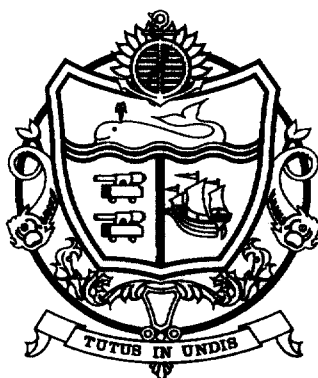


MOSMAN MUNICIPAL COUNCIL



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

MOSMAN COUNCIL

General Purpose Financial Reports for the year ended 30th June 2001

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MOSMAN COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2001

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

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

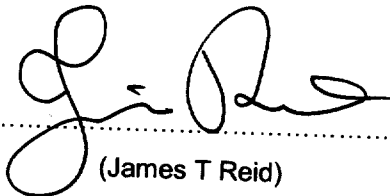
- The Local Government Act 1993 (as amended) and the Regulations made thereunder
- The Australian Accounting Standards and professional pronouncements
- The Local Government Code of Accounting Practice and Financial Reporting
- The Local Government Asset Accounting Manual.

To the best of our knowledge and belief, these reports

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

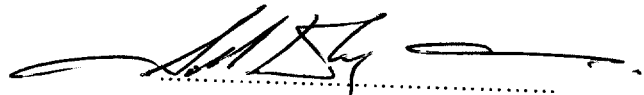
We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 9 October 2001.



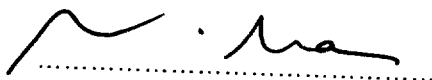
(James T Reid)

MAYOR



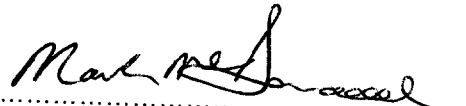
(Anthony M Whybrow, RFD, RD)

DEPUTY MAYOR



(Vivian H R May)

GENERAL MANAGER



(Mark McDonald)

PRINCIPAL ACCOUNTING OFFICER

MOSMAN COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE as at 30 June 2001

Budget 2001 \$'000		Notes	Actual 2001 \$'000	Actual 2000 \$'000
	EXPENSES FROM ORDINARY ACTIVITIES			
7,407	Employee Costs	3(a)	7,682	7,255
6,352	Materials & Contracts		6,584	6,360
155	Borrowing Costs	3(b)	163	151
3,400	Depreciation & Amortisation	3(c)	2,980	3,211
3,555	Other Expenses	3(d)	4,068	3,924
50	Loss from Disposal of Assets	5	20	0
<u>20,919</u>	Total Expenses from Ordinary Activities		<u>21,497</u>	<u>20,901</u>
	REVENUES FROM ORDINARY ACTIVITIES			
12,634	Rates & Annual Charges	4(a)	12,941	12,061
4,694	User Charges & Fees	4(b)	4,647	4,420
210	Investment Revenues	4(c)	228	243
1,303	Grants & Contributions - Operating	4(e)&(f)	1,358	1,295
1,463	Other Revenues	4(d)	1,176	873
191	Profit from Disposal of Assets	5	0	101
0	Profit from interests in Joint Ventures & Associate	19	36	364
<u>20,495</u>	Revenues from Ordinary Activities before Capital Amounts		<u>20,386</u>	<u>19,357</u>
-424	SURPLUS(DEFICIT) FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS		<u>-1,111</u>	<u>-1,544</u>
	Grants & Contributions - Capital	3(e)&(f)	1,370	1,356
<u>-424</u>	NET SURPLUS(DEFICIT) for Year		<u>\$ 259</u>	<u>\$ -188</u>

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

MOSMAN COUNCIL

STATEMENT OF FINANCIAL POSITION as at 30th June 2001

	Notes	Actual 2001 \$'000	Actual 2000 \$'000
CURRENT ASSETS			
Cash Assets	6	3,406	3,352
Receivables	7	1,950	1,514
Inventories	8	131	10
Other	8	74	87
TOTAL CURRENT ASSETS		<u>5,561</u>	<u>4,963</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	9	404,149	404,658
Investments accounted for using the equity method	19	584	579
TOTAL NON-CURRENT ASSETS		<u>404,733</u>	<u>405,237</u>
TOTAL ASSETS		<u>410,294</u>	<u>410,200</u>
CURRENT LIABILITIES			
Payables	10	1,882	2,046
Interest Bearing Liabilities	10	479	946
Provisions	10	631	660
TOTAL CURRENT LIABILITIES		<u>2,992</u>	<u>3,652</u>
NON-CURRENT LIABILITIES			
Payables	10	2,315	2,365
Interest Bearing Liabilities	10	4,262	3,861
Provisions	10	1,019	875
TOTAL NON CURRENT LIABILITIES		<u>7,596</u>	<u>7,101</u>
TOTAL LIABILITIES		<u>10,588</u>	<u>10,753</u>
NET ASSETS		<u>\$ 399,706</u>	<u>399,447</u>
EQUITY			
Accumulated Surplus		399,706	347,609
Asset Revaluation Reserve		0	51,838
TOTAL EQUITY		<u>\$ 399,706</u>	<u>399,447</u>

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

MOSMAN COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30th June 2001

	2001 \$'000			2000 \$'000		
	Accum Surplus	Asset Reval. Reserve	Council Equity Interest	Accum Surplus	Asset Reval. Reserve	Council Equity Interest
Balance at beginning of the reporting period	347,609	51,838	399,447	347,797	51,838	399,635
Change in Net Assets recognised in the Statement of Financial Performance	259		259	-188		-188
Adjustment due to compliance with revised Accounting Standards	0	-51,838	-51,838	0	0	0
Transfers to Asset Revaluation Reserve (see Note)	51,838		51,838			0
Transfers from Asset Revaluation Reserve (see Note)			0			0
Cash Contributions by Outside Equity Interests			0			0
Cash Distributions to Outside Equity Interests			0			0
Other Adjustments to Outside Equity Interest			0			0
Balance at end of the reporting period	399,706	0	399,706	347,609	51,838	399,447

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

MOSMAN COUNCIL

STATEMENT OF CASH FLOWS for the year ended 30th June 2001

	Notes	Actual 2001 \$'000	Actual 2000 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates & Annual Charges		13,001	12,002
User Charges & Fees		4,506	4,200
Investments Income		253	280
Grants & Contributions		2,832	2,650
Other operating receipts		1,440	1,161
<u>Payments</u>			
Employee Costs		-7,599	-6,911
Materials & Contracts		-7,281	-6,638
Borrowing Costs		-157	-151
Other operating payments		-4,306	-2,876
Net Cash provided by (or used in) Operating Activities	11(b)	2,689	3,717
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Proceeds from sale of Investments		120	858
Proceeds from sale of Property, Plant & Equipment		0	
Proceeds from sale of Real Estate	5, 8	0	
Proceeds from sale of Shares in Companies		0	
Repayments from Deferred Debtors		1	
Contributions to joint ventures by minority interests	19(a)	0	
Distribution received from associated entities	19(b)(c)	31	164
Other proceeds			
<u>Payments</u>			
Purchase of Investments		0	
Purchase of Property, Plant & Equipment		-2,721	-4,669
Purchase of Real Estate	8	0	
Purchase of Shares in Companies		0	
Loans to Deferred Debtors		0	
Distributions from joint ventures to minority interests	19(a)	0	
Capital contributed to associated entities	19(b)(c)	0	
Net Cash provided by (or used in) Investing Activities		-2,569	-3,647
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings & Advances		880	500
Other Proceeds			
<u>Payments</u>			
Repayments of Borrowings & Advances		-421	-382
Repayment of Finance Lease Liabilities			
Other Payments			
Net Cash provided by (or used in) Financing Activities		459	118
Net Increase (Decrease) in cash held		579	188
Cash Assets at beginning of reporting period	11(a)	2,827	2,639
Adjustment to opening Cash Assets due to adoption of revised Accounting Standards		0	0
Cash Assets at end of reporting period	11(a)	3,406	2,827

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

Note 1

**SIGNIFICANT ACCOUNTING
POLICIES**

In accordance with the Australian Accounting Standard AAS6 - Accounting Policies: Determination, Application and Disclosure, the significant accounting policies adopted by Mosman Municipal Council are set out below.

1. The Local Government Reporting Entity

- (i) The consolidated financial statements include all funds and other activities through which the Council controls resources to carry on its functions.

The following funds and activities are included in the consolidated financial statements:

- General Fund
- Kimbriki Recycling and Waste Disposal Centre Joint Venture
- Shorelink Library Network Joint Venture
- Cremorne Early Childhood Centre

In the process of reporting on the Local Government as a single entity, all transactions and balances between funds and activity areas have been eliminated.

- (ii) The Council is required under the Local Government Act to maintain a separate and distinct Trust Fund to account for all monies and property received by the Council in trust, which must be applied only for the purposes of or in accordance with the trusts relating to those monies.
- (iii) A separate statement of monies held in the Trust Fund is available for inspection at the Council offices to any person free of cost.

2. Basis of Accounting**(i) Compliance**

The financial report complies with the applicable Australian Accounting Standards and professional pronouncements, the requirements of the Local Government Act, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

(ii) Basis

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

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

3. Rates

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

4. Grants, Contributions and Donations

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

Contributions not received over which the Council has control are recognised as receivables.

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

5. Cash Assets and Investment Securities

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

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

6. Receivables

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

Other receivables are generally unsecured and do not bear interest.

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

Within the books of account for the period ending 30 June 2001 is a net receivable totalling \$124,000 representing a contra to costs expensed by Council towards legal action instigated against it by the owner of 42 Bay Street, Mosman.

The claim alleges that Council was negligent by not redirecting stormwater away from the property resulting in a fire on 1 May 1988 which significantly damaged their residence.

Neither Council's Public Liability or Professional Indemnity Insurers have accepted liability as there is a question as to whether it is a public liability or professional indemnity claim.

Investigations undertaken by solicitors on behalf of Council indicate that Council was not negligent in its actions.

7. Inventories

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

8. Property, Plant & Equipment**(8.1) Transitional Provisions**

The accounting regulations applicable prior to 1 January 1993 did not require the capitalisation of infrastructure assets acquired or constructed. Australian Accounting Standard AAS27 provides a transitional period for the capitalisation of these assets on a staged basis.

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

Land Under Roads

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

(8.2) Materiality

For assets capitalised since 1 January 1993, the following rules of materiality have been applied where the asset has an economic life which is determined to be longer than one year:

Plant & Equipment	Capitalise if value > \$1,000
Office Equipment	Capitalise if value > \$500
Furniture & Fittings	Capitalise if value > \$500
Land – Council land	Capitalise
Open Space	Capitalise
Land under roads	Capitalise
Buildings – Construction/Extensions	Capitalise
Renovations	Capitalise if value > \$1,000
Other Structures	Capitalise if value > \$1,000
Roads, Bridges, Footpaths	Capitalise
Construction/Reconstruction	Capitalise if value > \$1,000
Reseal/resheet/major repairs	Capitalise

(8.3) Valuation

The Council is exempted from the "Recoverable Amount Test" under the provision of paragraph 30 of AAS10.

At 1 July 2000 upon the commencement of Australian Accounting Standard AAS38 "Revaluation of Non –Current Assets", Council elected pursuant to paragraph 10.4(a) of the standard to revert to the cost basis for all classes of assets previously carried at revalued amounts.

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

(8.4) Depreciation of Non-Current Assets

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

Depreciation is recognised on a straight-line basis, except in the case of Drainage and Roads, Bridges and Footpaths assets whereby Council utilises a reducing balance methodology since being brought to account in 1997 and 1996 respectively.

Buildings	100 years
Vehicles	10 years
Office Equipment	10 years
Roads	100 years
Drains	100 years
Footpaths	100 years

Except for land under roads, infrastructure assets acquired or constructed prior to 1 January 1993 have now been recognised as assets of the Council.

(8.5) **Borrowing Costs**

Borrowing costs in relation to qualifying assets (net of offsetting revenue) have been capitalised in accordance with Australian Accounting Standard AAS34 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 4. All borrowing costs capitalised relate to funds borrowed specifically for the qualifying assets, and accordingly paragraph 5.2 of the standard does not apply.

9. **Payables**

Goods & Services

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

Payments Received in Advance & Deposits

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

10. **Borrowings**

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

11. **Employees' Leave Entitlements**

Employees' entitlements are provided for annual leave, sick leave, long service leave, accrued leave in lieu and leave accrued under Council's Enterprise Agreement with employees, in respect of services provided by employees up to the reporting date. Such provisions are assessed as at each reporting date, having regard to current rates of pay, periods of service, entitlements under the Law or Council Policy, and experience of employee departures and their period of service. The amounts provided have been apportioned between current and non-current, the current provision being the entitlement due in the next twelve months.

Sick leave is paid per award, with provision being made for 25% of total entitlements, accrued up to 15 February, 1993 only, pursuant to the commencement of the Industrial Relations (Sick Leave) Amendment Act, 1992.

Long service leave is calculated at 100% entitlement for those employees with more than ten years continual service; 50% of entitlement for those with less than five years service; and a pro-rata percentage of entitlements for those with between five and ten years service.

Council has adopted AAS 30 - Accounting for Employee Entitlements, since the 1994/95 financial reports, recognising net present value of the non-current liability provision for long service leave, with the reduction in the non-current liability provision for long service leave being \$128,974 in 2000/01. Net present value has not been applied to the non-current liability provision for sick leave.

The accounts recognise the current liability provision for leave in lieu accrued under Enterprise Agreements entered into in 1994/95. Staff under such agreements are entitled to one weeks accrued leave per annum in lieu of unpaid time worked.

The superannuation expense for the year is the amount of the statutory contribution that the Council makes to the superannuation plan, which provides benefits to its employees.

12. Financial Instruments

Council complies with Australian Accounting Standard AAS33 "Presentation & Disclosure of Financial Instruments", the disclosures required by that Standard are made in Note 6 (Cash Assets and Investment Securities), Note 7 (Receivables), and Note 15 (Financial Instruments).

13. Construction Contracts

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

14. Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities, the accounting treatment for which have been affected by changes to the relevant Australian Accounting Standards. Adjustments to reflect Council's interests in these arrangements on adoption of the revised Standards have been carried direct to accumulated surplus in accordance with the transitional provisions of those Standards.

Entities over which Council exercises no "control" have been accounted for in accordance with Australian Accounting Standard AAS 19 "Accounting for Interests in Joint Ventures", Shorelink Library Network, and are disclosed in detail in Note 19 (b)

Entities over which another Council exercises "control" have been accounted for in accordance with Australian Accounting Standard AAS 14 "Accounting for

Investments in Associates", Kimbriki Waste Disposal Facility, and are disclosed in Note 19 ©.

15. Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AAS17 "Accounting for Leases".

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

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

16. Self-Generating and Regenerating Assets

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

17. GST Implications

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupments.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

18. Budget Information

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

19. Rounding

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

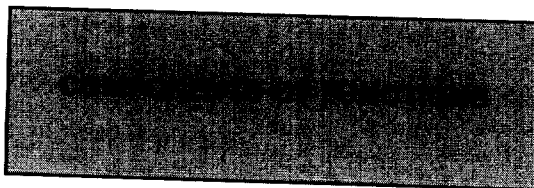
NOTE 2A
FUNCTIONS

Revenues, expenses & assets have been directly attributed to the following functions.

FUNCTIONS	REVENUES			EXPENSES			OPERATING RESULT			GRANTS INCLUDE IN REVENUE		TOTAL ASSETS HELD *	
	Original Budget 2001 \$'000	Actual 2001 \$'000	Actual 2000 \$'000	Original Budget 2001 \$'000	Actual 2001 \$'000	Actual 2000 \$'000	Original Budget 2001 \$'000	Actual 2001 \$'000	Actual 2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
DEMOCRATIC LOCAL GOVERNMENT		10	26	956	844	(956)	(811)	(818)			40		
RESOURCE & ASSET MANAGEMENT	3,278	1,004	2,429	5,485	5,030	(2,207)	(4,151)	(2,536)	40		24,514		
STRATEGIC TOWN PLANNING	252	242	200	453	498	(201)	(161)	(298)	6		82		
BUILT ENVIRONMENT	913	886	889	1,038	1,026	(125)	11	(137)			205		
NATURAL ENVIRONMENT	72	527	529	898	841	(826)	116	(312)	509		26		
PUBLIC HEALTH	3,443	3,400	3,480	4,249	3,794	(806)	(317)	(314)			727		
PUBLIC SAFETY	93	100	106	796	1,405	(703)	(1,282)	(1,289)			24,458		
COMMUNITY DEVELOPMENT & SERVICES	767	1,003	768	1,273	1,398	(506)	(607)	(630)	440		4,044		
LIBRARY & INFORMATION	166	190	197	1,131	1,246	(965)	(1,000)	(1,049)	70		5,232		
PARCS RECREATION & CULTURE	782	709	764	2,436	2,242	(1,654)	(1,406)	(1,478)	11		231,337		
TRANSPORT & TRAFFIC	1,334	1,181	1,126	2,016	2,380	(682)	(1,200)	(1,254)	179		119,535		
ECONOMIC DEVELOPMENT	1	4	14	211	122	(210)	(151)	(108)					
TOTAL FUNCTIONS	11,101	10,006	10,528	20,942	20,826	(9,841)	(10,000)	(10,298)	1,215		410,200		
General Purpose Revenues	10,555	10,481	10,110			10,555		9,719	650				
TOTAL	21,656	21,788	20,638	20,942	20,826	714	209	(188)	1,865		410,278		

*CURRENT ASSETS HAVE BEEN PLACED WITHIN THE RESOURCE & ASSET MANAGEMENT FUNCTION AS THEY CANNOT BE RELIABLY ATTRIBUTED TO SPECIFIC FUNCTIONS

NOTE 2(b)



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

DEMOCRATIC LOCAL GOVERNMENT

Council Secretariat, Public Accountability, Community/Public Involvement.

RESOURCE & ASSET MANAGEMENT

Finance & Corporate Assets, Information & Communications Systems, Insurance & Risk Management, Human Resources.

STRATEGIC TOWN PLANNING

Zoning Framework, Planning Policy Development, Heritage Planning, Land Use Management Planning, Housing Strategy.

BUILT ENVIRONMENT

Development Administration.

NATURAL ENVIRONMENT

Air Quality Management, Catchment Management, Biodiversity, Trees, Compliance & Auditing.

PUBLIC HEALTH

Waste Minimisation & Management, Cleansing, Disease Prevention, Companion Animals.

PUBLIC SAFETY

Safety Construction, Emergency Services, Safety Patrols, Stormwater Drainage.

COMMUNITY DEVELOPMENT & SERVICES

Community Involvement, Children/Family, Youth, Aged, People with Disabilities, Early Childhood Health, Safe Communities.

Note 2(b) -Components of Functions continued

LIBRARY & INFORMATION

Library Stock, Library Services, Library Information Technology, Library Building, Education, Local Studies, Community Information.

PARKS, RECREATION & CULTURE

Parks, Gardens & Civic Spaces, Ovals & Sports Facilities, Beaches, Sea Pools & Foreshores, Cultural Development, Exhibitions & Gallery, Community Arts, Crafts & Activities, Community Events, Olympics 2000.

TRANSPORT & TRAFFIC

Roads, Facilities, Traffic Management, Pedestrians, Bicycles, Public Transport.

ECONOMIC DEVELOPMENT

Business & Employment, Tourism Management, Regional Economic Development.

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 3 - EXPENSES FROM ORDINARY ACTIVITIES

EMPLOYEE COSTS	2001 \$'000	2000 \$'000
Salaries and Wages	5,930	5,578
Travelling	29	13
Employee Leave Entitlements	944	884
Superannuation	389	339
Workers' Compensation Insurance	199	234
Fringe Benefits Tax	87	77
Payroll Tax		
Training Costs (excluding Salaries)	89	121
Other	15	9
Less: Capitalised and distributed costs		
Total Operating Employee Costs	7,682	7,255
Total Number of Employees	150	
(Full time equivalent at end of reporting period)		
BORROWING COSTS		
Interest on Overdraft	2	2
Interest on Loans	161	149
Interest on Advances		
Charges on Finance Leases		
Interest on other debts		
Gross Interest Charges	163	151
Less: Borrowing Costs capitalised		
Total Interest Charges	163	151
DEPRECIATION & AMORTISATION		
Plant and Equipment	128	135
Office Equipment	293	287
Furniture & Fittings	17	17
Leased Property, Plant & Equipment		
Land Improvements	242	335
Buildings	420	418
Other Structures	8	8
Infrastructure		
- roads, bridges & footpaths	1,357	1,428
- stormwater drainage	247	245
- water supply network not elsewhere included		
- sewerage network not elsewhere included		
Other assets		
- heritage collections		
- library books		
- other	127	152
Less: Capitalised and distributed costs	141	186
Total Depreciation & Amortisation	2,980	3,211

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 3 - EXPENSES FROM ORDINARY ACTIVITIES (cont)

	2001 \$'000	2000 \$'000
OTHER EXPENSES		
Advertising	160	196
Auditor's Remuneration		
- Audit Services	21	18
- Other Services		
- Other Auditors		
Bad and Doubtful Debts	121	0
Bank & Financial Charges	103	88
Catering	65	70
Computer/IT Expenses	234	228
Consultancies	199	183
Donations & Contributions to Local & Regional Bodies	183	199
Election Expenses	0	87
Equipment Maintenance	44	43
Insurances	359	245
Leases (Property)	32	53
Leases (Photocopiers)	49	49
Legal Expenses		
- Planning & Development	106	210
- Other Legal Expenses	169	26
Light, Power & Heating	144	166
Mayoral Allowance	23	23
Members' Fees & Allowances	132	132
Members' Expenses	61	56
Operating Lease Rentals - cancellable		
Operating Lease Rentals - non-cancellable		
- minimum lease payments		
- contingent rentals		
- sub-lease rentals (see also Note 12)		
Payments to other levels of Government	658	636
Postage & Couriers	76	95
Printing & Stationery	145	128
Revaluation Decrements written off		
Street Lighting	280	281
Subscriptions & Publications	48	44
Telephone & Communications	193	198
Waste Disposal & Recycling Centre	140	144
Water	84	89
Adjust interest in associated entities (Note 19)	0	
Other	239	237
Total Other Expenses	<u>4,068</u>	<u>3,924</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 4 - REVENUES FROM ORDINARY ACTIVITIES

RATES & ANNUAL CHARGES	2001 \$'000	2000 \$'000
<u>Ordinary Rates</u>		
Residential	9,063	8,287
Farmland		
Mining		
Business	1,027	1,054
	<u>10,090</u>	<u>9,341</u>
<u>Special Rates</u>		
Water Supplies		
Sewerage Services		
Parking		
Mainstreet		
Tourism		
Other		
	<u>0</u>	<u>0</u>
<u>Annual Charges</u>		
Domestic Waste Management	2,851	2,720
Water Supply		
Sewerage Services		
Drainage		
Other Waste Management		
Other		
	<u>2,851</u>	<u>2,720</u>
Ex gratia payments in lieu of Rates		
Total Rates & Annual Charges	<u>12,941</u>	<u>12,061</u>
USER CHARGES & FEES		
<u>User Charges</u>		
Domestic Waste Management	16	23
Lease Rental (Property)	1,456	1,459
Meals on Wheels	119	104
Road Restoration	109	217
Staff Vehicle Leases	84	92
Market Days	63	58
Out of School Hours Care	90	108
Vacation Care	74	49
Cultural Centre Rental	49	41
Oval Rents	70	25
Childrens Leisure and Learning	46	49
Mosman Occasional Child Care Centre	95	0
Other Waste Management	498	439
Other	309	285
	<u>3,078</u>	<u>2,949</u>
<u>Fees</u>		
Planning & Building		
Regulatory/Statutory Fees	1,355	1,329
Registration Fees		
RTA Claims - State Roads	19	20
Sec 611 Charges	88	19
Rent & Hire of Council Property		
Admission & Service Fees		
Other	107	103
	<u>1,569</u>	<u>1,471</u>
Total User Charges & Fees	<u>4,647</u>	<u>4,420</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 4 - REVENUES FROM ORDINARY ACTIVITIES (cont)

	2001 \$'000	2000 \$'000
INVESTMENT REVENUES		
Interest on overdue rates & charges	42	37
Interest on investments attributable to		
Section 94 Contributions	3	7
Water & Sewerage Contributions		
Water Supplies		
Sewerage Services		
Other External Restrictions		
Other Investments	183	199
Other Investment Revenues		
Gross Investment Revenues	<u>228</u>	<u>243</u>
Less: Interest deducted from		
capitalised borrowing costs		
Total Investment Revenues	<u>228</u>	<u>243</u>
OTHER REVENUES		
Reversal of Revaluation Decrements		
Certificate Fees	183	201
Fines	693	532
Footpath Occupation	54	50
Recycling Income (Non domestic)		
Lease Rental		
Legal Fees Recovery (Rates)	16	3
Legal Fees Recovery	109	0
Insurance Claims		
Commissions & Agency Fees	25	6
Sales - General		
Computer Bureau Income		
Adjust interest in associated entities		
Adjust interest in associated entities	Note 19 0	0
Other	96	81
Total Other Revenues	<u>1,176</u>	<u>873</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 4 - REVENUES FROM ORDINARY ACTIVITIES (cont)

	OPERATING		CAPITAL	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
GRANTS				
General Purpose (Untied)				
Financial Assistance				
Equalisation Component	407	394		
Local Roads Component	145	137		
Pensioner Rates Subsidies	113	119		
Specific Purpose				
Water Supplies				
Sewerage Services				
Community Centres				
Community Services	431	386	2	54
Library Services	54	70	39	
Roads & Bridges	60	78	62	64
Creek Rehabilitation			38	
Employment & Training Programs				
Heritage & Cultural Services		6		
Recreation	24	1	29	10
Seawalls			310	
Stormwater			595	509
Traffic Facility	39	37		
Natural Disaster Relief			32	
Community Care Services				
Bushfire & Emergency Services				
Other				
Total Grants & Subsidies	1,273	1,228	1,107	637
CONTRIBUTIONS & DONATIONS				
Developer Contributions				
Subdivider Dedications				
Roadworks				
Drainage				
Traffic Facilities				
Parking			194	39
Open Space				
Community Facilities				
Other				
RTA Contributions	4	3		
Community Development	23		34	
Library			7	
Mosman Occasional Child Care Centre			25	
Balmoral Bathers Pavilion				680
Recreation	35	8		
Donations		11		
Ex Gratia Rates	23	11		
Water Supplies				
Sewerage Services				
Other Councils - Joint Works			3	
Paving				
Kerb & Gutter				
Other		34		
Total Contributions & Donations	85	67	263	719
TOTAL GRANTS & CONTRIBUTIONS	1,358	1,295	1,370	1,356

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 5 - GAIN OR LOSS ON DISPOSAL OF ASSETS

	2001 \$'000	2000 \$'000
DISPOSAL OF PROPERTY		
Proceeds from disposal	3	106
Less: Carrying amount of assets sold		
Gain (Loss) on disposal	<u>3</u>	<u>106</u>
DISPOSAL OF PLANT & EQUIPMENT		
Proceeds from disposal	144	792
Less: Carrying amount of assets sold	167	797
Gain (Loss) on disposal	<u>-23</u>	<u>-5</u>
DISPOSAL OF REAL ESTATE DEVELOPMENT ASSETS		
Proceeds from disposal		
Less: Carrying amount of assets sold		
Gain (Loss) on disposal	<u>0</u>	<u>0</u>
DISPOSAL OF SHARES IN CORPORATIONS		
Proceeds from disposal		
Less: Carrying amount of assets sold		
Gain (Loss) on disposal	<u>0</u>	<u>0</u>
TOTAL GAIN (LOSS) ON DISPOSAL OF ASSETS	<u>-20</u>	<u>101</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 6 - CASH ASSETS & INVESTMENT SECURITIES

	2001 \$'000		2000 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
CASH ASSETS				
Cash on Hand and at Bank	106		2	
Deposits at Call	3,300		3,350	
Short Term Deposits & Bills, etc				
Blank line				
Total Cash Assets	<u>3,406</u>	<u>0</u>	<u>3,352</u>	<u>0</u>
INVESTMENT SECURITIES				
Term Deposits				
Bills of Exchange				
Treasury Corporation				
NCDs, FRNs				
Managed Funds				
Other				
Total Investment Securities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CASH ASSETS & INVESTMENT SECURITIES	<u>3,406</u>	<u>0</u>	<u>3,352</u>	<u>0</u>

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

The permitted forms of investment in financial instruments of the Council are defined in an order made by the Minister of Local Government on 16 November 2000, and may broadly be described as "Trustee Securities". Accordingly, credit risk is considered to be insignificant. Deposits and Bills are with, or have been accepted by, banks and credit unions and bear various rates of interest between 4.94% and 5.01% in 2001 and between 6.18% and 6.24% in 2000.

RESTRICTED CASH AND INVESTMENTS SUMMARY

	2001 \$'000		2000 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
EXTERNAL RESTRICTIONS				
- Included in liabilities	0	0	0	0
- Other	607	0	353	0
Total External Restrictions	<u>607</u>	<u>0</u>	<u>353</u>	<u>0</u>
INTERNAL RESTRICTIONS				
- Included in liabilities	300	0	120	0
- Other	1,560	0	23	0
	<u>1,860</u>	<u>0</u>	<u>143</u>	<u>0</u>
TOTAL UNRESTRICTED	939	0	2,856	0
TOTAL CASH & INVESTMENTS AVAILABLE	<u>3,406</u>	<u>0</u>	<u>3,352</u>	<u>0</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 6 - CASH ASSETS & INVESTMENT SECURITIES (cont)

	Note	2001 \$'000		2000 \$'000	
		<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
EXTERNAL RESTRICTIONS					
Included in liabilities					
Unexpended Loans					
RTA Advances					
Self Insurance Claims					
Other					
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other					
Developer Contributions	17	0		149	
RTA Contributions					
Unexpended Grants	14	607		191	
Water Supply funds		0	0		
Sewerage funds		0	0		
Domestic Waste Management					
Other				13	
		<u>607</u>	<u>0</u>	<u>353</u>	<u>0</u>
Total External Restrictions		<u>607</u>	<u>0</u>	<u>353</u>	<u>0</u>

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

INTERNAL RESTRICTIONS

Included in liabilities

Employee Leave Entitlements		300		120	
Other					
Construction of Buildings					
Uncompleted Works for 2000		726		0	
Deposits & Bonds		800		0	
Replacement - Plant & Vehicles		23		0	
Office Equipment					
Sinking Funds					
Other		11		23	
Subtotal		<u>1,560</u>	<u>0</u>	<u>23</u>	<u>0</u>
Total Internal Restrictions		<u>1,560</u>	<u>0</u>	<u>143</u>	<u>0</u>

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.

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 7 - RECEIVABLES

	2001 \$'000		2000 \$'000	
	Current	Non-Current	Current	Non-Current
Rates & Annual Charges	363		433	
Rates Interest & Extra Charges	8		23	
Rates Legal Costs	8		3	
User Charges & Fees	1,045	142	815	69
Accrued Revenues-Motor Vehicle Sales	67		40	
Accrued Revenues-Fines	170		90	
Accrued Revenues-Workers Comp.	54		5	
Accrued Revenues Other	28		51	
Deferred Debtors	0		1	
GST Revenues	35		0	
Investment Income	7		17	
Other levels of Government	118		24	
Joint Ventures	31		0	
Other	117		77	
Total	2,051	142	1,579	69
Less: Provision for Doubtful Debts				
Rates & Annual Charges				
User Charges & Fees	87	142	65	69
Other	14			
Total Receivables	1,950	0	1,514	0

Rates and Annual Charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the Local Government Act) are secured over the relevant land and are subject to simple interest at a rate of 10.00% (2000: 9.5%). 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.

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	82		96	
Other				
Total Restrictions	82	0	96	0
Unrestricted Receivables	1,868	0	1,418	0
Total Receivables	1,950	0	1,514	0

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 8 - INVENTORIES & OTHER ASSETS

	2001 \$'000		2000 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
INVENTORIES				
Stores & Materials	90			
Trading Stock	41		10	
Real Estate Developments	0	0	0	0
Other				
Total Inventories	<u>131</u>	<u>0</u>	<u>10</u>	<u>0</u>

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

OTHER ASSETS

Prepayments	74		87	
Other				
Total Other Assets	<u>74</u>	<u>0</u>	<u>87</u>	<u>0</u>

Real Estate Developments

(Valued at the lower of cost and net realisable value)

Residential

Industrial & Commercial

Other Properties surplus to requirements

Total Real Estate for Resale

	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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Represented by:

Acquisition Costs

Development Costs

Borrowing Costs

Other Holding Costs

Other Properties - Book Value

	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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Less: Provision for Under-Recovery

Total Real Estate for Resale

	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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RESTRICTIONS EXIST IN RESPECT OF THE FOLLOWING:

Inventories

Other

Other Assets

Other

	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 9 - PROPERTY, PLANT & EQUIPMENT

	2000 \$'000				MOVEMENTS DURING YEAR \$'000						2001 \$'000			
	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT	Asset Purchases	Asset Disposals	Depreciation	Recov. Amt Write Downs	Net Revaluation	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT	
Plant & Equipment	1,687		609	1,078	171	167	(128)			1,657		703	954	
Office Equipment	2,252		1,381	871	55		(293)			2,307		1,674	633	
Furniture & Fittings	669		390	279	18		(17)			687		407	280	
Leased Plant & Equipment														
Land														
- Council owned (freehold)		215,976		215,976						215,976			215,976	
- Council controlled														
- non deprec land improv'ts														
- land under roads														
Land Improvements - depreciable	3,283	5,349	1,697	6,935	168		(242)			8,800		1,939	6,861	
Buildings	14,320	22,252	1,570	35,002	125		(420)			36,697		1,990	34,707	
Other Structures		150	37	113	5		(8)			155		45	110	
Infrastructure														
- Roads, bridges, footpaths	3,800	152,087	36,620	119,267	803		(1,357)			156,690		37,977	118,713	
- Bulk earthworks (non-deprec.)														
- Stormwater drainage														
- Water Supply Network	1,406	43,100	20,128	24,378	658		(247)			45,164		20,375	24,789	
- Sewerage Network														
Other Assets														
- Heritage Collections	1,922		1,543	379	102		(127)			2,024		1,670	354	
- Library Books	1,704		1,324	380	533		(141)			2,238		1,466	772	
- Other														
Totals	31,043	438,914	65,299	404,658	2,638	167	(2,980)			472,395		68,246	404,149	

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

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

	2001 \$'000			2000 \$'000		
	AT COST	AT VALUATION	ACCUM DEPN	CARRYING AMOUNT	AT COST	AT VALUATION
Water Supply Plant & Equipment Office Equipment Furniture & Fittings Leased Plant & Equipment Land - Council owned (freehold) - Council controlled - non depreciable land improv'ts Land Improvements - depreciable Buildings Other Structures Water Supply Infrastructure - Other Total Water Supply			0	0	0	0
Sewerage Services Plant & Equipment Office Equipment Furniture & Fittings Leased Plant & Equipment Land - Council owned (freehold) - Council controlled - non depreciable land improv'ts Land Improvements - depreciable Buildings Other Structures Sewerage Infrastructure - Roads, bridges, footpaths - Other Total Sewerage Services			0	0	0	0
Another Council	0	0	21/09/2001	14:29	0	0

<u>Domestic Waste Management</u>									
Plant & Equipment									
Office Equipment									
Furniture & Fittings									
Leased Plant & Equipment									
Land									
- Council owned (freehold)									
- Council controlled									
- non depreciable land improv'ts									
Land Improvements - depreciable									
Buildings									
Other Structures									
- Other									
Total Domestic Waste	0	0	0	0	0	0	0	0	0
Other (specify)									
Plant & Equipment									
Office Equipment									
Furniture & Fittings									
Leased Plant & Equipment									
Land									
- Council owned (freehold)									
- Council controlled									
- non depreciable land improv'ts									
Land Improvements - depreciable									
Buildings									
Other Structures									
Other Assets									
- Heritage Collections									
- Library Books									
- Other									
Total	0	0	0	0	0	0	0	0	0
TOTAL RESTRICTIONS	0	0	0	0	0	0	0	0	0

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 10 - LIABILITIES

	2001 \$'000		2000 \$'000	
	Current	Non-Current	Current	Non-Current
PAYABLES				
Goods & Services	958		1,105	
Payments received in advance	42		73	
Accrued Expenses-Interest on Loans	29		23	
Advances				
Deposits, Retentions & Bonds	800	2,315	800	2,365
Other	53		45	
Total Payables	1,882	2,315	2,046	2,365
INTEREST BEARING LIABILITIES				
Bank Overdraft			525	
Loans	349	2,702	291	2,171
Government Advances				
Ratepayer Advances				
Finance Lease Liability				
Deferred Payment Liabilities	130	1,560	130	1,690
Other				
Total Interest Bearing Liabilities	479	4,262	946	3,861
PROVISIONS				
Annual Leave	460	171	490	104
Sick Leave		156		165
Long Service Leave	100	679	98	601
Gratuities				
Self Insurance Claims				
Enterprise Agreement	71	13	72	5
Total Provisions	631	1,019	660	875

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

LIABILITIES relating to RESTRICTED ASSETS

Domestic Waste Management

Payables	30		45	
Interest Bearing Liabilities				
Provisions				
Subtotal	30	0	45	0

Water Supplies

Payables	0	0		
Interest Bearing Liabilities	0	0		
Provisions	0	0		
Subtotal	0	0	0	0

Sewerage Services

Payables	0	0		
Interest Bearing Liabilities	0	0		
Provisions	0	0		
Subtotal	0	0	0	0

Other

Payables				
Interest Bearing Liabilities				
Provisions				
Subtotal	0	0	0	0
TOTAL	30	0	45	0

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2001 \$'000	2000 \$'000
Total Cash Assets (Note 6)	3,406	3,352
Less: Bank Overdraft	0	-525
Balances per Statement of Cash Flows	<u>3,406</u>	<u>2,827</u>

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

Change in Net Assets resulting from Operations	259	-188
Minority Interest in Operating Result		0
Add: Depreciation and Amortisation	2,980	3,211
Increase in provision for doubtful debts	109	
Increase in employee leave entitlements	115	
Increase in other provisions		
Decrease in receivables		367
Decrease in inventories		
Decrease in other current assets	13	
Increase in payables		686
Increase in accrued expenses payable		
Increase in other current liabilities		
Loss on Sale of Assets	20	
Equity share of loss in Associates		
Equity adjustment in Associates (decrease)		
Decrements from Revaluations		
	<u>3,496</u>	<u>4,076</u>
Less: Decrease in provision for doubtful debts		
Decrease in employee leave entitlements		8
Decrease in other provisions		
Increase in receivables	436	
Increase in inventories	121	
Increase in other current assets		2
Decrease in payables	214	
Decrease in accrued expenses payable		
Decrease in other current liabilities		
Gain on Sale of Assets		101
Equity share of profit in Associates	36	248
Equity adjustment in Associates (increase)		
Reversal of previous Revaluation Decrements		
Non-cash Capital Grants and Contributions		
Net Cash provided by (or used in) operations	<u>2,689</u>	<u>3,717</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 11 (CONT) - RECONCILIATION TO CASH FLOW STATEMENT

	2001 \$'000	2000 \$'000
(c) Non-Cash Financing and Investing Activities		
Acquisition of assets by means of:		
- PWD Construction	0	
- Bushfire Grants	0	
- Developer Contributions received in kind	0	
- Non-cash issues of Shares in Other Companies	0	
- Other	0	
	<u>0</u>	<u>0</u>
- Finance Leases	0	
- Land taken over for non-payment of Rates	0	
	<u>0</u>	<u>0</u>

(d) Financing Arrangements

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

Bank Overdrafts		
Total Facilities	90	90

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.

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 12 - COMMITMENTS FOR EXPENDITURE

	2001 \$'000	2000 \$'000
(a) Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land		
Buildings - Balmoral Bathers Pavilion conservation		10
IT Strategy	18	38
Public Lift - Harbour Street Carpark		133
Balmoral Baths & Associated Jetties		360
Plant & Equipment		
	<u>18</u>	<u>541</u>
These expenditures are payable:		
Not later than one year	18	541
Later than one year and not later than 5 years		
Later than 5 years		
	<u>18</u>	<u>541</u>

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

(b) Other Expenditure Commitments

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

Audit Services		This information is supplied on the adoption of AAS 36 and it is not practicable to obtain comparative data.
Waste Management Services		
Other	<u>0</u>	
These expenditures are payable:		
Not later than one year		
Later than one year and not later than 5 years		
Later than 5 years		
	<u>0</u>	

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

(c) Finance Lease Commitments

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

Not later than one year		
Later than one year and not later than 5 years		
Later than 5 years		
Minimum lease payments	<u>0</u>	<u>0</u>
Less: future finance charges		
Net Lease Liability	<u>0</u>	<u>0</u>
Representing lease liabilities:		
Current	0	0
Non-Current	0	0
	<u>0</u>	<u>0</u>

No Joint Ventures or Partnerships have any finance lease arrangements.

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 12 (CONT) - COMMITMENTS FOR EXPENDITURE

	2001 \$'000	2000 \$'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		
Later than one year and not later than 5 years		
Later than 5 years	<u>0</u>	<u>0</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 13 - STATEMENT OF PERFORMANCE MEASUREMENT

	<u>Amounts</u>	<u>2001 Indicators</u>	2000	1999	1998
Current Ratio					
<u>Current Assets</u>	<u>\$5,561</u>	1.86:1	1.36:1	1.69:1	2.75:1
Current Liabilities	\$2,992				
Unrestricted Current Ratio					
<u>Unrestricted Current Assets*</u>	<u>\$4,872</u>	1.64:1	1.25:1	1.6:1	2.61:1
Current Liabilities not relating to Restricted Assets	\$2,962				
* as defined in the Code					
Debt Service Ratio					
<u>Net Debt Service Cost</u>	<u>\$584</u>	2.97%	2.88%	2.17%	5.56%
Operating Revenue	\$19,693				
* as defined in the Code					
Rate & Annual Charges Coverage Ratio					
<u>Rates & Annual Charges Revenues</u>	<u>\$12,941</u>	59.48%	58.23%	55.70%	60.10%
Total Revenues	\$21,756				
Rates & Annual Charges & Extra Charges Outstanding Percentage					
<u>Rates & Annual & Extra Charges Outstanding</u>	<u>\$379</u>	2.81%	3.68%	2.98%	2.70%
Rates & Annual & Extra Charges Collectible	\$13,442				

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 14 - CONDITIONS OVER GRANTS & CONTRIBUTIONS

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

	2001 \$'000		2000 \$'000	
	<u>Grants</u>	<u>Contrib</u>	<u>Grants</u>	<u>Contrib</u>
Unexpended at the close of the previous reporting period	191	149	95	141
Less: expended during the current period from revenues recognised in previous reporting periods	187	149	91	39
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions	<u>603</u>		<u>187</u>	<u>47</u>
Unexpended at the close of this reporting period and held as restricted assets	<u>607</u>	<u>0</u>	<u>191</u>	<u>149</u>
Net increase (decrease) in restricted assets in the current reporting period.	<u>416</u>	<u>-149</u>	<u>96</u>	<u>8</u>

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 15 - FINANCIAL INSTRUMENTS

Interest Rate Risk Exposures

2001	Floating Interest Rate '000	Fixed interest maturing in			Non- interest bearing '000	Total '000	Weighted Average Interest Rate
		≤ 1 year '000	> 1 year ≥ 5 years '000	> 5 years '000			
Financial Assets							
Cash Assets					3,406	3,406	5.77%
Investment Securities		0			0	0	
Receivables							
Rates & Annual Charges		379	0		0	379	5.77%
User Charges & Fees		958	0		0	958	
Deferred Debtors		0	0		0	0	
Other levels of Govt.		118			0	118	
Joint Ventures		31				31	
Other		103			0	103	
Other Assets					0	0	
Total	0	1,589	0	0	3,406	4,995	

Financial Liabilities

Payables							
Goods & Services					958	958	
Payments in advance					42	42	
Advances					0	0	
Deposits, Retentions & Bonds					3,115	3,115	2.00%
Other					53	53	
Interest bearing Liabilities	0	479			4,262	4,741	6.47%
Finance Lease Liabilities		0	0		0	0	
Total	0	479	0	0	8,430	8,909	

2000

Financial Assets

Cash Assets					3,352	3,352	5.65%
Investment Securities		0			0	0	
Receivables							
Rates & Annual Charges		459	0			459	5.65%
User Charges & Fees			0		750	750	
Deferred Debtors		1	0			1	
Other levels of Govt.					24	24	
Other					77	77	
Other Assets					0	0	
Total	0	460	0	0	4,203	4,663	

Financial Liabilities

Payables							
Goods & Services					1,105	1,105	
Payments in advance					73	73	
Advances					0	0	
Deposits, Retentions & Bonds					3,165	3,165	1.75%
Other					45	45	
Interest bearing Liabilities	525	421			3,861	4,807	6.20%
Finance Lease Liabilities		0	0		0	0	
Total	525	421	0	0	8,249	9,195	

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.

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

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

	2001 \$'000	2000 \$'000
Net financial assets from previous page		
Financial Assets	4,995	4,663
Financial Liabilities	<u>8,909</u>	<u>9,195</u>
	-3,914	-4,532
Non-financial assets and liabilities		
Accrued Revenues	361	203
Inventories	131	10
Property, Plant & Equipment	404,149	404,658
Interest in Associated Bodies	584	579
Other Assets	74	87
Accrued Expenses	-29	-23
Provisions	-1,650	-1,535
Other liabilities		
	<u>403,620</u>	<u>403,979</u>
Net Assets per Statement of Financial Position	<u>399,706</u>	<u>399,447</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.

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 16 - Significant Variations from Original Budget

Line items with differential of greater than 10% to Original Budget

Depreciation & Amortisation: At balance date, assets within a number of different classes of assets had reached a significant lifespan & therefore the annual derecognition expense had reduced significantly from the previous year.

Other Expenses: Largely a result of increases in insurance costs and doubtful debt provision along with movements reported during Quarterly Financial Reviews to reflect increased expenditure requirements.

Other Revenues: A result of movements reported during Quarterly Financial Reviews to reflect reduced revenue streams.

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 17 - STATEMENT OF CONTRIBUTION PLANS

SUMMARY OF CONTRIBUTIONS

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage								
Roads								
Traffic Facilities								
Parking								
Open Space								
Community facilities								
Other								
Subtotal S94 under plans								
Sec 94 not under plans	149	194		3	346			896
Sec 64 Contributions								
Total Contributions	149	194		3	346			896

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

CONTRIBUTION PLAN - XXX

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage								
Roads								
Traffic Facilities								
Parking								
Open Space								
Community facilities								
Other								
Total								

CONTRIBUTION PLAN - XXX

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage								
Roads								
Traffic Facilities								
Parking								
Open Space								
Community facilities								
Other								
Total								

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 17 - STATEMENT OF CONTRIBUTION PLANS (cont)

CONTRIBUTION PLAN - XXX

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage								
Roads								
Traffic Facilities								
Parking								
Open Space								
Community facilities								
Other								
Total								

CONTRIBUTION PLAN - XXX

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage								
Roads								
Traffic Facilities								
Parking								
Open Space								
Community facilities								
Other								
Total								

CONTRIBUTIONS NOT UNDER PLANS

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	EXPENDED IN ADVANCE \$'000	HELD AS RESTRICTED ASSET \$'000	WORKS PROVIDED TO DATE \$'000
		CASH \$'000	NON-CASH \$'000					
Drainage								
Roads								
Traffic Facilities								
Parking	90	194		0	284			496
Open Space	59	0		3	62			400
Community facilities								
Other								
Total	149	194		3	346			896

MOSMAN COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30th June 2001**

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

NIL

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

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".

(a) - Cooperative Organisations "Controlled" by Council

NIL

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

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

Shorelink Library Network

Council's respective interests are:

	2001	2000
- interest in outputs of the joint operation	14%	14%
- ownership interest in the joint operation	17%	17%
- the proportion of voting power in the joint operation	20%	20%

Movements in Investment in Joint Operation

	\$'000	\$'000
Opening Balance	172	56
Amount recognised on adoption of AAS19		
New Capital Contributions		
Share in Operating Result	-3	92
Distributions Received		
Adjustment to Equity Share(as per agreement)	-1	24
Share in Equity of Joint Operation	168	172

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

Capital Expenditures payable

Not later than one year	29	101
Later than one year and not later than 5 years		
Later than 5 years		

Operating Expenditures payable

Not later than one year	29	101
Later than one year and not later than 5 years		
Later than 5 years		

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 AAS19 "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.

	2001 \$'000	2000 \$'000
Operating Statement		
Joint Venture revenues	59	139
Joint Venture costs	62	47
Net Contribution	-3	92
Statement of Financial Position		
Current Assets	73	115
Non-Current Assets	100	62
Share of Assets employed in Joint Ventures	173	177
Current Liabilities	3	3
Non-Current Liabilities	2	2
Share of Liabilities incurred in Joint Ventures	5	5
NET INTEREST IN JOINT VENTURES	168	172

MOSMAN COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2001

Note 19 (cont) - JOINT VENTURES & ASSOCIATED ENTITIES

(c) - Entities "controlled" by another member

Council's respective interests are:	2001	2000
- interest in outputs of the joint operation	4%	4%
- ownership interest in the joint operation	4%	5%
- the proportion of voting power in the joint operation	17%	17%
Movements in Investment in Joint Operation	\$'000	\$'000
Opening Balance	407	323
Amount recognised on adoption of AAS14		
New Capital Contributions		
Share in Operating Result	100	229
Distributions Received	-31	-164
Adjustment to Equity Share	-60	19
Share in Equity of Joint Operation	416	407

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

Capital Expenditures payable

Not later than one year

Later than one year and not later than 5 years

Later than 5 years

0	0
---	---

Operating Expenditures payable

Not later than one year

Later than one year and not later than 5 years

Later than 5 years

0	0
---	---

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 AAS19 "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.

	2001	2000
	\$'000	\$'000
Operating Statement		
Joint Venture revenues	340	535
Joint Venture costs	240	306
Net Contribution	100	229
Statement of Financial Position		
Current Assets	264	440
Non-Current Assets	214	17
Share of Assets employed in Joint Ventures	478	457
Current Liabilities	62	45
Non-Current Liabilities		5
Share of Liabilities incurred in Joint Ventures	62	50
NET INTEREST IN JOINT VENTURES	416	407



SPENCER STEER
CHARTERED ACCOUNTANTS

MOSMAN MUNICIPAL COUNCIL
GENERAL PURPOSE FINANCIAL REPORT
INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *general purpose financial report* of Mosman Municipal Council for the year ended 30 June 2001, comprising the Statement by Council, Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Accounts. The financial statements include the consolidated accounts of the economic entity comprising the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council. In respect of the original budget figures disclosed in the Statement of Financial Performance and Note 2(a), we have not examined the underlying basis of their preparation. Similarly, we have not examined the variations from the adopted budget disclosed in Note 16 and therefore express no opinion on them.

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

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

AUDIT OPINION

In our opinion,

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

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 10th day of October 2001



SPENCER STEER
CHARTERED ACCOUNTANTS

10 October 2001

The Mayor
Mosman Municipal Council
PO Box 211
SPIT JUNCTION NSW 2088

Your Worship,

Audit Report - Year Ended 30 June 2001

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2001 and that all information required by us was readily available. We have signed and attached our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to;

- the General Purpose Financial Report; and
- the Special Purpose Financial 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 Accounting Standard AAS27 and the Local Government Code of Accounting Practice and Financial Reporting.

A number of new accounting standards have been issued which are effective for the year under review. The Code of Practice has been amended to reflect the changes introduced by these Standards.

Major changes will probably be seen in the Statement of Financial Position and the Statement of Performance Measurement (Note 13). New definitions have seen some current assets and liabilities moved to the non - current section of the Statements – most notably some debtors, cash and security deposits all of which are not expected to be realised (or paid) within the next twelve months.

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. RESULT FOR THE YEAR

The Statement of Financial Performance discloses an **increase** in net assets as a result of operations for the year of \$259,000 as compared to a **decrease** of \$188,000 in 2000 representing a turn around of \$447,000.

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

	2001 \$000	% of Total	2000 \$000	% of Total	Increase (Decrease) \$000
Ordinary Expenses					
Employees Costs	7,682	36%	7,255	35%	427
Borrowing Costs	163	1%	151	1%	12
Materials & Contracts	6,584	31%	6,360	30%	224
Depreciation	2,980	14%	3,211	15%	(231)
Other	4,068	19%	3,924	19%	144
Loss on Sale of Assets	20	0%	-	0%	20
	21,497	100%	20,901	100%	596
Ordinary Revenues before Capital Items					
Rates & Annual Charges	12,941	63%	12,061	62%	880
User Charges & Fees	4,647	23%	4,420	23%	227
Interest	228	1%	243	1%	(15)
Other	1,176	6%	873	5%	303
Grants & Contributions	1,358	7%	1,295	7%	63
Gain on Sale of Assets	-	0%	101	1%	(101)
Gain from Interests in Joint Ventures & Associates	36	0%	364	2%	(328)
	20,386	100%	19,357	100%	1,029
Surplus(Deficit) from Ordinary Activities before Capital Items	\$ (1,111)		\$ (1,544)		\$ 433
Capital Revenues	1,370		1,356		14
Surplus(Deficit) from All Activities	\$ 259		\$ (188)		\$ 447

The improvement in the result for the year of \$447,000 can be attributed to the increase in rates and annual charges as a result of the community environmental contract (CEC) levy, raised for the first time (\$479,000).

It should be noted that the Statement of Financial Performance does not include capital revenues from loans raised (\$880,000), distribution from the joint services operations (\$31,000) and the book value of assets sold (\$167,000) and capital expenditure consisting of loans and deferred creditor repayments (\$421,000) and assets purchased/constructed (\$2.638 million).

Assets acquired included stormwater projects (\$600,000) funded in part through the CEC levy.

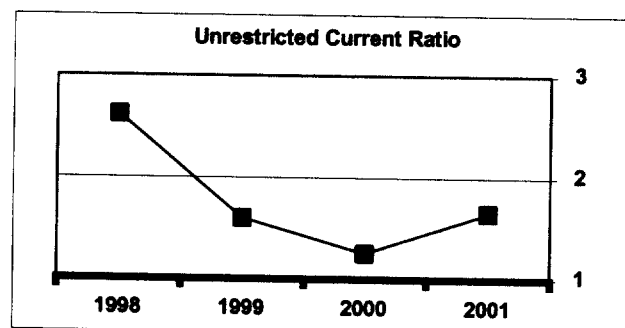
2. FINANCIAL POSITION

Council's overall financial position is, in our opinion, satisfactory. Current Assets exceed Current Liabilities by \$2.569 million and include restricted cash and investments held to fund future works, services and liabilities amounting to \$2.467 million.

Current Ratio

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

The Statement of Performance Measurement (Note 13) discloses current assets exceeding current liabilities by a factor of **1.86 to 1** and after allowing for externally restricted assets and specific purpose liabilities, this ratio, referred to as the **Unrestricted Current Ratio** is **1.64 to 1**.

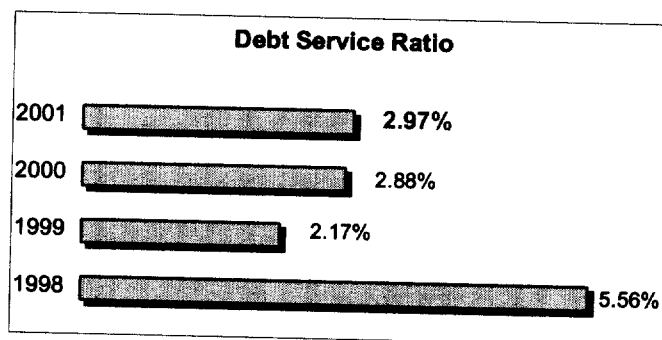


At the close of the previous year it was reported that the Unrestricted Current Ratio was 0.76 to 1. The improvement in this ratio during the year is attributable to two main factors:

- i. Revised accounting standards now recognises that payables and receivables that are not expected to be paid or realised within the next 12 months are treated as non current liabilities or assets, accounting for an increase in the ratio of 0.5 to 1; and
- ii. Recovery of previous years funding of capital expenditures relating to environmental initiatives of \$334,000.

Debt Service Ratio

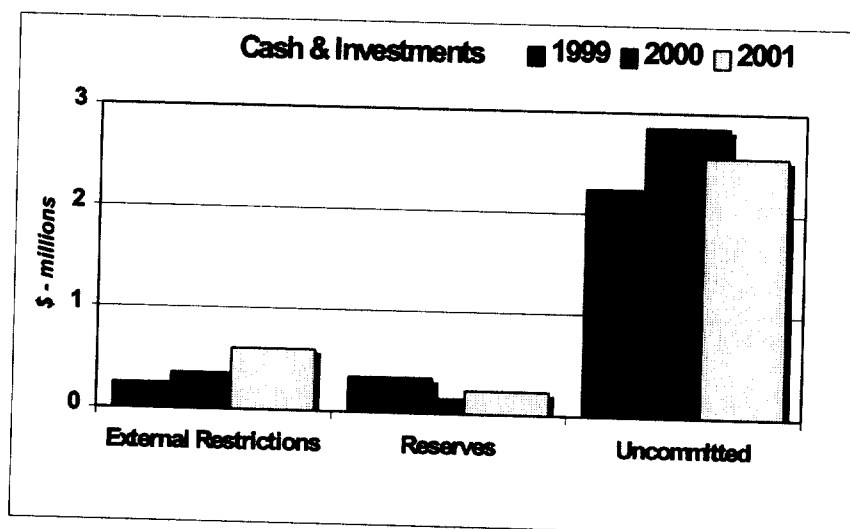
Operating revenue required to service debt was 2.97% as compared with 2.88% at the close of the previous year.



Cash & Investments

Cash and investments held at the close of the year amounted to \$3.406 million as compared to \$3.352 million at the close of 2000.

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



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consist of unexpended specific purpose grants (\$607,000). Included in these unspent funds are amounts totalling \$505,456 for works to be carried out under the Community Environmental Contract.

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, and identified programs of works, are in fact, Council's "**Reserves**". These reserves totalled \$1.860 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments stood at \$939,000 to fund day to day operations.

Cash Flows

The Statement of Cash Flows illustrates the movement of cash flowing into and out of Council during the year (including GST paid and collected) and reveals that Council's cash assets increased by \$579,000 from an opening balance of \$2.827 million.

Operating activities contributed net cash of \$2.717 million and was supplemented by the sale of assets (\$120,000), receipt of loan funds (\$880,000) and distribution from joint services operations (\$31,000). Cash outflows other than from operating activities were used to repay loans and deferred payment creditors (\$421,000) and to purchase and construct assets (\$2.749 million).

3. RECEIVABLES (Other than Rates & Annual Charges)

Receivables (other than rates and annual charges) consisted of;

	2001	2000
	\$000	\$000
User Charges & Fees		
Restorations	268	330
Property Rents	154	144
Trade Waste (includes late levies \$140K)	260	81
Telecommunication Charges	142	69
Other	363	147
Fines	170	90
GST	35	9
Kimbriki Waste Services	31	73
Government Departments	118	30
Sale of Motor Vehicles	67	40
Interest on Investments	7	17
Interest on Rates & Annual Charges	16	27
Other	199	159
	\$ 1,830	\$ 1,216

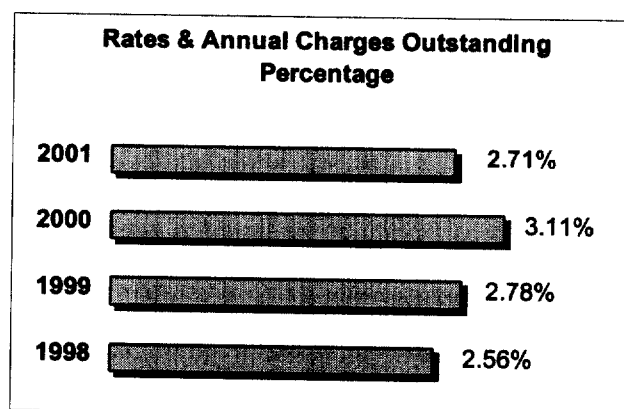
Receivables have increased significantly over the previous year as can be seen above. Whilst this increase can be attributed to one off increases, recovery procedures should be targeted in order to minimise the level of arrears currently outstanding.

The Provision for Doubtful Debts in respect of the above receivables currently stands at \$243,000. Included in this provision are charges raised in respect of telecommunication lines amounting to \$142,000, which are in dispute. We have examined the outstanding balances for collectability and concluded that the provision appears adequate.

4. RATES AND ANNUAL CHARGES

Total net rates and annual charges levied during the year were \$12.941 million and included \$2.851 million in domestic waste management charges and \$479,000 from Council's community environmental contract.

The total rates and annual charges receivable (including arrears) was \$13.374 million. Arrears at the close of the year amounted to \$363,000 and represented 2.71% of those receivables. The collection of rates and annual charges is a significant improvement over the previous year, as illustrated in the graph below.



5. EMPLOYEES LEAVE ENTITLEMENTS

Council's disclosed liability for employees leave entitlements was \$1.650 million (2000 - \$1.535 million).



SPENCER STEER
CHARTERED ACCOUNTANTS

Cash reserves should be held to enable Council to meet unbudgeted and unanticipated retirements. At the close of the year, \$300,000 was held for this purpose, which represents 18% of Council's obligation to their employees and is, in our opinion, satisfactory.

6. CONCLUSION

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

Yours faithfully,

SPENCER STEER
Chartered Accountants

N MAH CHUT
Partner

MOSMAN MUNICIPAL COUNCIL

Special Purpose Financial Reports and Special Schedules For the year ending 30 June 2001

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SPENCER STEER
CHARTERED ACCOUNTANTS

MOSMAN MUNICIPAL COUNCIL
SPECIAL PURPOSE FINANCIAL REPORTS
INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *special purpose financial reports* of Mosman Municipal Council for the year ended 30 June 2001, comprising the Statement by Council, Statement of Financial Performance of Business Activities, Statement of Financial Position by Business Activities, and accompanying Notes to the Accounts. The financial statements include the accounts of the declared business activities of the Council. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

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

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

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

AUDIT OPINION

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

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 10th day of October 2001

MOSMAN COUNCIL

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2001

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

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

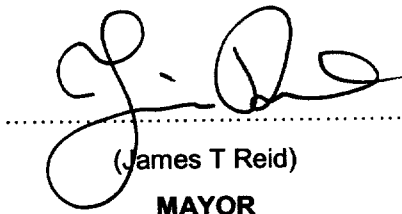
- NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*
- Department of Local Government guidelines *"Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality"*

To the best of our knowledge and belief, these reports

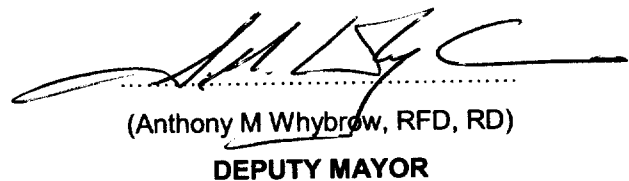
- Present fairly the financial position and operating result for each of Council's declared Business Units for the year, and
- Accord with Council's accounting and other records

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

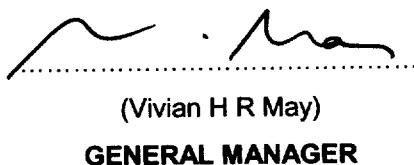
Signed in accordance with a resolution of Council made on 9 October 2001.



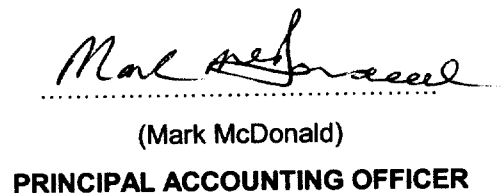
(James T Reid)
MAYOR



(Anthony M Whybrow, RFD, RD)
DEPUTY MAYOR



(Vivian H R May)
GENERAL MANAGER



(Mark McDonald)
PRINCIPAL ACCOUNTING OFFICER

MOSMAN MUNICIPAL COUNCIL
STATEMENT OF FINANCIAL PERFORMANCE OF BUSINESS ACTIVITIES
As at 30 June 2001

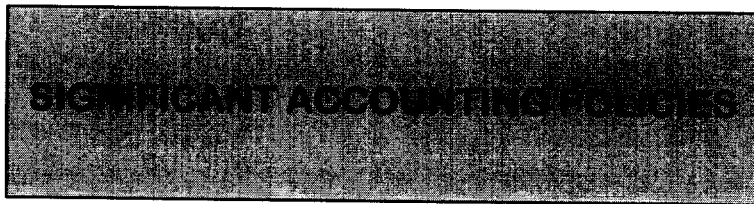
Specify each Business Activity and Category:	Business Activities					
	Commercial Property Management		Development Approvals		Core Group (Private Works) Activities	
	2001	2000	2001	2000	2001	2000
EXPENSES FROM ORDINARY ACTIVITIES						
Employee costs	68	145	564	461	298	296
Materials & Contracts	15	25	15	13	74	183
Borrowing Costs	NIL	NIL	NIL	NIL	NIL	NIL
Depreciation & Amortisation	146	147	NIL	NIL	34	37
Other Operating Expenses	15	106	132	35	18	20
Loss on Disposal of Assets	NIL	NIL	NIL	NIL	4	NIL
NCP Imputation Payments	106	106	NIL	NIL	1	46
TOTAL OPERATING EXPENSES	350	438	711	509	429	582
REVENUES FROM ORDINARY ACTIVITIES						
Rates & Annual Charges	NIL	NIL	NIL	NIL	NIL	NIL
User Charges & Fees	1,456	1,459	576	650	NIL	NIL
Interest Received	NIL	NIL	NIL	NIL	NIL	NIL
Grants & Contributions – Operating	NIL	NIL	NIL	NIL	NIL	NIL
Other Operating Revenues	NIL	NIL	NIL	NIL	394	417
Gain on Disposal of Assets	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL OPERATING REVENUES	1,456	1,459	576	650	394	417
ORDINARY ACTIVITIES RESULT BEFORE CAPITAL AMOUNTS	1,106	1,021	-135	141	-35	-165
Grants & Contributions – Capital	NIL	679	NIL	NIL	NIL	NIL
Abnormal Items	NIL	NIL	NIL	210	NIL	NIL
RESULT FROM ORDINARY ACTIVITIES	1,106	1,700	-135	-69	-35	-165
SURPLUS (DEFICIT) BEFORE TAX	1,106	1,700	-135	-69	-35	-165
Corporate Taxation Equivalent (based on Operating result before capital)	376	368	NIL	NIL	NIL	NIL
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS AFTER TAX	730	1,332	-135	-69	-35	-165
Opening Retained Profits	14,097	12,805	-166	-166	1,183	1,183
Adjustments for Amounts Unpaid	N/A	N/A	N/A	N/A	N/A	N/A
*Taxation Equivalent Payments	106	106	NIL	NIL	1	46
*Debt Guarantee Fee	NIL	NIL	NIL	NIL	NIL	NIL
*Corporate Taxation Equivalent	376	368	NIL	NIL	NIL	NIL
*Dividend Payment	1,336	NIL	NIL	NIL	NIL	NIL
*Equity Contribution	NIL	1,439	135	69	34	119
*Council subsidy	NIL	NIL	NIL	NIL	NIL	NIL
Closing Retained Profits	13,973	14,097	-166	-166	1,183	1,183
RETURN ON CAPITAL (%)	N/A	N/A	N/A	N/A	N/A	N/A
SUBSIDY FROM COUNCIL	NIL	NIL	135	69	35	165

MOSMAN MUNICIPAL COUNCIL
STATEMENT OF FINANCIAL POSITION BY BUSINESS ACTIVITIES
As at 30 June 2001

Specify each Business Activity and Category:	2001 - \$'000					
	Business Activities					
	Commercial Property Management		Development Approvals		Core Group (Private Works) Activities	
	2001	2000	2001	2000	2001	2000
CURRENT ASSETS						
Cash on hand and at bank	NIL	NIL	NIL	NIL	NIL	NIL
Investments	NIL	NIL	NIL	NIL	NIL	NIL
Receivables	NIL	91	NIL	NIL	NIL	NIL
Inventories	NIL	NIL	NIL	NIL	NIL	NIL
Other	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL CURRENT ASSETS	NIL	91	NIL	NIL	NIL	NIL
NON CURRENT ASSETS						
Cash Assets	NIL	NIL	NIL	NIL	NIL	NIL
Investment Securities	NIL	NIL	NIL	NIL	NIL	NIL
Receivables	NIL	NIL	NIL	NIL	NIL	NIL
Inventories	NIL	NIL	NIL	NIL	90	NIL
Other	NIL	NIL	NIL	NIL	NIL	NIL
Property, Plant & Equipment	13,973	14,097	NIL	NIL	1,369	1,403
TOTAL NON CURRENT ASSETS	13,973	14,097	NIL	NIL	1,459	1,403
TOTAL ASSETS	13,973	14,188	NIL	NIL	1,459	1,403
CURRENT LIABILITIES						
Payables	NIL	91	80	66	171	111
Interest bearing liabilities	NIL	NIL	NIL	NIL	NIL	NIL
Provisions	NIL	NIL	80	45	30	28
TOTAL CURRENT LIABILITIES	NIL	91	160	111	201	139
NON CURRENT LIABILITIES						
Payables	NIL	NIL	NIL	NIL	NIL	NIL
Interest bearing liabilities	NIL	NIL	NIL	NIL	NIL	NIL
Provisions	NIL	NIL	6	55	75	81
TOTAL NON-CURRENT LIABILITIES	NIL	NIL	6	55	75	81
TOTAL LIABILITIES	NIL	91	166	166	276	220
NET ASSETS	13,973	14,097	-166	-166	1,183	1,183
EQUITY						
Accumulated Surplus	13,973	14,097	-166	-166	1,183	1,183
Asset Revaluation Reserve	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL EQUITY	13,973	14,097	-166	-166	1,183	1,183

NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS

Note 1



Refer Section 10.

A statement summarising the supplemental accounting policies adopted in the preparation of the SPFR for National Competition Policy reporting purposes follows.

These financial statements are a Special Purpose Financial Report (SPFR) prepared for use by the Council and Department of Local Government. For the purposes of these statements, the council is not a reporting entity.

The statements have been prepared in accordance with the requirements of the following applicable Accounting Standards and other mandatory professional reporting requirements:

- AAS1 Profit and Loss or other Operating Statements
- AAS2 Inventories
- AAS4 Depreciation
- AAS5 Materiality
- AAS8 Events Occurring after Balance Date
- SAC1 Definition of a Reporting Entity

No other applicable Accounting Standards or mandatory professional reporting requirements have been applied.

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

National Competition Policy

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

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

Declared Business Activities

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

Category 1

Name	Brief Description of Activity
N/A	

Category 2

Name	Brief Description of Activity
Commercial Property Management	Property Rental Portfolio
Development Approvals	Local Development Management
Core Group(Private Works)	Private Works

(i) Taxation Equivalent Payments

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Report) just like all other costs. However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFR. For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

	Notional Rate Applied %
Corporate Tax Rate	34
Land Tax	1.7
Stamp Duty	N/A
Payroll Tax	N/A
Other Taxes or Charges	N/A

Income Tax

An income tax equivalent has been applied on the profits of the business. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (Operating Result before Capital Amounts) as would be applied by a private sector competitor - that is, it should include a provision equivalent to the corporate income tax rate, currently 34%.

Income Tax is only applied where a positive Operating Result before Capital Amounts has been achieved. Since the taxation equivalent is notional, that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council.

(ii) Subsidies

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

(iii) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities. Consequently, any form of dividend payment is purely notional. Dividend payments to council are also restricted to those activities which do not levy special rates or charges (water, sewer, domestic waste management).

Council operates the following restricted activities, Domestic Waste Management (DWM). The Local Government Act 1993 requires that all operating surpluses or deficits of these funds are credited/debited to the equity of those funds.

DECLARED BUSINESS ACTIVITIES

Commercial Property Management

Takes into account Council's Commercial Property Portfolio and includes properties such as Mosman Square and Library Walk shops, Boronia House & Library Walk flats & Balmoral Bathers Pavilion.

Employee costs are broken down between Corporate Services administration staff and property managers.

Depreciation costs are those attributable to Council properties from Council's assets register.

All leave entitlements for this category have been fully expensed and paid to Mosman Council during the year.

The relevant Taxation Equivalent payment for this category is land tax.

Development Approvals

Takes into account the development approvals process within Council.

Employee costs are representative of those staff directly involved in the service. Other operating expenses includes rental, utility costs and a percentage of other operating expenses from Note 4 in the General Purpose Financial Reports.

No Depreciation expenses are attributable as the service is deemed to rent the office area concerned from Council.

Core Group (Private Works) Activities

Represents Council's core outdoor staff and the various contracts undertaken by the group during the financial year.

Depreciation expenses are attributable to Council's Depot & various plant items.

The relevant Taxation Equivalent payment for this category is land tax.

MOSMAN COUNCIL

SPECIAL SCHEDULE NO 1 NET COST OF SERVICES for the year ended 30th June 2001

\$'000

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES		NET COST OF SERVICES	
	Expenses	Group Totals	Revenues - Ord. Activities	Capital Rev. Ord. Activities	Group Totals	Net Cost Group Totals
GOVERNANCE	711					711
ADMINISTRATION		711			0	711
Corporate Support	4,604		228			4,376
Engineering & Works	306		111			195
Other Support Services	347		103			244
PUBLIC ORDER & SAFETY		5,257			442	4,815
Statutory Contribution - Fire Service Levy	517					517
Fire Protection - Other						0
Animal Control	67		53			14
Beach Control	9		17			-8
Enforcement of Local Govt Regulations	378		17			361
Emergency Services	28					28
Other	175		50			125
HEALTH		1,174			137	1,037
Administration & Inspection	71					71
Immunisations	8		6			2
Food Control	22		17			5
Insect/Vermin Control						0
Noxious Plants						0
Health Centres	10					10
Other	6		2			4
COMMUNITY SERVICES & EDUCATION		117			25	92
Administration	375					375
Family Day Care	150		131			19
Child Care	205		418	25		-238
Youth Services	191		13	6		172
Other Families & Children	20					20
Aged & Disabled	531		395			136
Migrant Services						0
Aboriginal Services						0
Other Community Services	50					50
Education						0
HOUSING & COMMUNITY AMENITIES		1,522			988	534
Housing			5			-5
Town Planning	721		728			-7
Domestic Waste Management	2,138		2,886			-748
Other Waste Management	625		35			590
Street Cleaning	644					644
Other Sanitation & Garbage	360		496			-136
Urban Stormwater Drainage	388		3	595		-210
Environmental Protection	482		3	348		131
Public Cemeteries						0
Public Conveniences	156		1			155
Other Community Amenities	302					302
		5,816			5,100	716

MOSMAN COUNCIL

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

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES			NET COST OF SERVICES	
	Expenses	Group Totals	Revenues - Ord. Activities	Capital Rev. Ord. Activities	Group Totals	Net Cost	Group Totals
WATER SUPPLIES						0	
		0			0		0
SEWERAGE SERVICES						0	
		0			0		0
RECREATION & CULTURE							
Public Libraries	1,353		134	46		1,173	
Museums						0	
Art Galleries	126		89			37	
Community Centres	116		49			67	
Public Halls						0	
Other Cultural Services	444		75	34		335	
Swimming Pools	26					26	
Sporting Grounds	298		65			233	
Parks & Gardens, Lakes	532		160	57		315	
Other Sport & Recreation						0	
		2,895			709		2,186
FUEL & ENERGY							
Gas Supplies						0	
		0			0		0
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	683		275			408	
Abattoirs						0	
Quarries & Pits						0	
Other						0	
		683			275		408
TRANSPORT & COMMUNICATION							
Urban Roads: Local	1,305		341	65		899	
Urban Roads: Regional						0	
Sealed Rural Roads: Local						0	
Sealed Rural Roads: Regional						0	
Unsealed Rural Roads: Local						0	
Unsealed Rural Roads: Regional						0	
Bridges - Urban Roads: Local						0	
Bridges - Urban Roads: Regional						0	
Bridges - Sealed Rural Roads: Local						0	
Bridges - Sealed Rural Roads: Regional						0	
Bridges - Unsealed Rural Roads: Local						0	
Bridges - Unsealed Rural Roads: Regional						0	
Footpaths	190		54			136	
Aerodromes						0	
Parking Areas	430		946	194		-710	
Bus Shelters & Services	40					40	
Water Transport						0	
RTA Works - State Roads	19		19			0	
Street Lighting	283		55			228	
Other	731					731	
		2,998			1,674		1,324

MOSMAN COUNCIL

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

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES			NET COST OF SERVICES	
	Expenses	Group Totals	Revenues - Ord. Activities	Capital Rev. Ord. Activities	Group Totals	Net Cost	Group Totals
ECONOMIC AFFAIRS							
Camping Areas						0	
Caravan Parks						0	
Tourism & Area Promotion	113		9			104	
Industrial Development Promotion						0	
Saleyards & Markets						0	
Real Estate Development						0	
Commercial Nurseries						0	
Other Business Undertakings	211		1,500			-1,289	
		324			1,509		-1,185
TOTALS - FUNCTIONS		21,497			10,859		10,638
General Purpose Revenues			10,861			10,861	
Joint Ventures/Associated Entities			36			36	
Correction of Fundamental Error						0	
		0			10,897		10,897
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES BEFORE EXTRAORDINARY ITEMS							259
Extraordinary Items							
SURPLUS (DEFICIT) FROM ALL ACTIVITIES							259

MOSMAN COUNCIL

SPECIAL SCHEDULE NO 2 (1)

STATEMENT OF LONG TERM DEBT (ALL PURPOSE)

for the year ended 30th June 2001

\$'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			0								0
Treasury Corporation			0								0
Other State Government			0								0
Public Subscription			0								0
Financial Institutions	291	2,171	2,462	880	291			161	349	2,702	3,051
Other			0								0
Total Loans	291	2,171	2,462	880	291	0	0	161	349	2,702	3,051
OTHER LONG TERM DEBT											
Ratepayers' Advances	0	0	0						0	0	0
Government Advances	0	0	0						0	0	0
Finance Leases	0	0	0						0	0	0
Deferred Payment	130	1,690	1,820		130				130	1,560	1,690
Other	0	0	0						0	0	0
Total Other Long Term Debt	130	1,690	1,820	0	130	0	0	0	130	1,560	1,690
TOTAL LONG TERM DEBT	421	3,861	4,282	880	421	0	0	161	479	4,262	4,741

This Schedule excludes Internal Loans and refinancing of existing borrowings.

MOSMAN COUNCIL

SPECIAL SCHEDULE NO 2 (2) STATEMENT OF INTERNAL LOANS for the year ended 30th June 2001

\$'000

SUMMARY OF INTERNAL LOANS

Borrower (by purpose)	Amount Originally Raised	Total Repaid During Year Principal & Interest	Principal Outstanding at End of Year
General			
Water			
Sewerage			
Domestic Waste Management			
Gas			
Other			
Totals	0	0	0

The above summary of internal loans represents the total of Council's internal loans categorised according to the purpose of the borrower.
Details of individual internal loans are set out below.

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Maturity Date	Rate of Interest	Amount Originally Raised	Paid During Year - Princ and Interest	Principal Outstanding End of Year
Totals							0	0	0

MOSMAN COUNCIL
SPECIAL SCHEDULE NO 7
CONDITION OF PUBLIC WORKS
as at 30 June 2001

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
	<i>References</i>	<i>Note 9</i>	<i>Note 4</i>			<i>Note 9</i>		<i>Local</i>	<i>Govt. Act 1993, Section 428 (2d)</i>		
Public Buildings	Council Offices	1%	105	7,649		497	7,152	2		200	200
	Works Depot	1%	9	921		56	865	2		8	8
	Halls						0				
	Houses	1%	13	1,220		71	1,149	3		4	4
	Museum						0				
	Library	1%	35	3,393		189	3,204	2		83	83
	Childcare Centres	1%	5	512		79	433	3		54	54
	Art Gallery	1%	33	3,307		147	3,160	1		40	40
	Amenities/Toilets	2%	13	635		64	571	3		89	89
	Bus Shelters	5%	8	155		45	110	3		12	12
	Others	1%	207	19,060		887	18,173	3		199	199
	Subtotal		428	36,652	0	2,035	34,817		0	478	478
Public Roads	Sealed Roads						0				
	Sealed Roads Structure	1%	1,120	130,865		35,470	95,395	4	3,300	900	841
	Unsealed Roads						0				
	Bridges						0				
	Footpaths	1%	117	13,083		1,393	11,690	5	5,000	500	325
	Cycleways	1%	117	12,653		1,097	11,556	3		65	65
	Kerb & Gutter	20%	3	89		17	72	3		11	11
	Road Furniture										
	Subtotal		1,357	156,690	0	37,977	118,713		8300	1476	1242

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

MOSMAN COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30 June 2001

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
Water	References	Note 9	Note 4	'000	'000	'000	'000		Local/ Govt. Act 1993, Section 428 (2d)	'000	'000
	Treatment Plants										
	Water Connections										
	Bores										
	Reservoirs										
	Dams										
	Hydrants										
	Stop Valves										
	Pipelines										
	Pump Stations										
Subtotal			0	0	0	0	0		0	0	0
Sewerage	Pump Stations										
	Pipelines										
	Manholes										
	Air Vent Stacks										
Drainage Works	Treatment Works										
	Connections										
	Subtotal		0	0	0	0	0		0	0	0
	Retarding Basins										
	Gully Pits	1%	160	31,500		15,650	15,850	4		39	39
	HW Inlets	1%	8	1,700		932	768	4		39	39
	HW Outlets	1%	52	7,400		2,213	5,187	4		39	39
	Junction Pits	1%	10	2,500		1,539	961	4		39	39
	SWater Devices	1%	17	2,064		41	2,023	2		50	50
	Outfalls										
	Conduits										
	Inlet & Junction Pits										
	Head Walls										
	Outfall Structures										
Subtotal			247	45,164	0	20,375	24,789		0	206	206
Total Classes - All Assets			2,032	238,706	0	60,387	178,319		8,300	2,160	1,926

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

MOSMAN COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30 June 2001

"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. Proposed or potential enhancements to the existing asset have been ignored. 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.

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 |