



ANNUAL STATEMENTS

of

ACCOUNTS

for year ended

30th June 2007



WAVERLEY COUNCIL

General Purpose Financial Reports for the year ended 30th June 2007

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WAVERLEY COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

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

The attached General Purpose Financial Report has been prepared in accordance with

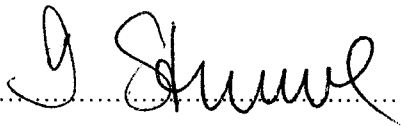
- The Local Government Act 1993 (as amended) and the Regulations made there under.
- The Australian Accounting Standards and professional pronouncements.
- The Financial Statements Guidelines for NSW Councils.

To the best of our knowledge and belief, these reports

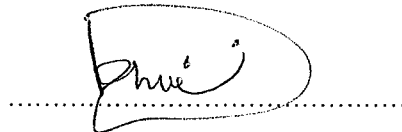
- Present fairly the Council's operating result and financial position for the year, and
- Accord with Council's accounting and other records

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

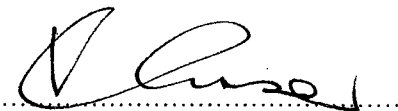
Signed in accordance with a resolution of Council made on 16th October, 2007.



MAYOR



COUNCILLOR



GENERAL MANAGER
PRINCIPAL ACCOUNTING OFFICER

WAVERLEY COUNCIL
INCOME STATEMENT
for the year ended 30th June 2007

Budget 2007 \$'000		Notes	Actual 2007 \$'000	Actual 2006 \$'000
	INCOME			
	<i>Revenue:</i>			
33,920	Rates & Annual Charges	3	33,904	32,534
20,893	User Charges & Fees	3	22,479	20,875
2,014	Investment Revenues	3	4,423	2,381
13,651	Other Revenues	3	13,978	18,624
6,739	Grants & Contributions - Operating	3	5,865	5,663
2,647	Grants & Contributions - Capital	3	2,296	4,113
	<i>Other Income:</i>			
-	Profit from Disposal of Assets	5	7,792	210
	Profit from interests in Joint Ventures & Associates	19	-	-
79,864	Revenues from Ordinary Activities before Capital Amounts		90,737	84,400
	EXPENSES			
38,655	Employee Costs	4	37,800	35,020
21,346	Materials & Contracts	4	17,753	18,997
651	Borrowing Costs	4	633	661
7,550	Depreciation & Amortisation	4	7,343	7,378
-	Impairment	4	-	-
11,556	Other Expenses	4	11,627	10,295
	Loss from Disposal of Assets	5	-	-
	Loss from interests in Joint Ventures & Associates	19	156	34
79,758	Total Expenses from Ordinary Activities		75,312	72,385
106	OPERATING RESULT FROM CONTINUING OPERATIONS		15,425	12,015
	Operating result from discontinued operations		-	-
106	NET OPERATING RESULT FOR YEAR		15,425	12,015
	Attributable to:			
	Minority Interests	19		
106	WAVERLEY COUNCIL		15,425	\$ 12,015
106			\$ 15,425	\$ 12,015
(2,541)	Net operating result before capital grants and contributions		\$ 13,129	\$ 7,902

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

WAVERLEY COUNCIL

BALANCE SHEET as at 30th June 2007

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
CURRENT ASSETS			
Cash & cash equivalents	6	18,971	10,013
Investments	6	19,383	13,792
Receivables	7	6,448	5,757
Inventories	8	97	122
Inventories - realisable > 12 months	8	-	-
Other	8	538	702
Non-current assets held for sale	20	743	858
TOTAL CURRENT ASSETS		<u>46,180</u>	<u>31,244</u>
NON-CURRENT ASSETS			
Investments	6	12,035	14,164
Receivables	7	1,691	1,513
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	990,578	982,488
Investments accounted for using the equity method	19	-	30
Investment Property	14	81,252	83,482
Other	8	-	-
TOTAL NON-CURRENT ASSETS		<u>1,085,556</u>	<u>1,081,677</u>
TOTAL ASSETS		<u>1,131,736</u>	<u>1,112,921</u>
CURRENT LIABILITIES			
Payables	10	9,619	7,628
Borrowings	10	1,467	1,557
Provisions	10	1,182	682
Provisions - payable > 12 months	10	14,795	14,388
TOTAL CURRENT LIABILITIES		<u>27,063</u>	<u>24,255</u>
NON-CURRENT LIABILITIES			
Payables	10	-	-
Borrowings	10	8,515	8,054
Provisions	10	121	-
TOTAL NON CURRENT LIABILITIES		<u>8,636</u>	<u>8,054</u>
TOTAL LIABILITIES		<u>35,699</u>	<u>32,309</u>
NET ASSETS		<u>\$ 1,096,037</u>	<u>1,080,612</u>
EQUITY			
Accumulated Surplus	20	1,096,037	1,080,612
Asset Revaluation Reserve	20	-	-
Other Reserves	20	-	-
Council Equity Interest		<u>1,096,037</u>	<u>1,080,612</u>
Minority Equity Interest	19	-	-
TOTAL EQUITY		<u>\$ 1,096,037</u>	<u>1,080,612</u>

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

WAVERLEY COUNCIL
STATEMENT OF CHANGES IN EQUITY
for the year ended 30th June 2007

	2007 \$'000				2006 \$'000			
	Accum Surplus	Council Equity Interest	Minority Interest	Total	Accum Surplus	Council Equity Interest	Minority Interest	Total
Balance at beginning of the reporting period	1,080,612	1,080,612	-	1,080,612	1,068,597	1,068,597		1,068,597
Net movements recognised directly in equity	-	-	-	-	-	-	-	-
Change in Net Assets recognised in the Income Statement	15,425	15,425	-	15,425	12,015	12,015	-	12,015
Balance at end of the reporting period	1,096,037	1,096,037	-	1,096,037	1,080,612	1,080,612	-	1,080,612
Effect of correction of error in previous years								

Note

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

WAVERLEY COUNCIL
CASH FLOW STATEMENT
for the year ended 30th June 2007

Budget 2007 \$'000		Actual 2007 \$'000	Actual 2006 \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES	<u>Notes</u>	
	<u>Receipts</u>		
33,600	Rates & Annual Charges	33,821	32,391
21,300	User Charges & Fees	24,075	21,405
2,200	Investments Income	2,577	1,376
9,700	Grants & Contributions	7,026	7,981
13,800	Other operating receipts	17,322	12,563
	<u>Payments</u>		
(39,000)	Employee Costs	(36,753)	(34,911)
(21,000)	Materials & Contracts	(18,680)	(16,758)
(750)	Borrowing Costs	(638)	(682)
<u>(11,000)</u>	Other operating payments	<u>(14,270)</u>	<u>(12,538)</u>
8,850	Net Cash provided by (or used in) Operating Activities	11 14,480	10,827
	CASH FLOWS FROM INVESTING ACTIVITIES		
	<u>Receipts</u>		
	Proceeds from sale of Infrastructure, Property, Plant & Equipment	8,970	284
	Proceeds from sale of Investment Property	1,655	
	Proceeds from sale of Real Estate	-	
	Proceeds from sale of Investment Securities	2,288	8,600
	Repayments from Deferred Debtors	-	
	Contributions to joint ventures by minority interests	19 -	
	Distribution received from associated entities	19 -	50
	<u>Payments</u>		
(12,000)	Purchase of Infrastructure, Property, Plant & Equipment	(14,887)	(9,774)
	Purchase of Investment Property		
	Purchase of Real Estate	-	
	Purchase of Investment Securities	(3,919)	(13,184)
	Loans to Deferred Debtors	-	
	Distributions from joint ventures to minority interests	19 -	
	Capital contributed to associated entities	19 -	
(12,000)	Net Cash provided by (or used in) Investing Activities	<u>(5,893)</u>	<u>(14,024)</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>Receipts</u>		
2,000	Proceeds from Borrowings & Advances	2,000	1,000
	Proceeds from Retirement Home Contributions	-	
	<u>Payments</u>		
(1,587)	Repayments of Borrowings & Advances	(1,629)	(2,126)
	Repayment of Finance Lease Liabilities	-	
	Repayment of Retirement Home Contributions	-	
413	Net Cash provided by (or used in) Financing Activities	<u>371</u>	<u>(1,126)</u>
(2,737)	Net Increase (Decrease) in cash held	<u>8,958</u>	<u>(4,323)</u>
10,013	Cash Assets at beginning of reporting period	11 10,013	14,336
<u>7,276</u>	Cash Assets at end of reporting period	11 <u>18,971</u>	<u>10,013</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1

SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

AAS27

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

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

(b) Revenue recognition

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

Rates, annual charges, grants and contributions

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

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

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

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

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

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

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

User charges and fees

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

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

Sale of plant, property, infrastructure and equipment

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

Interest and rents

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

(c) Principles of consolidation

(i) The Consolidated Fund

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

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

(ii) The Trust Fund

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

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

(iii) Joint venture entities

The interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to the partnership are set out in Note 19.

(d) Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

(e) Acquisition of assets

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

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

(f) Impairment of assets

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

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

(g) Cash and cash equivalents

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

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

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

(i) Inventories

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

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

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

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

(j) Non-current assets held for sale

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

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

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

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

(k) Investments and other financial assets

Classification

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

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Council provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

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

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

Subsequent measurement

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

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

Fair value

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

Impairment

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

Policy

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

(l) Fair value estimation

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

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

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

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

(m) Infrastructure, property, plant and equipment

All infrastructure, property, plant and equipment [except for investment properties – refer Note 1(n)] is stated at cost (or deemed cost) less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

Property, plant and equipment, land, buildings and other 2007/08

Roads, bridges, footpaths and drainage 2008/09

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

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

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

Office equipment	5 – 10 years	Pumps and telemetry	15 – 20 years
Office furniture	10 – 20 years	Drains	80 – 100 years
Vehicles and road making equipment	5 – 8 years	Culverts	50 – 80 years
Other plant and equipment	5 – 15 years	Flood control structures	80 – 100 years
Buildings – Masonry	50 – 100 years	Sealed roads – Surface	20 years
– Other	20 – 40 years	– Structure	50 years
Playground equipment	5 – 15 years	Unsealed roads	20 years
Benches, seats etc	10 – 20 years	Bridge – Concrete	100 years
Bores	20 – 40 years		
– Other	25 – 75 years		

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

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

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

(n) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Investment property is carried at fair value, representing open-market value determined by external valuers. Changes in fair values are recorded in the income statement as part of other income.

(o) Payables

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

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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

(q) Borrowing cost

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

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

(r) Provisions

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

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

(s) Employee benefits

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

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

(ii) Long service leave

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

have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(iii) Gratuities

Under the current enterprise agreement Gratuities are accrued at two weeks per year of service for each employee who has attained nineteen or more year's service. Those employees who have been with Council between ten to nineteen years service have accrued on a pro-rata basis a number of weeks based on the number of full years service multiplied by one tenth, these accrued weeks are then paid out once an employee retires or resigns after serving fifteen years service.

(v) Retirement benefit obligations

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

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below). The Local Government Superannuation Scheme has advised that it is unable to provide individual councils with an accurate split of their share of the Scheme's assets and liabilities and so no asset or liability is recognised.

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

(t) Rounding of amounts

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

(u) Land under roads

Council has elected not to recognise land under roads in accordance with the deferral arrangements available under AASB 1045. These provisions allow deferral of recognition until 30 June 2008.

(v) Insurance Pools

The Council is a partner in an insurance pool known as Premsure, shown in Note 19.

(w) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

(x) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2007 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

- (i) *AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]*

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. Council has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Council's financial instruments.

(y) Land

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

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 2 - FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES												
Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	2007	2006	2007	2006
2007 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
GOVERNANCE	-	-	669	666	643	(669)	(666)	(643)	-	-	-	-
ADMINISTRATION	1,016	1,092	1,253	13,660	12,806	(15,039)	(12,568)	(11,553)	1	4	67,661	66,536
PUBLIC ORDER & SAFETY	1,316	1,459	1,360	3,728	3,325	(2,136)	(2,269)	(1,965)	-	-	22,575	22,200
HEALTH	212	213	218	1,330	1,355	(1,206)	(1,117)	(1,137)	2	2	2,137	2,101
COMMUNITY SERVICES & EDUCATION	5,439	5,461	5,573	8,127	7,339	(2,351)	(2,666)	(1,766)	1,973	1,897	23,673	23,279
HOUSING & COMMUNITY AMENITIES	15,792	16,227	17,537	19,042	19,086	(5,351)	(2,815)	(1,549)	204	163	189,636	186,483
RECREATION & CULTURE	2,119	2,082	1,926	12,014	12,564	(10,227)	(9,932)	(10,638)	254	244	577,667	568,063
MINING, MANUFACTURING & CONSTRUCTION	508	288	389	576	451	(30)	(288)	(62)	-	-	14	14
TRANSPORT & COMMUNICATION	23,316	23,931	23,731	15,262	14,432	7,629	8,669	9,299	1,019	714	243,546	239,497
ECONOMIC AFFAIRS	2,624	9,831	5,682	752	384	1,964	9,079	5,298	-	-	4,829	4,748
TOTALS - FUNCTIONS	52,342	60,584	57,669	79,758	72,385	(27,416)	(14,573)	(14,716)	3,453	3,024	1,131,736	1,112,921
GENERAL PURPOSE REVENUES	27,522	30,154	26,731			27,522	30,154	26,731	2,157	2,049		
TOTALS	79,864	90,738	84,400	79,758	72,385	106	15,581	12,015	5,610	5,073	1,131,736	1,112,921

The above functions conform to those used by the Australian Bureau of Statistics and provide a basis for comparison with other Councils.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES

RATES & ANNUAL CHARGES	2007 \$'000	2006 \$'000
<u>Ordinary Rates</u>		
Residential	16,718	15,995
Business	6,654	6,436
	23,372	22,431
<u>Special Rates</u>		
Environmental Levy	842	470
	842	470
<u>Annual Charges</u>		
Domestic Waste Management	9,690	9,633
	9,690	9,633
Total Rates & Annual Charges	33,904	32,534
USER CHARGES & FEES		
<u>User Charges</u>		
Other Waste Management	1,607	1,543
Park Rentals	631	586
Child Care Fees	1,735	1,577
Staff Vehicle Fees	-	66
Bus Shelter Fees	954	896
Private Works - Road Opening Fees	-	64
Other	516	326
	5,443	5,058
<u>Fees</u>		
Planning and Building	1,717	1,540
Cemeteries	941	709
Rent & Hire of Non-Investment Property	2,623	2,677
Rent & Hire of Investment Property	1,817	1,824
Admission and Service Fees	194	225
Hoarding/Crane Permits	264	332
Car Parking Fees	4,001	3,542
Parking Meter Fees	5,290	4,640
Other	189	328
	17,036	15,817
Total User Charges & Fees	22,479	20,875

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES (cont)

	2007 \$'000	2006 \$'000
INVESTMENT REVENUES		
Interest on overdue rates & charges	83	70
Interest on cash assets & investments		
On Externally restricted assets	110	130
On Internally restricted assets	2,301	1,779
On Unrestricted assets	98	402
Net Capital Gains on Investments Held at Fair Value	1,831	
Amortisation of discounts and premiums	-	
Gross Investment Revenues	4,423	2,381
Less: Interest deducted from capitalised borrowing costs	-	
Total Investment Revenues	4,423	2,381
OTHER REVENUES		
Ex gratia payments in lieu of Rates	14	13
Fair value adjustments - investment property	-	3,172
Fines	11,886	12,883
Insurance Claims	98	207
Legal Fees Recovery (Rates)	10	21
Recycling Income (Non domestic)	372	373
Sales - General	10	9
Training & Employment - Waverley Works	1,055	1,331
Other	533	615
Total Other Revenues	13,978	18,624

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES (cont)

	Notes	OPERATING		CAPITAL	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
GRANTS					
General Purpose (Untied)					
Financial Assistance		1,946	1,830	-	
Pensioner Rates Subsidies (General)		211	219		
Specific Purpose					
Pensioner Rates Subsidies					
Domestic Waste Management		134	143	-	
Roads & Bridges		-		871	570
Employment & Training Programs		1	6	-	
Heritage & Cultural Services		-	20	-	
Community Care Services		698	504	-	
Recreation & Cultural Services		64	36	34	17
Library		176	189	-	
Child Care		1,275	1,393	-	
Street Lighting		148	144	-	
Environmental Protection		-		-	
Other		52	2	-	
Total Grants & Subsidies		4,705	4,486	905	587
Comprising:					
- Commonwealth funding		3,566	3,019	852	434
- State funding		1,139	1,467	53	153
- Other funding		-		-	
		4,705	4,486	905	587
CONTRIBUTIONS & DONATIONS					
Developer Contributions					
Section 94	17	-		152	146
Section 94A levies	17	-		730	220
Planning agreements	17	-		-	140
Other Councils - Joint Works		268	278	-	
Car Parking		189	207	-	
Road Restorations		569	466	-	27
Recreational & Cultural		-	6	465	443
Housing	11	-		-	2,550
Other		134	220	44	
Total Contributions & Donations		1,160	1,177	1,391	3,526
TOTAL GRANTS & CONTRIBUTIONS		5,865	5,663	2,296	4,113

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES (cont)

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:

	2007 \$'000		2006 \$'000	
	<u>Grants</u>	<u>Contrib</u>	<u>Grants</u>	<u>Contrib</u>
<i>Unexpended at the close of the previous reporting period</i>	734	2,333	378	2,265
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>				
<i>Section 94/64 Developer Contributions</i>		862		568
<i>Roads Infrastructure</i>	0		0	
<i>Heritage & Cultural Services</i>	0		20	
<i>Community Care Services</i>	37		1,879	
<i>Housing & Community Amenities</i>	0		155	
<i>Recreational & Cultural</i>	64		210	
<i>Transport & Communications</i>	482		396	
<i>Other</i>	31		8	
<i>Subtotal</i>	614	862	2,668	568
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>				
<i>Section 94/64 Developer Contributions</i>		461		636
<i>Roads Infrastructure</i>	0		0	
<i>Heritage & Cultural Services</i>	0		20	
<i>Community Care Services</i>	236		1,897	
<i>Housing & Community Amenities</i>	0		143	
<i>Recreational & Cultural</i>	90		242	
<i>Transport & Communications</i>	403		714	
<i>Other</i>	24		8	
<i>Subtotal</i>	753	461	3,024	636
 <i>Unexpended at the close of this reporting period and held as restricted assets</i>	873	1,932	734	2,333
 <i>Net increase (decrease) in restricted assets in the</i>	139	-401	356	68

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 4 - EXPENSES

EMPLOYEE COSTS	2007 \$'000	2006 \$'000
Salaries and Wages	28,009	26,657
Travelling	112	112
Employee Leave Entitlements	5,054	3,542
Superannuation	2,646	2,288
Workers' Compensation Insurance	1,356	1,742
Fringe Benefits Tax	189	207
Training Costs (excluding Salaries)	434	472
Other	-	
Less: Capitalised and distributed costs	-	
Total Operating Employee Costs	<u>37,800</u>	<u>35,020</u>
Total Number of Employees	516	494
(Full time equivalent at end of reporting period)		
BORROWING COSTS		
Interest on Overdraft	-	
Interest on Loans	630	661
Interest on Building Deposits	3	
Discounts on financial instruments transactions		
Unwinding of present value discounts & premiums		
Total Interest Charges	<u>633</u>	<u>661</u>
MATERIALS & CONTRACTS		
Raw materials & consumables	9,187	9,206
Contractor and consultancy costs	5,924	7,634
Auditor's Remuneration		
- Audit Services	39	41
- Other Services	-	2
Legal Expenses		
- Planning & Development	512	606
- Other Legal Expenses	186	258
Operating Lease Rentals - Non-Cancellable		
- minimum lease payments	1,905	1,250
Total Materials & Contracts	<u>17,753</u>	<u>18,997</u>

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 4 - EXPENSES (cont)

	IMPAIRMENT		DEPRECIATION	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT				
Plant and Equipment	-	-	1,138	1,097
Office Equipment	-	-	-	430
Furniture & Fittings	-	-	476	-
Leased Property, Plant & Equipment	-	-	-	-
Land	-	-	35	35
Land Improvements	-	-	-	-
Buildings	-	-	1,011	993
Other Structures	-	-	1,179	1,381
Infrastructure	-	-	-	-
- roads, bridges & footpaths	-	-	2,246	2,205
- stormwater drainage	-	-	633	631
Other assets	-	-	-	-
- heritage collections	-	-	-	-
- library books	-	-	228	229
- other	-	-	397	377
Less: Capitalised and distributed costs	-	-	-	-
Total Depreciation, Amortisation & Impairment	-	-	7,343	7,378

	2007 \$'000	2006 \$'000
OTHER EXPENSES		
Advertising	637	511
Abandonment of Fines by Office State Debt Recovery	1,125	1,360
Bad and Doubtful Debts	-	50
Donations & Contributions to Local & Regional Bodies	390	376
Insurances	1,168	1,238
Land tax - Crown Land	244	110
Light, Power & Heating	535	503
Mayoral Allowance	31	29
Members Fees & Allowances	163	161
Members Expenses	286	249
Payments to Other Levels of Government	1,045	1,018
Street Lighting	690	642
Subscriptions & Publications	172	166
Family Day Care Subsidy	419	475
Telephone & Communications	379	386
Water Rates & Charges	193	144
Waste Disposal Charges	2,729	2,586
Car Park Levy	87	90
Other	1,334	201
Total Other Expenses	11,627	10,295

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 5 - GAIN OR LOSS ON DISPOSAL OF ASSETS

	Notes	2007 \$'000	2006 \$'000
DISPOSAL OF PROPERTY			
Proceeds from disposal		334	95
Less: Carrying amount of assets sold	9	<u>453</u>	<u>95</u>
Gain (Loss) on disposal		<u>(119)</u>	<u>95</u>
DISPOSAL OF INFRASTRUCTURE, PLANT & EQUIPMENT			
Proceeds from disposal		136	131
Less: Carrying amount of assets sold	9	<u>35</u>	<u>16</u>
Gain (Loss) on disposal		<u>101</u>	<u>115</u>
DISPOSAL OF INVESTMENT PROPERTY			
Proceeds from disposal		1,655	
Less: Carrying amount of assets sold	14	<u>1,487</u>	<u>-</u>
Gain (Loss) on disposal		<u>168</u>	<u>-</u>
DISPOSAL OF WAVERLEY/WOLLAHRA PROCESS PLANT			
Proceeds from disposal		8,500	
Less: Carrying amount of assets sold	19/20	<u>858</u>	<u>-</u>
Gain (Loss) on disposal		<u>7,642</u>	<u>-</u>
TOTAL GAIN (LOSS) ON DISPOSAL OF ASSETS		<u>7,792</u>	<u>210</u>

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 6 - CASH ASSETS & INVESTMENT SECURITIES

	2007		2006	
	\$'000		\$'000	
	Current	Non-Current	Current	Non-Current
CASH ASSETS				
Cash on Hand and at Bank	2,400		1,887	
Deposits at Call	14,921		5,126	
Short Term Deposits & Bills, etc	1,650		3,000	
Other	-			
Total Cash Assets	18,971		10,013	

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.

INVESTMENT SECURITIES

Summary

Financial assets at fair value through profit and loss	15,483	12,035	13,792	2,264
Held to maturity investments	3,900	-		11,900
Available for sale financial assets	-	-		
Total	19,383	12,035	13,792	14,164

Financial assets at fair value through profit and loss

At beginning of year	13,792	2,264	15,634	2,080
Adjustment on adoption of AASB 132 & AASB 139				
Revaluation to Income Statement	1,819	12	758	
Additions	2,160	1,759	4,000	184
Transfer From held To maturity		8,000		
Disposals	(2,288)	-	(6,600)	
Transfers Current/Non-current		-		
At end of year	15,483	12,035	13,792	2,264

Held for trading:

- Managed Funds	13,471		13,792	
- Growth Securities	2,012	12,035		
- FRNs				
- Equity linked notes				2,264
	15,483	12,035	13,792	2,264

Held to Maturity Investments

At beginning of year	-	11,900	2,000	2,900
Adjustment on adoption of AASB 132 & AASB 139				
Amortisation of discounts and premiums				
Additions				9,000
Disposals			(2,000)	
Transfer to Held at fair Value		(8,000)		
Transfers Current/Non-current	3,900	(3,900)		
At end of year	3,900	-	-	11,900

Comprising:

- Government Bonds				
- Term Deposits				
- Bank Bills				
- Other	3,900			11,900
	3,900	-	-	11,900

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 6 - CASH ASSETS & INVESTMENT SECURITIES (cont)

RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

	2007		2006	
	\$'000		\$'000	
	Current	Non-Current	Current	Non-Current
Cash Assets	18,971		10,013	
Investment Securities	19,383	12,035	13,792	14,164
TOTAL CASH ASSETS & INVESTMENT SECURITIES	38,354	12,035	23,805	14,164
External Restrictions	5,220	4,000	2,006	5,000
Internal Restrictions	29,791	8,035	18,872	9,164
Unrestricted	3,343	-	2,927	-
	38,354	12,035	23,805	14,164

DETAILS OF MOVEMENTS OF RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

Notes	Opening Balance 30 June 2006	Movements		Closing Balance 30 June 2007
		Transfers To Restriction	Transfers From Restriction	
		\$'000	\$'000	
External Restrictions Included in liabilities				
Unexpended Loans			-	
RTA Advances			-	
Self Insurance Claims			-	
Other			-	
	-	-	-	-
Other				
Developer Contributions 17	2,333	992	1,393	1,932
RTA Contributions			-	
Unexpended Grants	734	1,407	1,268	873
Water Supply funds			-	
Environmental Levy	3	842	680	165
Domestic Waste Management	3,936	2,514	200	6,250
Other			-	
	7,006	5,755	3,541	9,220
Total External Restrictions	7,006	5,755	3,541	9,220

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 3. Amounts raised by special rates (eg. Water & Sewer) or for Domestic Waste Management may only be used for those purposes.

Internal Restrictions

Employee Leave Entitlements	3,086	134	-	3,220
Replacement - Plant & Vehicles	2,325	494	645	2,174
Office Equipment	545	-	277	268
Sinking Funds	151	9	-	160
Other	3,696	1,676	2,083	3,289
Deposits & Bonds	4,396	1,521	1,605	4,312
Sale of Properties	756	-	420	336
Future Loan Repayments	171	183	-	354
Insurance Claims	463	-	-	463
Parking Meters	3,166	280	3,128	318
Parking	-	242	-	242
Capital Works S94 Recovered	962	-	269	693
Property Maintenance	1,892	150	706	1,336
Street Tree (Sewer) Aerial Bundling	237	59	64	232
Affordable Housing	153	136	-	289
Drains Condition/Construction	623	157	165	615
Infrastructure	2,253	6,238	1,356	7,135
Unexpended Loans	1,812	2,000	1,621	2,191
Urban & Local Roads	56	310	148	218
Workers Compensation	190	-	-	190
Cemetery Funds	1,103	248	203	1,148
Investment Strategy	-	10,150	1,507	8,643
Total Internal Restrictions	28,036	23,987	14,197	37,826

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.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 7 - RECEIVABLES

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
Rates & Annual Charges	813	140	710	160
Interest & Extra Charges	85	80	90	60
User Charges & Fees	977		735	
Other levels of Government	-		76	
Interest on Investments	253		255	
Parking Fines	3,693	2,653	2,623	2,268
Other	703		1,452	
Total	6,524	2,873	5,941	2,488
Less: Allowance for Doubtful Debts				
Rates & Annual Charges				
Interest & Extra Charges				
User Charges & Fees	76		184	
Parking Fines		1,182		975
	6,448	1,691	5,757	1,513

Rates, Annual Charges, Interest & Extra 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 9.00% (2006: 9.00%). Although Council is not materially exposed to any individual ratepayer, credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

Parking Fines

Parking Fines issued by Council's Officers are accrued on a yearly basis. There is a provision allowed for as Doubtful Debts based on previous years history. Council does not itself collect these fines as they are processed by the Office of State Debt Recovery, who may write off a number of fines without notifying council. these fines are accounted for as bad debt write offs.

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

Domestic Waste Management	512		470	
Environmental Levy	15		10	
Total Restrictions	527	-	480	-
Unrestricted Receivables	5,921	1,691	5,277	1,513
Total Receivables	6,448	1,691	5,757	1,513

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 8 - INVENTORIES & OTHER ASSETS

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
INVENTORIES				
Stores & Materials	97		122	
Trading Stock	-			
Real Estate Developments	-	-		
Other				
Total Inventories	97	-	122	-

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	380		418	
Waverley Woolhara Process Plant	158		284	
Total Other Assets	538	-	702	-

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 9 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2006 \$'000				CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000			2007 \$'000			
	AT COST	AT FAIR VALUE	ACCUM DEPN	CARRYING AMOUNT	Asset Purchases	Asset Disposals	Depreciation	AT COST	AT FAIR VALUE	ACCUM DEPN	CARRYING AMOUNT
Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	9,992	-	(5,111)	4,881	855	(35)	(1,138)	10,413	-	(5,850)	4,563
Office Equipment	8,119	-	(5,500)	2,619	268	-	(476)	8,387	-	(5,976)	2,411
Land (incl. Land Improvements)											
- Operational Land	26,041	-	-	26,041	303	(97)	-	26,247	-	-	26,247
- Community Land	684,924	-	(190)	684,734	-	-	(35)	684,924	-	(225)	684,699
Buildings	74,448	-	(7,609)	66,839	5,695	(356)	(1,011)	79,787	-	(8,620)	71,167
Other Structures	16,582	-	(12,194)	4,388	718	-	(1,179)	17,300	-	(13,373)	3,927
Infrastructure											
- Roads, bridges, footpaths	224,025	-	(76,971)	147,054	4,332	-	(2,246)	228,357	-	(79,217)	149,140
- Bulk earthworks (non-deprec.)	-	-	-	-	-	-	-	-	-	-	-
- Stormwater drainage	63,309	-	(24,279)	39,030	204	-	(633)	63,513	-	(24,912)	38,601
Other Assets											
- Heritage Collections	-	-	-	-	-	-	-	-	-	-	-
- Library Books	4,940	-	(3,768)	1,172	218	-	(228)	5,158	-	(3,996)	1,162
- Other	7,931	-	(2,201)	5,730	3,328	-	(397)	11,259	-	(2,598)	8,661
Totals	1,120,311	-	(137,823)	982,488	15,921	(488)	(7,343)	1,135,345	-	(144,767)	990,578
Asset acquisitions were apportioned between:				Renewals	11,306						
				New Assets	4,615						

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 9 (cont) - RESTRICTED PROPERTY, PLANT & EQUIPMENT

	2007 \$'000				2006 \$'000		
	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT	AT COST	ACCUM DEPN	CARRYING AMOUNT
Domestic Waste Management							
Plant & Equipment	6,787		3,769	3,018	6,787	2,920	3,867
Total Domestic Waste	6,787	-	3,769	3,018	6,787	2,920	3,867
TOTAL RESTRICTIONS	6,787	-	3,769	3,018	6,787	2,920	3,867

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 10 - LIABILITIES

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
PAYABLES				
Goods & Services	2,135		1,689	
Goods & Services - Capital	1,490		456	
Payments received in advance	731		483	
Accrued Expenses - Wages & Salaries	312		293	
Accrued Expenses - Interest On Loans	143		148	
Accrued Expenses - Other	72		162	
Builders Deposits	3,906		4,071	
Deposits, Retentions & Bonds	406		326	
GST	365			
Other	59			
Total Payables	<u>9,619</u>	-	<u>7,628</u>	-
BORROWINGS				
Bank Overdraft			-	
Loans	1,467	8,515	1,557	8,054
Total Borrowings	<u>1,467</u>	<u>8,515</u>	<u>1,557</u>	<u>8,054</u>

All interest bearing liabilities are secured over the future revenues of the Council.

PROVISIONS				
Annual Leave	3,354		3,135	
Sick Leave	2,934		3,105	
Long Service Leave	5,374	121	4,979	
Time Off In Lieu	84			
Gratuities	4,231		3,851	
Total Provisions	<u>15,977</u>	<u>121</u>	<u>15,070</u>	-

The following liabilities, although classified as current, are not expected to be paid within the next 12 months

Deposits, Retentions and Bonds	2,803	2,804
Employee Leave Provisions	<u>11,992</u>	<u>11,584</u>
	<u>14,795</u>	<u>14,388</u>

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

NOTE 10 - LIABILITIES (cont)

Provision for Insurance Losses

At any time Council may be involved in defending a number of separate actions arising from various causes, further details of which are given in Note 18. Council makes provision for the best estimate of the probable costs it will incur in defending such actions, and records a contingent liability for the balance of potential losses.

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
<i>LIABILITIES relating to RESTRICTED ASSETS</i>				
<i>Domestic Waste Management</i>				
<i>Payables</i>	227	-	470	-
<i>Subtotal</i>	227	-	470	-
<i>Environmental Levy</i>				
<i>Payables</i>	1	-	10	-
<i>Subtotal</i>	1	-	10	-
TOTAL	228	-	480	-

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

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 Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2007 \$'000	2006 \$'000
Total Cash Assets (Note 6)	18,971	10,013
Less: Bank Overdraft (Note 10)	-	-
Balances per Cash Flow Statement	18,971	10,013

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

Net Operating Result from Income Statement	15,425	12,015
Add: Depreciation, Amortisation & Impairment	7,343	7,378
Unwinding of present value discounts & premiums	-	-
Increase in provision for doubtful debts	99	408
Increase in employee benefits provisions	1,028	-
Increase in other provisions	-	-
Decrease in receivables	-	-
Decrease in inventories	25	-
Decrease in other assets	38	429
Increase in trade creditors	446	214
Increase in accrued expenses payable	-	214
Increase in other payables	587	223
Loss on Sale of Assets	-	-
Equity share of loss in Associates	156	34
Equity adjustment in Associates (decrease)	-	-
Decrements from Revaluations	-	-
Loss on Council restructure	-	-
	25,147	20,915
Less: Decrease in provision for doubtful debts	-	-
Present value discounts & premiums recognised	-	-
Decrease in employee benefits provisions	-	91
Decrease in other provisions	-	-
Increase in receivables	968	3,300
Increase in inventories	-	7
Increase in other assets	-	-
Decrease in trade creditors	-	-
Decrease in accrued expenses payable	76	-
Decrease in other payables	-	-
Gain on Sale of Assets	7,792	210
Equity share of profit in Associates	-	-
Equity adjustment in Associates (increase)	-	-
Fair value adjustments as revenue items	1,831	3,930
Reversal of previous Revaluation Decrements	-	-
Non-cash Capital Grants and Contributions	-	2,550
Gain on Council restructure	-	-
Net Cash provided by (or used in) operations	14,480	10,827

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 11 (cont) - RECONCILIATION TO CASH FLOW STATEMENT

	2007 \$'000	2006 \$'000
(c) Non-Cash Financing and Investing Activities		
Acquisition of assets by means of:		
- Other	-	2,550
	-	2,550
- Finance Leases	-	
- Land taken over for non-payment of Rates	-	-
	-	2,550

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts	
Total Facilities	250
Corporate Credit Cards	20

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.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 12 - COMMITMENTS FOR EXPENDITURE

	2007 \$'000	2006 \$'000
(a) Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land		
Construction of Investment Property		
Buildings	92	2,922
Plant & Equipment		
	92	2,922
These expenditures are payable:		
Not later than one year	92	2,922
Later than one year and not later than 5 years		
Later than 5 years		
	92	2,922

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:		
Audit Services		45
Waste Management Services		
Repairs & maintenance - Investment Property		
Other		
	-	45
These expenditures are payable:		
Not later than one year		45
Later than one year and not later than 5 years		
Later than 5 years		
	-	45

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

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 12 (CONT) - COMMITMENTS FOR EXPENDITURE

	2007 \$'000	2006 \$'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	959	1,513
Later than one year and not later than 5 years	545	2,664
Later than 5 years	1,504	4,177

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

Contingent rental payments exist in relation to the lease of one grader if utilisation exceeds 250 hours during any month. No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased. No lease contains any escalation clause.

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

(e) Remuneration Commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities, payable:

Not later than one year	994	1,030
Later than one year and not later than 5 years	2,543	4,145
Later than 5 years	3,537	5,175

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 13 - STATEMENT OF PERFORMANCE MEASUREMENT

	<u>Amounts</u>	<u>2007 Indicators</u>	2006	2005	2004
Unrestricted Current Ratio					
<u>Unrestricted Current Assets*</u>	\$40,433	3.36:1	2.94:1	3.32:1	3.62:1
Current Liabilities not relating to Restricted Assets	\$12,040				
Debt Service Ratio					
<u>Net Debt Service Cost</u>	\$2,262	2.67%	3.63%	3.52%	4.23%
Operating Revenue	\$84,733				
Rate & Annual Charges Coverage Ratio					
<u>Rates & Annual Charges Revenues</u>	\$33,904	37.37%	38.55%	41.35%	44.37%
Total Revenues	\$90,737				
Rates & Annual Charges Outstanding Percentage					
<u>Rates & Annual Charges Outstanding</u>	\$1,118	3.19%	3.04%	2.74%	3.44%
Rates & Annual Charges Collectible	\$35,017				
Asset Renewals Ratio					
<u>Asset renewals</u>	\$11,306	154.00%	<i>New ratio introduced 2007 - no comparatives available.</i>		
Depreciation, Amortisation, Impairment	\$7,343				

Detailed methods of calculation of these indicators is defined in the Code.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 14 - INVESTMENT PROPERTY

	2007 \$'000	2006 \$'000
At fair value		
Opening balance at 1 July	83,482	80,310
Acquisitions	0	
Capitalised subsequent expenditure		
Classified as held for sale (Note 20)	-743	
Net gain (loss) from fair value adjustment	0	3,172
Transfer (to) from inventories or infrastructure, property, plant & equipment	0	
Carrying value of disposals	-1,487	
Closing balance at 30 June	<u>81,252</u>	<u>83,482</u>
Amounts recognised in profit and loss		
Rental income	1,817	1,930
Other Income	2,800	2,369
Net gain (loss) from fair value adjustment	<u>4,617</u>	<u>3,172</u>
Repairs, maintenance & other operating expenses		7,471
- <i>property generating rental income</i>	-1,874	-1,336
- <i>property not generating rental income</i>		0
	<u>2,743</u>	<u>6,135</u>

Valuation basis

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction and reflects market conditions at the reporting date.

The 2006 valuation was made by Scott Fullarton Valuations Pty Ltd (ACN 003 683 878).

Contractual arrangements - see Note 12.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 15 - FINANCIAL INSTRUMENTS

Interest Rate Risk Exposures

2007	Floating Interest	Fixed interest maturing in						Non- interest bearing	Total
	Rate '000	≤ 1 year '000	1 - 2 years '000	2 - 3 years '000	3-4 years '000	4-5 years '000	> 5 years '000		
Financial Assets									
Cash Assets	18,949							22	18,971
Investment Securities	17,371		2,012		1,058	1,313	9,664		31,418
Receivables									
Rates & Annual Charges		813	140						953
User Charges & Fees								901	901
Interest on Investments		253							253
Other levels of Govt.									
Other									
Total	36,320	1,066	2,152	-	1,058	1,313	9,664	6,032	58,528
<i>Weighted Average Interest Rate</i>	5.83	6.00	6.50	6.50	6.50	6.50	7.00		
Financial Liabilities									
Payables									
Goods & Services								3,625	3,625
Payments in advance								731	731
Advances									
Retirement Home Contribs.									
Deposits, Retentions, Bonds								4,312	4,312
Other								951	951
Interest Bearing Liabilities		132	248	384	528	522	8,168		9,982
Finance Lease Liabilities									
Total	-	132	248	384	528	522	8,168	9,619	19,601
<i>Weighted Average Interest Rate</i>		6.65	5.80	7.86	6.90	5.88	6.15		
NET FINANCIAL ASSETS (LIABILITIES)	36,320	934	1,904	(384)	530	791	1,496	(2,664)	38,927
2006									
Financial Assets									
Cash Assets	10,013								10,013
Investment Securities	13,792	2,000		9,664			2,500		27,956
Receivables									
Rates & Annual Charges		710	160						870
User Charges & Fees								551	551
Interest on Investments		255							255
Other levels of Govt.								76	76
Other								5,518	5,518
Total	23,805	2,965	160	9,664	-	-	2,500	6,145	45,239
<i>Weighted Average Interest Rate</i>	5.89	6.00	6.50	6.50	6.50	6.50	7.00		
Financial Liabilities									
Payables									
Goods & Services								2,145	2,145
Payments in advance								483	483
Advances									
Retirement Home Contribs.									
Deposits, Retentions, Bonds								4,397	4,397
Other								603	603
Interest Bearing Liabilities		319	617	494	533	100	7,548		9,611
Finance Lease Liabilities									
Total	-	319	617	494	533	100	7,548	7,628	17,239
<i>Weighted Average Interest Rate</i>		7.16	6.65	5.80	7.86	6.88	6.01		
NET FINANCIAL ASSETS (LIABILITIES)	23,805	2,646	(457)	9,170	(533)	(100)	(5,048)	(1,483)	28,000

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 15 (CONT) - FINANCIAL INSTRUMENTS

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.

Reconciliation of Financial Assets & Liabilities

	2007 \$'000	2006 \$'000
Net financial assets from previous page		
Financial Assets	58,528	45,239
Financial Liabilities	<u>19,601</u>	<u>17,239</u>
	38,927	28,000
Non-financial assets and liabilities		
Inventories	97	122
Property, Plant & Equipment	990,578	982,488
Investment Property	81,252	83,482
Interest in Associated Bodies	0	30
Other Assets	538	702
Non-Current Assets Held for Resale	743	858
Provisions	<u>-16,098</u>	<u>-15,070</u>
	<u>1,057,110</u>	<u>1,052,612</u>
Net Assets per Balance Sheet	<u>1,096,037</u>	<u>1,080,612</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.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 16 Material Budget Variations

Council's original budget was incorporated as part of the Management Plan adopted by Council in June, 2006. The original projections on which the budget was based have been affected by a number of factors. These include State and Federal Government decisions including new grant programs, changing economic activity, the weather, and by decisions made by Council.

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

Revenues

1. Interest on Investment

The actual amount of interest received exceeded budget by \$2.4M, 120% (F). This is mainly attributable to Council recognising all of its managed fund and credit linked investments (\$1.8M) at fair value through the Income Statement. In addition, Council achieved a better than expected rate of return due to funds being invested for longer periods. Also council does not budget for Developers Contribution interest as it goes directly into the Developers Contribution Fund and not into Council's General Fund.

2. Grants & Contributions - Operating

Operating Grants & Contributions were \$874K, -13% (U) below budget. This is due to funding for various programs either being less than anticipated or withdrawn. The main variances consisted of lower than expected revenue from Waverley Works of \$212K, the financial assistance grant being \$37K less than budget and child care assistance \$79K below budget.

3. Grants & Contributions - Capital

Capital Grants & Contributions were \$351K, -13.3% (U) below budget. This is a timing variation with Federal Grant funding for works being carried out on Campbell Pde being \$220K less than budget in 2006/07. It is expected that the remainder of this grant will be received in 2007/08.

4. Profit from Disposal of Assets

Council received \$7.792M (F) from its net gain on the disposal of assets. The net sale proceeds from the sale of the Waverley Woollahra Processing Plant was \$7.642M. This transaction was included in the 2005/06 General Purpose Financial Reports Note 20 "Non-Current Assets Classified as Held for Sale". The net sale proceeds from the Investment Property sale of units 6 & 7, 2A Burrows Road were \$168K as shown in Note 5 "Gain or Loss on Disposal of Assets".

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 16 Material Budget Variations

Expenses

1. Materials & Contracts

This item was \$3.59M, 16.83% (F) below budget. This is a reflection of less expenditure being incurred than budgeted for Stores & materials items, maintenance, consultants and legal fees. The budget for internal plant running costs is allocated to materials & contracts where as a portion of the actual expenditure is dispersed to employee costs and other expenses. Other variations in this item were attributable to a change in the method of derecognising capitalised expenses. Previously all capitalised expenses have been shown as a reduction to other expenses.

2. Borrowing Costs

Borrowing costs were \$18K, 2.8% (F). This is due to lower interest rates being paid than those that were used to formulate the budget.

In addition to the above mentioned items, minor favourable and unfavourable variations occurred throughout the year in a number of revenue and expense items. All variations were monitored and were reported to Council on a quarterly basis.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 17 - STATEMENT OF CONTRIBUTION PLANS

SUMMARY OF CONTRIBUTIONS

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROW- INGS (to)/from	HELD AS RESTR- ICTED ASSET
		CASH	NON-CASH				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage							
Roads	24			2			26
Traffic Facilities	884	3		47	(123)		811
Parking	289			17			306
Open Space		2			(2)		
Community Facilities	186	30		10	(44)		182
Housing	182	117			(299)		
Other							
Subtotal S94 under plans	1,565	152		76	(468)		1,325
Sec 94 not under plans	140			8	(7)		141
Sec 94A levies	156	730		19	(568)		337
Planning Agreements	472	-		7	(350)		129
Sec 64 Contributions		-					
Total Contributions	2,333	882		110	(1,393)		1,932

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

CONTRIBUTION PLAN - 1992

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROW- INGS (to)/from	HELD AS RESTR- ICTED ASSET
		CASH	NON-CASH				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage							
Roads							
Traffic Facilities							
Parking							
Open Space							
Community facilities	182			10	-17		175
Other							
Total	182			10	(17)		175

CONTRIBUTION PLAN - 1998

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROW- INGS (to)/from	HELD AS RESTR- ICTED ASSET
		CASH	NON-CASH				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage							
Roads	19			2			21
Traffic Facilities	841			44	-123		762
Parking	93			5			98
Open Space							
Community facilities	4						4
Housing	182				-182		0
Total	1,139			51	(305)		885

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 17 - STATEMENT OF CONTRIBUTION PLANS (cont)

CONTRIBUTION PLAN - 2004

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	INTERNAL BORROW- INGS (to)/from \$'000	HELD AS RESTR- ICTED ASSET \$'000
		CASH \$'000	NON-CASH \$'000				
Housing		-					
Roads	5	-					5
Traffic Facilities	43	3		3			49
Parking	196	-		12			208
Open Space		2			-2		0
Community facilities		30			-27		3
Housing		117			-117		0
Other		-					
Total	244	152		15	(146)		265

CONTRIBUTIONS NOT UNDER PLANS

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	INTERNAL BORROW- INGS (to)/from \$'000	HELD AS RESTR- ICTED ASSET \$'000
		CASH \$'000	NON-CASH \$'000				
Drainage							
Roads							
Traffic Facilities							
Parking	140			8	-7		141
Open Space							
Community facilities							
Other							
Total	140			8	(7)		141

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 18 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

STATECOVER MUTUAL Ltd

Council holds a partly paid share in State Cover Mutual Limited, a company providing workers compensation insurance cover for Council. Council has a contingent liability to contribute further equity in the event of the erosion of the capital base of the company as a result of the company's past performance and/or claims experience.

Statecover has issued shares with no par value and may make calls on its members to meet trading losses and to comply with prudential requirements. There is no recognised market for the sale of Statecover shares.

LEGAL EXPENSES

Council is the planning consent authority for its area under the Environmental Planning & Assessment Act (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal to the Land & Environment Court. It is the Court's normal practice that parties bear their own legal costs. At the date of these reports, all known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Affordable Housing

Under Council's Development Consent Policy 1 (DCP1) developers can if they wish so gain increased floor space ratio. To offset the increased floor space ratio the developer makes available to council Affordable Housing for low to moderate income persons. Council and the applicant enter into a Deed of Agreement to offer council a unit or units in either perpetuity or fixed periods of time. These units are managed by a Community Organisation identified by Council. Affordable Housing units offered to council in perpetuity are recognised as an asset while those fixed for periods of time are not recognised in council's accounts.

Disputed Invoice

Council holds a contract with APARCS Pty Ltd in regards to the operation of Council's parking meters. APARCS has invoiced Council for an amount of \$181,500 (incl. GST) representing a fee for the processing of credit card transactions for the first quarter of operations of Council's new parking meters. Council is disputing this invoice on the basis that the contract makes no provision for this fee. Subsequently this invoice has not been recognised in Council's accounts.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

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

Not applicable to Council

(b) - Entities not "Controlled" by any member

Council participates in the following cooperative organisations, the activities of which are not controlled by any one member:

Waverley/Woollahra Process Plant

Established by Waverley and Woollahra Council's this organisation was responsible for the incineration of and disposal of waste within the Sydney Metropolitan area.

In late November, 1996 the plant ceased operations and is now under care and maintenance. The plant owners are now finalising the remediation of the site prior to disposing of the asset.

Premature Insurance Pool

Premature is an insurance pool consisting of Manly, Waverley and Woollahra Council's.

Waverley/Woollahra Process Plant	2007	2006
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	284	1,238
Amount recognised on adoption of AAS19		
New Capital Contributions		
Share in Operating Result	-126	-46
Distributions Received		-50
Transfer Non-Current Assets for Resale to Note 20		-858
Transfer Current Assets to Council Current Assets (Note 8)	-158	
Adjustment to Equity Share		
Share in Equity of Joint Operation	<u>0</u>	<u>284</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>0</u>	<u>0</u>
--	----------	----------

Operating Expenditures payable

Not later than one year

Later than one year and not later than 5 years

Later than 5 years

	<u>0</u>	<u>0</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

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

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

	2007	2006
Premature Insurance		
Council's respective interests are:		
- interest in outputs of the joint operation	24%	24%
- ownership interest in the joint operation	24%	24%
- the proportion of voting power in the joint operation	33%	33%
<u>Movements in Investment in Joint Operation</u>	\$'000	\$'000
Opening Balance	30	18
Amount recognised on adoption of AAS19		
New Capital Contributions		
Share in Operating Result	-30	12
Distributions Received		
Adjustment to Equity Share		
Share in Equity of Joint Operation	<u>0</u>	<u>30</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>0</u>	<u>0</u>
--	----------	----------

Operating Expenditures payable

Not later than one year

Later than one year and not later than 5 years

Later than 5 years

	<u>0</u>	<u>0</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

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.

	2007 \$'000	2006 \$'000
Operating Statement		
Share of joint venture revenues in operating revenues	47	70
Share of joint venture costs in operating expenses	203	104
Net Contribution	<u>-156</u>	<u>-34</u>
Statement of Financial Position		
Current Assets	0	393
Non-Current Assets	0	0
Share of Assets employed in Joint Ventures	0	393
Current Liabilities	0	79
Non-Current Liabilities	0	0
Share of Liabilities incurred in Joint Ventures	0	79
NET INTEREST IN JOINT VENTURES	<u>0</u>	<u>314</u>

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 19 (cont) - JOINT VENTURES & ASSOCIATED ENTITIES

(c) - Entities "controlled" by another member

Not applicable to Council

(d) - Joint venture operations not comprising an entity

Not applicable to Council

(e) - Joint venture operations not recognised

Not applicable to Council

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 20 - NON-CURRENT ASSETS HELD FOR RESALE

	2007 \$'000	2006 \$'000
Waverley/Woollahra Process Plant	0	858
Burrows Road Industrial property	743	0
	<u>743</u>	<u>858</u>

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 21 - EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to balance date, towards the end of July 2007, and to the date of this report, global financial markets have experienced significant volatility as a result of the US sub-prime Mortgage crisis.

Whilst Waverley Council was not directly invested in this market, a proportion of Council's investment portfolio is invested in structured products at 30 June 2007 has been indirectly effected as a result of contagion market volatility.

The latest valuations available as at 30 September indicate an estimated decrease since year end of 0.6% (\$282K) on Council's \$50.389 million cash investment portfolio as at 30 June 2007.

It should be noted that this is regarded as a "paper loss" as until such time as the investments are sold, any actual gain or loss is unknown.

These investments continue to pay their coupons (interest) and there have been no defaults in the underlying securities.

Whilst the high levels of volatility that commenced in July continued in August, credit markets were considerably more stable in September though still not as stable as seen in the first half of the year.

It is Council's intention to hold these investments to maturity and to continue to closely monitor Council's investment portfolio.

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



SPENCER STEER
CHARTERED ACCOUNTANTS

WAVERLEY COUNCIL
GENERAL PURPOSE FINANCIAL REPORT
INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *general purpose financial report* of Waverley Council for the year ended 30 June 2007, comprising the Statement by Councillors and Management, Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying Notes to the Financial Statements. 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 Income Statement, Cash Flow Statement 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;
 - (iii) presents fairly the Council's financial position and the results of its operations; and
 - (iv) are in accordance with applicable accounting standards and other mandatory professional reporting requirements.
- (c) we have been able to obtain all the information relevant to the conduct of our audit; and
- (c) there are no material deficiencies in the accounting records or financial reports that we have become aware of during the course of the audit.

SPENCER STEER

Chartered Accountants

N. MAH CHUT

Partner

Dated at Sydney this 31st day of October 2007

ABN 60 234 095 046



SPENCER STEER
CHARTERED ACCOUNTANTS

31 October 2007

The Mayor
Waverley Council
PO Box 9
BONDI JUNCTION NSW 2022

Mayor,

Audit Report - Year Ended 30 June 2007

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2007 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 and Special Purpose Financial Reports.

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

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

1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a Surplus of \$15.425 million as compared with \$12.015 million in the previous year.



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

	2007	% of	2006	% of	Increase
	\$000	Total	\$000	Total	(Decrease)
					\$000
Revenues before capital items					
Rates & annual charges	33,904	38%	32,534	41%	1,370
User charges, fees & other revenues	44,249	50%	39,709	49%	4,540
Grants & contributions provided for operating purposes	5,865	7%	5,663	7%	202
Interest & investment revenue	4,423	5%	2,381	3%	2,042
	88,441	100%	80,287	100%	8,154
Expenses					
Employee benefits & costs	37,800	50%	35,020	48%	2,780
Materials, contracts & other expenses	29,536	39%	29,326	41%	210
Depreciation, amortisation & impairment	7,343	10%	7,378	10%	(35)
Borrowing costs	633	1%	661	1%	(28)
	75,312	100%	72,385	100%	2,927
Surplus(Deficit) before capital items	\$ 13,129		\$ 7,902		\$ 5,227
Grants & contributions provided for capital purposes	2,296		4,113		(1,817)
Net Surplus(Deficit) for the year	\$ 15,425		\$ 12,015		\$ 3,410

The table above shows an overall increase over the previous year of \$3.410 million

The profit from the sale of the Processing Plant - \$7.642 million and increased interest on investments - \$2.042 million offset by no increase in the value of investment properties which increased by \$3.172 million in the previous year and decreases in capital grants and contributions - \$1.817 million are the most notable fluctuations from 2006.

1.2 Funding Result

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



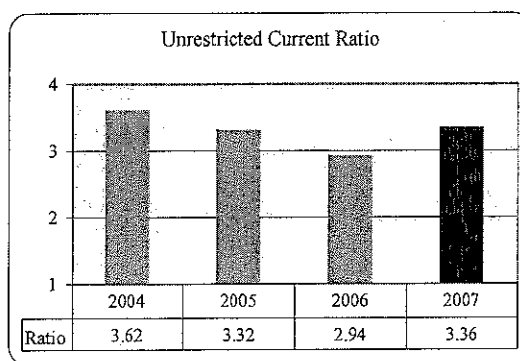
	2007	2006
	\$000	\$000
Funds were provided by:-		
Operating Result (as above)	15,425	12,015
Add back non funding items:-		
- Depreciation, amortisation & impairment	7,343	7,378
- Book value of non current assets sold	2,833	16
- (Gain)Loss of fair value to investment properties	0	(3,172)
- (Surplus)Deficit in joint ventures	156	34
	<u>25,757</u>	<u>16,271</u>
Decrease/Redemption in Non Current Investments	2,129	0
New loan borrowings	2,000	1,000
Transfers from externally restricted assets (net)	0	953
Transfers from internal reserves (net)	0	9,987
Distributions from joint ventures	0	50
Net Changes in current/non current assets & liabilities	1,696	0
	<u>31,582</u>	<u>28,261</u>
Funds were applied to:-		
Purchase and construction of assets	(15,921)	(11,985)
Increase/Purchase in Non Current Investments	0	(9,184)
Principal repaid on loans	(1,629)	(2,126)
Transfers to externally restricted assets (net)	(3,513)	0
Transfers to internal reserves (net)	(10,919)	0
Net Changes in current/non current assets & liabilities	0	(370)
	<u>(31,982)</u>	<u>(23,665)</u>
Increase(Decrease) in Available Working Capital	(400)	4,596

2. FINANCIAL POSITION

2.1 Unrestricted Current Ratio

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

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$28.393 million representing a factor of 3.36 to 1.



2.2 Available Working Capital – (Working Funds)

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



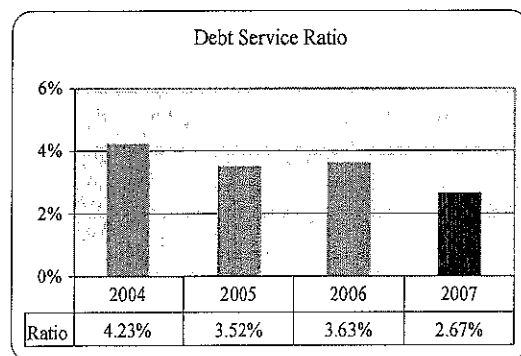
At the close of the year Available Working Capital stood at \$5.563 million as detailed below;

	2007	2006	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	19,117	6,989	12,128
<i>Add:</i> Payables & provisions not expected to be realised in the next 12 months included above	14,795	13,216	1,579
Adjusted Net Current Assets	<u>33,912</u>	<u>20,205</u>	13,707
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	1,467	1,557	(90)
- Employees leave entitlements	3,985	3,486	499
- Deposits & retention moneys	1,509	1,593	(84)
<i>Less:</i> Externally restricted assets	(5,519)	(2,006)	(3,513)
<i>Less:</i> Internally restricted assets	(29,791)	(18,872)	(10,919)
Available Working Capital as at 30 June	<u>\$ 5,563</u>	<u>\$ 5,963</u>	<u>\$ (400)</u>

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside, we are of the opinion that Available Working Capital as at 30 June 2007 was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (loan repayments) was 2.67%.



2.4 Summary

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

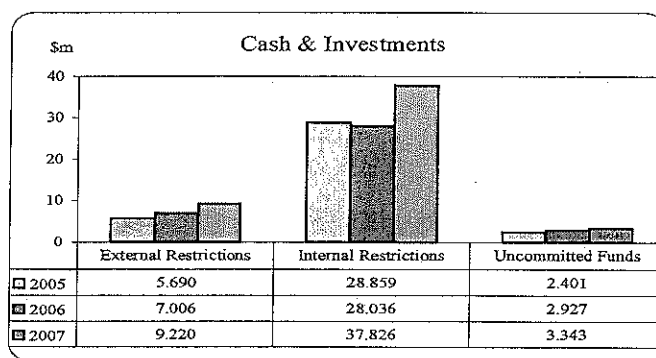


3. CASH ASSETS

3.1 Cash & Investments

Highly liquid cash (\$18.971 million) and investments (\$31.418 million) totalled \$50.389 million at the close of the year as compared with \$37.969 million in 2006 and \$36.950 million in 2005.

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



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 of \$1.932 million, domestic waste management charges of \$6.250 million and specific purpose grants and environmental levies of \$1.038 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 \$37.826 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$3.343 million, which is available to provide liquidity for day to day operations.

3.2 Cash Flows

The Cash Flow Statement illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that Cash Assets increased by \$8.958 million to \$18.971 million at the close of the year. In addition to operating activities which contributed net cash of \$14.480 million were the proceeds from the redemption of investment securities (\$2.288 million), sale of assets (\$10.625 million) and new loans (\$2 million). Cash outflows other than operating activities were used to repay loans (\$1.629 million), purchase investment securities (\$3.919 million) and to purchase and construct assets (\$14.887 million).

4. RECEIVABLES

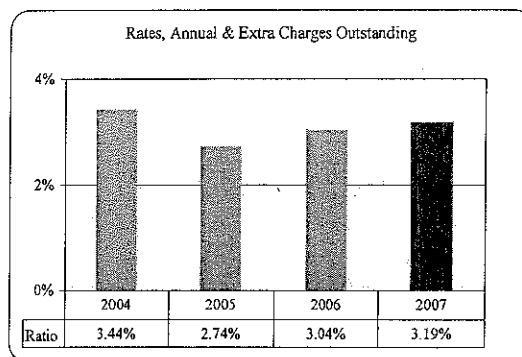
4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$33.904 million. Including arrears, the total rates and annual charges collectible was \$34.774 million of which \$33.821 million (97.26%) was collected.



4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$1.118 million at the end of the year & represented 3.19% of those receivables.



4.3 Other Receivables

Receivables (other than rates & annual charges) totalled \$8.279 million and included parking fines of \$6.346 million. Those considered to be uncertain of collection have been provided for as doubtful debts amounting to \$1.258 million of which unpaid parking fines accounted for \$1.182 million.

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$16.098 million. Internally restricted cash and investments of \$3.220 million was held representing 20% of this liability and was, in our opinion, adequate to enable Council to meet unbudgeted and unanticipated retirements.

5.2 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$4.312 million and were fully funded by internally restricted cash and investments.

6. CONCLUSION

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

Yours faithfully,
SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

WAVERLEY COUNCIL
Special Purpose Financial Reports
for the year ended 30th June 2007

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WAVERLEY COUNCIL

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

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

The attached Special Purpose Financial Reports have been drawn up in accordance with:

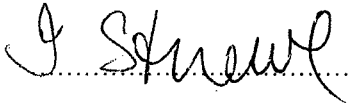
- NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*
- Department of Local Government guidelines *"Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality"*.
- Financial Statement Guidelines for NSW Councils.

To the best of our knowledge and belief, these reports

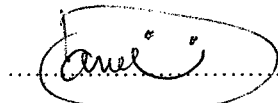
- Present fairly the financial position and operating result for each of Council's declared Business Units for the year, and
- Accord with Council's accounting and other records

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

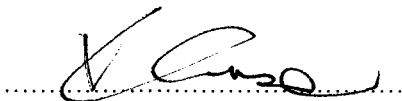
Signed in accordance with a resolution of Council made on 16th October, 2007.



MAYOR



COUNCILLOR



GENERAL MANAGER
PRINCIPAL ACCOUNTING OFFICER

WAVERLEY COUNCIL

**INCOME STATEMENT BY BUSINESS ACTIVITIES
for the year ended 30th June 2007**

	BUSINESS ACTIVITIES							
	Property '000		Commercial Waste '000		Printing '000		Cemetery '000	
	2007	2006	2007	2006	2007	2006	2007	2006
REVENUE FROM CONTINUING OPERATIONS								
Rates & Annual Charges								
User Charges & Fees	7,207	5,114	1,607	1,844	218	197	963	730
Interest Received	-						90	67
Grants & Contributions - Operating	230						-	1
Gain on Disposal of Assets	203							
Other Operating Revenues	201	3,172						
TOTAL	7,841	8,286	1,607	1,844	218	197	1,053	798
EXPENSES FROM CONTINUING OPERATIONS								
Employee Costs	2,176	57	1,038	921	71	62	484	446
Materials & Contracts	1,549	963	10	143	48	33	199	243
Borrowing Costs	-		-		-		-	
Depreciation & Amortisation	1,031	80	-	43	3	3	39	37
Other Operating Expenses	2,948	693	455	470	49	75	109	100
Loss on Disposal of Assets	-							
NCP Imputation Payments								
TOTAL	7,704	1,793	1,503	1,577	171	173	831	826
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS	137	6,493	104	267	47	24	222	(28)
Grants & Contributions - Capital								
RESULT FROM ORDINARY ACTIVITIES	137	6,493	104	267	47	24	222	(28)
Discontinued Operations								
SURPLUS (DEFICIT) BEFORE TAX	137	6,493	104	267	47	24	222	(28)
Corporate Taxation Equivalent	41	1,948	31	80	14	7	67	-
SURPLUS (DEFICIT) FOR YEAR	96	4,545	73	187	33	17	155	(28)
Add: Accumulated Profits brought forward	100,348	99,007	(87)	(46)	17	17	137,363	137,355
NCP Imputation Payments retained	41	996	31	80	14	7	67	-
Less: Dividends Paid - TER								
- Surplus Dividend	(2,538)	(4,200)	-	(308)	(47)	(24)	(300)	36
ACCUMULATED SURPLUS	97,947	100,348	17	(87)	17	17	137,285	137,363
RATE OF RETURN ON CAPITAL	0.83%	39.48%	78.79%	210.24%	261.11%	133.33%	0.16%	NIL
NOTIONAL SUBSIDY FROM COUNCIL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

WAVERLEY COUNCIL

**BALANCE SHEET BY BUSINESS ACTIVITIES
for the year ended 30th June 2007**

	BUSINESS ACTIVITIES							
	Property '000		Commercial Waste '000		Printing '000		Cemetery '000	
	2007	2006	2007	2006	2007	2006	2007	2006
CURRENT ASSETS								
Cash & cash equivalents	500	516					353	113
Investments							958	989
Receivables		69	109	98			5	2
Inventories								
Other								
TOTAL CURRENT ASSETS	500	585	109	98			1,316	1,104
NON-CURRENT ASSETS								
Investments								
Receivables								
Inventories								
Property, Plant & Equipment	16,448	16,448	132	127	18	18	135,985	136,548
Equity accounted investments								
Investment Property	81,253	83,482						
Other								
TOTAL NON-CURRENT ASSETS	97,701	99,930	132	127	18	18	135,985	136,548
TOTAL ASSETS	98,201	100,515	241	225	18	18	137,301	137,652
CURRENT LIABILITIES								
Payables	254	83	29	20	1		16	12
Interest bearing liabilities								
Provisions		84	195	292		1		277
TOTAL CURRENT LIABILITIES	254	167	224	312	1	1	16	289
NON-CURRENT LIABILITIES								
Payables								
Interest bearing liabilities								
Provisions								
TOTAL NON CURRENT LIABILITIES								
TOTAL LIABILITIES	254	167	224	312	1	1	16	289
NET ASSETS	\$ 97,947	100,348	17	(87)	17	17	137,285	137,363
EQUITY								
Accumulated Surplus	97,947	100,348	17	(87)	17	17	137,285	137,363
Asset Revaluation Reserve								
TOTAL EQUITY	\$ 97,947	100,348	17	(87)	17	17	137,285	137,363

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

WAVERLEY 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 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 have 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:

Waverley Council Property Services

Comprising the whole of the operations and assets of the property services, commercial properties controlled by Waverley Council. As the total annual operating revenues exceed \$2,000,000, it is defined as a "Category 1" Business Unit.

Waverley Council Trade Waste Services

Comprising the whole of the operations and assets of the commercial waste services which service the area of Waverley. This service collects and disposes of waste collected from commercial premises. As the total annual operating revenues are less than \$2,000,000, it is defined as a "Category 2" Business Unit.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Significant Accounting Policies (cont)

Waverley & South Head Cemeteries

Comprising the whole of the operations and assets of both the Waverley & South Head Cemeteries. This business operates from offices located at Waverley Cemetery dealing with maintenance, sales and burials. As the total annual operating revenues are less than \$2,000,000, it is defined as a "Category 2" Business Unit.

Waverley Council Print Shop

Comprising the whole of the operations and assets of the Waverley Council in house print shop. This business supplies printing requirements throughout the council operations. As the total annual operating revenues are less than \$2,000,000, it is defined as a "Category 2" Business 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 - Significant Accounting Policies (cont)

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.

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. Special Rate Funds

The Local Government Act 1993 (as amended) requires that moneys raised by way of Special Rates (or for Domestic Waste Management) be used only for those purposes, and accordingly *imputed* amounts have been retained in those funds, and added back to Accumulated Surplus.

For Business Units not involving Special Rate Funds, *imputed* amounts have been transferred to Council's General Fund and are available to Council for utilisation for other purposes.

All such amounts have been eliminated in the course of preparation of the Council's Annual Financial Statements.

5. 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.

WAVERLEY COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS

**NOTE 1 Table - NATIONAL COMPETITION POLICY NOTIONAL PAYMENTS
for the year ended 30th June 2007**

		BUSINESS ACTIVITIES							
		Property		Commercial Waste		Printing		Cemetery	
		2007	2006	2007	2006	2007	2006	2007	2006
Category									
TAXATION EQUIVALENT PAYMENTS		<i>Rate</i>	<i>Rate</i>	<i>Rate</i>	<i>Rate</i>	<i>Rate</i>	<i>Rate</i>	<i>Rate</i>	<i>Rate</i>
Land Tax									
Stamp Duty									
Payroll Tax									
Fringe Benefits Tax		Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies
COUNCIL RATES, CHARGES & FEES		See Note 1, Item 3.2							
LOAN & DEBT GUARANTEE FEES									
CORPORATE TAXATION EQUIVALENT		30%	30%	30%	30%	30%	30%	30%	30%
DIVIDENDS PAID		-142.42%	-141.18%	-193.55%	N/A	N/A	N/A	N/A	N/A
RATE OF RETURN ON CAPITAL									
Required Rate of Return									
Actual Rate of Return		0.83%	39.48%	78.79%	210.24%	261.11%	133.33%	0.16%	NIL



SPENCER STEER
CHARTERED ACCOUNTANTS

WAVERLEY COUNCIL

SPECIAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *special purpose financial report* of Waverley Council for the year ended 30 June 2007, comprising the Statement by Councillors and Management, Income Statement of Business Activities, Balance Sheet of Business Activities, and accompanying Notes to the Financial Statements. 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 report has been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial 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 Accounting Standards 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 report of the Council is presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 31st day of October 2007

WAVERLEY COUNCIL

Special Schedules

for the year ended 30th June 2007

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WAVERLEY COUNCIL

SPECIAL SCHEDULE NO 1 NET COST OF SERVICES for the year ended 30th June 2007

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
GOVERNANCE	666					666	
		666			-		666
ADMINISTRATION							
Corporate Support	10,804		431	203		10,170	
Engineering & Works	2,856		358	100		2,398	
Other Support Services	-		-	-		-	
		13,660			1,092		12,568
PUBLIC ORDER & SAFETY							
Statutory Contribution - Fire Service Levy	-		-	-		-	
Fire Protection - Other	1,011		40	-		971	
Animal Control	177		18	-		159	
Beach Control	1,842		2	465		1,375	
Enforcement of Local Govt Regulations	633		883	-		(250)	
Emergency Services	65		51	-		14	
Other	-		-	-		-	
		3,728			1,459		2,269
HEALTH							
Administration & Inspection	1,279		204	-		1,075	
Immunisations	2		2	-		-	
Food Control	-		-	-		-	
Insect/Vermin Control	3		5	-		(2)	
Noxious Plants	-		-	-		-	
Health Centres	-		-	-		-	
Other	46		2	-		44	
		1,330			213		1,117
COMMUNITY SERVICES & EDUCATION							
Administration	1,629		117	-		1,512	
Family Day Care	801		709	-		92	
Child Care	2,627		2,395	-		232	
Youth Services	268		210	-		58	
Other Families & Children	43		11	-		32	
Aged & Disabled	1,119		822	-		297	
Migrant Services	52		2	-		50	
Aboriginal Services	-		-	-		-	
Other Community Services	1,588		1,195	-		393	
Education	-		-	-		-	
		8,127			5,461		2,666
HOUSING & COMMUNITY AMENITIES							
Housing	491		286	-		205	
Town Planning	3,081		1,265	883		933	
Domestic Waste Management	7,634		10,196	-		(2,562)	
Other Waste Management	-		-	-		-	
Street Cleaning	3,065		-	-		3,065	
Other Sanitation & Garbage	1,797		1,720	-		77	
Urban Stormwater Drainage	1,071		-	-		1,071	
Environmental Protection	1,017		894	20		103	
Public Cemeteries	843		963	-		(120)	
Public Conveniences	42		-	-		42	
Other Community Amenities	1		-	-		1	
		19,042			16,227		2,815

WAVERLEY COUNCIL

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

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
WATER SUPPLIES	-		-	-		-	
SEWERAGE SERVICES	-		-	-		-	
RECREATION & CULTURE							
Public Libraries	4,131		526	-		3,605	
Museums	-		-	-		-	
Art Galleries	-		-	-		-	
Community Centres	-		-	-		-	
Public Halls	-		-	-		-	
Other Cultural Services	1,695		1,079	-		616	
Swimming Pools	112		-	-		112	
Sporting Grounds	416		62	-		354	
Parks & Gardens, Lakes	5,545		401	14		5,130	
Other Sport & Recreation	115		-	-		115	
		12,014			2,082		9,932
FUEL & ENERGY							
Gas Supplies	-		-	-		-	
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	576		288	-		288	
Abattoirs	-		-	-		-	
Quarries & Pits	-		-	-		-	
Other	-		-	-		-	
		576			288		288
TRANSPORT & COMMUNICATION							
Urban Roads: Local	2,761		602	192		1,967	
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	-		-	-		-	
Bridges - Unsealed Rural Roads: Regional	-		-	-		-	
Footpaths	1,698		15	723		960	
Aerodromes	-		-	-		-	
Parking Areas	10,048		21,297	-		(11,249)	
Bus Shelters & Services	63		954	-		(891)	
Water Transport	-		-	-		-	
RTA Works - State Roads	-		-	-		-	
Street Lighting	692		148	-		544	
Other	-		-	-		-	
		15,262			23,931		(8,669)

WAVERLEY COUNCIL

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

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
ECONOMIC AFFAIRS							
Camping Areas	-		-	-		-	
Caravan Parks	-		-	-		-	
Tourism & Area Promotion	3		-	-		3	
Industrial Development Promotion	-		-	-		-	
Saleyards & Markets	-		-	-		-	
Real Estate Development	-		-	-		-	
Commercial Nurseries	-		-	-		-	
Other Business Undertakings	749		2,343	7,488		(9,082)	
		752			9,831		(9,079)
TOTALS - FUNCTIONS		75,157			60,584		14,573
General Purpose Revenues			30,154	-		30,154	
Equity accounted income (loss)	156		-			(156)	
		156			30,154		29,998
NET OPERATING RESULT FOR YEAR							15,425

WAVERLEY COUNCIL
SPECIAL SCHEDULE NO 2 (1)
STATEMENT OF LONG TERM DEBT (ALL PURPOSE)
for the year ended 30th June 2007

\$'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	Total		From Revenue	Sinking Funds			Current	Non-Current	Total
LOANS (by source)											
Commonwealth Government			-								-
Treasury Corporation			-								-
Other State Government			-								-
Public Subscription			-								-
Financial Institutions	1,549	8,054	9,603	2,000	1,625		630	9,978			9,978
Other	8		8		4			4			4
Total Loans	-	-	9,611	2,000	1,629	-	-	630	9,982	-	9,982
OTHER LONG TERM DEBT											
Ratepayers' Advances			-								-
Government Advances			-								-
Finance Leases			-								-
Deferred Payment			-								-
Other			-								-
Total Other Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
TOTAL LONG TERM DEBT	-	-	9,611	2,000	1,629	-	-	630	9,982	-	9,982

This Schedule excludes Internal Loans and refinancing of existing borrowings.

WAVERLEY COUNCIL

SPECIAL SCHEDULE NO 7 CONDITION OF PUBLIC WORKS as at 30th June 2007

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
	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>	<i>Note 9</i>			<i>Local Govt. Act 1993, Section 428 (2d)</i>				
Public Buildings	Council Offices	1	72	7,527		804	6,723	3 & some 1	560	400	300
	Works Depot	1	24	2,451		281	2,170	4	485	200	35
	Halls	1	389	39,647		3,491	36,156	4	3,200	365	500
	Houses	1	350	13,239		2,316	10,923	3 & some 1	60	100	85
	Library	1	135	13,817		1,086	12,731	3	-	190	130
	Childcare Centres	1	39	3,888		423	3,465	3	40	60	100
	Commercial	1	-		81,253	0	81,253	4	80	460	480
	Amenities/Toilets	1	2	275		34	241	5	65	50	5
	Subtotal		1,011	80,844	81,253	8,435	153,662		4,490	1,825	1,635
Public	Sealed Roads	1	1,524	154,452		55,159	99,293	3	6,646	1,607	1,201
	Bridges	1					-				
	Footpaths	1	456	47,254		13,481	33,773	3	9,434	1,123	833
	Cycleways	1					-				
	Kerb & Gutter	1	266	26,651		10,577	16,074	3	8,945	787	539
	Road Furniture	1					-				
	Subtotal		2,246	228,357	-	79,217	149,140		25,025	3,517	2,573

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

WAVERLEY COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30th June 2007

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Estimated Annual Maintenance Expense '000	Program Maintenance Works for current year '000
	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>	<i>Note 9</i>			<i>Local Govt. Act 1993, Section 428 (2d)</i>				
Drainage Works	Retarding Basins						-				
	Outfalls						-				
	Conduits						-				
	Inlet & Junction Pits	1	633	63,513		24,912	38,601	4	41,000	2,000	274
	Head Walls						-				
	Outfall Structures						-				
	Converters						-				
	Subtotal		633	63,513	-	24,912	38,601		41,000	2,000	274
Total Classes - All Assets			3,890	372,714	81,253	112,564	341,403		70,515	7,342	4,482

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

WAVERLEY COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30th June 2007

"SATISFACTORY" CONDITION OF PUBLIC ASSETS

In assessing the condition of Public Assets Council has had regard to the condition, function and location of each asset, based on the original design standard. Changes in standards or proposed or potential enhancements to the existing asset design standard have been ignored (Code p A702). Assets within each Asset Category have been assessed on an overall basis, recognising that an average standard of "satisfactory" may be achieved even though certain assets may be above or below that standard on an individual basis.

Council recognises that the standard that it considers to be "satisfactory" may be different from that adopted by other Councils.

The information contained in this Schedule comprises accounting estimates formulated in accordance with the NSW Local Government Code of Accounting Practice and Financial Reporting. Nothing contained within this Schedule may be taken to be an admission of any liability to any person under any circumstance.

ASSET CONDITION

The following condition codes have been used in this Schedule.

- | | |
|---|---|
| 1 | Newly constructed |
| 2 | Over 5 years old but fully maintained in "as new" condition |
| 3 | Good condition |
| 4 | Average condition |
| 5 | Partly worn - beyond 50% of economic life. |
| 6 | Worn but serviceable |
| 7 | Poor - replacement required |

Waverley Council

Special Schedule - Rates

Rates (other than water and sewerage related special rates) for the year ended 30 June, 2007

Particulars	No of Assessments	Rateable Value	Amount	Total Rates
ORDINARY RATES				
Residential Category/Ordinary Sub Category				
0.201 Cents in the dollar	12,521	6,080,282,634	12,221,369.33	
343.05 Minimum Rate	12,721	1,349,144,626	4,363,939.05	16,585,308.38
Residential Category/Bondi Junction Sub Category				
0.201 Cents in the dollar	63	13,034,782	26,199.91	
343.05 Minimum Rate	1,690	98,033,456	579,754.50	605,954.41
Residential Category/Boarding House Sub Category				
0.201 Cents in the dollar	51	27,476,000	55,226.76	
343.05 Minimum Rate				55,226.76
Business Category/Ordinary Sub Category				
0.9212 Cents in the dollar	831	305,290,000	2,812,331.41	
Minimum Rate				2,812,331.41
Business Category/Bondi Junction Sub Category				
1.5020 Cents in the dollar	882	261,273,857	3,924,333.50	
Minimum Rate				3,924,333.50
Environmental Special Rate				
0.009200 Cents in the dollar	13,750	6,699,583,827	616,361.67	
15.00 Minimum Rate	15,011	1,434,951,528	225,165.00	841,526.67
Ordinary/Special Rates/Part of Year				
0.2010 Cents in the dollar	13	4,498,600	10,236.83	
0.9212 Cents in the dollar	7	847,200	5,227.32	
1.5020 Cents in the dollar	0	0	0.00	
0.009200 Cents in the dollar	12	3,810,000	516.87	
343.05 Minimum Rate	16	1,035,200	3,067.76	
15.00 Minimum Rate	25	2,570,000	156.48	19,205.26
				24,843,886.39
Gains and Loss by Fractions				0.00
Total Ad valorem rates	14,368	6,692,703,073	19,671,803.60	
Total Minimum rates	14,427	1,448,213,282	5,172,082.79	
Sub Total Ordinary Rates	28,795	8,140,916,355		24,843,886.39

Where a Base Amount with ad valorem structure is used total should reflect number of assessments subject to combined base amount/ad valorem rates

Particulars	Amount	Amount
BALANCE BROUGHT FORWARD	24,843,886.39	
ADD: Levy for Previous Years	-2,427.89	
Transfers from Doubtful Rates Suspence		
Transfers from Postponed Rates Suspence	1,957.93	24,843,416.43
LESS: Abandoned - Pensioners under Section 575 LGA, 1993	384,310.62	
- Pensioners under Section 582 LGA, 1993		
- Others	11,145.63	
Transfers to Doubtful Rates Suspence		
Transfers to Postponed Rates Suspence	1,219.16	396,675.41
NET RATES for the year		24,446,741.02
NET ACCRUED INTEREST for the year		92,605.54
NET RATES AND ACCRUED INTEREST		24,539,346.56

Waverley Council
Special Schedule - Interest

Interest Charges

for the year ended 30 June, 2007

Particulars	Amount	Amount
Interest charges accrued	83,971.39	
Legal Costs raised	10,017.17	93,988.56
ADD: Transfers from Doubtful Rates Suspence		
Transfers from Postponed Rates Suspence	985.19	985.19
LESS: Abandoned - Other	985.19	94,973.75
Transfers to Doubtful Rates Suspence		
Transfers to Postponed Rates Suspence	1,383.02	2,368.21
NET ACCRUED INTEREST for the year		92,605.54

Waverley Council

Special Schedule - Domestic Waste Charges

Domestic Waste Management Charges

for the year ended 30 June, 2007

Particulars	No of Services	Total Charges
DOMESTIC WASTE MANAGEMENT CHARGES		
Primary Domestic Waste Charges		
339.00 Waste Charges @	27,236	9,233,203.68
Secondary Domestic Waste Charges		
339.00 Waste Charges @	2,017	683,079.43
Domestic Waste Charges/Part of Year		
Primary Domestic Waste Charges	33	7,337.91
Secondary Domestic Waste Charges	67	10,680.39
Primary Domestic Waste Charges	27,269	9,240,541.59
Secondary Domestic Waste Charges	2,084	693,759.82
Sub Total Ordinary Charges		9,934,301.41

Particulars	Amount	Amount
BALANCE BROUGHT FORWARD	9,934,301.41	
ADD: Levy for Previous Years	326.67	9,934,628.08
LESS: Abandoned - Pensioners under Section 575 LGA, 1993	244,210.18	
- Others		244,210.18
NET TOTAL DOMESTIC MANAGEMENT CHARGES		9,690,417.90

Waverley Council
Special Schedule - Reconciliation
Rates and Charges
for the year ended 30 June, 2007

Particulars	Net Balance as at 1 July, '06	Postponed as at 1 July, '06	Gross Balance as at 1 July, '06	Levy	Gross Receivable	Abandonments	Net Receivable	Net Collections	Gross Balance as at 30 June, '07	Postponed as at 30 June, '07	Net Balance as at 30 June, '07
General Rates	339,678.10	6,828.88	346,506.98	24,841,458.50	25,187,965.48	395,456.25	24,792,509.23	24,341,306.61	451,202.62	6,090.11	445,112.51
Domestic Waste Charges	470,055.22		470,055.22	9,934,628.08	10,404,683.30	244,210.18	10,160,473.12	9,648,901.12	511,572.00		511,572.00
Extra Charges	146,525.14	3,400.04	149,925.18	93,988.56	243,913.74	985.19	242,928.55	78,190.31	164,738.24	3,797.87	160,940.37
Totals:	956,258.46	10,228.92	966,487.38	34,870,075.14	35,836,562.52	640,651.62	35,195,910.90	34,068,398.04	1,127,512.86	9,887.98	1,117,624.88

Net Collections as a percentage 3.15

Pensioner remaining balance

Ordinary and Special Rates	140,212.80
Interest Charges	80,340.84
Total:	220,553.64