

financial **statements**

for the year ended 30 June 2002

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WARRINGAH COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2002

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO SECTION 413 (2)(c) OF THE LOCAL GOVERNMENT ACT 1993 (as amended)

The attached Annual Financial Statements have been drawn up in accordance with

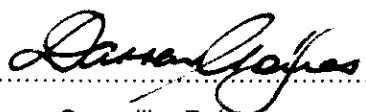
- The Local Government Act 1993 (as amended) and the Regulations made thereunder
- The Australian Accounting Standards and professional pronouncements
- The Local Government Code of Accounting Practice and Financial Reporting
- The Local Government Asset Accounting Manual.

To the best of our knowledge and belief, these reports

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

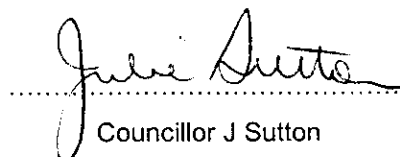
We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 27 August 2002



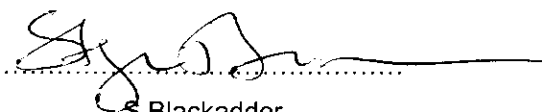
Councillor D Jones

MAYOR



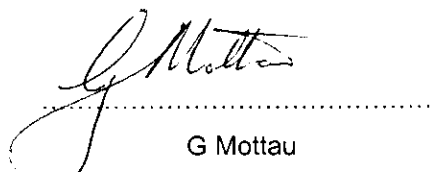
Councillor J Sutton

COUNCILLOR



S Blackadder

GENERAL MANAGER



G Mottau

RESPONSIBLE ACCOUNTING OFFICER

WARRINGAH COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30th June 2002

Budget 2002 \$'000		Notes	Actual 2002 \$'000	Actual 2001 \$'000
	EXPENSES FROM ORDINARY ACTIVITIES			
30,752	Employee Costs	3	30,978	29,698
29,421	Materials & Contracts		27,146	26,349
880	Borrowing Costs	3	896	812
-	Depreciation & Amortisation	3	11,331	11,323
13,374	Other Expenses	3	14,006	12,721
-	Loss from interests in Joint Ventures & Associates	19	385	495
<u>74,427</u>	Total Expenses from Ordinary Activities		<u>84,742</u>	<u>81,398</u>
	REVENUES FROM ORDINARY ACTIVITIES			
52,692	Rates & Annual Charges	4	53,076	51,131
9,470	User Charges & Fees	4	21,963	19,712
1,544	Investment Revenues	4	2,417	2,189
8,245	Grants & Contributions - Operating	4	7,522	7,261
1,801	Other Revenues	4	2,103	1,514
6,603	Profit from Disposal of Assets	5	8,550	2,501
<u>80,355</u>	Revenues from Ordinary Activities before Capital Amounts		<u>95,631</u>	<u>84,308</u>
5,928	SURPLUS(DEFICIT) FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS		10,889	2,910
<u>2,714</u>	Grants & Contributions - Capital	4	<u>7,508</u>	<u>4,629</u>
8,642	NET SURPLUS(DEFICIT) FOR YEAR		18,397	7,539
-	Share attributable to Minority Interests	19(a)	<u>(1,442)</u>	<u>(1,361)</u>
<u>8,642</u>	NET SURPLUS(DEFICIT) ATTRIBUTABLE TO COUNCIL		<u>\$ 16,955</u>	<u>\$ 6,178</u>

This Statement is to be read in conjunction with the attached Notes.

WARRINGAH COUNCIL

STATEMENT OF FINANCIAL POSITION

as at 30th June 2002

	Notes	Actual 2002 \$'000	Actual 2001 \$'000
CURRENT ASSETS			
Cash Assets	6	28,480	23,607
Receivables	7	13,690	7,568
Inventories	8	107	132
Other	8	423	188
TOTAL CURRENT ASSETS		<u>42,700</u>	<u>31,495</u>
NON-CURRENT ASSETS			
Cash Assets	6	26,464	13,857
Receivables	7	434	394
Property, Plant & Equipment	9	4,054,926	4,058,295
Investments accounted for using the equity method	19	558	531
TOTAL NON-CURRENT ASSETS		<u>4,082,382</u>	<u>4,073,077</u>
TOTAL ASSETS		<u>4,125,082</u>	<u>4,104,572</u>
CURRENT LIABILITIES			
Payables	10	10,076	9,236
Interest Bearing Liabilities	10	1,566	2,152
Provisions	10	3,704	3,600
TOTAL CURRENT LIABILITIES		<u>15,346</u>	<u>14,988</u>
NON-CURRENT LIABILITIES			
Payables	10	3,898	3,563
Interest Bearing Liabilities	10	12,240	10,948
Provisions	10	9,532	8,991
TOTAL NON CURRENT LIABILITIES		<u>25,670</u>	<u>23,502</u>
TOTAL LIABILITIES		<u>41,016</u>	<u>38,490</u>
NET ASSETS		<u>\$ 4,084,066</u>	<u>4,066,082</u>
EQUITY			
Accumulated Surplus		<u>4,079,082</u>	4,062,127
Council Equity Interest		<u>4,079,082</u>	4,062,127
Outside Interest in Equity	19(a)	4,984	3,955
TOTAL EQUITY		<u>\$ 4,084,066</u>	<u>4,066,082</u>

This Statement is to be read in conjunction with the attached Notes

WARRINGAH COUNCIL

STATEMENT OF CHANGES IN EQUITY
for the year ended 30th June 2002

	Note Ref	2002 \$'000			2001 \$'000					
		Accum Surplus	Asset Reval. Reserve	Council Equity Interest	Outside Equity Interest	Accum Surplus	Asset Reval. Reserve	Council Equity Interest	Outside Equity Interest	Total
Balance at beginning of the reporting period		4,062,127	-	4,062,127	3,955	4,055,949	-	4,055,949	3,895	4,059,844
Change in Net Assets recognised in the Statement of Financial Performance		16,955		16,955	1,442	6,178		6,178	1,361	7,539
Cash Distributions to Outside Equity Interests					(413)				(1,301)	(1,301)
Other Adjustments to Outside Equity Interest					-				-	-
Balance at end of the reporting period		4,079,082	-	4,079,082	4,984	4,062,127	-	4,062,127	3,955	4,066,082

This Statement is to be read in conjunction with the attached Notes

WARRINGAH COUNCIL

STATEMENT OF CASH FLOWS for the year ended 30th June 2002

	Notes	Actual 2002 \$'000	Actual 2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates & Annual Charges		53,208	51,677
User Charges & Fees		23,215	20,849
Investments Income		2,291	2,457
Grants & Contributions		15,956	12,768
Other operating receipts		3,635	3,697
<u>Payments</u>			
Employee Costs		(31,168)	(30,430)
Materials & Contracts		(30,735)	(30,543)
Borrowing Costs		(847)	(942)
Bonds & Deposits		255	-
Other operating payments		(14,375)	(13,696)
Net Cash provided by (or used in) Operating Activities	11(b)	21,435	15,837
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Proceeds from sale of Investments		-	-
Proceeds from sale of Property, Plant & Equipment		9,789	2,488
Proceeds from sale of Real Estate	5, 8	-	-
Proceeds from sale of Shares in Companies		-	-
Repayments from Deferred Debtors		18	89
Contributions to joint ventures by minority interests	19(a)	-	-
Distribution received from associated entities	19(b)(c)	-	-
Other proceeds		-	-
<u>Payments</u>			
Purchase of Investments		-	-
Purchase of Property, Plant & Equipment		(13,784)	(9,220)
Purchase of Real Estate	8	-	-
Purchase of Shares in Companies		-	-
Loans to Deferred Debtors		-	-
Distributions from joint ventures to minority interests	19(a)	(413)	(1,301)
Capital contributed to associated entities	19(b)(c)	(412)	(377)
Net Cash provided by (or used in) Investing Activities		(4,802)	(8,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings & Advances		7,038	900
Other Proceeds		840	-
<u>Payments</u>			
Repayments of Borrowings & Advances		(6,296)	(1,486)
Repayment of Finance Lease Liabilities		(649)	(558)
Other Payments		-	-
Net Cash provided by (or used in) Financing Activities		933	(1,144)
Net Increase (Decrease) in cash held		17,566	6,372
Cash Assets at beginning of reporting period	11(a)	37,252	30,880
Cash Assets at end of reporting period	11(a)	54,818	37,252

This Statement is to be read in conjunction with the attached Notes

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2002

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. The Local Government Reporting Entity

Warringah Council is incorporated under the NSW Local Government Act (1993) as amended and has its principal place of business at Civic Centre, 725 Pittwater Road, Dee Why. These General Purpose Financial Statements include the consolidated fund and other entities through which the Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

1.1 The Consolidated Fund

As required by Section 409(1) of the Local Government Act 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 following Committees established pursuant to the Act are included:

- Ø Allambie Heights Community Centre
- Ø Beacon Hill War Memorial Hall
- Ø Collaroy Plateau Progress Hall
- Ø Cromer Community Centre
- Ø Curl Curl Sports Centre Management Committee
- Ø Curl Curl Youth & Community Centre
- Ø Forest Community Arts Centre
- Ø Forestville Memorial Hall
- Ø Forestville Youth Centre
- Ø Frenchs Forest Showground Management Committee
- Ø Glen Street Theatre
- Ø Harbord Literary Institute
- Ø Lionel Watts Park
- Ø North Balgowlah Community Centre
- Ø Terrey Hills Community Centre
- Ø Tramshed Community Centre
- Ø Wyatt Avenue Tennis Centre

Other joint ventures and associated entities in which Council is involved are included to the extent set out in paragraph 14 below and in Note 19.

1.2 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 monies 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 these monies. Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2002**

Note 1 - Significant Accounting Policies (cont)

2. Basis of Accounting

2.1 Compliance

The financial report complies with the applicable Australian Accounting Standards and professional pronouncements, the requirements of the Local Government Act and the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual. For the convenience of users the reference to the equivalent AASB Accounting Standard is also given.

2.2 Basis

The financial report has been prepared on the accrual basis of accounting and, except where specifically indicated in these Notes, in accordance with the historical cost convention.

The accounting policies adopted for the reporting period is consistent with those of the previous reporting period except where otherwise indicated.

Nothing contained within this report may be taken to be an admission of any liability to any person under any circumstance.

3. Rates

The rating period and reporting period for the Council coincide and, accordingly, all rates levied for the year are recognised as revenues. Uncollected rates are recognised as receivables after providing for amounts due from unknown owners and postponed rates in accordance with the requirements of the Local Government Act 1993.

4. Grants, Contributions and Donations

Grants, donations and other contributions are recognised as revenues when the Council obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt. Where prior advice of grants has been received and expenditure has been incurred in accordance with the relevant terms and conditions, unreceived grant entitlements are recorded as receivables.

Unreceived contributions over which the Council has control are recognised as receivables.

Where grants, contributions and donations recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes as restricted assets. Also disclosed is the amount of grants, contributions and receivables recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

5. Cash Assets and Investment Securities

Investments in Bank Bills, Promissory Notes and Term Deposits are recognised at cost. Interest revenues are recognised as they accrue. Bills of exchange which have been purchased at a discount to face value are recognised at cost; the discount brought to account during the reporting period is accounted for as interest received. Managed Funds recognised as current assets are valued at market value in accordance with audited certificates issued by each fund; changes in market value are recognised as distributions received.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2002**

Note 1 - Significant Accounting Policies (cont)

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition. Where cash and investments held are subject to restrictions and Council's management plan for the ensuing reporting period does not provide for the discharge of those restrictions, the amounts have been classified as non-current.

6. Receivables

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1993 (as amended) and the Regulations and Determinations made thereunder.

Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate provision made for amounts the receipt of which is considered doubtful.

7. Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

7.1 Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are carried at the carrying value at the time of that decision.

8. Property, Plant & Equipment

8.1 Transitional Provisions

The accounting regulations applicable prior to 1 January 1993 did not require the capitalisation of infrastructure assets acquired or constructed. Australian Accounting Standard AAS 27 provides a transitional period for the capitalisation of these assets on a staged basis.

At the date of these accounts, the following infrastructure assets have not been capitalised:

Land under Roads

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

8.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year under review are provided in Note 9 to these accounts.

8.3 Valuation

The "Recoverable Amount Test" of paragraph 30 of AAS 10 (AASB 1010) does not apply to the Council except in relation to recognised trading operations.

At 1 July 2000 upon the commencement of Australian Accounting Standard AAS 38 (AASB 1041) "Revaluation of Non-Current Assets", Council elected pursuant to paragraph 10.4(a) of the standard to revert to the cost basis for all classes of assets previously carried at revalued amounts.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2002**

Note 1 - Significant Accounting Policies (cont)

Further detail of existing valuations, methods and valuers are provided at Note 9. Plant, equipment and similar assets are carried at historical cost less accumulated depreciation.

8.4 Depreciation of Non-Current Assets

All assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are provided in Note 9 to these accounts. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

8.5 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with Australian Accounting Standard AAS 34 (AASB 1036) "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 4. All borrowing costs capitalised relate to funds borrowed specifically for the qualifying assets, and accordingly paragraph 5.2 of the standard does not apply.

9. Payables

Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

10. Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

11. Employee Entitlements

Employee entitlements are accrued on a pro-rata basis for annual leave and long service leave in respect of services provided by employees up to the reporting date. Such accruals are assessed as at each reporting date, having regard to current rates of pay and other factors including experience of employee departures and their periods of service, and included at the net present value of the future payment in accordance with Australian Accounting Standard AAS 30 (AASB 1028). The amounts provided have been apportioned between current and non-current, the current provision being the entitlement estimated to be payable in the next twelve months.

Despite a new industrial award in November 2001 no change in policy was required for calculation of the Long Service Leave liability, as this is based on 100% of the assessed liability at reporting date.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2002**

Note 1 - Significant Accounting Policies (cont)

Other than sick leave that vested prior to 15 February 1989 under a previous industrial agreement, no accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave. Vested sick leave and gratuities payable (also pursuant to a previous industrial agreement) have been included at the net present value of future payments and apportioned between current and non-current on the basis of the entitlements estimated to be payable within twelve months

The superannuation expense for the year is the amount of the contribution the Council makes to the various statutory superannuation plans that provide benefits to its employees. These payments fully discharge Council's liability for post-retirement employee benefits.

12. Financial Instruments

Council complies with Australian Accounting Standard AAS 33 (AASB 1033) "Presentation & Disclosure of Financial Instruments"; the disclosures required by that Standard are made in Note 6 (Cash Assets and Investment Securities), Note 7 (Receivables), and Note 15 (Financial Instruments).

13. Construction Contracts

Construction works undertaken by Council for third parties (principally the Roads & Traffic Authority for works on national and state highways) are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

14. Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

Entities over which Council exercises "control" (as defined in the Standards) have been consolidated in accordance with Australian Accounting Standard AAS 24 (AASB 1024) "Consolidated Financial Reports", *Kimbriki Recycling and Waste Disposal Centre* and are disclosed in detail in Note 19 (a).

Entities over which no Council exercises "control" have been accounted for in accordance with Australian Accounting Standard AAS 19 (AASB 1006) "Accounting for Interests in Joint Ventures", Warringah and Pittwater Rural Fire Service and are disclosed in detail in Note 19 (b).

15. Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AAS 17 (AASB 1008) "Accounting for Leases".

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2002**

Note 1 - Significant Accounting Policies (cont)

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term. Specific disclosure in relation to non-cancellable operating leases are included in Note 12.

16. Self-Generating and Regenerating Assets

All material Self-Generating and Regenerating Assets owned by the Council are held for the principal purposes of one or more of aesthetics, heritage, ecology, the environment or recreation, and accordingly Australian Accounting Standard AAS 35 (AASB 1037) "Self-Generating and Regenerating Assets" does not apply.

17. GST Implications

In accordance with UIG Abstract 31 "Accounting for the Goods & Services Tax"

Ø Receivables and Creditors include GST receivable and payable.

Ø Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.

Ø Non-current assets and capital expenditures include GST net of any recoupment.

Ø Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

18. Budget Information

The Statement of Financial Performance and Note 2 provide budget information of revenues and expenditures by type and for each of the major activities of the Council. Budget figures presented are those approved by Council at the beginning of the financial year and do not include Council approved variations throughout the year. Short explanations of the most significant variations are given in Note 16, and further information of the nature and amount of all variations is available from the Council office upon request.

19. Rounding

In accordance with the Code of Accounting Practice all amounts shown in the Financial Statements have been rounded to the nearest thousand dollars.

20. Comparative Information

Where necessary, comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

21. Workers Compensation and Public Liability/Professional Indemnity Insurance Provisions

Council has determined to self-insure for various risks including public liability and professional indemnity. A provision for self insurance has been made in accordance with the Local Government Code of Accounting Practice to recognise outstanding claims the amount of which is detailed in Note 10. Council maintains a banker's guarantee for the full amount of the provision.

In providing for Workers Compensation and Public Liability/Professional Indemnity Liability, Council in no way accepts any admission of liability, for any claims that have arisen in the past, present or future.

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 2 - FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES														
	REVENUES			EXPENSES				OPERATING RESULT			GRANTS INCLUDED IN REVENUES		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	
	2002 \$'000	2001 \$'000	2002 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000	
NATURAL ENVIRONMENT	988	1,786	8,446	8,179	9,289	(5,979)	(7,191)	(7,503)	705	333	183,048	185,329		
URBAN DEVELOPMENT	2,224	2,595	4,823	4,021	4,313	(1,863)	(1,797)	(1,718)	557	576	59	-		
INFRASTRUCTURE	2,186	2,389	12,752	7,277	8,039	(1,495)	(5,091)	(5,650)	1,106	1,596	237,404	240,159		
COMMUNITY ENHANCEMENT	6,643	7,184	14,348	11,186	12,308	(4,663)	(4,543)	(5,124)	3,309,910	3,309,677	-	-		
HEALTH & SAFETY	10,928	11,735	15,019	14,982	15,650	(3,806)	(4,054)	(3,915)	95	142	11,899	11,993		
EXECUTIVE MANAGEMENT	2,644	3,356	3,419	4,016	4,385	(63)	(1,372)	(4,234)	6	10	-	-		
CORPORATE SUPPORT	11,245	16,275	25,550	17,063	26,537	(9,349)	(5,818)	(10,262)	-	-	382,762	357,414		
CAPITAL WORKS CONTRIBUTION	860	886	7,702	7,702	382	266	(6,842)	504	174	316	-	-		
TOTALS - FUNCTIONS	37,718	43,001	84,357	74,426	80,903	(26,952)	(36,708)	(37,902)	2,643	2,973	4,125,082	4,104,572		
GENERAL PURPOSE REVENUES	45,351	45,936	45,734	45,351	45,936	45,734	45,351	45,936	3,813	3,740	4,125,082	4,104,572		
PROFIT (LOSS) FROM INTEREST IN JOINT VENTURE	103,139	88,937	84,357	74,426	80,903	18,782	8,643	8,034	6,456	6,713	-	-		
SHARE ATTRIBUTABLE TO MINORITY INTERESTS	-	-	-	-	-	(385)	-	(495)	-	-	-	-		
TOTALS	83,069	88,937	84,357	74,426	80,903	16,955	8,643	6,178	6,456	6,713	4,125,082	4,104,572		

The above functions are consistent with the programs adopted in the Warringah Plan 2001-2004.

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 3 - EXPENSES FROM ORDINARY ACTIVITIES

	2002 \$'000	2001 \$'000
EMPLOYEE COSTS		
Salaries and Wages	25,063	25,706
Travelling	89	78
Employee Leave Entitlements	3,470	1,589
Superannuation	1,677	1,869
Workers' Compensation Insurance	65	343
Fringe Benefits Tax	145	248
Training Costs (excluding Salaries)	569	496
Other -Redundancies	332	184
Less: Capitalised and distributed costs	(432)	(815)
Total Operating Employee Costs	30,978	29,698
Total Number of Employees	507	542
(Full time equivalent at end of reporting period)		
BORROWING COSTS		
Interest on Overdraft	1	1
Interest on Loans	703	833
Penalty Interest on Refinancing	104	-
Charges on Finance Leases	85	82
Interest on Bonds & Deposits	3	(104)
Gross Interest Charges	896	812
Less: Borrowing Costs capitalised	-	-
Total Interest Charges	896	812
DEPRECIATION & AMORTISATION		
Plant and Equipment	1,329	1,486
Office Equipment	978	1,097
Furniture & Fittings	42	43
Leased Property, Plant & Equipment	376	192
Land Improvements	4	3
Buildings	1,180	1,161
Other Structures	166	130
Infrastructure		
- roads, bridges & footpaths	3,264	3,254
- stormwater drainage	3,257	3,244
Other assets		
- library books	472	453
- other	198	193
Glen Street	34	38
Section 355 Committees	31	29
Total Depreciation & Amortisation	11,331	11,323

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 3 - EXPENSES FROM ORDINARY ACTIVITIES (cont)

	2002	2001
	\$'000	\$'000
OTHER EXPENSES		
Advertising	419	462
Auditor's Remuneration		
- Audit Services	38	34
- Other Services	31	25
- Other Auditors	-	10
Bad and Doubtful Debts	657	767
Consultancies	2,323	2,584
Donations & Contributions to Local & Regional Bodies	763	902
Insurances	2,082	793
Legal Expenses		
- Planning & Development	1,607	857
- Other Legal Expenses	373	424
Light, Power & Heating	791	541
Mayoral Allowance	44	49
Members' Fees & Allowances	157	112
Members' Expenses	3	21
Operating Lease Rentals - cancellable	261	330
Payments to other levels of Government	2,287	2,434
Street Lighting	1,121	1,108
Data Services	225	353
Telephone & Communications	824	917
Other	-	(2)
Total Other Expenses	14,006	12,721

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 4 - REVENUES FROM ORDINARY ACTIVITIES

	2002 \$'000	2001 \$'000
RATES & ANNUAL CHARGES		
<u>Ordinary Rates</u>		
Residential	34,145	33,104
Business	8,781	8,510
	42,926	41,614
<u>Annual Charges</u>		
Domestic Waste Management	10,150	9,517
	10,150	9,517
Total Rates & Annual Charges	53,076	51,131
 USER CHARGES & FEES		
<u>User Charges</u>		
Other Waste Management	361	183
Kimbriki Waste & Recycling Centre	7,626	7,651
	7,987	7,834
<u>Fees</u>		
Planning & Building	2,941	2,347
Parking Areas	294	225
Libraries	143	151
RTA Contributions	230	223
Community Centres	856	706
Childcare	2,709	2,272
Glen Street Theatre	2,143	1,655
Swimming Centre	2,001	1,710
Sec 611 Charges	687	691
Rent & Hire of Council Property	670	747
Sec 603 Charges	186	162
Dog Registration/Road inspection Fees	315	238
Other	801	751
	13,976	11,878
Total User Charges & Fees	21,963	19,712

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 4 - REVENUES FROM ORDINARY ACTIVITIES (cont)

	2002 \$'000	2001 \$'000
INVESTMENT REVENUES		
Interest on overdue rates & charges	193	186
Interest on investments attributable to		
Section 94 Contributions	984	909
Other External Restrictions	11	-
Other Investments	118	94
Distribution from Managed Funds	<u>1,111</u>	<u>1,000</u>
Gross Investment Revenues	2,417	2,189
Less: Interest deducted from		
capitalised borrowing costs	-	-
Total Investment Revenues	<u>2,417</u>	<u>2,189</u>
OTHER REVENUES		
Ex-Gratia payments in lieu of rates	31	34
Fines	864	611
Recycling Income (Non domestic)	222	173
Sponsorship	46	32
Legal Fees Recovery (Rates)	136	55
Insurance Claims	84	3
Commissions & Agency Fees	(3)	36
Sullage Income	145	116
Mayoral Ball Income	50	32
Sales - General	278	267
Forfeited Deposit on the sale of land	33	-
Kimbriki Crusher Royalty	21	23
Adjust interest in associated entities	-	-
Other	196	132
Total Other Revenues	<u>2,103</u>	<u>1,514</u>

Note 19

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 4 - REVENUES FROM ORDINARY ACTIVITIES (cont)

	OPERATING		CAPITAL	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
GRANTS				
General Purpose (Untied)				
Financial Assistance	2,805	2,716	-	-
Pensioner Rates Subsidies	1,009	1,024	-	-
Specific Purpose				
Community Centres	260	329	-	-
Roads & Bridges	557	280	168	80
Coasts & Estuaries	705	552	6	604
Heritage & Cultural Services	251	254	-	136
Community Care Services	695	738	-	-
Total Grants & Subsidies	6,282	5,893	174	820
CONTRIBUTIONS & DONATIONS				
Developer Contributions				
Subdivider Dedications	-	-	238	-
Traffic Facilities	-	-	464	130
Parking	-	-	416	512
Open Space	-	-	4,646	2,167
Community Facilities	-	-	681	531
Perentie and Dawson Road Release	-	-	306	-
Other	-	-	583	469
RTA Contributions	682	718	-	-
Other Councils - SHOROC	154	208	-	-
Coasts & Estuaries	160	50	-	-
Community Centres	55	93	-	-
Duffy's Forest Concurrence	146	68	-	-
Forestville Village Development Contributio	-	110	-	-
Other	43	121	-	-
Total Contributions & Donations	1,240	1,368	7,334	3,809
TOTAL GRANTS & CONTRIBUTIONS	7,522	7,261	7,508	4,629

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 5 - GAIN OR LOSS ON DISPOSAL OF ASSETS

	2002 \$'000	2001 \$'000
DISPOSAL OF PROPERTY		
Proceeds from disposal	12,752	3,240
Less: Carrying amount of assets sold	<u>4,060</u>	<u>899</u>
Gain (Loss) on disposal	<u>8,692</u>	<u>2,341</u>
DISPOSAL OF PLANT & EQUIPMENT		
Proceeds from disposal	2,605	1,198
Less: Carrying amount of assets sold	<u>2,747</u>	<u>1,038</u>
Gain (Loss) on disposal	<u>(142)</u>	<u>160</u>
TOTAL GAIN (LOSS) ON DISPOSAL OF ASSETS	<u>8,550</u>	<u>2,501</u>

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 6 - CASH ASSETS & INVESTMENT SECURITIES

	2002 \$'000		2001 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
CASH ASSETS				
Cash on Hand and at Bank	28	-	18	-
Deposits at Call	7,181	-	-	-
Managed Funds	12,044	26,464	20,017	13,857
Short Term Money Market-at call	9,227	-	3,572	-
Total Cash Assets	<u>28,480</u>	<u>26,464</u>	<u>23,607</u>	<u>13,857</u>
TOTAL CASH ASSETS & INVESTMENT SECURITIES	<u>28,480</u>	<u>26,464</u>	<u>23,607</u>	<u>13,857</u>

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash Assets subject to external restrictions that are not expected to be discharged during the next reporting period are classified as Non-Current.

The permitted forms of investment in financial instruments of the Council are defined in an order made by the Minister of Local Government on 16 November 2000, and may broadly be described as "Trustee Securities". Accordingly, credit risk is considered to be insignificant. Deposits and Bills are with, or have been accepted by, banks and credit unions and bear various rates of interest between 4.39% and 5.15% NCDs, FRNs and Managed Funds are all with organisations with credit ratings that comply with the Minister's Order and bear various rates of rates of return between 4.42% and 5.05% (2001 - 5.98% and 6.32%).

RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

		2002 \$'000		2001 \$'000	
		<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
EXTERNAL RESTRICTIONS					
Included in liabilities					
Unexpended Loans		-	-	-	-
Other		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other					
Developer Contributions	17	476	24,785	5,115	12,793
RTA Contributions		23	-	-	323
Unexpended Grants	14	1,026	-	756	-
Sportsfield Levy		641	551	129	590
Environmental Stormwater Management		850	-	-	-
Duffy's Forest Concurrence		-	184	-	68
Domestic Waste Management		675	944	1,572	-
Subdivisions		36	-	-	83
		<u>3,727</u>	<u>26,464</u>	<u>7,572</u>	<u>13,857</u>
Total External Restrictions		<u>3,727</u>	<u>26,464</u>	<u>7,572</u>	<u>13,857</u>
Total Internal Restrictions		20,151	-	14,777	-
TOTAL UNRESTRICTED		4,602	-	1,258	-
TOTAL CASH ASSETS & INVESTMENT SECURITIES		<u>28,480</u>	<u>26,464</u>	<u>23,607</u>	<u>13,857</u>

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 6 - CASH ASSETS & INVESTMENT SECURITIES (cont)

**DETAILS OF MOVEMENTS & UTILISATION OF
RESTRICTED CASH ASSETS & INVESTMENT SECURITIES**

Notes	Opening Balance 30 June 2001	Movements		Closing Balance 30 June 2002	Proposed Utilisation of Restriction		
		Transfers To Restriction	Transfers From Restriction		Less than 1 Year	Between 1 and 5 years	Greater than 5 years
		\$'000	\$'000		\$'000	\$'000	\$'000
External Restrictions							
	17,908	8,078	725	25,261	476	-	24,785
Developer Contributions	323	-	300	23	23	-	-
RTA Contributions	756	569	299	1,026	1,026	-	-
Unexpended Grants	719	700	227	1,192	641	551	-
Sportfield Levy	-	3,027	2,177	850	850	-	-
Environmental Stormwater Management	68	147	31	184	-	184	-
Duffy's Forest Concurrence	1,572	186	139	1,619	675	944	-
Domestic Waste Management	83	-	47	36	-	36	-
Subdivisions	21,429	12,707	3,945	30,191	3,691	1,715	24,785
Total External Restrictions							

External Restrictions arise pursuant to section 409(3) of the Local Government Act, the Local Government (Financial Management) Regulation 1999 and other applicable legislation. Further information relating to Developer Contributions is provided in Note 17 and Unexpended Grants in Note 14. Amounts raised by special rates (eg. Water & Sewer) or for Domestic Waste Management may only be used for those purposes.

Internal Restrictions

Included in liabilities

Employee Leave Entitlements	750	332	-	1,082	1,082	-	-
Unexpended Loans	1,331	1,260	935	1,656	595	1,061	-
Deposits & Bonds	1,008	118	-	1,126	-	1,126	-
Insurance Reserve	-	300	-	300	-	300	-
Other							
Light vehicle replacement	45	155	-	200	200	-	-
Truck & Plant Replacement	509	355	-	864	278	586	-
Narrabeen Lagoon Entrance Clearance *	338	150	-	489	489	-	-
Brookvale Oval Redevelopment	64	108	87	84	84	-	-
Computer Reserve	176	530	15	691	691	-	-
Property Development +	1,387	900	2,287	-	-	-	-
Kimbriki Waste & Recycling	6,555	57	-	6,612	-	6,612	-
Kimbriki - Unrestricted cash	-	3,729	-	3,729	-	3,729	-
Curl Curl & Community Centres *	23	30	-	53	53	-	-
Tennis Courts	67	44	41	70	70	-	-
Beach Fee Parking *	36	135	10	161	110	51	-
Sports Union Reserves Embellishment	216	131	105	242	-	242	-
Integration & Resources Program	103	48	68	83	83	-	-
Harbord Village Underground Power *	72	76	-	148	148	-	-
Glen St Theatre	196	-	13	183	183	-	-
Community Centres	974	-	10	964	964	-	-
Carried Forward Reserve	59	407	59	407	-	407	-
Community Bus and Shelter Reserve	37	52	7	82	-	82	-
Community Development +	336	933	941	328	-	328	-
Closed Roads Reserve	495	122	141	476	325	151	-
Freshwater Surf Life Saving Club	-	10	-	10	10	-	-
Human Resource System Reserve	-	10	-	10	10	-	-
Pollution Events and Spill Clean Up	-	16	-	16	16	-	-
Glen St Theatre Maintenance	-	160	101	59	59	-	-
Wac Refurbishment	-	106	80	26	26	-	-
Total Internal Restrictions	14,777	10,274	4,900	20,151	5,476	14,675	-

* Additional Funds included as part of unexpended loans

+ Expenditure in anticipation of proceeds from sale of Kingsway \$732K & as per Council resolution 6 Nov 2001.

Internal Restrictions arise pursuant to resolutions of Council to set aside reserves of cash resources either relating to liabilities recognised in these reports or to fund future expenditure for the stated purpose. Such reserves are not permitted to exceed the amounts of cash assets and cash investments not otherwise restricted.

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 7 - RECEIVABLES

	2002 \$'000		2001 \$'000	
	Current	Non-Current	Current	Non-Current
Rates & Annual Charges	1,748	214	1,858	232
Interest & Extra Charges	196	157	188	162
Telecommunications Carrier S611 Charge	-	3,213	-	2,583
User Charges & Fees	1,260	-	996	-
Sale of property/Land	8,220	-	2,519	-
Sale of Motor Vehicles	167	-	50	-
Cash due for Finance Leases	100	-	141	-
Interest on Investment	133	-	10	-
Legal charges recoverable	-	-	26	-
Kimbriki Fees and Charges Accrued revenue	1,261	-	1,117	-
GST owed to Council	121	-	213	-
Deferred Debtors	27	-	45	-
Government Grants & Subsidies	195	-	285	-
Kimbriki Fees and Charges recoverable from Joint Ventu	150	-	159	-
Other	317	-	148	-
Total	13,895	3,584	7,755	2,977
Less: Provision for Doubtful Debts				
Rates & Annual Charges	35	-	31	-
User Charges & Fees	170	3,150	156	2,583
Other	-	-	-	-
	13,690	434	7,568	394

Rates and Annual Charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the Local Government Act) are secured over the relevant land and are subject to simple interest at a rate of 11.00% (2001: 10.00%). Although Council is not materially exposed to any individual ratepayer, credit risk exposure is concentrated within the Council boundaries in the State of New SouthWales.

Deferred Debtors

Loans made to ratepayers under the assisted housing scheme and to local organisations bear interest at rates varying between NIL and%. Council is not materially exposed to any individual debtor, and credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

Other levels of Government

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Government of New South Wales and the Government of Australia.

Other Receivables

Amounts due (other than User Charges which are secured over the relevant land) are unsecured and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State of New South Wales.

RESTRICTED RECEIVABLES

EXTERNAL RESTRICTIONS

Environmental Stormwater Levy	104	-	121	-
Domestic Waste Management	407	50	433	53
Sportsfield Rectification Levy	30	-	40	-
Total External Restrictions	541	50	594	53

INTERNAL RESTRICTIONS

Kingsway Sale of Land Restriction	6,970	-	-	-
Unrestricted Receivables	6,179	384	6,974	341
Total Receivables	13,690	434	7,568	394

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 8 - INVENTORIES & OTHER ASSETS

	2002 \$'000		2001 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
INVENTORIES				
Stores & Materials	93	-	116	-
Trading Stock	14	-	16	-
Total Inventories	<u>107</u>	<u>-</u>	<u>132</u>	<u>-</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

OTHER ASSETS

Prepayments	423	-	188	-
Total Other Assets	<u>423</u>	<u>-</u>	<u>188</u>	<u>-</u>

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 9 - PROPERTY, PLANT & EQUIPMENT

	MOVEMENTS DURING YEAR											
	2001 \$'000					2002 \$'000						
	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT	Asset Purchases	Asset Disposals	Depreciation	Tf between Asset Category	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT
Plant & Equipment	12,307	-	6,830	5,477	3,702	(2,227)	(1,329)	(661)	10,542	-	5,580	4,962
Office Equipment	12,786	-	10,135	2,651	246	(520)	(978)	(79)	7,128	-	5,808	1,320
Furniture & Fittings	1,065	-	777	288	-	-	(42)	5	1,092	-	841	251
Leased Plant & Equipment	1,990	-	377	1,613	750	-	(376)	-	2,740	-	753	1,987
Land												
- Council owned (freehold)	291,943	-	-	291,943	2,369	(3,655)	-	637	291,294	-	-	291,294
- Council controlled	3,257,979	-	-	3,257,979	-	-	-	(635)	3,257,344	-	-	3,257,344
Land Improvements - depreciable	386	-	5	381	-	-	(4)	-	386	-	9	377
Buildings	114,793	-	51,388	63,405	4,926	(406)	(1,180)	(2,737)	115,720	-	51,712	64,008
Other Structures	11,047	-	181	10,866	781	-	(166)	2,787	15,073	-	805	14,268
Infrastructure												
- Roads, bridges, footpaths	317,875	-	78,944	238,931	544	-	(3,264)	683	319,232	-	82,338	236,894
- Stormwater drainage	325,668	-	143,913	181,755	784	-	(3,257)	-	326,452	-	147,170	179,282
Other Assets												
- Library Books	6,383	-	4,488	1,895	526	-	(472)	-	6,909	-	4,960	1,949
- Other	975	-	193	782	-	-	(198)	-	975	-	391	584
Glen Street Theatre	177	-	79	98	6	-	(34)	-	183	-	113	70
Section 355 Committees	423	-	192	231	136	-	(31)	-	559	-	223	336
Totals	4,355,797	-	297,502	4,058,295	14,770	(6,808)	(11,331)	-	4,355,629	-	300,703	4,054,926

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 9 (cont) - PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

At 1 July 2000 upon the commencement of Australian Accounting Standard AAS 38 (AASB 1041) "Revaluation of Non-Current Assets", Council elected pursuant to paragraph 10.4(a) of the standard to revert to the cost basis for all classes of assets previously carried at revalued amounts.

Plant & Equipment, Office Equipment, Furniture & Fittings, Leased Plant & Equipment

Assets acquired after 1 January 1993 are recorded at cost. Assets acquired prior to that date and depreciated in accordance with the Local Government Accounting Regulations 1979 are recorded at deemed cost, being the carrying value of those assets at 31 December 1992.

Major depreciation periods are:

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles & Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years

Asset capitalisation thresholds include:

Office Furniture & Equipment	\$2,000
Other Plant & Equipment	\$2,000

Land - Council owned and Council controlled

Land classified by Council as operational land in accordance with Part 2 of Chapter 6 of the Local Government Act 1993, and buildings thereon, were valued by independent valuation in the reporting period ended 30 June 1995. Pursuant to Council's election, these amounts are disclosed at deemed cost.

Land not classified by Council as operational land was valued by Council officers at municipal site value during the reporting period ended 30 June 1995. Pursuant to Council's election, these amounts are disclosed at deemed cost.

All land acquired after 1 July 1995 is recorded at cost. No capitalisation threshold is applied to the acquisition of land or interests in land.

Pursuant to clause 8.2.1 of Australian Accounting Standard AAS 36 (AASB 1040), Council proposes to prepare new valuations of land before 30 June 2003.

Buildings

Buildings were valued by independent valuation during the reporting period ended 30 June 1996 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Buildings - masonry	50 to 100 years
Buildings – other construction	20 to 40 years

Asset capitalisation thresholds include:

New construction/extensions	\$10,000
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Pursuant to clause 8.2.1 of Australian Accounting Standard AAS 36 (AASB 1040), Council proposes to prepare new valuations of buildings before 30 June 2003.

Land Improvements, Other Structures and Infrastructure

Land improvements and other structures were valued by independent valuation during the reporting period ended 30 June 1996 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Buildings - masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 9 – Property, Plant & Equipment (cont)

Asset capitalisation thresholds include:

Park Furniture & Equipment	\$25,000
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Transportation assets were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1996 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Major depreciation periods are:

Roads – Structure	100 years
Bridges – Concrete	100 years

Asset capitalisation thresholds include:

Road construction & reconstruction	\$25,000
------------------------------------	----------

Stormwater drainage infrastructure was valued by Council officers as at 30 June 1997 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 1997 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost. Major depreciation periods are:

Drains	100 years
--------	-----------

Asset capitalisation thresholds include:

Drains & Culverts	\$5,000
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All other assets

Assets acquired after 1 January 1993 are recorded at cost. Assets acquired prior to that date and depreciated in accordance with the Local Government Accounting Regulations 1979 are recorded at deemed cost, being the carrying value of those assets at 31 December 1992.

Major depreciation periods are:

Library Books	5 to 15 years
Artworks	indefinite

Restricted Assets

Restrictions exist in relation to the following assets, which must be applied for the purposes for which special rates and other charges enabling their purchase were raised.

	2002 \$'000	2001 \$'000
Land held for Kimbriki site	1,163	1,163
Land held for childcare services	238	-
Total	1,401	1,163

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 10 - LIABILITIES

	2002 \$'000		2001 \$'000	
	Current	Non-Current	Current	Non-Current
PAYABLES				
Goods & Services	5,108	-	4,285	-
Payments received in advance	759	-	800	-
Kimbriki Accrued expenses	932	-	1,014	-
FBT Accrual	64	-	68	-
Photocopier lease charges	15	-	233	-
Interest on Loans	112	-	63	-
Interest on Bonds	57	-	63	-
Other trust funds	265	-	118	-
Due to other councils- Kimbriki dist.	413	-	368	-
Builders Long Service Levies	36	-	129	-
Glen Street accruals	46	-	423	-
Deposits, Retentions & Bonds	1,592	3,898	1,478	3,563
Other	677	-	194	-
Total Payables	10,076	3,898	9,236	3,563
INTEREST BEARING LIABILITIES				
Bank Overdraft	126	-	212	-
Loans	753	11,603	1,277	10,337
Finance Lease Liability	687	637	663	611
Total Interest Bearing Liabilities	1,566	12,240	2,152	10,948
PROVISIONS				
Annual Leave	1,731	537	1,904	441
Sick Leave	126	616	87	663
Long Service Leave	760	3,988	494	3,495
Gratuities	24	53	49	214
Self Insurance Claims - W Comp	312	1,130	398	1,725
- Public Liabilities & Prof. Indemnity	662	2,236	668	2,453
Statewide Mutual	89	972	-	-
Total Provisions	3,704	9,532	3,600	8,991
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>				
LIABILITIES relating to RESTRICTED ASSETS				
External Restrictions				
<i>Domestic Waste Management</i>				
<i>Payables</i>	620	-	576	-
<i>Environmental Stormwater Levy</i>				
<i>Payables</i>	17	-	121	-
<i>Sportsfield Rectification Levy</i>				
<i>Payables</i>	34	-	129	-
<i>Subtotal</i>	671	-	826	-
Internal Restrictions				
Deposits, Retentions & Bonds	1,126	-	1,008	-
Employee Leave Entitlements	1,082	-	750	-
Self Insurance Claims	300	-	-	-
<i>Subtotal</i>	2,508	-	1,758	-
TOTAL	3,179	-	2,584	-

WARRINGAH COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2002	2001
	\$'000	\$'000
Total Cash Assets (Note 6)	54,944	37,464
Less: Bank Overdraft (Note 10)	(126)	(212)
Balances per Statement of Cash Flows	<u>54,818</u>	<u>37,252</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Change in Net Assets resulting from Operations	16,955	6,178
Minority Interest in Operating Result	1,442	1,361
Add: Depreciation and Amortisation	11,331	11,323
Increase in provision for doubtful debts	585	765
Increase in employee leave entitlements	488	-
Increase in other provisions	157	-
Decrease in receivables	-	397
Decrease in inventories	25	106
Decrease in other current assets	-	-
Increase in payables	618	-
Increase in accrued expenses payable	43	-
Increase in other current liabilities	637	-
Loss on Sale of Assets	-	-
Equity share of loss in Associates	385	495
Equity adjustment in Associates (decrease)	-	-
Decrements from Revaluations	-	-
	<u>32,666</u>	<u>20,625</u>
Less: Decrease in provision for doubtful debts	-	-
Decrease in employee leave entitlements	-	1,246
Decrease in other provisions	-	255
Increase in receivables	2,208	-
Increase in inventories	-	-
Increase in other current assets	235	53
Decrease in payables	-	733
Decrease in accrued expenses payable	-	-
Decrease in other current liabilities	-	-
Gain on Sale of Assets	8,550	2,501
Equity share of profit in Associates	-	-
Equity adjustment in Associates (increase)	-	-
Reversal of previous Revaluation Decrements	-	-
Non-cash Capital Grants and Contributions	238	-
Net Cash provided by (or used in) operations	<u>21,435</u>	<u>15,837</u>

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 11 (CONT) - RECONCILIATION TO CASH FLOW STATEMENT

	2002	2001
	\$'000	\$'000
(c) Non-Cash Financing and Investing Activities		
Acquisition of assets by means of:		
- Developer Contributions received in kind	<u>238</u>	<u>-</u>
	<u>238</u>	<u>-</u>
(d) Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts	500	1000
Mastercard Limit	85	70
Total Facilities	585	1,070
Bank Guarantee for possible Worker Compensation Claims	2,928	2,928
Bank Guarantee for possible Professional Indemnity and Public Liability claims	3,443	3,443

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are variable while the rates for loans are fixed for the period of the loan.

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 12 - COMMITMENTS FOR EXPENDITURE

	2002 \$'000	2001 \$'000
(a) Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	2,906	159
Plant & Equipment	-	1,100
	<u>2,906</u>	<u>1,259</u>
These expenditures are payable:		
Not later than one year	2,906	1,259
	<u>2,906</u>	<u>1,259</u>

Commitments for Capital Expenditures relating to Joint Ventures and Partnerships are set out in Note 19.

(b) Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Purchase of new library and sale of land at Forestville	-	3,000
Greendale Creek Management Study	-	140
Purchase land at Terrey Hills from Telstra	410	340
Cleaning of Council buildings	480	-
Waste Management Services	20,720	21,600
Auditing services	240	-
* Contribution to Rural Fire Service	1,885	-
* Contribution to SES	175	-
Other	-	88
	<u>23,910</u>	<u>25,168</u>
These expenditures are payable:		
Not later than one year	11,112	10,768
Later than one year and not later than 5 years	12,758	13,763
Later than 5 years	40	637
	<u>23,910</u>	<u>25,168</u>

* *Agreements to fund 50% of the Rural Fire Service and SES exists without a sunset clause. We have included our commitment for the next 5 years only. See also Note 19.*

(c) Finance Lease Commitments

Commitments under finance leases at the reporting date are as follows:

Not later than one year	770	731
Later than one year and not later than 5 years	683	647
Later than 5 years	-	-
Minimum lease payments	<u>1,453</u>	<u>1,378</u>
Less: future finance charges	(129)	(104)
Net Lease Liability	<u>1,324</u>	<u>1,274</u>
Representing lease liabilities:		
Current	687	663
Non-Current	637	611
	<u>1,324</u>	<u>1,274</u>

No Joint Ventures or Partnerships have any finance lease arrangements.

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 12 (CONT) - COMMITMENTS FOR EXPENDITURE

	2002	2001
	\$'000	\$'000
(d) Operating Lease Commitments (Non-Cancellable)		
Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:		
<u>Total Future Minimum Lease Payments</u>		
Not later than one year	138	161
Later than one year and not later than 5 years	277	484
Later than 5 years	-	-
	<u>415</u>	<u>645</u>

Council has entered into non-cancellable operating leases for various items of plant and equipment.

- (i) Contingent rental payments have been determined in accordance with Council's Annual Plans which are publicaly notified in June 2001.
- (ii) No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 13 - STATEMENT OF PERFORMANCE MEASUREMENT

	2002	2001	2000	1999
	<u>Amounts</u>	<u>Indicators</u>		
Current Ratio				
<u>Current Assets</u>	\$42,700	2.78:1	2.1:1	1.45:1
Current Liabilities	\$15,346			1.39:1
Unrestricted Current Ratio				
<u>Unrestricted Current Assets*</u>	\$38,432	2.62:1	1.65:1	1.25:1
Current Liabilities not relating to Restricted Assets	\$14,675			1.19:1
* as defined in the Code				
Debt Service Ratio				
<u>Net Debt Service Cost</u>	\$2,064	2.25%	3.54%	2.70%
Operating Revenue	\$91,923			3.40%
* as defined in the Code				
Rate & Annual Charges Coverage Ratio				
<u>Rates & Annual Charges Revenues</u>	\$53,076	51.46%	57.49%	55.05%
Total Revenues	\$103,139			58.97%
Rates & Annual & Extra Charges Outstanding Percentage				
<u>Rates & Annual & Extra Charges Outstanding</u>	\$2,280	4.09%	4.44%	5.97%
Rates & Annual & Extra Charges Collectible	\$55,485			4.32%
Rates & Annual & Extra Charges Outstanding Percentage (Excluding Pensioners)				
<u>Rates & Annual & Extra Charges Outstanding</u>	\$1,672	3.01%		
Rates & Annual & Extra Charges Collectible	\$55,485			

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 14 - CONDITIONS OVER GRANTS & CONTRIBUTIONS

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

	2002 \$'000		2001 \$'000	
	<u>Grants</u>	<u>Contrib</u>	<u>Grants</u>	<u>Contrib</u>
Unexpended at the close of the previous reporting period	756	17,908	1,359	14,219
Less: expended during the current period from revenues recognised in previous reporting periods	299	725	715	1,029
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions	569	8,316	112	4,718
Unexpended at the close of this reporting period and held as restricted assets	<u>1,026</u>	<u>25,499</u>	756	17,908
Net increase (decrease) in restricted assets in the current reporting period.	<u>270</u>	<u>7,591</u>	(603)	3,689

* Contribution includes \$ 238,000 of land.

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 15 - FINANCIAL INSTRUMENTS

Interest Rate Risk Exposures

2002	Floating Interest Rate '000	Fixed interest maturing in			Non- interest bearing '000	Total '000	Weighted Average Interest Rate
		≤ 1 year '000	> 1 year ≥ 5 years '000	> 5 years '000			
Financial Assets							
Cash Assets	16,436	38,508	-	-	-	54,944	4.42%
Receivables							
Rates & Annual Charges	-	1,909	371	-	-	2,280	9.50%
User Charges & Fees	-	-	-	-	11,305	11,305	
Deferred Debtors	-	27	-	-	-	27	
Other levels of Govt.	-	-	-	-	195	195	
Other	-	-	-	-	317	317	
Total	16,436	40,444	371	-	11,817	69,068	

Financial Liabilities

Payables							
Goods & Services	-	-	-	-	5,108	5,108	
Payments in advance	-	-	-	-	759	759	
Advances	-	-	-	-	413	413	
Deposits, Retentions, Bonds	-	1,592	3,898	-	-	5,490	
Other	-	-	-	-	2,204	2,204	
Interest Bearing Liabilities	126	753	4,678	6,925	-	12,482	7.90%
Finance Lease Liabilities	-	687	637	-	-	1,324	
Total	126	3,032	9,213	6,925	8,484	27,780	

2001

Financial Assets

Cash Assets	37,464	-	-	-	-	37,464	6.15%
Investment Securities	-	-	-	-	-	-	
Receivables							
Rates & Annual Charges	-	2,177	232	-	-	2,409	
User Charges & Fees	-	-	2,583	-	2,466	5,049	10.00%
Deferred Debtors	-	45	-	-	-	45	
Other levels of Govt.	-	-	-	-	285	285	
Other	-	-	-	-	148	148	
Other Assets	-	-	-	-	-	-	
Total	37,464	2,222	2,815	-	2,899	45,400	

Financial Liabilities

Payables							
Goods & Services	-	-	-	-	4,285	4,285	
Payments in advance	-	-	-	-	800	800	
Advances	-	-	-	-	63	63	
Deposits, Retentions, Bonds	-	1,478	3,563	-	-	5,041	
Other	-	1,402	-	-	194	1,596	
Interest Bearing Liabilities	212	1,277	6,650	3,687	-	11,826	
Finance Lease Liabilities	-	663	611	-	-	1,274	6.90%
Total	212	4,820	10,824	3,687	5,342	24,885	

Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. Except as detailed in Note 7 in relation to individual classes of financial assets, exposure is concentrated within the Council's boundaries within the State of New South Wales, and there is no material exposure to any individual debtor.

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002

Note 15 (CONT) - RECONCILIATION OF FINANCIAL ASSETS & LIABILITIES

	2002 \$'000	2001 \$'000
Net financial assets from previous page		
Financial Assets	69,068	45,400
Financial Liabilities	<u>27,780</u>	<u>24,885</u>
	41,288	20,515
Non-financial assets and liabilities		
Accrued Revenues	-	26
Inventories	107	132
Property, Plant & Equipment	4,054,926	4,058,295
Interest in Associated Bodies	558	531
Other Assets	423	188
Accrued Expenses	-	(1,014)
Provisions	(13,236)	(12,591)
Other liabilities	-	-
	<u>4,042,778</u>	<u>4,045,567</u>
Net Assets per Statement of Financial Position	<u>4,084,066</u>	<u>4,066,082</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. With the exception of investments, there is no recognised market for the financial assets of the Council.

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 - SIGNIFICANT VARIATIONS FROM ORIGINAL BUDGET

Council's original budget comprised part of the Management Plan adopted by Council on 19 June 2001. The original projections on which the budget was based have been affected by decisions and new grant programs initiated by State and Federal Governments, by the weather, and by decisions made by the Council.

This Note sets out the principal variations between the original Budget and Actual results for the Statement of Financial Performance. The variance amounts are disclosed with K indicating thousands of dollars.

Further information of the nature and amount of all variations is available from the Council office upon request.

1 STATEMENT OF FINANCIAL PERFORMANCE

1.1 Employee Costs (U 226 K)

During the year Council employees are engaged in both maintenance and capital works, the proportions of which vary from year to year. Costs in relation to the capital works are excluded from the Operating Statement, and it is not Council's practice to make detailed calculations for this as part of its budgeting procedures. Accordingly, significant variations will often arise in this area.

Salaries & Wages (U 651 K),
Leave Entitlements (U 563 K),
Superannuation (U 188 K),
FBT Expenses (F 264 K),
Training Costs (F 144 K),
Allowances (U 49 K),
Workers Compensation (F 385 K) and
Capitalisation of Employee Costs (F 432 K).

1.2 Materials & Contracts (F 2,275 K)

Council's budget is based on a "normal" mix of self-constructed and contract works. The process of calling and accepting tenders during the year can result in substantial changes in this mix, resulting in significant budget variations in this item.

Material Costs (U 1,506 K),
Equipment (U 70 K),
IT Costs (F 115 K),
Maintenance Costs (U 8 K),
External Service Providers (U 216 K),
Internal Service Providers (F 38 K) and
Capitalisation of Material Costs (F 3,922 K).

1.3 Interest Charges (U 16 K)

New Council borrowings are all for specific projects, and in accordance with Australian Accounting Standard AAS 34 "Borrowing Costs" interest costs are capitalised until each project is held ready for use, after which time interest costs are charged to expense. Delays in commissioning projects can result in material variations from originally budgeted amounts.

Overdraft Interest (F 2 K),
Loan Interest (F 38 K),
Deposit Interest (F 9 K) and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 - Significant Variations from Original Budget (cont)

Finance Lease Interest (U 65 K).

1.4 Depreciation & Amortisation (U 11,331 K)

Warringah Council does not budget Depreciation as an expense in its Operational Budget.

1.5 Other Operating Expenses (U 632 K)

Consultants (F 68 K),
Professional Services (U 1,114 K),
Bad & Doubtful Debt Expense (U 16 K),
Councillors Expenses (U 27 K),
Lease Rental Expenses (F 1,086 K),
Insurance Costs (U 882 K),
Utility Costs (F 445 K),
Communication Costs (F 95 K),
Other Expenses (U 287 K) and

1.6 Rates & Annual Charges (F 385 K)

Rates Income (F 215 K) and
Annual Charges (F 170 K).

1.7 User Charges & Fees (F 12,493 K)

Variations arose from changes in the level of economic activity, reflected in development and building application fees, and changes in the amounts of works undertaken.

Parking Charges (F 46 K),
Development Fees (F 777 K),
Other Regulatory Charges (F 224 K),
Property Leasing (F 19 K),
Hire Fees (F 677 K),
Library Fees (F 30 K),
Tipping Fees (F 7,626 K) and
Other Discretionary Fees (F 3,090 K).

Regarding the Tipping Fees, Warringah's adopted budget does not include the Kimbriki enterprise.

1.8 Interest Received (F 873 K)

Interest receipts have been affected by the level of collection of rates debtors, and changes in interest rates available on the short term money market.

Investment Interest (F 817 K),
Interest on Charges Outstanding (F 55 K) and
Other Interest (F 1 K).

1.9 Grants & Contributions Received – Operating & Capital (F 4,071 K)

In many instances, the actual amount of grants received depends on decisions made by State and Federal governments after the original Budget was adopted.

Operational Contributions (U 253 K),
Capital Contributions (F 4,619 K),
Operational Grants (U 469 K) and
Capital Grants (F 174 K).

Significant variations were experienced in relation to developer contributions as a result of changes in the level of economic activity, and changes in the amounts of contributions received from the Roads & Traffic Authority towards construction and maintenance of regional classified roads.

1.10 Other Operating Revenues (F 2,248 K)

Fines (F 261 K),
Legal Fees Recovered (F 111 K),
Insurance Claims (F 82 K),

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 - Significant Variations from Original Budget (cont)

Sales (F 32 K),
Computer Services (F 1 K),
Dividend and Other Distributions (U 832 K),
Profit on Sale of Assets (F 1,947 K) and
Other Income (F 645 K).

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 17 - STATEMENT OF CONTRIBUTION PLANS

SUMMARY OF CONTRIBUTIONS

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-
Traffic Facilities	460	427	-	31	71	-	847	262
Parking	2,899	416	-	141	10	-	3,446	353
Open Space	10,476	4,658	-	595	515	-	15,214	4,606
Community facilities	2,935	927	-	156	139	-	3,879	2,063
Other	569	566	-	37	(33)	-	1,205	(121)
Subtotal S94 under plans	17,339	6,994	-	960	702	-	24,591	7,163
Sec 94 not under plans	569	100	238	24	23	-	908	271
Total Contributions	17,908	7,094	238	984	725	-	25,499	7,434

\$238,000 being the value of the forfeited land.

less land restricted 238

Cash balance of plan 25,261

Note: The above summary of contribution plans represents the total of Council's individual contribution plans. Individual plan details are shown below.

CONTRIBUTION NOT UNDER PLAN

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage	144	-	-	6	-	-	150	138
Roads	-	-	-	-	-	-	-	-
Traffic Facilities	198	-	-	8	8	-	198	28
Parking	227	-	-	10	-	-	237	105
Open Space -Transfer to Plan E 4	-	-	-	-	-	-	-	-
Community facilities-Turf to Plan E6	-	-	-	-	-	-	-	-
Child Care Reserve - Auslink	-	100	-	-	15	-	85	-
Total	569	100	-	24	23	-	670	271

STATEMENT OF CONTRIBUTION PLANS

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
CONTRIBUTION PLAN NO 1-Road & Traffic , Frenchs Forest Traffic Facilities	144	-	-	7	-	-	151	-
CONTRIBUTION PLAN NO 2-Car parking, Dee Why Transfer to Car Parking Dee Why E10 CONTRIBUTION PLAN NO 3-Car parking, Collaroy Parking Space in medium density residential areas-Narrabeen, Collaroy,	337	-	-	15	-	-	352	13

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PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Transfer to Plan E 6 CONTRIBUTION PLAN NO 6 - Acquisition of Open Space embellishment in medium density residential areas-Narrabeen,	-	-	-	-	-	-	-	-
Transfer to Plan E 6 CONTRIBUTION PLAN NO 7- Red Hill oval, Red Hill Small Parks, French Forest Large Parks, French Forest small Parks,	-	-	-	-	-	-	-	-
Open Space CONTRIBUTION PLAN NO 8 - Beacon Hill Community Centre and Narrabeen Tramshed Community Facilities	69	-	-	3	-	-	72	372
CONTRIBUTION PLAN NO 10- Dee Why Child Care Centre, Harbord Long Day Centre, Belrose Long Day Centre	13	-	-	1	-	-	14	559
Transfer to E2 CONTRIBUTION PLAN NO 11-Brookvale car park	-	-	-	-	-	-	-	-
Transfer to E11 CONTRIBUTION PLAN PART A- Embellishment of open space	-	-	-	-	-	-	-	-
Open Space CONTRIBUTION PLAN PART B- Acquisition of open space - Brookvale, Collaroy/Narrabeen, Other	2	84	-	2	7	-	81	126
Open Space CONTRIBUTION PLAN PART C- Embellishment of open space - Brookvale, Collaroy/Narrabeen, Other	7,289	1,044	-	373	57	-	8,649	355
Open Space CONTRIBUTION PLAN PART D- Open space Specific Facilities - Frenchs Forest Large Parks, Red Hill Large Parks,	251	49	-	13	3	-	310	54
Open Space CONTRIBUTION PLAN PART E- Warringah Mall Library Community Facilities	7	1	-	-	-	-	8	21
CONTRIBUTION PLAN PART F- Child Care Centres Community Facilities	59	36	-	2	94	-	3	255
CONTRIBUTION PLAN PART G- Community Centres Community Facilities	509	104	-	26	5	-	634	328
CONTRIBUTION PLAN PART H- Roads & Traffic Management in Frenchs Forest Traffic Facilities	786	122	-	40	6	-	942	104
CONTRIBUTION PLAN PART I- Roads & Traffic Management in Warringah Traffic Facilities	53	-	-	3	-	-	56	3
CONTRIBUTION PLAN PART J- Car Parking Dee Why Parking	263	53	-	15	71	-	260	259
CONTRIBUTION PLAN PART K- Car Parking Brook Vale Parking	620	115	-	33	6	-	762	16
Administration and Planning studies Old Plan	124	73	-	6	4	-	199	7
CONTRIBUTION PLAN E1- Open Space Linkages & Cycleway	132	-	-	-	(95)	-	227	(227)
CONTRIBUTION PLAN E2 Children's Services	-	12	-	-	-	-	12	-
CONTRIBUTION PLAN E3 Library Services	1,568	8	-	74	34	-	1,616	352
CONTRIBUTION PLAN E4 Sports Field Embellishment	-	201	-	4	-	-	205	-
CONTRIBUTION PLAN E4 Open Space Field Embellishment	-	210	-	4	-	-	214	465
CONTRIBUTION PLAN E5 Community Centres	20	28	-	1	20	-	29	20
CONTRIBUTION PLAN E6 Open Space Medium Density Areas	-	246	-	5	-	-	251	-
CONTRIBUTION PLAN E7 Open Space Dee Why	1,970	1,754	-	123	414	-	3,433	3,644
CONTRIBUTION PLAN E8	868	1,686	-	80	14	-	2,620	14

financial statements

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Roads and Traffic Management CONTRIBUTION PLAN E9	-	374	-	6	-	-	380	-
Perentie and Dawes Rd Release area CONTRIBUTION PLAN E10	426	306	-	31	-	-	763	44
Car Parking Dee Why CONTRIBUTION PLAN E11	1,621	228	-	79	-	-	1,928	317
Car Parking Brookvale CONTRIBUTION PLAN E12	197	-	-	8	-	-	205	-
Administration and Planning studies	11	260	-	6	62	-	215	62
	17,339	6,994	-	960	702	-	24,591	7,163

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 18 - ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

Dee Why Square

Council is involved in negotiations to acquire land to establish Dee Why Town Square at a cost in the vicinity of \$3.85 million. (Source of funding is from Section 94 Contributions).

Capital Expenditure

The 2002-2005 Management Plan adopted by Council on 18 June 2002 includes \$8 million capital expenditure. The significant items for this are:

- Netball courts at **John Fisher Park** budgeted at \$729,000.
(Source of funding is from Sportsfield Rectification Levy and contributions)
- Relocation of **Dee Why Childrens Centre** budgeted at \$930,000
(Source of funding is from Section 94 Contributions)
- Embellishment - **Ocean Street Reserve, Narrabeen** budgeted at \$1,400,000
(Source of funding is from Section 94 Contributions)
- New Staff Accommodation - **Cromer Depot** budgeted at \$1,450,000
(Source of funding is from Property Development Reserve)

Review of Land Reserved for Open Space

As a result of a report accepted by Council on 18 June 2002, Council has a potential liability for purchase of 24 lots with open space reservations for a value of \$4.036 million as per Valuer Generals last review.

Sale of right of way at St Davids Ave., Dee Why

Council entered into a contract on 15 March 2002 to sell a right of way for \$120,000. Settlement is dependant on a change in LEP. This happened as a resolution of Council on 6 August 2002.

Energy Australia

A potential liability for \$72,000 may exist for an adjustment to the charge for lighting of Underpass, Mona Vale Rd., Terrey Hills.

An invoice for \$32,000 for tree trimming work carried out by Energy Australia in late 2000, has been received. This liability is in dispute.

Statewide

Council is a member of Statewide Mutual, a mutual scheme providing liability insurance to local government.

Council has been advised that the Scheme has significant accumulated losses, partly resulting from the collapse of the HIH group of companies. Council's share of the losses is \$1,060,836.47 which has been recognised as a liability in Note 10. This liability includes an amount of \$520,798.27 relating to the collapse of the HIH group as a reinsurer for the Scheme.

This liability may be reduced by any contribution made by the State or Federal Governments. In the absence of such contributions, the liability will be funded by future contributions to the Scheme.

Kamber Road, Terrey Hills

Council has negotiated to purchase land at Kamber Road, Terrey Hills for \$340,000, to be used as part of the Rural Fire Service activities located next door.

Under the contract Council is required to remediate contamination on site within 4 years, at an approximate cost of \$70,000.

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2002

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

Council participates in a number of cooperative arrangements with other Councils and other bodies. Depending on the extent of Council's interest and "control", these are set out in the following parts to this Note.

Note 19 (a) - Council's interest and "control" exceeds 50% of the cooperative organisation.

Note 19 (b) - Entities of which no one member has "control".

Note 19 (c) - Entities of which another member has "control".

Note 19 (d) - Joint venture operations not comprising an entity.

Note 19 (e) - Joint ventures not recognised.

(a) - Cooperative Organisations "Controlled" by Council

KIMBRIKI RECYCLING & WASTE DISPOSAL CENTRE	2002	2001
Council's respective interests are:		
- interest in outputs of the joint operation	51.66%	56.96%
- ownership interest in the joint operation	55.91%	58.25%
- the proportion of voting power in the joint operation	%	%
<u>Movements in Investment in Joint Operation</u>	<u>\$'000</u>	<u>\$'000</u>
Opening Balance	3,955	3,895
Amount recognised on adoption of AAS24	-	-
New Capital Contributions	-	-
Share in Operating Result	1,298	1,194
Ownership Increment Between 00/01 and 01/02	144	167
Distributions Received	(413)	(1,301)
Adjustment to Equity Share	-	-
Share in Equity of Joint Operation	<u>4,984</u>	<u>3,955</u>

In accordance with the Code of Accounting Practice, reserves other than Asset Revaluation Reserve have been treated as internal restrictions of cash and investments, and are included in the Share in Equity of the Joint Operation.

Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Capital Expenditures payable

Not later than one year	-	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>-</u>

Operating Expenditures payable

Not later than one year	2,280	-
Later than one year and not later than 5 years	810	-
Later than 5 years	-	-
	<u>3,090</u>	<u>-</u>

Contingent Liabilities

Each member of the operation is jointly and severally liable for the debts of the operation

- arising from Council's share of the joint operation	-	-
- arising from joint and several liability of all members	-	-

WARRINGAH COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2002**

Note 19 (b) (cont) - Entities not "Controlled" by any member

WARRINGAH PITTWATER RURAL FIRE SERVICE	2002	2001
Council's respective interests are:		
- interest in outputs of the joint operation	50%	50%
- ownership interest in the joint operation	50%	50%
- the proportion of voting power in the joint operation	50%	50%
Movements in Investment in Joint Operation	\$'000	\$'000
Opening Balance	531	649
Amount recognised on adoption of AAS19	-	-
New Capital Contributions	412	377
Share in Operating Result	(385)	(495)
Distributions Received	-	-
Adjustment to Equity Share	-	-
Share in Equity of Joint Operation	558	531

Revenues, expenses, assets and liabilities of these operations included within these reports in accordance with Australian Accounting Standard AAS 19 "Accounting for Interests in Joint Ventures" are summarised below. Reporting periods and accounting policies adopted by both joint operations conform to those adopted by Council. No events have occurred after balance date the financial effects of which may materially affect the financial or operating performance of the joint operations for the next reporting period.

	2002	2001
	\$'000	\$'000
Operating Statement		
Share of joint venture revenues in operating revenues	617	687
Share of joint venture costs in operating expenses	590	804
Net Contribution	27	(117)
Statement of Financial Position		
Current Assets	71	57
Non-Current Assets	487	474
Share of Assets employed in Joint Ventures	558	531
Current Liabilities	-	-
Non-Current Liabilities	-	-
Share of Liabilities incurred in Joint Ventures	-	-
NET INTEREST IN JOINT VENTURES	558	531



SPENCER STEER

WARRINGAH COUNCIL

GENERAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *general purpose financial report* of the Warringah Council for the year ended 30 June, 2002, comprising the Statement by Council, Statement of Financial Performance, Statement of Financial Position and Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Accounts. The financial statements include the consolidated accounts of the economic entity comprising the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council. In respect of the original budget figures disclosed in the Statement of Financial Performance and Note 2(a), we have not examined the underlying basis of their preparation. Similarly, we have not examined the variations from the adopted budget disclosed in Note 16 and therefore express no opinion on them.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements under the Local Government Act 1993 so as to present a view which is consistent with our understanding of the Council's and the economic entity's financial position, the result of their operations and their cash flows.

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

AUDIT OPINION

In our opinion,

- (a) the accounting records of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
- (b) the general purpose financial report
 - (i) has been prepared in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
 - (ii) is consistent with the Council's accounting records; and
 - (iii) present fairly the Council's financial position and the results of its operations;
- (c) we have been able to obtain all the information relevant to the conduct of our audit;
- (d) there were no material deficiencies in the accounting records or financial reports.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney, this 30th day of August 2002.



SPENCER STEER

30 August 2002

Councillor Darren G Jones
Mayor
Warringah Council
Pittwater Road
DEE WHY NSW 2099

Dear Councillor Jones,

Audit Report - Year Ended 30 June 2002

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2002 and that all information required by us was readily available. We have signed and attached 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 Purpose Financial Report; and
- The Special Purpose Financial Report.

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 Accounting Standard AAS27 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 Statement of Financial Performance discloses an increase in net assets, as a result of operations for the year of \$16.955 million as compared with \$6.178 million in the 2000/2001 financial year.



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

	2002	% of	2001	% of	Increase (Decrease)
	\$000	Total	\$000	Total	\$000
Ordinary Expenses					
Employees Costs	30,978	37%	29,698	36%	1,280
Depreciation	11,331	13%	11,323	14%	8
Other	42,433	50%	40,377	50%	2,056
	84,742	100%	81,398	100%	3,344
Ordinary Revenues before Capital					
Rates & Annual Charges	53,076	56%	51,131	61%	1,945
Grants & Contributions	7,522	8%	7,261	9%	261
Other	35,033	37%	25,916	31%	9,117
	95,631	100%	84,308	100%	11,323
Surplus(Deficit) from Ordinary Activities before Capital items	\$ 10,889		\$ 2,910		\$ 7,979
Capital Revenues	7,508		4,629		2,879
Surplus(Deficit) from Ordinary Activities after Capital items	\$ 18,397		\$ 7,539		\$ 10,858
Attributable to Minority Interests	(1,442)		(1,361)		(81)
Surplus(Deficit) from All Activities	\$ 16,955		\$ 6,178		\$ 10,777

Notable fluctuations from the previous year consist of;

- Profits from the sale of properties increased to \$8.692 million from \$2.341 million during the previous year.
- Contributions from developers increased by \$3.525 million to \$7.335 million for the year.
- A provision of \$1.061 million has been brought to account for the first time in respect to Council's potential exposure to the existing accumulated deficit of Statewide Mutual.

1.2 Funding Result

The Operating Surplus of \$16.955 million does not take into account the effect of capital revenues and expenditures that formed part of Council's annual budget.

Council raises revenues (rates, annual and user charges, borrowings, etc) based upon projected operating costs, capital outlays and projects. In reviewing Council's overall financial performance it is useful to consider the total source and mix of operating and capital revenues and what they were applied to during the year.



The table below sets out to illustrate the funding result for the year with a comparison to the previous year.

	2002	2001
	\$000	\$000
<i>Funds were provided by:-</i>		
Operating Result (as above)	16,955	6,178
Add back non funding items:-		
- Depreciation	11,331	11,323
- Book Value of Assets Sold	6,807	1,937
- (Surplus)Deficit in Joint Ventures	385	495
	<u>35,478</u>	<u>19,933</u>
New Loan Borrowings	1,260	900
Deferred Payment Creditors	700	616
Net Transfers from Externally Restricted Assets	3,743	0
Repayments from Deferred Debtors	18	89
Increase in Minority Interests	1,029	60
	<u>42,228</u>	<u>21,598</u>
<i>Funds were applied to:-</i>		
Purchase and Construction of Assets	(14,769)	(9,836)
Principal repaid on Loans	(518)	(1,486)
Principal repaid on Deferred Creditors	(650)	(558)
Net Transfers to Externally Restricted Assets	0	(3,361)
Net Transfers to Internal Reserves	(12,226)	(2,121)
Capital Contributions to Joint Ventures	(412)	(377)
Net Movements between Current/Non Current Asset & Liabilities	(11,756)	(1,710)
	<u>(40,331)</u>	<u>(19,449)</u>
Surplus(Deficit) in Available Working Capital for the Year	<u>\$ 1,897</u>	<u>\$ 2,149</u>

2. FINANCIAL POSITION

2.1 Available Working Capital

Available Working Capital is a financial indicator, which adjusts Council's Net Current Asset position to take into account funds set aside for future works and commitments and for liabilities that are funded in the 2002/03 budget. Available Working Capital stood at \$2.790 million on 30 June 2002 and was made up as follows;

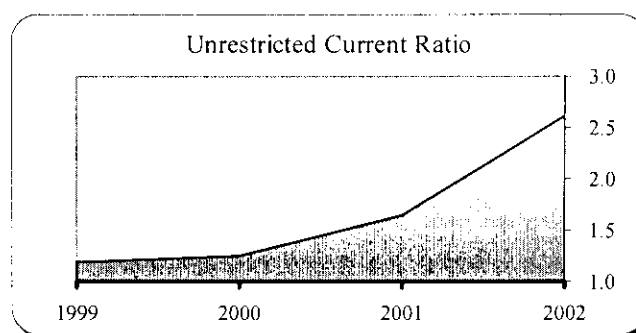


	2002	2001	Change
	\$000	\$000	\$000
Net Current Assets (as per the Accounts)	27,354	16,507	10,847
<i>Add(Less):</i> Budgetted to Pay(Receive) in the next 12 months			
- Borrowings	1,440	1,940	(500)
- Employees Leave Entitlements	2,641	2,534	107
- PL & PI Insurance	974	1,066	(92)
- Deferred Debtors	(27)	(45)	18
<i>Less:</i> Externally Restricted Assets	(3,597)	(7,340)	3,743
<i>Less:</i> Internally Restricted Assets	(25,995)	(13,769)	(12,226)
Available Working Capital as at 30 June	\$ 2,790	\$ 893	1,897

2.2 Current Ratio

This ratio is a good indicator of Council’s ability to operate and meet its debts in the short term.

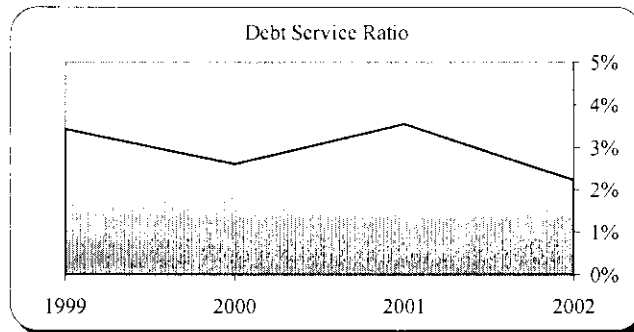
The Statement of Performance Measurement (Note 13) discloses current assets exceeding current liabilities by a factor of **2.78 to 1**. After allowing for externally restricted assets and specific purpose liabilities, this ratio referred to, as the **Unrestricted Current Ratio** was **2.62 to 1** and in fact represents the general funds of Council.



As can be seen above, the upward movement, since 30 June 2000, illustrates that Council’s “Road to Financial Recovery” strategies are being achieved.

2.3 Debt Service Ratio

Operating revenue (excluding special purpose grants and contributions) required to service debt was 2.25% as compared to 3.54% in 2001.



2.4 Summary

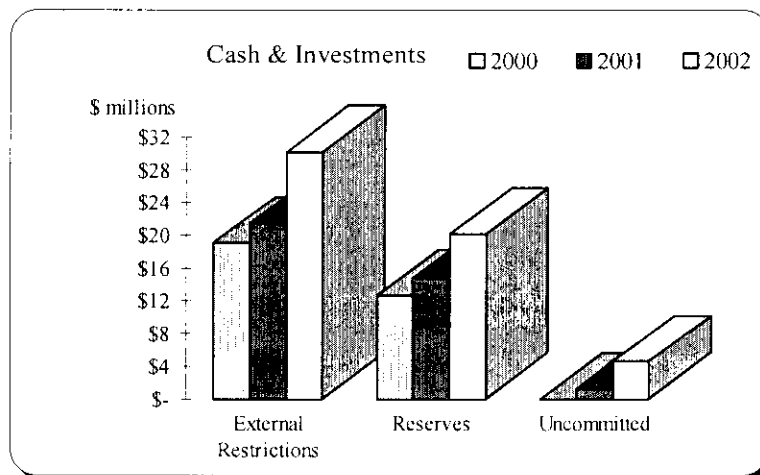
Council’s overall financial position, after taking into consideration the above financial indicators, is in our opinion, satisfactory. It is pleasing to note that Council has restored, during the past two years, the level of Available Working Capital and its Unrestricted Current Ratio to acceptable levels.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$54.944 million as compared with \$37.464 million and \$31.752 million at the close of financial years 2001 and 2000 respectively.

The following table summarizes the purposes for which cash and investments were held;



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consist of:



- unexpended development contributions under Section 94 of \$25.261 million,
- unexpended specific purpose grants and contributions and special levies of \$3.311 million, and
- domestic waste management charges of \$1.619 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 \$20.151 million.

It is noted that additional Reserves of \$6.970 million has been set aside which at the close of the year were held in the form of a Receivable and represents proceeds from the sale of the Kingsway properties.

Their purposes are more fully disclosed in Notes 6 and 7 of the financial statements.

Unrestricted cash and investments amounted to \$4.602 million, which are available to provide liquidity for day to day operations.

3.2 Cash Flows

The Statement of Cash Flows illustrates the movement of cash flowing into and out of Council during the year (including GST paid and collected) and reveals that Council's cash assets increased by \$17.566 million from an opening balance of \$37.252 million.

Operating activities contributed net cash of \$21.435 million and was supplemented by the receipt of borrowings from loans and finance leases (\$2 million net after loan refinancing) and assets sales (\$9.789 million). Cash outflows other than operating activities were used to repay borrowings and make advances (\$1.067 million net after loan refinancing), to purchase and construct assets (\$13.784 million) and distributions and capital contributions to minority interests and joint ventures (\$825,000).

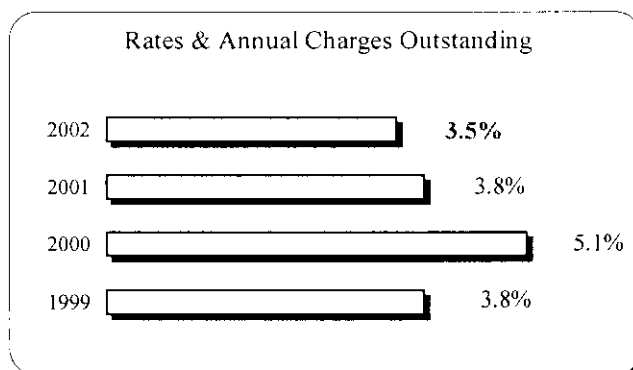
Assets acquired consisted of infrastructure assets (\$1.338 million), plant and equipment (\$3.702 million) and buildings (\$4.926million).

4. RECEIVABLES

4.1 Rates & Annual Charges

Net rates and annual charges levied during the year totalled \$53.076 million, and represented 51.46% of Council's total revenues, a significant decrease from the average of the previous 3 years of 57% and was principally due to the gains from the sale of Council owned properties during the year.

The total rates and annual charges receivable (including arrears) was \$55.135 million. Arrears at the close of the year amounted to \$1.927 million representing 3.5% of those receivables and a collection rate of 96.5%.



4.2 Other Receivables

Receivables (other than Rates & Annual Charges) total \$15.517 million as compared with \$8.642 million at the close of the previous year. A break up is provided in Note 7 to the financial statements. The increase in arrears over the previous year is on the whole attributable to the sale of the Kingsway properties.

The Provision for Doubtful Debts in respect of the above receivables stood at \$3.320 million and includes Section 611 charges in respect of telecommunication cables (\$3.150 million) which are in dispute.

We have examined the outstanding balances and conclude that the provision appears adequate.

5. PAYABLES

5.1 Self Insurance

Workers Compensation insurance claims have been actuarially assessed at \$1.442 million as compared with \$2.123 million at 30 June 2001. A bank guarantee is held to cover these claims as required by the Workcover Authority of NSW.

Public Liability & Professional Indemnity claims below Council’s insured limits (excess layer) have been actuarially assessed at \$2.898 million as compared with \$3.121 million at 30 June 2001. A bank guarantee is held to cover these claims.

Public Liability & Professional Indemnity - Statewide Mutual - A provision of \$1.061 million has been brought to account for the first time in respect to Council’s exposure to the existing accumulated deficit of Statewide Mutual, a local government insurance pool to which Council is a member. The deficit is a result of Statewide Mutual’s exposure to public liability claims, which may not be recovered as a consequence of the HIH collapse and past operational results of Statewide.

Cash Reserves - A Cash Reserve, in addition to bank guarantees covering potential “current” claims, amounted to \$300,000. The 2002/03 budget provides for additional funds of \$381,000



to be added to the Reserve with the view of maintaining similar allocations in future budgets until the provision for claims is fully cash funded.

5.2 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements amounted to \$7.835 million (2001 - \$7.347 million).

Reserves should be held to enable Council to meet unbudgeted and unanticipated retirements. At the close of the year, \$1.082 million was held for this purpose, which represents 13.81% of Council's obligation to their employees and is, in our opinion, a satisfactory level.

6. 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 and commend your staff for the early completion of the financial statements.

Yours faithfully,

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

special purpose financial statements for the year ended 30 June 2002

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WARRINGAH COUNCIL

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2002

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

The attached Annual Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and the

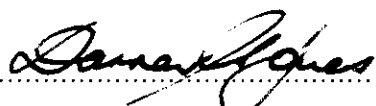
- NSW Government Policy Statement "*Application of National Competition Policy to Local Government*"
- Department of Local Government guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*".

To the best of our knowledge and belief, these reports

- Present fairly the financial position and operating result for each of Council's declared Business Units for the year, and
- Accord with Council's accounting and other records

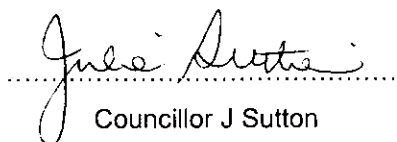
We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 27 August 2002



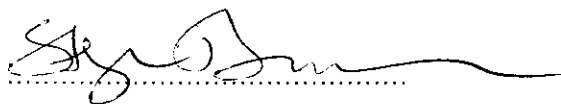
Councillor D Jones

MAYOR



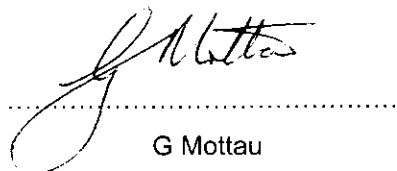
Councillor J Sutton

COUNCILLOR



S Blackadder

GENERAL MANAGER



G Mottau

RESPONSIBLE ACCOUNTING OFFICER

WARRINGAH COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE BY BUSINESS ACTIVITIES
for the year ended 30th June 2002

	BUSINESS ACTIVITIES												
	Child Services (Cat.1)		KIM (Cat.1)		Reserves & Sportsfield (Cat.1)		Glen St. (Cat.1)		WAC (Cat.2)		Const. Cert. (Cat.2)		
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	
EXPENSES FROM ORDINARY ACTIVITIES													
Employee Costs	2,814	2,606	1,020	963	537	549	663	626	1,319	1,216	237	242	
Materials & Contracts	442	373	2,954	2,772	1,172	1,164	1,800	1,338	291	291	11	7	
Borrowing Costs	-	-	-	-	-	34	-	-	-	-	-	-	
Depreciation & Amortisation	52	48	55	51	1	-	34	40	167	167	-	4	
Other Operating Expenses	1,276	1,177	2,650	2,846	-	-	133	94	396	368	-	227	
Loss on Disposal of Assets	-	-	11	-	-	-	-	-	-	-	-	-	
NCP Imputation Payments	137	130	26	28	-	-	4	2	45	40	-	-	
TOTAL	4,721	4,334	6,716	6,660	1,710	1,747	2,634	2,100	2,218	2,082	606	480	
REVENUE FROM ORDINARY ACTIVITIES													
Rates & Annual Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
User Charges & Fees	3,037	2,553	7,630	8,171	4	5	2,080	1,598	1,854	1,696	362	299	
Interest Received	-	-	455	-	-	-	12	17	-	-	-	-	
Grants & Contributions - Operating	785	891	43	-	-	-	350	400	293	192	-	-	
Other Operating Revenues	-	-	1,250	1,233	1,511	1,571	-	-	-	-	-	-	
Gain on Disposal of Assets	1	1	-	3	-	-	-	-	-	-	-	-	
TOTAL	3,823	3,445	9,378	9,407	1,515	1,576	2,442	2,015	2,147	1,888	362	289	
ORDINARY ACTIVITIES RESULT BEFORE CAPITAL AMOUNTS	(898)	(889)	2,662	2,747	(195)	(171)	(192)	(85)	(71)	(194)	(244)	(191)	
Dividend paid	-	-	855	875	-	-	-	-	-	-	-	-	
Corporate Taxation Equivalent	-	-	799	934	-	-	-	-	-	-	-	-	
SURPLUS (DEFICIT) FOR YEAR	(898)	(889)	1,008	938	(195)	(171)	(192)	(85)	(71)	(194)	(244)	(191)	
Allocation Adjustment related to Property, Plant & Equipment	70	(891)	(2)	-	4	-	(2)	3	870	1,597	(5)	10	
Add: Accumulated Profits brought forward	2,106	3,045	9,472	9,606	70	70	122	202	10,253	8,310	6	-	
NCP Imputation Payments retained	137	130	1,680	1,837	-	-	4	2	45	40	-	-	
Add: Council contribution	709	711	-	-	194	171	-	-	(227)	500	244	187	
Less: Dividends Paid	-	-	855	2,909	-	-	-	-	-	-	-	-	
ACCUMULATED SURPLUS	2,124	2,106	11,303	9,472	73	70	(68)	122	10,870	10,253	1	6	
RATE OF RETURN ON CAPITAL NOTIONAL SUBSIDY FROM COUNCIL	NIL	NIL	525.05%	812.72%	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
This Statement is to be read in conjunction with the attached Notes.	1,025	1,016	N/A	N/A	199	175	188	92	722	813	244	191	

Notes

WARRINGAH COUNCIL

STATEMENT OF FINANCIAL POSITION by BUSINESS ACTIVITIES
for the year ended 30th June 2002

	BUSINESS ACTIVITIES											
	Child Services (Cat.1)		KIM (Cat.1)		Reserves & Sportsfield (Cat.1)		Glen St. (Cat.1)		WAC (Cat.2)		Const. Cert. (Cat.2)	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
CURRENT ASSETS												
Cash Assets	-	-	51	8,912	-	-	2	4	2	103	-	-
Investment Securities	-	-	-	-	-	-	181	193	-	-	-	-
Receivables	-	-	1,766	1,635	-	-	237	59	53	26	-	-
Inventories	-	-	-	-	-	-	8	13	6	16	-	-
Other	-	-	-	-	-	-	173	233	-	-	-	-
	-	-	1,817	10,547	-	-	601	502	61	145	-	-
NON-CURRENT ASSETS												
Cash Assets	-	-	-	-	-	-	-	-	-	-	-	-
Investment Securities	-	-	10,341	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Property, Plant & Equipment	2,124	2,106	507	338	73	70	69	99	10,809	10,108	1	6
	2,124	2,106	10,848	338	73	70	69	99	10,809	10,108	1	6
TOTAL NON-CURRENT ASSETS	2,124	2,106	12,665	10,885	73	70	670	601	10,870	10,253	1	6
CURRENT LIABILITIES												
Payables	-	-	1,362	1,413	-	-	-	-	-	-	-	-
Interest bearing liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	1,362	1,413	-	-	-	-	-	-	-	-
NON-CURRENT LIABILITIES												
Payables	-	-	-	-	-	-	549	447	-	-	-	-
Interest bearing liabilities	-	-	-	-	-	-	147	-	-	-	-	-
Provisions	-	-	-	-	-	-	42	32	-	-	-	-
	-	-	-	-	-	-	738	479	-	-	-	-
TOTAL NON CURRENT LIABILITIES	-	-	1,362	1,413	-	-	738	479	-	-	-	-
NET ASSETS	2,124	2,106	11,303	9,472	73	70	(68)	122	10,870	10,253	1	6
EQUITY												
Accumulated Surplus	2,124	2,106	11,303	9,472	73	70	(68)	122	10,870	10,253	1	6
Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	2,124	2,106	11,303	9,472	73	70	(68)	122	10,870	10,253	1	6

This Statement is to be read in conjunction with the attached Notes

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

1. The Special Purpose Financial Reports

These financial statements are a Special Purpose Financial Report prepared for use by the Council and the Department of Local Government. They have been prepared to report the results of Business Units determined by Council in accordance with the requirements of National Competition Policy guidelines.

In preparing these reports, each Business Unit has been viewed as a separate unit, and accordingly transactions between different Business Units, and between Business Units and other Council operations, have not been eliminated.

2. Basis of Accounting

2.1 Compliance

The financial reports comply with the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual, and with the principles of the June 1996 NSW Government Policy Statement "*Application of National Competition Policy to Local Government*" and the Department of Local Government's July 1997 guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*".

Except where directed to the contrary by the above documents, the financial report also complies with all applicable Australian Accounting Standards and professional pronouncements, and is based on information consistent with that forming the basis of Council's Annual Financial Statements for the year.

2.2 Basis

The financial report has been prepared on the accrual basis of accounting and, except where specifically indicated in these Notes or in the Notes to the Annual Financial Statements, in accordance with the historical cost convention.

3. National Competition Policy

In accordance with the framework set out in the June 1996 NSW Government Policy Statement "*Application of National Competition Policy to Local Government*" and other guidelines and documentation in relation to this matter, Council has declared that the following are to be considered as Business Units:

Category 1

Childrens' Services – Child Care and Long Day Care Centres

Kimbriki Waste and Recycling Centre – Domestic and Commercial Waste Management

Reserves and Sportsfield Maintenance

Glen Street Theatre

Category 2

Warringah Aquatic Centre

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Significant Accounting Policies (cont)

The Const. Cert. Certification – Construction Certificate Certification activity of the Urban Development Approvals Service (part of Council's Local Approval Service Unit)

The Department of Local Government's July 1997 guidelines "*Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*" 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, rate of return on investments in Business Units and dividends paid.

3.1 Taxation Equivalent Payments

Council does not pay certain taxes and duties that are paid by equivalent private sector operations, but is liable for others. The Special Purpose Financial Reports disclose the effect of imputing these taxes to the declared Business Units at the several rates that would have applied to equivalent private sector operations.

Details of the rates of each tax or duty applicable to each different business unit are set out in Note 2. The narration "applies" indicates that the tax or duty has in fact been paid to the taxing authority by the Business Unit, and that these costs have been included in actual Operating Expenses, and the narration "various" indicates that Council has based the calculation of imputed tax on the differing rates of tax or duty applicable to different purchases.

3.2 Council Rates, Charges & Fees

Council rates have been *imputed* in relation to all non-rateable land, and *applied* in relation to all rateable land, owned or exclusively used by all Business Units. Annual and User Charges, and Regulatory and Other Fees, have been *applied* in relation to all services supplied to Business Units by Council or other Business Units.

3.3 Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that Council's Business Units face equivalent commercial borrowing costs to private sector competitors. In order to calculate the debt guarantee fees, Council has determined the average differential between actual and commercial borrowing rates for each Business Unit.

3.4 Corporate Taxation Equivalent

In accordance with the Code of Local Government Accounting Practice and Financial Reporting, income taxation has been calculated on the Operating Result before Capital Amounts disclosed in the Operating Statement of the Special Purpose Financial Reports. No allowance has been made for non-deductible items, timing differences or carried forward losses. Australian Accounting Standard AAS 3 "Accounting for Income Tax (Tax Effect Accounting)" has not been applied.

3.5 Dividends Paid

In accordance with National Competition Policy guidelines, it is expected that Business Units will pay dividends to its owner, Council, equivalent to those paid by private sector competitors. In accordance with the Code of Local Government Accounting Practice and Financial Reporting, the rate of dividend paid has been expressed as a percentage of the Change in Net Assets Resulting from Operations after Taxation.

3.6 Return on Investments (Rate of Return)

The Policy statement states that Category 1 businesses "would be expected to generate a rate of return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field." In accordance with the Code of Accounting Practice, the rate of return on monopoly businesses such as water and sewerage services has been set at an amount sufficient to cover costs and replace assets needed to maintain services. For competitive markets, the rate of return has been set equal to or better than the return on Commonwealth 10 year bonds.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Significant Accounting Policies (cont)

In accordance with the Code of Accounting Practice, the rate of return has been calculated as the Operating Result before Capital Amounts plus Interest Expense expressed as a percentage of the carrying value of Property, Plant & Equipment at the reporting date.

3.7 Notional Subsidy from Council

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, or accepts a lower rate of return on its investment in the Business Unit than would be acceptable to a private sector competitor.

In accordance with the Code of Accounting Practice, this amount has been calculated as the dollar difference between the required and actual rates of return.

4. Other Accounting Policies and Notes

Other accounting policies relating to the determination of revenues and expenses, and assets and liabilities, not specifically referred to above are reported in Note 1 to the Council's Annual Financial Statements, and should be read in conjunction with this Note. Note references in the Operating Statement of Business Activities and the Statement of Financial Position of Business Activities that are prefixed "A" refer to the Notes to the Annual Financial Statements.

6. Rounding

In accordance with the Code of Accounting Practice all amounts shown in the Financial Statements have been rounded to the nearest thousand dollars.

Special Purpose Financial Reports

WARRINGAH COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

NOTE 2 - NATIONAL COMPETITION POLICY NOTIONAL PAYMENTS
for the year ended 30th June 2002

		KIM (Cat.1)		Reserves & Sportsfield (Cat.1)		Glen St. (Cat.1)		WAC (Cat.2)		Const. Cert. (Cat.2)	
		2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Child Services (Cat.1)											

Category

TAXATION EQUIVALENT PAYMENTS

Land Tax
Stamp Duty
Payroll Tax
Fringe Benefits Tax
Financial Institutions Duty
Bank Account Debits Tax

	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	6.20%	6.20%	6.40%	6.40%	6.20%	6.40%	6.40%	6.40%	6.20%	6.40%	6.40%
	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies
	N/A	N/A	0.06%	0.06%	N/A	0.06%	0.06%	0.06%	N/A	0.06%	0.06%
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

COUNCIL RATES, CHARGES & FEES

See Note 1, Item 3.2

LOAN & DEBT GUARANTEE FEES

CORPORATE TAXATION EQUIVALENT

DIVIDENDS PAID

RATE OF RETURN ON CAPITAL

Required Rate of Return
Actual Rate of Return

	30%	30%	34%	34%	30%	34%	34%	34%	30%	34%	34%
	N/A	84.82%	310.13%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	5.99%	5.99%	6.04%	5.99%	5.99%	6.04%	6.04%	6.04%	5.99%	6.04%	6.04%
	NIL	525.05%	812.72%	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



SPENCER STEER

WARRINGAH COUNCIL
SPECIAL PURPOSE FINANCIAL REPORTS
INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *special purpose financial reports* of Warringah Council for the year ended 30 June 2002, comprising the Statement by Council, Statement Financial of Performance of Business Activities, Statement of Financial Position by Business Activities, and accompanying Notes to the Accounts. The financial statements include the accounts of the declared business activities of the Council. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

The special purpose financial reports have 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 statements to which it relates to any person other than the Council or the Department of Local Government or for any purpose other than for which the report was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with those Australian Accounting Standards adopted and the Local Government Code of Accounting Practice and Financial Reporting so as to present a view which is consistent with our understanding of the business activities of the Council and their financial position and the result of their operations.

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

AUDIT OPINION

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

SPENCER STEER
Chartered Accountants

A handwritten signature in black ink, appearing to read 'N. Mah Chut', written over a horizontal line.

N. MAH CHUT
Partner

Dated at Sydney this 30th day of August 2002

WARRINGAH COUNCIL

SPECIAL SCHEDULE NO 1 NET COST OF SERVICES for the year ended 30th June 2002

\$'000

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES		NET COST OF SERVICES		
	Expenses	Group Totals	Revenues - Ord. Activities	Capital Rev. Ord. Activities	Group Totals	Net Cost	Group Totals
GOVERNANCE	1,676		187	-		1,489	
		1,676			187		1,489
ADMINISTRATION							
Corporate Support	33,641		13,173	5,291		15,177	
Engineering & Works	8,101		8,171	-		(70)	
Other Support Services	1,202		4,813	481		(4,092)	
		42,944			31,929		11,015
PUBLIC ORDER & SAFETY							
Statutory Contribution - Fire Service Levy	379		-	-		379	
Fire Protection - Other	-		-	-		-	
Animal Control	-		-	-		-	
Beach Control	640		91	-		549	
Enforcement of Local Govt Regulations	821		966	-		(145)	
Emergency Services	35		-	-		35	
Other	145		204	-		(59)	
		2,020			1,261		759
HEALTH							
Administration & Inspection	215		4	-		211	
Immunisations	98		80	-		18	
Food Control	-		-	-		-	
Insect/Vermin Control	-		-	-		-	
Noxious Plants	-		-	-		-	
Health Centres	-		-	-		-	
Other	-		-	-		-	
		313			84		229
COMMUNITY SERVICES & EDUCATION							
Administration	152		77	-		75	
Family Day Care	1,234		967	-		267	
Child Care	2,291		2,073	-		218	
Youth Services	195		95	-		100	
Other Families & Children	536		489	-		47	
Aged & Disabled	674		324	-		350	
Migrant Services	-		-	-		-	
Aboriginal Services	-		-	-		-	
Other Community Services	360		39	680		(359)	
Education	-		-	-		-	
		5,442			4,744		698
HOUSING & COMMUNITY AMENITIES							
Housing	1,919		3,071	-		(1,152)	
Town Planning	2,218		56	-		2,162	
Domestic Waste Management	993		912	-		81	
Other Waste Management	7,043		6,402	-		641	
Street Cleaning	573		155	-		418	
Other Sanitation & Garbage	3,407		3,280	-		127	
Urban Stormwater Drainage	1,640		1,588	-		52	
Environmental Protection	2,539		811	-		1,728	
Public Cemeteries	-		-	-		-	
Public Conveniences	-		-	-		-	
Other Community Amenities	-		-	-		-	
		20,332			16,275		4,057

special purpose financial statements

WARRINGAH COUNCIL

SPECIAL SCHEDULE NO 1 - NET COST OF SERVICES (cont)

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES		NET COST OF SERVICES		
	Expenses	Group Totals	Revenues - Ord. Activities	Capital Rev. Ord. Activities	Group Totals	Net Cost	Group Totals
WATER SUPPLIES	-	-	-	-	-	-	-
SEWERAGE SERVICES	-	-	-	-	-	-	-
RECREATION & CULTURE							
Public Libraries	2,543		256	-		2,287	
Museums	-		-	-		-	
Art Galleries	272		3	-		269	
Community Centres	891		744	-		147	
Public Halls	-		-	-		-	
Other Cultural Services	3,338		2,586	-		752	
Swimming Pools	2,006		2,147	-		(141)	
Sporting Grounds	605		-	-		605	
Parks & Gardens, Lakes	4,954		576	6		4,372	
Other Sport & Recreation	481		81	-		400	
		15,090			6,399		8,691
FUEL & ENERGY							
Gas Supplies	-		-	-		-	
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	2,074		596	-		1,478	
Abattoirs	-		-	-		-	
Quarries & Pits	-		-	-		-	
Other	-		-	-		-	
		2,074			596		1,478
TRANSPORT & COMMUNICATION							
Urban Roads: Local	4,201		2,512	560		1,129	
Urban Roads: Regional	-		-	-		-	
Sealed Rural Roads: Local	-		-	-		-	
Sealed Rural Roads: Regional	-		-	-		-	
Unsealed Rural Roads: Local	-		-	-		-	
Unsealed Rural Roads: Regional	-		-	-		-	
Bridges - Urban Roads: Local	-		-	-		-	
Bridges - Urban Roads: Regional	-		-	-		-	
Bridges - Sealed Rural Roads: Local	-		-	-		-	
Bridges - Sealed Rural Roads: Regional	-		-	-		-	
Bridges - Unsealed Rural Roads: Local	-		-	10		(10)	
Bridges - Unsealed Rural Roads: Regional	-		-	-		-	
Footpaths	-		-	26		(26)	
Aerodromes	-		-	-		-	
Parking Areas	-		-	416		(416)	
Bus Shelters & Services	-		9	-		(9)	
Water Transport	-		-	-		-	
RTA Works - State Roads	-		-	-		-	
Street Lighting	1,121		265	-		856	
Other	-		-	37		(37)	
		5,322			3,835		1,487

WARRINGAH COUNCIL

SPECIAL SCHEDULE NO 1 - NET COST OF SERVICES (cont)

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES			NET COST OF SERVICES	
	Expenses	Group Totals	Revenues - Ord. Activities	Capital Rev. Ord. Activities	Group Totals	Net Cost	Group Totals
ECONOMIC AFFAIRS							
Camping Areas	-		-	-		-	
Caravan Parks	-		-	-		-	
Tourism & Area Promotion	-		-	-		-	
Industrial Development Promotion	-		-	-		-	
Saleyards & Markets	-		-	-		-	
Real Estate Development	-		-	-		-	
Commercial Nurseries	-		-	-		-	
Other Business Undertakings	6,810		9,376	-		(2,566)	
		6,810			9,376		(2,566)
TOTALS - FUNCTIONS		102,023			74,686		27,337
General Purpose Revenues			46,119	-		46,119	
Joint Ventures/Associated Entities			(385)	-		(385)	
Correction of Fundamental Error	-		-	-		-	
		-			45,734		45,734
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES BEFORE EXTRAORDINARY ITEMS							18,397
Extraordinary Items							(1,442)
SURPLUS (DEFICIT) FROM ALL ACTIVITIES							16,955

WARRINGAH COUNCIL
SPECIAL SCHEDULE NO 2 (1)
STATEMENT OF LONG TERM DEBT (ALL PURPOSE)
for the year ended 30th June 2002

\$'000

Classification of Debt	Principal Outstanding at beginning of year		New Loans Raised	Debt Redemption		Tfrs to Sinking Funds	Interest applicable for year	Principal outstanding at end of year	
	Current	Non-Current		From Revenue	Sinking Funds			Current	Non-Current
LOANS (by source)									
Financial Institutions	1,277	10,337	1,260	518	-	-	703	753	11,603
Total Loans	1,277	10,337	1,260	518	-	-	703	753	11,603
OTHER LONG TERM DEBT									
Finance Leases	663	611	700	650	-	-	85	687	637
Other	-	-	-	-	-	-	-	-	-
Total Other Long Term Debt	663	611	700	650	-	-	85	687	637
TOTAL LONG TERM DEBT	1,940	10,948	1,960	1,168	-	-	788	1,440	12,240
									13,680

This Schedule excludes Internal Loans and refinancing of existing borrowings

WARRINGAH COUNCIL
SPECIAL SCHEDULE NO 7
CONDITION OF PUBLIC WORKS
 as at 30 June 2002

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense	Cost	Valuation	Accumulated Depreciation	Carrying Value	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard	Estimated Annual Maintenance Expense	Program Maintenance Works for current year
			'000	'000	'000	'000	'000		'000	'000	'000
Public Buildings	References	Note 9 1%	Note 3	69,379	-	31,238	38,141	Poor	3,540	-	-
				45,430	-	20,455	24,975	Fair	399	-	-
				1,117	-	241	876	Satisfactory	1	1,025	1,200
				-	-	-	-	Good	-	-	-
			1,178	115,926	-	51,934	63,992	New	3,940	1,025	1,200
Public Roads	Subtotal	1%		10,819	-	2,790	8,029	Poor	-	-	-
				84,820	-	21,877	62,943	Fair	-	-	-
				81,480	-	21,016	60,464	Satisfactory	6,200	5,200	3,100
				82,094	-	21,174	60,920	Good	-	-	-
				60,019	-	15,481	44,538	New	-	-	-
			3,264	319,232	-	82,338	236,894		6,200	5,200	3,100
Drainage Works	Subtotal	1%		166	-	75	91	Poor	172	-	-
				1,800	-	811	989	Fair	932	-	-
				200,272	-	90,286	109,986	Satisfactory	3,604	2,015	490
				84,469	-	38,080	46,389	Good	12	-	-
				39,746	-	17,918	21,828	New	-	-	-
			3,257	326,453	-	147,170	179,283		4,720	2,015	490
Total Classes - All Assets			7,699	761,611	-	281,442	480,169		14,860	8,240	4,790

This Schedule is to be read in conjunction with the explanatory notes following.