environment Report
- Preparation of Environmental Policy

HEALTH AND BUILDING

- Enforcement of illegal landuses and illegal buildings
- Maintenance of registers
- Issuing planning certificates and building certificates
- Undertaking property searches
- Food shop inspections
- Regulated system (e.g. cooling towers) inspections
- Pollution control
- Construction and compliance certificates issued
- Principal Certifying Authority activities

REGULATION

- Animal control
- Street and Parking control

SUPPORT SERVICES

- Provision of facilitation/mediation services
- Review and development of business processes
- Executive support

URBAN PLANNING

- Heritage planning and conservation
- Preparation of statutory planning instruments
- Preparation of integrated planning strategies including master plans
- Pre-lodgement advice and client management
- Progress building inspections

Note 2(b) (Continued)

ACCESS

- Management of the City's road network and other access infrastructure including wharves, boat ramps and bikeways
- Development of the Asset Management Program for access infrastructure
- Review and implementation of the construction and maintenance works programs for access assets

BUILDINGS and PROPERTY

- Supply and maintain corporate and community land and buildings used to accommodate Council's operations and to provide facilities and services to the Community
- Commercial management of land and buildings
- Commercial disposal of surplus land and properties
- Property acquisition

CATCHMENTS and ASSETS

- Management of the City's stormwater network including natural creek systems
- Development of City's Catchment Management Plans
- Development of City's Stormwater Management Program for stormwater infrastructure
- Review and implementation of construction and maintenance works programs for stormwater assets and creek systems

WASTE & FLEET MANAGEMENT

- Regular collection of domestic garbage from all residential premises and collection of commercial waste from commercial premises in the City
- Regular collection of recyclable materials from all residential premises and contracted commercial premises in the City
- Removal of litter and rubbish from public places including public footpaths, roadways, malls, small reserves and pocket parks
- Provide and maintain the organisation's vehicles and equipment

WORKS

- Oversee and implement the Construction and Maintenance Works Programs of Council
- Project manage procurement of capital works

GENERAL PURPOSE REVENUES

- Rates and charges collection
- Investments and borrowings

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 REVENUE FROM CONTINUING OPERATIONS

	2008 (\$'000)	2007 (\$'000)
(a) Rates and Annual Charges		
Ordinary Rates		
Residential	21,528	20,984
Business	10,540	9,861
Environmental Management Levy	5,319	5,072
Total Ordinary Rates	37,387	35,917
Special Rates		
Macquarie Park	1,081	1,012
Total Special Rates	1,081	1,012
Annual Charges (pursuant to s.496 & s.501)		
Domestic Waste Management Services	10,905	10,385
Stormwater Management Service Charge	962	956
Total Annual Charges	11,867	11,341
Total Rates and Annual Charges	50,335	48,270
Council has used 2004 valuations provided by the NSW Valuer General in calculating its rates.		
(b) User Charges and Fees		
User Charges (pursuant to s.502)		
Aquatic Centre	4,572	4,421
Sports Facility Rental	432	409
Hall Hire	366	335
Road Restorations	728	868
Gutter Crossings	196	193
Commercial Waste Service	560	457
Other	25	14
Total User Charges	6,879	6,697
Fees		
Regulatory/Statutory Fees	1,898	1,961
Discretionary		
- Section 611(1)	152	125
- Parking fees	2,863	1,943
- Environmental Planning	1,196	938
- Private Works	79	44
- Vacation Care	191	212
- Home Maintenance & Modification	86	80
- Other	69	95
Total Fees	6,534	5,398
Total User Charges and Fees	13,413	12,095
(c) Interest and Investment Revenue		
Overdue Rates & Charges	119	88
Cash, cash equivalents and investments:		
- Externally restricted	906	1,136
- Internally restricted	-	-
- Unrestricted	3,234	2,731
Premiums recognised on financial instrument transactions		
Amortisation of discounts and premiums:		
- Investments held to maturity	-	10
- Interest free loan provided	-	-
Total Interest and Investment Revenue	4,259	3,965

Note 3 (Continued)

	2008 (\$'000)	2007 (\$'000)		
(d) Other Revenues				
Fair value adjustments - investment properties	-	5		
Parking Regulations	720	215		
Other Fines	73	67		
Materials Recycling	82	54		
Rental income:				
- Investment Property	195	175		
- Other Property	704	594		
Lease - Telecommunications	203	74		
Legal Fees Recoveries				
- Rates	5	21		
- Other	1	8		
Insurance Claims	15	25		
Staff Vehicle Leases and Other Payments	388	325		
Eastwood Plaza	26	40		
Deed of Settlement Waste Contract	236	-		
Royalties	86	29		
Sundry Sales	16	15		
Other	452	216		
Total Other Revenue	3,202	1,863		
	OPERATING		CAPITAL	
	2008	2007	2008	2007
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(e) Grants				
General Purpose (Untied)				
Financial Assistance	2,447	2,370	-	-
Pensioner Rebate Subsidy - Rates	598	563	-	-
Total General Purpose (Untied)	3,045	2,933	-	-
Specific Purpose				
Pensioner Rebate Subsidy - Domestic Waste	179	206		
Vacation Care	49	47	-	-
Master Plans	104	30	-	-
Library	249	280	-	-
Home Maintenance & Modification	259	232	-	-
Child Care Assistance	-	-	-	-
EPA	-	-	-	-
DEET - Apprentice Rebate Scheme	-	-	-	-
Community Staff Funding	148	129	-	-
Storm Damage	-	-	-	-
Roads To Recovery	-	-	393	1,171
RTA Transport	-	-	748	217
Parks Grants	30	51	15	164
Building Construction	-	-	-	250
Water Recovery	-	-	-	317
E-Planning	-	123	-	-
Environment	423	209	-	-
Catchment Management	256	118	-	45
Other	51	40	-	-
Total Specific Purpose	1,748	1,465	1,156	2,164
Total Grants	4,793	4,398	1,156	2,164
Comprising:				
- Commonwealth funding	3,224	3,262	393	1,421
- State funding	1,569	1,136	763	743
- Other funding	-	-	-	-
	4,793	4,398	1,156	2,164

Note 3 (Continued)

	OPERATING		CAPITAL	
	2008	2007	2008	2007
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(f) Contributions				
Developer Contributions (s94)				
- Open Space	-	-	2,242	2,043
- Parking	-	-	60	68
- Drainage	-	-	2,222	2,490
- Traffic Facilities	-	-	1	-
- Other	-	-	159	190
- Meadowbank	-	-	9	23
Voluntary Planning Agreements	-	-	2,118	838
Other Councils	469	506	-	-
Brush Farm House	-	-	-	200
Living Centres Program	-	-	-	-
Riverside Corporate Park	-	-	-	-
Community Events	114	79	-	-
Other	9	80	538	323
RTA Contributions				
- Street & Traffic Lighting	322	315	-	-
- Roads & Bridges	238	232	32	237
- Other	74	108	-	-
Ex Gratia Payments in Lieu of Rates	2	2	-	-
Buildings & Property (In Kind)	-	-	-	1,564
Customer/Resident Contributions	1	7	60	227
Macquarie Park Master Plans	-	5	-	-
Bus Shelters	105	-	-	-
Waste Performance Improvement Program	168	-	-	-
Total Contributions	1,502	1,334	7,441	8,203
Total Grants & Contributions	6,295	5,732	8,597	10,367

	2008 (\$'000)	2007 (\$'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	6,729	7,534
Less:		
Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period	10,506	4,608
Net increase/(decrease) in Restricted Grants and Contributions	(3,777)	2,926

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS

	2008 (\$'000)	2007 (\$'000)
(a) Employee Benefits & On Costs		
Salaries and Wages	22,782	20,372
Employee Leave Entitlements	4,907	3,865
Superannuation	2,404	1,861
Workers' Compensation Insurance	1,216	605
FBT	262	215
Training Costs (excluding salaries)	298	337
Other	430	578
Less: Capitalised Costs	(3,138)	(2,222)
Total Employee Costs Expended	<u>29,161</u>	<u>25,611</u>
Number of FTE Employees	476	475
(b) Borrowing Costs		
Interest on overdrafts	-	-
Interest on loans	474	494
Charges on finance leases	1	3
Amortisation of discounts and premiums		
- Investments held to maturity	-	-
Less: Capitalised Costs		
Total Borrowing Costs Expended	<u>475</u>	<u>497</u>

Note 4 (Continued)

	2008 (\$'000)	2007 (\$'000)
(c) Materials and Contracts		
Raw materials and consumables	4,225	4,258
Contractor and Consultancy Costs	14,597	13,395
Audit Fees:		
- Audit Services	64	38
- Other	3	-
Legal Fees:		
- Planning & Development	39	83
- Other	192	202
Operating leases		
- Computers	29	46
	19,149	18,022

(d) Depreciation, Amortisation and Impairment

	Depreciation/Amortisation	
	2008 (\$'000)	2007 (\$'000)
Intangibles - Software		
Plant and Equipment	1,767	1,742
Office Equipment	762	710
Furniture & Fittings	197	154
Property Plant and Equipment Leased	16	44
Land Improvements (Depreciable)	928	753
Buildings - Specialised	894	728
- Non-specialised	275	267
Other Structures	934	689
Infrastructure:		
- Roads, Bridges and Footpaths	5,655	6,278
- Stormwater Drainage	4,326	2,996
Other Assets:		
- Heritage Collections	-	-
- Library Books	511	464
Total Depreciation Costs	16,265	14,825
Less: Capitalised Costs/Impairment reversals	(142)	(189)
Total Depreciation and Total Impairment	16,123	14,636

Note 4 (Continued)

(e) Other Expenses	2008 (\$'000)	2007 (\$'000)
Other expenses for the year include the following:-		
Fair Value decrements - Investment Properties	892	-
Bad & Doubtful Debts	224	5
Mayoral Fee	49	47
Councillors' Fees	214	214
Councillors' (incl. Mayor) Expenses	56	47
Election Costs (excl. Employee Costs)	0	0
Interest on Refundable Deposits	58	66
Insurance	1,055	976
Insurance - Statewide Mutual Provision	-	-
Street Lighting	1,398	1,285
Communications Costs	459	396
Contribution to Fire Control	1,393	1,367
Contribution to Dept of Planning	210	204
Contributions & Donations - Community Grants	193	191
Waste Development Tax	999	745
Membership Fees	71	67
Valuation Fees	129	125
Electricity & Heating	789	703
Water Rates	170	194
Bank Fees & Charges	209	198
Property Lease Costs	5	31
Postage & Courier Costs	224	221
Advertising	186	217
Parking Infringement Collection	518	345
Remediation	-	97
Green Waste Collection Charges	-	-
Other Expenses	752	816
Total Other Expenses From Continuing Operations	<u>10,253</u>	<u>8,557</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 GAIN (OR LOSS) ON DISPOSAL OF ASSETS

	2008 (\$'000)	2007 (\$'000)
GAIN (OR LOSS) ON DISPOSAL OF PROPERTY		
Proceeds from disposal	1,393	1,950
Less: Carrying amount of assets sold	174	104
Gain (or loss) on disposal	<u>1,219</u>	<u>1,846</u>
GAIN (OR LOSS) ON DISPOSAL OF STRATUM LAND		
Proceeds from disposal	18,000	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>18,000</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF INFRASTRUCTURE, PLANT & EQUIPMENT		
Proceeds from disposal	871	2,210
Less: Carrying amount of assets sold	1,167	2,154
Gain (or loss) on disposal	<u>(296)</u>	<u>56</u>
GAIN (OR LOSS) ON DISPOSAL OF FINANCIAL ASSETS		
Proceeds from disposal	3,585	7,237
Less: Carrying value of Financial assets	3,500	6,977
Gain (or loss) on disposal	<u>85</u>	<u>260</u>
NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS	<u>19,008</u>	<u>2,162</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6(a) CASH AND CASH EQUIVALENTS

Notes	2008 (\$'000)	2007 (\$'000)
Cash at bank and on hand	260	10
Short term deposits	34,256	-
Total Cash and Cash Equivalents	<u>34,516</u>	<u>10</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6(b) INVESTMENTS

The following financial assets are held as investments:

	2008		2007	
	<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	24,552	-	35,438	-
Held to Maturity Investments	1,000	22,500	1,500	24,001
Available for Sale Financial Assets	-	-	-	-
Total	25,552	22,500	36,938	24,001
Financial Assets at Fair Value				
Through Profit and Loss				
At beginning of year	35,438	-	31,670	-
Revaluation to income statement	1,418	-	2,259	-
Additions	102,200	-	43,511	-
Disposals (Sale/Redemption)	(114,504)	-	(42,002)	-
At end of year	24,552	-	35,438	-
Held for Trading:				
- Managed funds	24,552	-	35,438	-
TOTAL	24,552	-	35,438	-
Held to Maturity Investments				
At beginning of year	1,500	24,001	2,995	17,972
Amortisation of discounts & premiums	-	(1)	5	5
Additions		5,000		11,500
Disposals	(1,500)	(5,500)	(2,977)	(4,000)
Transfers from Non Current	1,000	(1,000)	1,477	(1,477)
At end of year	1,000	22,500	1,500	24,000
Comprising of:				
- CDOs	1,000	9,000	1,500	8,000
- FRNs		6,000		7,001
- Other		7,500		9,000
TOTAL	1,000	22,500	1,500	24,001

NOTES TO THE FINANCIAL STATEMENTS

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

	Notes	2008		2007	
		<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Total cash, cash equivalents and investments		60,068	22,500	36,948	#VALUE!
External restrictions		14,153	4,271	23,244	1,080
Internal restrictions		40,942	18,229	11,864	22,921
Unrestricted		4,973	-	1,840	-
Total		60,068	22,500	36,948	24,001

	Notes	Opening Balance 30 June 2007 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000	Closing Balance 30 June 2008 \$'000
<u>External Restrictions</u>					
Other					
Developer Contributions (A)		17,537	11,831	15,288	14,080
Specific Purpose Unexpended Grants (B)		1,799	3,658	3,978	1,479
Domestic Waste Management (C)		4,919	11,489	14,634	1,774
Stormwater Management		0	1,045	838	207
Macquarie Park Special Rate		0	1,480	671	809
External Works Drainage Contributions		69	52	46	75
Total External Restrictions		24,324	29,555	35,455	18,424

Note 6(c) (Continued)

Notes	Opening Balance 30 June 2007 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000	Closing Balance 30 June 2008 \$'000
<u>Internal Restrictions</u>				
Employee Leave Entitlements	1,781	73	-	1,854
Refundable Deposits	5,928	274	-	6,202
West Ryde Child Care Centre	174	10	-	184
Construction/Remediation of Depots	131	-	131	-
Voluntary Planning Agreements	817	2,018	1,018	1,817
Environmental Management Reserve	379	1,374	1,753	-
Asset Replacement Reserve	5,391	600	924	5,067
Plant Replacement Reserve	1,000	4,347	4,207	1,140
Ryde Aquatic Leisure Centre	1,972	5,236	4,812	2,396
Investment Property Reserve	3,251	23,107	67	26,291
Civic Centre Remediation/Redevelopment	8,962	1,124	1,244	8,842
Incompleted/Carry Over Works and Projects	4,383	4,490	4,383	4,490
Other	616	272	-	888
Total Internal Restrictions	34,785	42,925	18,539	59,171
Total Restrictions	59,109	72,480	53,994	77,595

- 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 RECEIVABLES

<u>Purpose</u>	2008		2007	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Rates and Annual Charges	1,013	367	703	349
Rates Interest & Extra Charges	57	22	91	91
User Charges & Fees				
Environmental & Health	29	-	26	-
Restorations	117	-	94	-
Recreational Facilities	140	-	4	-
Property & Infrastructure Works	115	-	327	-
Home Modification Service	10	-	15	-
Ryde Aquatic Leisure Centre	73	-	21	-
Interest on Investments	418	-	298	-
Accrued Revenues				
Deferred Debtors				
Contributions to Works	104	-	208	-
Government Grants & Subsidies	1,035	-	459	-
Loan to Sporting Club				
Commercial Waste	165	-	10	-
GST	1,016	-	636	-
Workers Compensation	31	-	46	-
Voluntary Planning Agreement	-	-	110	-
Computer Equipment Charges	-	-	61	-
Other	445	-	340	3
Total	4,768	389	3,449	443
Less: <u>Provision for Doubtful Debts</u>				
- Rates and Annual Charges	-	-	-	-
- Interest and extra charges				
- User Charges and Fees	85	-	20	-
- Government Grants & Subsidies	-	-	-	-
	4,683	389	3,429	443
EXTERNALLY RESTRICTED RECEIVABLES (Included Above)				
Domestic Waste Management	229	102	265	30
TOTAL RESTRICTED RECEIVABLES	229	102	265	30
UNRESTRICTED RECEIVABLES	4,454	287	3,164	413
TOTAL RECEIVABLES	4,683	389	3,429	443

Rates and Annual Charges

Rates are secured by underlying properties.

Interest is charged on overdue rates at 10% (2007 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 \$1,380,000 (2007 \$1,052,000)

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 \$85,000.

Government Grants

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 INVENTORIES & OTHER ASSETS

	2008		2007	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Inventories				
Real Estate (refer below)	-	-	-	-
Stores and Materials	386	-	512	-
Trading Stock				
Other	-	-	-	-
Total Inventories	386	-	512	-
Inventories not expected to be realised within the next 12 months	-	-	-	-
<u>Other Assets</u>				
Prepayments	303	-	343	-
Total Other Assets	303	-	343	-

NOTES TO THE FINANCIAL STATEMENTS

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

\$000's	At 30 June 2007				MOVEMENTS DURING THE YEAR						At 30 June 2008				
	ASSET TYPE	Cost/ Deemed Cost	Fair Value	Depreciation & Impairment	Written Down Value (WDV)	Asset Purchases	Transfers From WIP	WDV of Disposals	Depreciation & Impairment	Asset Revaluation		Cost/ Deemed Cost	Fair Value	Accumulated Depreciation	Written Down Value (WDV)
										Gross Book Value	Accumulated Depreciation				
Plant and Equipment	21,875			9,524	12,351	2,216	12	776	1,767			-	22,744	10,708	12,036
Office Equipment	13,253			10,289	2,964	2,150	-	-	762			-	15,403	11,051	4,352
Furniture and Fittings	3,712			1,865	1,847	42	-	-	197			-	3,754	2,062	1,692
Leased Plant & Equipment	209			179	30	-	-	-	16			-	209	195	14
Land															
- Operational Land	48,138			-	48,138	2,249	9	-	-	152,537		-	202,933	-	202,933
- Community Land	861,018			-	861,018	-	-	-	-	150,389		-	1,011,407	-	1,011,407
- Land Improvements (non-depr'n)	1,966			-	1,966	549	49	-	-			2,564	-	-	2,564
- Land Improvements (depr'n)	9,578			5,344	4,234	1,631	8	-	928			11,217	-	6,272	4,945
- Land Under Infrastructure	-			-	-	-	-	-	-			-	-	-	-
Buildings															
- Specialised		18,028		2,221	15,808	-	-	-	275	25,279	7,211	-	43,307	9,707	33,600
- Non-specialised		58,727		20,675	38,052	1,931	36	-	894	35,155	23,478	-	95,849	45,046	50,803
Other Structures															
- Carparks	5,202			2,438	2,764	226	12		121	5,480	(543)	-	10,920	2,016	8,904
- Foreshore Assets	4,030			1,454	2,576				58	13,052	1,971	-	17,082	3,483	13,599
- Parks	12,830			8,176	4,654	1,476	125		583	42,938	8,228	-	57,369	16,987	40,382
- Road Ancillary	1,160			659	501	326	-		50	5,054	2,232	-	6,540	2,941	3,599
- Other	2,027			719	1,308				122	-	-	-	2,027	841	1,186
Infrastructure															
- Roads, Bridges and Footpaths															
- Road Pavement		395,820		64,961	330,859	4,673	505		3,810	(20,874)	(2,696)		380,124	66,075	314,049
- Road Ancillary		4,599		866	3,733	389	-		173	10,729	3,650		15,717	4,689	11,028
- Bridges		13,470		7,577	5,893				136	7,355	(3,764)		20,825	3,949	16,876
- Footpaths and Cycleways		33,805		12,325	21,480	5,619	970		822	15,051	214		55,445	13,361	42,084
- Kerb & Guttering		52,859		31,715	21,144	293	13		714	37,623	(12,253)		90,788	20,176	70,612
- Stormwater Drainage		352,116		91,391	260,725	1,144	942		4,326				354,202	95,717	258,485
Other Assets															
- Heritage Collections	137			-	137	-	-		-			137	-	-	137
- Library Books	6,496			4,987	1,509	425	-		511			6,921	-	5,498	1,423
Capital Works in Progress	3,159			-	3,159	2,953	(2,681)		391			3,040	-	-	3,040
TOTALS	994,790	929,424		277,364	1,646,850	28,292	-	1,167	16,265	479,768	27,728	23,879	2,406,645	320,774	2,109,750
Includes DWM Restricted Assets	721			29	692	-	-	-	13	-	-	721	-	42	679

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 (a) PAYABLES, INTEREST BEARING LIABILITIES & PROVISIONS

	2008		2007	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Payables				
Goods and Services	5,819	-	1,878	-
Payments Received in Advance	326	-	318	-
Payments received in advance - Rates	99	-	120	-
Accrued Expenses	828	-	838	-
Interest Expenses	1	-	6	-
Deposits and Retentions	6,581	-	6,158	-
Staff Salaries & Wages	548	-	249	-
Trust Account Deposits	-	-	-	-
Domestic Waste	459	-	1,345	-
Other Contributions	184	-	174	-
Other	111	-	31	-
Total Payables	14,956	-	11,117	-
Current Payables not expected to be settled within the next 12 months	5,099	-	4,652	-
Borrowings				
Bank Overdraft	-	-	66	-
Loans - secured ⁽¹⁾	688	5,240	1,043	5,921
Loans - unsecured	-	-	-	-
Government Advances	-	-	-	-
Ratepayers advances	-	-	-	-
Finance lease liability	12	-	16	12
Deferred payment liabilities	-	-	-	-
Olympic Construction Authority	-	-	318	-
Total Interest Bearing Liabilities	700	5,240	1,443	5,933
Provisions⁽²⁾				
Annual & Other Accrued Leave	2,511	-	2,127	-
Sick Leave	238	-	279	-
Long Service Leave	3,803	188	3,777	146
Gratuities	147	-	141	-
Site Remediation (see Note 21)	814	-	1,134	-
Total Provisions	7,513	188	7,458	146
Current provisions not expected to be settled within the next 12 months	3,612	-	3,532	-
Liabilities relating to restricted assets				
Domestic Waste Management	459	0	1,345	0
Total Liabilities relating to restricted assets	459	0	1,345	0

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 (b) DESCRIPTION OF AND MOVEMENT OF PROVISIONS

Class of Provision	Opening Balance (\$'000)	Increase in Provision (\$'000)	Payments (\$'000)	Re-Measurement (\$'000)	Closing Balance (\$'000)
Annual & Other Accrued Leave	2,127	2,054	1,670	0	2,511
Sick Leave	279	769	810	0	238
Long Service Leave	3,923	843	775	0	3,991
Gratuities	141	6	0	0	147
Site Remediation	1,134	0	320	0	814
Total	7,604	3,672	3,575	0	7,701

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 RECONCILIATION OF CASH FLOW MOVEMENTS

(a) Reconciliation of Cash Assets

	Notes	2008 (\$'000)	2007 (\$'000)
Total Cash and Cash Equivalents	6(a)	34,516	10
<u>Less: Bank Overdraft</u>	10	-	(66)
Balances as per Cash Flow Statement		<u>34,516</u>	<u>(56)</u>

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

		2008 (\$'000)	2007 (\$'000)
Net Operating Result from Income Statement		29,948	17,131
Add:			
Depreciation and Impairment	4	16,123	14,636
Increase in provision for doubtful debts	7	65	-
Increase in provision for leave entitlements	10	417	-
Increase in Other Provisions	10	-	-
Decrease in receivables	7	-	-
Decrease in inventories	8	126	-
Decrease in other current assets	8	40	35
Increase in payables	10	1,724	-
Increase in accrued interest payable	10	-	-
Increase in other current liabilities	10	-	549
Decrements from revaluations			
Loss on sale of assets	5	-	-
Fair value adjustments to investment property	4	892	-
Amortisation of discounts & premiums recognised	3,4	-	-
Other	3,4	-	-
Less:			
Decrease in provision for doubtful debts	7	-	(240)
Decrease in employee leave entitlements	10	-	(171)
Decrease in Other Provisions	10	(320)	-
Increase in receivables	7	(1,265)	(449)
Increase in inventories	8	-	(95)
Increase in other current assets	8	-	-
Decrease in payables	10	-	(298)
Decrease in accrued interest payable	10	(5)	(22)
Decrease in other current liabilities	10	-	-
Reversal of previous revaluation decrements			-
Non cash contributions and dedications			-
Gain on sale of Assets	5	(19,008)	(2,162)
Fair value adjustments to financial assets at fair value through profit and loss	6	(1,417)	(2,259)
Fair value adjustments to investment properties	4	-	(5)
Amortisation of discounts & premiums recognised	3	-	(10)
Non Cash Capital Grants & Contributions	3	-	(1,564)
Net cash provided by (used in) operating activities		<u>27,320</u>	<u>25,076</u>

Note 11 (Continued)

	2008 (\$'000)	2007 (\$'000)
(c) Non-Cash Financing and Investing Activities		
Acquisition of Plant & Equipment by means of finance leases	-	-
S.94 contributions in kind	-	1,564
Dedications	-	-
	<u>-</u>	<u>1,564</u>
(d) Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts Facility	-	-
Corporate credit cards	35	35
	<u>35</u>	<u>35</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 COMMITMENTS FOR EXPENDITURE

	2008 (\$'000)	2007 (\$'000)
(a) Capital Commitments (exclusive of GST)		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:		
Plant & Equipment	43	87
Landscaping Works	-	119
Undergrounding of overhead mains	945	197
Microtunnel design	-	49
Town Centre Block Paving	309	-
Supply & Install Bus Shelters	116	-
Curtilage	883	-
Total	<u>2,296</u>	<u>452</u>
These expenditures are payable:		
- Not later than one year	2,296	409
- Later than one year and not later than 5 years	-	43
- Later than 5 years	-	-
Total	<u>2,296</u>	<u>452</u>
(b) Service Commitments (exclusive of GST)		
Other non-capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities include:		
- Waste Management Services	43,678	52,022
- Cleaning Services	200	400
- Audit Services	265	314
- Management Study	115	153
- Security Services	367	-
Total	<u>44,625</u>	<u>52,889</u>
These expenditures are payable:		
- Not later than one year	9,052	8,716
- Later than one year and not later than 5 years	35,572	35,616
- Later than 5 years	-	8,557
Total	<u>44,625</u>	<u>52,889</u>

Note 12 Commitments for Expenditure (continued)

	2008	2007
	(\$'000)	(\$'000)
(c) Finance Lease Commitments		
Commitments under finance leases at the reporting date are payable as follows:		
- Not later than one year	13	17
- Later than one year and not later than 5 years	-	13
- Later than 5 years	-	-
Total	13	30
Minimum lease payments	13	30
Less: future finance charge	1	2
Lease liability	12	28
Representing lease liabilities:		
- Current	12	16
- Non-Current	-	12
Total	12	28
(d) Operating Lease Commitments		
Commitments under non-cancellable operating leases at 30 June 2008 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	-	-
(e) Repairs and Maintenance: Investment Property		
Contractual obligations for future repairs and maintenance	-	-
Total	-	-
(f) Remuneration commitments		
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at 30 June 2008 but not recognised as liabilities. These are payable:		
- Within one year	5,415	4,028
- Later than one year and not later than 5 years	13,266	10,734
- Later than 5 years	-	-
Total	18,681	14,762

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 STATEMENT OF PERFORMANCE MEASURES

	Amounts (\$'000)	Current Year Indicators	2007	2006
1. UNRESTRICTED CURRENT RATIO				
<u>Current Assets Less All External Restrictions⁽¹⁾</u>	\$51,058	3.65:1	1.7:1	1.8:1
Current Liabilities Less Specific Purpose Liabilities ⁽²⁾⁽³⁾⁽⁴⁾	\$13,999			
2. DEBT SERVICE RATIO				
<u>Debt Service Cost (Principal & Interest Payments)</u>	\$1,845	2.0%	2.6%	3.2%
Revenue from continuing operations, excluding capital items and specific purpose grants/contributions	\$93,262			
3. RATE COVERAGE RATIO				
<u>Rates and Annual Charges</u>	\$50,335	47.9%	57.2%	58.0%
Revenue from continuing operations	\$105,109			
4. RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGE				
<u>Rates and Annual Charges Outstanding</u>	\$1,459	2.8%	2.5%	2.6%
Rates and Annual Charges Collectable	\$51,693			
5. BUILDINGS & INFRASTRUCTURE RENEWALS RATIO				
<u>Asset Renewals (building & infrastructure)</u>	\$13,312	119.4%	123.2%	75.6%
Depreciation, amortisation and impairment (building & infrastructure)	\$11,149			

(1) Refer to Notes 6 - 8 Inclusive

(2) Excludes ELE Provisions and Deposits of \$3612K and \$5099K, respectively

(4) refer Note 9a - Notes: (2).

(3) Provisions not expected to be settled deducted

(4) Payables not expected to be settled deducted

(5) Asset Renewal represents Capital expenditure on the replacement, refurbishment or upgrade to an existing asset/s. Refer Note 9a

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 INVESTMENT PROPERTIES

	2008 (\$'000)	2007 (\$'000)
At Fair Value		
Opening balance at July 1 2007	2,530	2,525
Net gain (loss) from fair value adjustment	(892)	5
Closing Balance at 30 June 2008	1,638	2,530

(a) Amounts Recognised in Profit and Loss for Investment Property

Rental income	195	175
Net gain (loss) from fair value adjustment	(892)	5
Direct operating expenses from property that generated rental income	(23)	(20)
Total	(720)	160

(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 2008 revaluations were based on independent assessments made by 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	190	79
- Later than one year and not later than 5 years	357	157
- Later than 5 years	-	-
Total	547	236

NOTES TO THE FINANCIAL STATEMENTS

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 Section under policies approved by the Council.

Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Financial assets				
Cash and cash equivalents	34,516	10	34,516	10
Receivables	5,072	3,872	5,072	3,872
Financial assets at fair value through profit or loss	24,552	35,438	24,552	35,438
Available-for-sale financial assets	-	-	-	-
Held-to-maturity investments	23,500	25,500	16,849	25,568
	<u>87,640</u>	<u>64,820</u>	<u>80,989</u>	<u>64,888</u>
Financial liabilities				
Payables	14,956	11,117	14,956	11,117
Borrowings	5,940	7,376	5,940	7,376
	<u>20,896</u>	<u>18,493</u>	<u>20,896</u>	<u>18,493</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.

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 Section 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.

	30.6.2008	30.6.2007
	\$'000	\$'000
(b) Impact of a 10% ⁽¹⁾ movement in price of investments:		
– Equity	2,455	3,544
– Income statement	2,455	3,544
Impact of a 1% ⁽¹⁾ movement in interest rates on cash and investments:		
– Equity	-	-
– Income statement	421	462

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.

(2) Maximum impact.

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.

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:

	2008 Rates & Annual Charges	2008 Other Receivables	2007 Rates & Annual Charges	2007 Other Receivables
(i) Ageing of Receivables				
- Current (not yet overdue)	0	3,166	0	2,446
- Past due	1,380	611	1,052	394
	1,380	3,777	1,052	2,840

(ii) Movement in Provision for Impairment for Receivables

	2008	2007
Balance at the beginning of the year	20	260
Plus: New provisions recognised during the year	65	12
Less: Amounts already provided for & written off	-	(252)
Balance at the end of the year	85	20

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.

2008 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	14,956	-	-	14,956	14,956
Borrowings	700	2,217	3,023	5,940	5,940
	15,656	2,217	3,023	20,896	20,896
2007 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	11,117	-	-	11,117	11,117
Borrowings	1,443	3,332	2,601	7,376	7,376
	12,560	3,332	2,601	18,493	18,493

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate on a 4 year renewal basis. The Finance Section 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 2008		30 June 2007	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Overdraft	0.00%	-	0.00%	-
Bank Loans – Fixed	6.81%	344	6.61%	1,060
– Variable ⁽¹⁾	8.05%	5,584	6.56%	5,903
		5,928		6,963

Note:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 MATERIAL BUDGET VARIATIONS

Council's original budget was incorporated as part of the Management Plan adopted by the Council in June 2007. The original projections on which the budget was based have been affected by a number of factors.

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.

Interest and Investment Income \$463K 12% (F)

- Interest income exceeded budget and is reflective of the additional \$20M Council received for the sale of property that was not included in Council's original budget. Refer Not 5 Gain (or Loss) on Disposal of Assets and explanation below.

Grants & Contributions provided for Capital Purposes -\$4,796M -36% (U)

- In 2007/2008 Council budgeted to receive \$10M in Section 94 Contributions. Actual income received was \$4,693M a shortfall of \$5.3M
- Council received \$1M in grants and contributions income from the Roads & Traffic Authority (RTA) and Transport Infrastructure Development Corporation (TIDC) for additional cycleways in response to the M2 Bicycle detour.

Net gain from the disposal of assets \$18,896M 16871% (F)

- Council received net sale proceeds of \$1.2M following the sale of a portion of Paul Street North, Macquarie Park - Road Asset. This transaction was included in the 2006/2007 General Purpose Financial Reports Note 23 Currents Assets Classified as Held for Sale.
- During 2005/2006 Council executed documents for the proposals to both sell a stratum lot and grant a lease over a roadway to Bevillesta (Owners Top Ryde Shopping Centre). During 2007/2008 this option was exercised and Council received a further \$18M for this sale.
- Council wrote off assets to the value of \$390K in relation to costs incurred for the redevelopment of the Civic Centre and New Library. These costs were incurred in prior years before the redevelopment of the Top Ryde Shopping Centre.

Expenses

Borrowing Costs -\$207K -30% (F)

- The 2007/2008 Budget provided for the drawdown of a new \$2M loan to fund the Ryde Civic Precinct Integrated Traffic Solution Project which involves property acquisitions. Negotiations for these acquisitions is continuing with this loan to be drawdown in the 2008/2009 Financial Year.

NOTES TO THE FINANCIAL STATEMENTS

Note 16 (continued)

Depreciation and Amortisation & Impairment \$1,577M 11% (U)

- At the 30 June 2007 Council revalued at fair value the following classes of assets: Buildings, Stormwater and Roads, Bridges and Footpaths. This revaluation of assets increased Council's asset value for these classes of assets by \$81,699M therefore resulting in higher depreciation costs this financial year.
- Council's Depreciation budget excludes Depreciation for Council's Fleet - Motor Vehicles and Plant. Depreciation for Fleet is included in the plant hire recovery for these items classified as Materials and Contracts. Actual Depreciation for Council's Fleet was \$1,030M and for the purposes of the Financial Statements has been transferred from Materials & Contracts to Depreciation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 STATEMENT OF DEVELOPER CONTRIBUTIONS

(A) SUMMARY OF DEVELOPER CONTRIBUTIONS

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR *		INTEREST & INVESTMENT INCOME EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	INTERNAL BORROWINGS (TO/FROM) *** \$'000	EXPENDITURE RECLASSIFIED \$'000	HELD AS RESTRICTED ASSET ** \$'000	PROJECTED FUTURE CONTRIBUTIONS \$'000	PROJECTED COST OF WORKS STILL OUTSTANDING \$'000	PROJECTED OVER/(UNDER) FUNDING \$'000
		CASH \$'000	NON-CASH \$'000								
Community & Culture	17	8	-	-	35	10	-	-	50,312	54,125	(3,813)
Open Space & Public Domain	3,992	2,242	-	302	6,194	(10)	(6,231)	6,563	113,476	142,227	(22,188)
Roads, Traffic, Carparks & Cycleways	1,369	62	-	51	1,078	-	-	404	32,527	35,431	(2,500)
Stormwater Management	11,820	2,222	-	533	3,448	-	4,361	6,766	4,206	10,972	-
Administration	339	159	-	20	171	-	-	347	682	1,029	-
TOTAL	17,537	4,693	-	906	10,926	-	(1,870)	14,080	201,203	243,784	(28,501)

City of Ryde Council adopted the Section 94 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

NOTES TO THE FINANCIAL STATEMENTS

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:

- (a) 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 dependent on its past performance. Council's share of the net assets or liabilities reflects our contributions to the pool and insurance claims within each of the fund years.

Council's accounting policy regarding the measurement and disclosure of the potential liability or benefit is to book Council's share of the net asset or liability value, as advised by Statewide Mutual taking into account their audited figures for the year ended 30 June 2008.

- (b) Council holds a partly paid share in Statecover Mutual Limited, a company providing workers compensation insurance cover for Council. Council has a contingent liability to contribute further equity in the event of the erosion of the capital balance of the company as a result of the company's performance and/or experience.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19 INTERESTS IN JOINT VENTURES

The Council has no interests in joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 20 REVALUATION RESERVES AND RETAINED EARNINGS

	2008 (\$'000)	2007 (\$'000)
(a) Revaluation reserves		
Infrastructure, property, plant and equipment revaluation reserve	527,007	81,699
Total assets	527,007	81,699
Movements:		
<i>Property, plant and equipment revaluation reserve</i>		
At beginning of year	81,699	0
Revaluation- gross	479,991	110,497
Depreciation transfer - gross	(34,683)	(28,798)
At end of year	527,007	81,699
<i>Available-for-sale investments revaluation reserve</i>		
At beginning of year	-	-
Revaluation- gross	-	-
Transfer to net profit - gross	-	-
At end of year	-	-
(b) Retained earnings		
Movements in retained earnings were as follows:		
At beginning of year	1,607,434	1,310,372
Accumulated Depreciation Adjustment due to asset revaluation	6,731	279,931
Net operating result for the year	29,948	17,131
At end of year	1,644,113	1,607,434

(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) Asset Revaluation at Fair Value

The following asset classes were revalued at 30 June 2008:

Public Roads, Other Structures, Buildings, Drainage Works,
Operational and Community Land

Refer to Note 1(m)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 21 REINSTATEMENT, REHABILITATION AND RESTORATION LIABILITIES

Site Remediation

Council is required by law to restore sites at Wellington Road and Parsonage Street to their original condition, following their former usage as Council works depots.

	2008 (\$'000)	2007 (\$'000)
At beginning of the year	1,134	1,134
Revised Costs	-	-
Remediation Works	<u>(320)</u>	<u>-</u>
At end of the Year	<u>814</u>	<u>1,134</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2008 (\$'000)	2007 (\$'000)
Roads	-	174
Total	<u>-</u>	<u>174</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23 EVENTS OCCURRING AFTER BALANCE DATE

City of Ryde has a proportion of its investment portfolio in structured products (CDOs, CPDOs and Capital Protected Notes) and these are shown at face value in the Financial Report as they were acquired on the basis of holding the investment to maturity and are thus valued at amortised cost in accordance with AASB139.

The valuations available as at 30 June 2008 indicate an estimated decrease of 8% (\$6.65 million) on Council's \$82.6 cash investment portfolio.

This represents Council's exposure to the financial markets and is regarded as a paper loss as until such time as the investments are sold or unwound, any actual gain or loss is unknown.

Toward the end of September / early October 2008, there has been further deterioration in the global financial markets and Council's investment portfolio has been further impacted by a number of companies filing for bankruptcy such as Lehman Brothers and a number of credit events particularly in the financial sector.

Whilst the volatility in the global financial markets did not impact returns for 2007/08, Council is concerned over a number of its investments and resolved to create an \$8 million Financial Security Reserve at its meeting of 7 October 2008 to protect Council against any future fallout from the global financial crisis.

Council's investment portfolio has sufficient diversification to provide liquidity until other investments mature.



SPENCER STEER
CHARTERED ACCOUNTANTS

CITY OF RYDE

GENERAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying *general purpose financial report* of the *City of Ryde*, which comprises the Balance Sheet as at 30 June 2008, Income Statement, Statement of Changes in Equity and Cash Flow 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. The financial report includes 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 Report

The Council is responsible for the preparation and fair presentation of the financial report 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 report that is 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 report 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 report is free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Cash Flow Statement, 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

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.

Basis for Qualified Auditor's Opinion

Since July 2007, global financial markets have experienced a period of high volatility led by events in the US housing market, particularly sub prime loans, which has impacted the value, recoverability, liquidity, cash flows and rates of return of many financial assets including Collateralised Debt Obligations (CDOs).

At 30 June 2008, Council's investment portfolio totalled \$82.308 million and included CDO securities totalling \$10 million and classified as 'held to maturity'. Whilst these investments are carried at face value, their fair value was \$5.127 million which is included in the fair value disclosure in Note 15. These securities do not have market values that are independently quoted and they are not widely traded. Independent market valuations are not readily available and in many cases, values are assessed based on estimates from issuers and/or valuation models for which there is limited market evidence available to verify their reasonableness in the current economic environment. Further, the ongoing volatility of financial markets creates greater uncertainty in the valuation process and determination of future cash flows.

These circumstances have resulted in our inability to obtain sufficient appropriate audit evidence to satisfy ourselves as to the value and recoverability of \$10 million of Council's total investment portfolio.

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial statements of the matter referred to in the paragraph titled *Basis for Qualified Auditor's 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 report:
 - (i) has been presented in accordance with the requirements of this Division;
 - (ii) is consistent with the Council's accounting records;
 - (iii) presents fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) is 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 report that we have become aware of during the course of the audit.

SPENCER STEER

Chartered Accountants

N. MAH CHUT

Partner

Dated at Sydney this 31st day of October 2008



SPENCER STEER
CHARTERED ACCOUNTANTS

31 October 2008

The Mayor
City of Ryde
1 Devlin Street
RYDE NSW 2112

Mayor,

Audit Report - Year Ended 30 June 2008

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2008 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 Reports.

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 Reports 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;

1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a Surplus of \$29.948 million as compared with \$17.131 million in the previous year.



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

	2008	% of Total	2007	% of Total	Increase (Decrease)
	\$000		\$000		\$000
Revenues before capital items					
Rates & annual charges	50,335	52%	48,270	65%	2,065
User charges, fees & other revenues	17,623	18%	16,120	22%	1,503
Grants & contributions provided for operating purposes	6,295	7%	5,732	8%	563
Interest & investment revenue	4,259	4%	3,965	5%	294
Proceeds from the sale of stratum land	18,000	19%	-	0%	18,000
	96,512	100%	74,087	100%	22,425
Expenses					
Employee benefits & costs	29,161	39%	25,611	38%	3,550
Materials, contracts & other expenses	29,402	39%	26,579	39%	2,823
Depreciation, amortisation & impairment	16,123	21%	14,636	22%	1,487
Borrowing costs	475	1%	497	1%	(22)
	75,161	100%	67,323	100%	7,838
Surplus(Deficit) before capital items	\$ 21,351		\$ 6,764		\$ 14,587
Grants & contributions provided for capital purposes	8,597		10,367		(1,770)
Net Surplus(Deficit) for the year	\$ 29,948		\$ 17,131		\$ 12,817

The table above shows an overall increase over the previous year of \$12.817 million and also highlights the variances over the previous year. As can be seen above, the proceeds from the sale of stratum land was the most significant variation.

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.



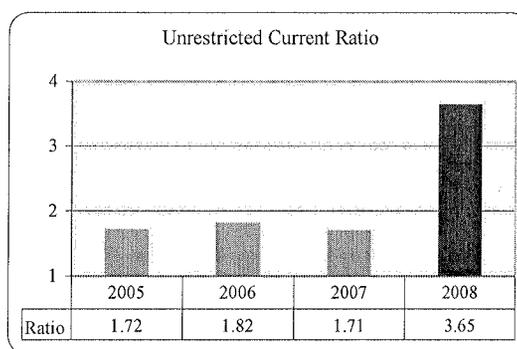
	2008	2007
Funds were provided by:-	\$000	\$000
Operating Result (as above)	29,948	17,131
Add back non funding items:-		
- Depreciation, amortisation & impairment	16,123	14,636
- Book value of non current assets sold	1,341	2,258
- (Gain)Loss of fair value to investment properties	892	(5)
	<u>48,304</u>	<u>34,020</u>
Decrease/Redemption in Non Current Investments	1,501	0
Transfers from externally restricted assets (net)	8,241	0
Transfers from internal reserves (net)	0	553
Net Changes in current/non current assets & liabilities	574	256
	<u>58,620</u>	<u>34,829</u>
Funds were applied to:-		
Purchase and construction of assets	(28,325)	(23,794)
Increase/Purchase in Non Current Investments	0	(6,029)
Principal repaid on loans	(1,354)	(1,303)
Finance lease instalments	(16)	(48)
Transfers to externally restricted assets (net)	0	(4,548)
Transfers to internal reserves (net)	(29,078)	0
	<u>(58,773)</u>	<u>(35,722)</u>
Increase(Decrease) in Available Working Capital	(153)	(893)

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 \$37.059 million representing a factor of 3.65 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.

At the close of the year the Available Working Capital of Council stood at \$2.200 million as detailed below;



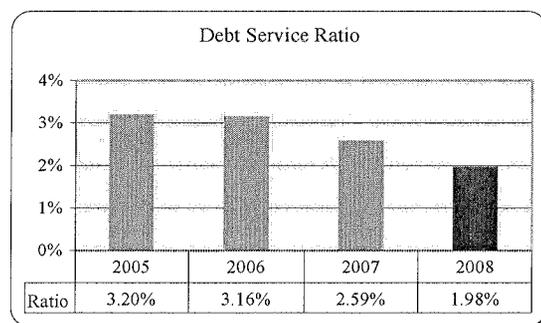
	2008	2007	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	42,271	21,388	20,883
<i>Add:</i> Payables & provisions not expected to be realised in the next 12 months included above	8,711	8,184	527
Adjusted Net Current Assets	50,982	29,572	21,410
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	700	1,377	(677)
- Employees leave entitlements	3,087	2,792	295
- Site remediation	814	1,134	(320)
- Deposits & retention moneys	1,482	1,506	(24)
<i>Less:</i> Externally restricted assets	(13,923)	(22,164)	8,241
<i>Less:</i> Internally restricted assets	(40,942)	(11,864)	(29,078)
Available Working Capital as at 30 June	\$ 2,200	\$ 2,353	\$ (153)

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 2008 was sound.

2.3 Debt

Principal & interest repaid during the year amounted to \$1.845 million.

Operating revenue (excluding special purpose grants and contributions) required to service these repayments was 1.98%.



2.4 Summary

Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

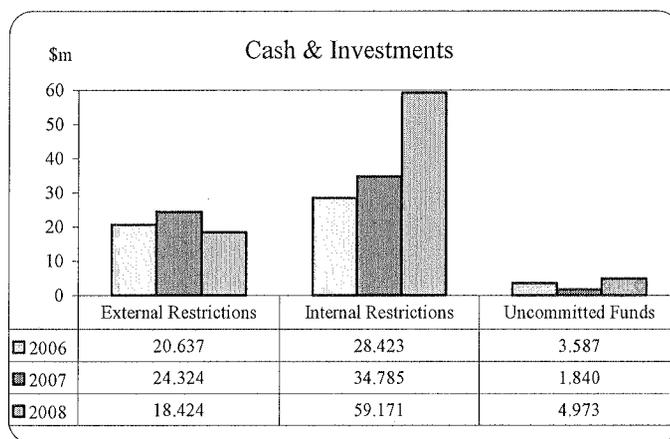
Cash and investments held at the close of the year amounted to \$82.568 million as compared with \$60.949 million and \$52.647 million at the close of financial years 2007 and 2006 respectively.



At Fair Value investments amounted to \$24,552 million after write ups during the year of \$1.418 million which were recognised through the Income Statement.

Held to maturity investments and securities (including CDO's - Collateralised Debt Obligations of \$10 million) totalling \$23,500 million have been disclosed in the accounts at face value. The fair value of these securities amounted to \$16,849 million based on information provided by brokers as disclosed in Note 15. The unrealised losses of these investments of \$6,651 million have not been recognised in the accounts.

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 \$14.080 million, domestic waste management charges of \$1.774 million, special rate levies of \$1.016 million and specific purpose grants and contributions of \$1.554 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 \$59.171 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$4.973 million, which are available to provide liquidity for day to day operations.

3.2 Cash Flows

The Cash Flow Statement 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 \$34.572 million to \$34.516 million at the close of the year.

In addition to operating activities which contributed net cash of \$27.320 million were the proceeds from the sale of investments (\$121.589 million) and other assets (\$20.264 million). Cash outflows other than operating activities were used to purchase investments (\$107.200 million), repay loans and deferred payment creditors (\$1.370 million) and to purchase and construct assets (\$26.031 million).



4. RECEIVABLES

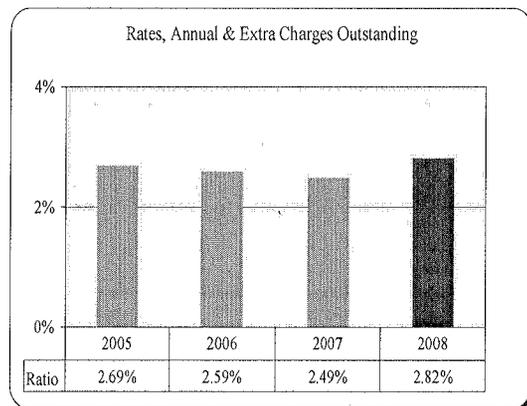
4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$50.335 million and represented 47.89% (2007 - 57.16%) of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$51.387 million of which \$50.007 million (97.31%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$1.459 million at the end of the year & represented 2.82% of those receivables.



4.3 Other Receivables

Receivables (other than rates, annual & extra charges) totalled \$3.698 million and mainly consisted of user charges and fees (\$649,000) and amounts due from government departments amounted to \$2.051 million.

Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$85,000.

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$6.887 million.

A cash reserve of \$1.854 million was held at year end representing 26.92% 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 \$6.581 million of which 94.24% were funded by cash and investments.



6. REVALUATION OF ASSETS

The current year saw the continued revaluation of infrastructure, property, buildings, plant and equipment to fair value. This resulted in a net increase of \$452.039 million and was credited directly to Equity.

7. 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,

SPENCER STEER

Chartered Accountants

N. MAH CHUT

Partner

City of Ryde

Special Purpose Financial Report for the Year Ended 30 June 2008

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

The attached Special Purpose Financial Report has been prepared in accordance with:

- NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- Department of Local Government Guidelines "Pricing & Costing for Council Businesses: A guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The Department of Water and Energy Practice Management of Water Supply and Sewerage Guidelines.

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

- 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 this Report false or misleading in any way.

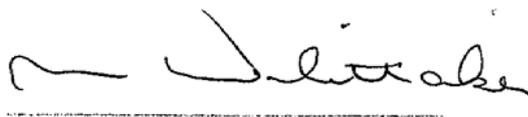
Signed in accordance with a resolution of Council made on 21 October 2008.



Vic Tagg
Mayor



Sarkis Yedelian
Deputy Mayor



Michael Whittaker
General Manager



Richard Nankivell
Chief Financial Officer
(Responsible Accounting Officer)

Council of the City of Ryde

INCOME STATEMENT OF OTHER BUSINESS ACTIVITIES
for the year ended 30 June 2008
(\$'000's)

	Ryde Aquatic Leisure Centre		Commercial Waste Management	
	(Category 1)		(Category 2)	
	2008	2007	2008	2007
Income from continuing operations				
Annual Charges	-	-	-	-
User Charges	4,572	4,421	560	457
Fees	-	-	-	-
Interest	-	-	-	-
Other income	96	38	-	-
Grants & Contributions provided for Non-Capital Purposes	-	-	-	-
Profit from sale of assets	-	317	-	-
Total Income From Continuing Operations	4,668	4,776	560	457
Expenses from continuing operations				
Employee benefits and on costs	2,483	2,328	17	18
Materials and Contracts	1,587	1,449	177	146
Borrowing costs	-	-	-	-
Depreciation and impairment	944	861	-	-
Loss on sale of assets	-	-	-	-
Taxation Equivalent Payments	149	140	-	-
Other expenses	617	625	55	34
Total Expenses From Continuing Operations	5,780	5,403	249	198
Surplus (Deficit) from Continuing Operations before capital amounts	(1,112)	(627)	311	259
Grants & Contributions provided for Capital Purposes	-	-	-	-
Surplus (Deficit) from Continuing Operations after capital amounts	(1,112)	(627)	311	259
Surplus (Deficit) from Discontinued Operations	-	-	-	-
Surplus (Deficit) from All Operations before Tax	(1,112)	(627)	311	259
Corporate Taxation Equivalent (30%) [based on Operating result before capital]	-	-	93	78
Surplus (Deficit) After Tax	(1,112)	(627)	218	181
Opening Retained profits *	33,539	20,611	199	199
Adjustments for Amounts Unpaid:-				
Taxation Equivalent Payments	149	140	-	-
Corporate Taxation Equivalent	-	-	93	78
Plus: Subsidy from Council	-	-	-	-
Plus: Equity Contributions	739	13,555	-	-
Less: Equity Withdrawals	-	-	-	-
Less: TER Dividend payment (non restricted activities)	(149)	(140)	(93)	(78)
Less: Surplus Dividend payment (non restricted activities)	-	-	(218)	(181)
Closing Retained Profits	33,166	33,539	199	199
RETURN ON CAPITAL (%)	-2%	-3%	N/A	N/A
SUBSIDY FROM COUNCIL	-	-	-	-

* Opening Retained Earnings of some Business Activities have been effected by the revaluation of various classes of Non-Current asset to fair value.

Calculation of Dividend Payable

Surplus (Deficit) after tax	(1,112)	(627)	218	181
Less: Capital grants & contributions	-	-	-	-
Surplus for dividend calculation purposes	(1,112)	(627)	218	181
Dividend calculated from surplus	-	-	218	181

Council of the City of Ryde

BALANCE SHEET OF OTHER BUSINESS ACTIVITIES
for the year ending 30 June 2008
(\$000's)

	Ryde Aquatic Leisure Centre		Commercial Waste Management	
	(Category 1)		(Category 2)	
	2008	2007	2008	2007
CURRENT ASSETS				
Cash Asset and cash equivalents	170	-	-	-
Investments	-	-	-	-
Receivables	73	21	165	10
Inventories	10	11	-	-
Other	-	-	54	197
TOTAL CURRENT ASSETS	253	32	219	207
NON-CURRENT ASSETS				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	47,347	34,585	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	47,347	34,585	-	-
TOTAL ASSETS	47,600	34,617	219	207
CURRENT LIABILITIES				
Payables	483	332	14	2
Interest Bearing Liabilities	-	205	-	-
Provisions	515	529	6	6
TOTAL CURRENT LIABILITIES	998	1,066	20	8
NON-CURRENT LIABILITIES				
Payables	-	-	-	-
Interest Bearing Liabilities	-	-	-	-
Provisions	14	12	0	-
TOTAL NON-CURRENT LIABILITIES	14	12	0	-
NET ASSETS	46,588	33,539	199	199
EQUITY				
Retained Earnings	33,166	33,539	199	199
Revaluation Reserves	13,422	-	-	-
TOTAL EQUITY	46,588	33,539	199	199

The inclusion of RALC land at fair value resulted in an increase to 2007 Non-Current Assets by \$12,302

NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

This statement summarises the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Report (SPFR) for National Competition Policy reporting purposes. These financial statements are a SPFR prepared for use by the Council and Department of Local Government. For the purposes of these statements, the Council is not a reporting entity.

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 Department 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 Report) 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 SPFR. For the purposes of disclosing 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 \$359,000
Payroll Tax	6.0% of total labour payments for the individual business activity in excess of \$600,000
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 Charges

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.



SPENCER STEER
CHARTERED ACCOUNTANTS

CITY OF RYDE

SPECIAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying *special purpose financial report* of the *City of Ryde*, which comprises the Balance Sheet as at 30 June 2008, 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. The financial report includes 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 Report

The Council is responsible for the preparation and fair presentation of the financial report 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 report, are appropriate to meet the financial reporting requirements of the Department 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 report that is 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 report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 report.

The financial report has been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Council or the Department of Local Government, or for any purpose other than that for which it was prepared.

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 report of the Council is 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.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 31st day of October 2008



City of Ryde

**General and Special
Purpose Financial Reports**

Special Schedules

Year Ended 30 June 2008

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 1

NET COST OF SERVICES

for the year ended 30 June 2008

(\$'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	1,531		6	0		(1,525)	
		1,531			6		(1,525)
ADMINISTRATION							
Corporate Support	817		5	0		(812)	
Engineering & Works	1,482		324	47		(1,111)	
Other Support Services	12,876		381	18,828		6,334	
		15,175			19,586		4,411
PUBLIC ORDER & SAFETY							
Statutory Contribution to Fire Service Levy	1,393		0	0		(1,393)	
Fire Protection - Other	0		0	0		0	
Animal Control	207		50	0		(157)	
Beach Control	0		0	0		0	
Enforcement of Local Govt Regs	1,057		0	0		(1,057)	
Emergency Services	135		0	0		(135)	
Other	777		3,688	0		2,911	
		3,568			3,738		170
HEALTH							
Administration & Inspection	375		106	0		(268)	
Immunisation	108		50	0		(58)	
Food Control	0		0	0		0	
Insect/Vermin Control	47		0	0		(47)	
Noxious Plants	32		20	0		(12)	
Health Centres	56		0	0		(56)	
Other	512		3	0		(509)	
		1,129			178		(950)
COMMUNITY SERVICES & EDUCATION							
Administration	0		0	0		0	
Family Care	0		0	0		0	
Child Care	9		0	0		(9)	
Youth Services	98		3	0		(96)	
Other Families & Children	281		266	0		(15)	
Aged & Disabled	389		368	0		(22)	
Migrant Services	0		0	0		0	
Aboriginal Services	0		0	0		0	
Other Community Services	1,095		188	0		(908)	
Education	0		0	0		0	
		1,873			824		(1,048)

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	0		0	0		0	
Town Planning	5,769		5,148	2,177		1,556	
Domestic Waste Management	8,573		11,453	0		2,880	
Other Waste Management	741		891	0		150	
Street Cleaning	765		0	0		(765)	
Other Sanitation & Garbage	0		0	0		0	
Urban Stormwater Drainage	5,398		1,242	2,409		(1,746)	
Environmental Protection	95		264	0		169	
Public Cemeteries	0		0	0		0	
Public Conveniences	191		0	0		(191)	
Other Community Amenities	0		0	0		0	
		21,531			23,585		2,054
WATER SUPPLIES							
SEWERAGE SERVICES							
RECREATION & CULTURE							
Public Libraries	4,326		842	0		(3,484)	
Museums	0		0	0		0	
Art Galleries	0		0	0		0	
Community Centres	95		0	0		(95)	
Public Halls	388		371	8		(8)	
Other Cultural Services	0		0	0		0	
Swimming Pools	4,904		4,668	0		(236)	
Sporting Grounds	3,996		437	0		(3,559)	
Parks & Gardens (Lakes)	4,107		220	2,242		(1,645)	
Other Sport & Recreation	0		0	0		0	
		17,817			8,789		(9,028)
FUEL & ENERGY SUPPLIES							
Gas Supplies							
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	0		0	0		0	
Abattoirs	0		0	0		0	
Quarries & Pits	0		0	0		0	
Other	0		0	0		0	
		0			0		0

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	8,326		1,564	416		(6,346)	
Urban Roads : Regional	61		48	67		54	
Sealed Rural Roads : Local	0		0	0		0	
Bridges on Urban Roads : Local	7		0	0		(7)	
Bridges on Urban Roads : Regional	0		0	0		0	
Bridges on Urban Roads : Other	0		0	0		0	
Footpaths	983		0	0		(983)	
Aerodromes	0		0	0		0	
Parking Areas	82		0	60		(22)	
Bus Shelters & Services	25		105	0		80	
Water Transport	0		0	0		0	
RTA Works (State)	0		0	0		0	
Street Lighting	1,386		322	0		(1,064)	
Other	229		3	1,077		850	
		11,100			3,661		(7,439)
ECONOMIC AFFAIRS							
Camping Areas	0		0	0		0	
Caravan Parks	0		0	0		0	
Tourism & Area Promotion	0		0	0		0	
Industrial Development & Promotion	0		0	0		0	
Saleyards & Markets	0		0	0		0	
Real Estate Development	0		0	0		(0)	
Commercial Nurseries	0		0	0		0	
Other Business Undertakings	1,437		926	0		(511)	
		1,437			926		(511)
TOTALS - FUNCTIONS		75,161			61,294		(13,867)
GENERAL PURPOSE REVENUES ⁽¹⁾					43,816		43,816
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⁾		75,161			105,109		29,949
EXTRAORDINARY ITEMS ⁽²⁾							
SURPLUS/(DEFICIT) FROM ALL ACTIVITIES ⁽²⁾		75,161			105,109		29,948

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

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 2(a)

STATEMENT OF LONG-TERM DEBT (ALL PURPOSES)

for the year ended 30 June 2008

(\$,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	Non-Current	Total
LOANS (By Source)										
Commonwealth Bank										
Treasury Corporation										
Other State Government										
Public Subscriptions										
Financial Institutions *	1,043	5,921	6,964	0	1,036	0	474	688	5,240	5,928
Other										
TOTAL LOANS	1,043	5,921	6,964	0	1,036	0	474	688	5,240	5,928
OTHER LONG TERM DEBT										
Ratepayer's Advances										
Government Advances										
Finance Leases	16	12	28	0	16	0	1	12	0	12
Deferred Payments	318	0	318	0	318	0	0	0	0	0
TOTAL LONG TERM DEBT	1,377	5,933	7,310	0	1,370	0	475	700	5,240	5,940

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 2(b)

**STATEMENT OF INTERNAL LOANS (Section 410(3) LGA 1993)
for the year ended 30 June 2008
(\$'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			
TOTALS			0

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
TOTALS								0

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 7

CONDITION OF PUBLIC WORKS

AS AT 30 June 2008

(\$'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
		Per Note 1	Per Note 4	Per Note 9				Per Section 428(2d)			
*Buildings		1.00%	894	0	139,156	54,753	84,403	21% of buildings are considered to be in a satisfactory condition	21,718	1,642	1,153
**Public Roads		1.25%	5,655	0	562,899	108,250	454,649				10,137
Road Pavement								89% of road segments are considered to be in a satisfactory condition	10,688	5,176	
Footpaths/Cycleways								77.2% of footpaths are considered to be in a satisfactory condition	2,998	1,020	
Road Ancillary								55.6% of roundabouts & 29.6% of medians are considered to be in a satisfactory condition	1,750	277	

Council of the City of Ryde
SPECIAL SCHEDULES - Schedule No. 7
CONDITION OF PUBLIC WORKS
AS AT 30 June 2008
(\$'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
		Per Note 1	Per Note 4	Per Note 9			Per Section 428(2d)				
**Public Roads (Continued)											
Bridges								71.9% of road bridges are considered to be in a satisfactory condition	878	238	
Kerb & Gutter								95.3% of Kerb & Gutter are considered to be in a satisfactory condition	806	1,003	
Drainage Works		1.25%	4,326	0	354,202	95,717	258,485	67.5% of conduit assets and 51.9% of pits and devices assets are considered to be in a satisfactory condition	27,835	4,066	1,488
Other Structures											
Car parks		various	934		93,938	26,268	67,670		636	214	
Foreshore Assets									1,097	186	
Parks									4,599	1,603	
Road Ancillary									966	167	
Totals			11,809	0	1,150,195	284,988	865,207		73,971	15,592	12,779

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 7

CONDITION OF PUBLIC WORKS

AS AT 30 June 2008

(\$'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 2006/2007, further reviews were undertaken in 2007/2008 for Land and Other Structures.

***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

Urban Roads 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 \$380M.

Footpaths Council's footpath network has a current replacement value of \$51.7M. Council has designed and implemented a Footpath Management System, where every footpath is inspected and rated on a 1 to 5 rating basis.

Kerb & Gutter Council has designed and implemented a Kerb & Gutter Management System with approximately 100% of the network inspected and rated. The current replacement value is \$90.8M.

Bridges The current replacement cost of bridges is \$20.5M.

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 8

Financial Projections

	2008 ⁽¹⁾ (\$'000)	2009 (\$'000)	2010 (\$'000)	2011 (\$'000)
Operating Budget				
Income From Continuing Operations	89,624	92,216	94,246	94,015
Expenditure From Continuing Operations	74,231	77,865	81,842	84,888
Operating Result From Continuing Operations	15,393	14,351	12,404	9,127
Capital Budget	41,140	53,714	39,259	41,356
Funded By:				
New Borrowings	2,000	2,000	-	-
Reserves	22,019	38,720	29,732	29,384
Grants & Contributions	2,667	4,495	1,663	1,551
General Revenue	14,454	8,499	7,864	10,421
	41,140	53,714	39,259	41,356

(1) From income statement