

CITY OF GOSNELLS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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CITY OF GOSNELLS

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Gosnells being the annual financial report and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the City of Gosnells at 30th June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the *13th* day of *October* 2009.



Ian Cowie
Chief Executive Officer

**CITY OF GOSNELLS
INCOME STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	23	39,313,175	38,942,471	35,029,491
Operating Grants, Subsidies, Contributions, Reimbursements and Donations	29	6,197,349	4,334,315	5,360,199
Fees and Charges	28	13,308,717	12,707,683	12,482,438
Interest Earnings	2(a)	3,201,078	3,183,491	2,171,824
Other Revenue		163,496	75,000	307,133
		<u>62,183,815</u>	<u>59,242,960</u>	<u>55,351,085</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(23,384,161)	(24,195,234)	(23,190,687)
Materials and Contracts		(16,084,667)	(18,239,248)	(12,803,353)
Utility Charges		(2,798,445)	(2,596,451)	(2,614,422)
Amortisation	2(a)	(103,517)	(161,000)	(137,430)
Depreciation on Non-Current Assets	2(a)	(13,486,837)	(13,054,427)	(13,345,855)
Interest Expenses	2(a)	(1,227,218)	(2,670,000)	(465,839)
Insurance Expenses		(1,009,246)	(1,185,576)	(1,382,260)
Other Expenditure		(5,493,512)	(520,700)	(1,815,554)
		<u>(63,587,603)</u>	<u>(62,622,636)</u>	<u>(55,755,400)</u>
		(1,403,788)	(3,379,676)	(404,315)
Non Operating Grants, Subsidies and Contributions	29	12,649,786	12,844,657	11,302,099
Fair value adjustments to financial assets at fair value through profit or loss		374,325	0	264,384
Profit on Asset Disposals	21	1,276,806	4,452,296	241,974
Loss on Asset Disposals	21	<u>(650,659)</u>	<u>(394,048)</u>	<u>(2,955,513)</u>
NET RESULT		<u>12,246,470</u>	<u>13,523,229</u>	<u>8,448,629</u>

This statement is to be read in conjunction with the accompanying notes.

**CITY OF GOSNELLS
INCOME STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES				
Governance		51,280	50,100	58,581
General Purpose Funding		47,376,000	45,344,959	40,841,633
Law, Order, Public Safety		393,503	424,534	364,531
Health		153,956	99,970	119,379
Education and Welfare		813,968	860,019	883,223
Community Amenities		11,575,724	10,847,250	14,663,968
Recreation and Culture		4,579,110	6,760,163	3,033,108
Transport		8,105,158	10,050,888	3,958,494
Economic Services		2,608,308	1,759,188	2,638,555
Other Property and Services		827,725	342,842	598,070
		<u>76,484,732</u>	<u>76,539,913</u>	<u>67,159,542</u>
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Governance		(3,666,689)	(3,578,973)	(3,473,289)
General Purpose Funding		(1,036,490)	(1,015,590)	(1,010,840)
Law, Order, Public Safety		(1,807,524)	(1,885,220)	(1,623,341)
Health		(1,053,513)	(1,214,024)	(1,091,867)
Education and Welfare		(2,640,304)	(3,001,032)	(2,652,215)
Community Amenities		(15,073,185)	(11,882,360)	(9,968,576)
Recreation & Culture		(19,327,121)	(19,077,125)	(18,864,060)
Transport		(15,582,651)	(14,733,583)	(13,993,866)
Economic Services		(2,775,451)	(3,301,228)	(2,487,661)
Other Property and Services		(48,116)	(657,549)	(3,079,359)
		<u>(63,011,044)</u>	<u>(60,346,684)</u>	<u>(58,245,074)</u>
BORROWING COSTS EXPENSE				
Recreation and Culture		(568,730)	(1,170,000)	(398,898)
Other Property and Services		(658,488)	(1,500,000)	(66,941)
		<u>(1,227,218)</u>	<u>(2,670,000)</u>	<u>(465,839)</u>
NET RESULT		<u>12,246,470</u>	<u>13,523,229</u>	<u>8,448,629</u>

This statement is to be read in conjunction with the accompanying notes.

**CITY OF GOSNELLS
BALANCE SHEET
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	53,502,614	22,664,481
Investments	4	5,082,644	28,995,254
Trade and Other Receivables	5	3,043,835	2,657,106
Inventories	6	331,617	341,099
TOTAL CURRENT ASSETS		<u>61,960,710</u>	<u>54,657,940</u>
NON-CURRENT ASSETS			
Other Receivables	5	816,589	762,104
Inventories	6	4,743,354	3,341,195
Property, Plant and Equipment	7	283,535,345	269,306,701
Infrastructure	8	214,310,689	212,415,964
TOTAL NON-CURRENT ASSETS		<u>503,405,977</u>	<u>485,825,964</u>
TOTAL ASSETS		<u>565,366,687</u>	<u>540,483,904</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	3,686,534	5,107,097
Current Portion of Long Term Borrowings	10	20,969,313	6,500,000
Provisions	11	3,919,684	4,131,863
TOTAL CURRENT LIABILITIES		<u>28,575,531</u>	<u>15,738,960</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	5,700,000	6,000,000
Provisions	11	414,187	314,445
TOTAL NON-CURRENT LIABILITIES		<u>6,114,187</u>	<u>6,314,445</u>
TOTAL LIABILITIES		<u>34,689,718</u>	<u>22,053,405</u>
NET ASSETS		<u>530,676,969</u>	<u>518,430,499</u>
EQUITY			
Retained Surplus		271,967,851	258,901,342
Reserves - Cash/Investment Backed	12	35,002,934	35,822,973
Reserves - Asset Revaluation	13	223,706,184	223,706,184
TOTAL EQUITY		<u>530,676,969</u>	<u>518,430,499</u>

This statement is to be read in conjunction with the accompanying notes.

**CITY OF GOSNELLS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
RETAINED SURPLUS			
Balance as at 1 July 2008		258,901,342	256,592,732
Net Result		12,246,470	8,448,629
Transfer from/(to) Reserves		820,039	(6,140,019)
Balance as at 30 June 2009		<u>271,967,851</u>	<u>258,901,342</u>
RESERVES - CASH/INVESTMENT BACKED			
Balance as at 1 July 2008		35,822,973	29,682,954
Amount Transferred (to)/from Retained Surplus		(820,039)	6,140,019
Balance as at 30 June 2009	12	<u>35,002,934</u>	<u>35,822,973</u>
RESERVES - ASSET REVALUATION			
Balance as at 1 July 2008		223,706,184	86,422,244
Revaluation Increment		0	137,283,940
Revaluation Decrement		0	0
Balance as at 30 June 2009	13	<u>223,706,184</u>	<u>223,706,184</u>
TOTAL EQUITY		<u><u>530,676,969</u></u>	<u><u>518,430,499</u></u>

This statement is to be read in conjunction with the accompanying notes.

CITY OF GOSNELLS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		39,086,943	38,977,325	34,286,077
Grants and Subsidies - Operating		5,382,068	3,876,262	4,835,176
Contributions, Reimbursements & Donations		815,281	177,319	730,326
Fees and Charges		13,165,728	12,362,679	12,722,870
Interest Earnings		3,201,078	3,066,940	1,901,667
Goods and Services Tax		4,233,977	4,449,585	3,116,981
Other Revenue		163,496	75,000	307,133
		<u>66,048,571</u>	<u>62,985,110</u>	<u>57,900,230</u>
Payments				
Employee Costs		(23,212,781)	(24,164,759)	(22,777,110)
Materials and Contracts		(17,966,898)	(17,757,431)	(11,637,591)
Utility Charges		(2,798,445)	(2,596,451)	(2,718,000)
Insurance Expenses		(1,009,246)	(1,185,576)	(1,382,260)
Interest Expenses		(993,468)	(2,460,339)	(507,836)
Goods and Services Tax		(4,352,387)	(4,488,505)	(3,270,967)
Other Expenditure		(5,493,512)	(520,700)	(1,790,839)
		<u>(55,826,737)</u>	<u>(53,173,761)</u>	<u>(44,084,603)</u>
Net Cash Provided By (Used In)				
Operating Activities	14(b)	<u>10,221,834</u>	<u>9,811,349</u>	<u>13,815,627</u>
Cash Flows from Investing Activities				
Payments for Development of				
Land Held for Resale		(2,432,438)	0	(1,735,914)
Payments for Purchase of				
Property, Plant & Equipment		(19,813,383)	(40,531,639)	(9,868,235)
Payments for Construction of				
Infrastructure		(12,109,483)	(31,675,332)	(13,879,519)
Payments for Purchase of Investments		0	0	(10,000,000)
Grants/Contributions for				
the Development of Assets		12,649,786	12,844,657	11,302,099
Proceeds from Sale of Property,				
Plant & Equipment		1,831,862	8,249,500	1,258,273
Proceeds from Sale Land Held for Resale		2,033,707	0	0
Proceeds from Sale of Investments		24,286,935	0	25,107,320
		<u>6,446,986</u>	<u>(51,112,814)</u>	<u>2,184,024</u>
Net Cash Provided By (Used In)				
Investing Activities		<u>6,446,986</u>	<u>(51,112,814)</u>	<u>2,184,024</u>
Cash Flows from Financing Activities				
Repayment of Debentures		(7,000,000)	(5,385,000)	(6,500,000)
Movements in Bonds and Retention		0	0	0
Proceeds from New Debentures		21,169,313	30,640,000	12,500,000
		<u>14,169,313</u>	<u>25,255,000</u>	<u>6,000,000</u>
Net Cash Provided By (Used In)				
Financing Activities		<u>14,169,313</u>	<u>25,255,000</u>	<u>6,000,000</u>
Net Increase (Decrease) in Cash Held		30,838,133	(16,046,465)	21,999,651
Cash at Beginning of Year		22,664,481	55,247,567	664,830
Cash and Cash Equivalents				
at the End of the Year	14(a)	<u><u>53,502,614</u></u>	<u><u>39,201,102</u></u>	<u><u>22,664,481</u></u>

This statement is to be read in conjunction with the accompanying notes.

**CITY OF GOSNELLS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$
REVENUES			
Governance		51,280	50,100
General Purpose Funding		8,062,825	6,402,488
Law, Order, Public Safety		382,803	424,534
Health		153,956	99,970
Education and Welfare		811,868	860,019
Community Amenities		7,967,300	8,147,250
Recreation and Culture		3,420,990	6,329,597
Transport		463,335	386,796
Economic Services		2,608,308	1,759,190
Other Property and Services		599,106	292,841
		<u>24,521,771</u>	<u>24,752,785</u>
EXPENSES			
Governance		(3,666,689)	(1,015,590)
General Purpose Funding		(1,036,490)	(3,578,973)
Law, Order, Public Safety		(1,807,524)	(1,885,220)
Health		(1,053,513)	(1,214,024)
Education and Welfare		(2,640,304)	(3,001,032)
Community Amenities		(15,073,185)	(11,882,360)
Recreation & Culture		(19,895,850)	(20,247,125)
Transport		(15,582,651)	(14,733,584)
Economic Services		(2,775,451)	(3,301,228)
Other Property and Services		(706,605)	(2,157,548)
		<u>(64,238,262)</u>	<u>(63,016,684)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals		(626,147)	(4,058,248)
Depreciation and Amortisation on Assets		13,590,354	13,215,427
Capital Expenditure and Revenue			
Purchase Land Held for Resale		(2,432,438)	0
Purchase Land and Buildings		(15,355,669)	(34,645,410)
Purchase Infrastructure Assets		(12,109,483)	(31,675,332)
Purchase Plant and Equipment		(3,878,558)	(4,536,820)
Purchase Furniture and Equipment		(579,156)	(1,349,409)
Proceeds from Disposal of Assets		3,865,568	8,249,500
Repayment of Debentures		(7,000,000)	(5,385,000)
Proceeds from New Debentures		21,169,313	30,640,000
Contributions/Grants for the construction of Assets		12,649,786	12,844,657
Fair value adjustment to financial assets at fair value through profit or loss		374,325	0
Change in Other Non-Current Assets		(54,485)	0
Change in Non Current Liabilities		99,742	0
Transfers to Reserves (Restricted Assets)		(8,915,074)	(7,219,720)
Transfers from Reserves (Restricted Assets)		9,735,113	10,528,504
ADD Surplus/(Deficit) July 1 B/Fwd		9,596,008	13,113,279
LESS Surplus/(Deficit) June 30 C/Fwd		19,351,558	400,000
Amount Required to be Raised from Rates	23	<u><u>(39,313,175)</u></u>	<u><u>(38,942,471)</u></u>

This statement is to be read in conjunction with the accompanying notes.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 20 to this financial report.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Balance Sheet are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the balance sheet.

(e) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intention to release for sale.

(g) Fixed Assets

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
IT Equipment	3 to 5 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	20 to 30 years
original surfacing and	
major re-surfacing	
- bituminous seals	30 years
- asphalt surfaces	30 years
Footpaths	40 years
Bridges	50 years
Drains	50 years
Park Development	20 years
Play Equipment	5 years

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Recognition and derecognition

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

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Subsequent measurement

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

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

Impairment

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

(j) Estimation of Fair Value

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Long Service Leave (Long-term Benefits)

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

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

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

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

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(q) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Balance Sheet and Income Statement. Information about the joint venture is set out in Note 17.

(r) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions 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 and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Current and Non-Current Classification

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

(u) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(v) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(w) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2009

Council's assessment of these new standards and interpretations is set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii) Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council. It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v) AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi) AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued) AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2007	1 January 2009	

**CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) New Accounting Standards and Interpretations (Continued)

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

Notes:

(*) - Applicable to reporting periods commencing on or after the given date.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES	2009	2008
	\$	\$
(a) Result from Ordinary Activities		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Significant Expense	Nil	Nil
Amortisation		
Intangible Assets	(103,517)	(137,430)
Auditors Remuneration		
Previous Auditors		
- Audit	(10,450)	(13,860)
Current Auditors		
- Audit	(14,000)	0
- Other Services	(7,910)	0
Depreciation		
Buildings	(1,453,217)	(1,819,092)
Furniture and Equipment	(535,280)	(539,718)
Plant and Equipment	(1,419,377)	(1,403,774)
Roads & Footpaths	(7,317,523)	(6,834,511)
Bridges	(172,386)	(171,446)
Drainage	(905,879)	(879,470)
Parks Development	(1,683,175)	(1,697,844)
	<u>(13,486,837)</u>	<u>(13,345,855)</u>
Interest Expenses		
Debentures (<i>refer Note 22(a)</i>)	(1,227,218)	(465,839)
	<u>(1,227,218)</u>	<u>(465,839)</u>
Rental Charges		
- Operating Leases	(61,884)	(52,878)
	<u>(61,884)</u>	<u>(52,878)</u>
(ii) Crediting as Revenue:	2009	2009
	\$	Budget
		\$
Significant Revenue		
General Purpose Funding	374,325	0
		264,384
This significant revenue relates to the increase in the fair value of the Council's investments. (<i>refer note 4</i>)		
Interest Earnings		
Investments		
- Reserve Funds	1,488,863	1,689,309
- Other Funds	1,248,938	1,097,427
Other Interest Revenue (<i>refer note 27</i>)	463,277	323,069
	<u>3,201,078</u>	<u>3,183,491</u>
		<u>2,171,824</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

The City of Gosnells is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

GOVERNANCE

Administration and operation of facilities and services to members of Council and other costs relating to assistance to member.

GENERAL PURPOSE FUNDING

Rates, government grants and interest revenue, collection and administration.

LAW, ORDER, PUBLIC SAFETY

Supervision of by-laws, fire prevention, emergency services and animal control.

HEALTH

Enforcement of food quality standards, pest control, immunisation and child health services.

EDUCATION AND WELFARE

Operation of senior citizen and day care centre, pre-school, playgroup assistance and other.

COMMUNITY AMENITIES

Rubbish collection and recycling programmes, tip operation, noise control, town planning, storm drainage maintenance.

RECREATION AND CULTURE

Ensure availability of halls, aquatic centre, recreation and sport grounds and libraries.

TRANSPORT

Construction and maintenance of roads and bridges and street lighting and cleaning.

ECONOMIC SERVICES

Promotion of tourism and development within the area together with regulation of building.

OTHER PROPERTY & SERVICES

Private works operation, plant repairs and general operations costs.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions	\$	\$
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Break Dance - Office of Crime Prevention		2,090
Bridge 928 - Station St Gosnells - DOTARS		60,000
Bridge 937 - Austin Ave Kenwick - DOTARS		60,000
Bridge 938 - Davison St Maddington - DOTARS		60,000
Bush Fire Brigade 2005/06 Surplus - Bush Fire Brigade		28,479
Community Safety Program - Office of Crime Prevention		12,600
FESA 2005/06 Surplus - Fire and Emergency Service		13,242
Home Safety Audit Program - Office of Crime Prevention		5,000
Home Safety Audit Program - SGIO		5,000
Keeping Kids Out of Crime - Office of Crime Prevention		20,000
Interest on Harmony Fields Loan		382,480
Parent Workshop - Department of Community Development		5,862
Parent Workshop - Department of Community Development		5,000
Roadwise - Roadwise		5,000
Safer Seniors Program - Rotary Club Kenwick		1,000
SafetyLynx Program - Attorney General Department		718
SafetyLynx Program - Office of Crime Prevention		5,109
Switch Your Thinking - Admin - SEDO		4,000
Switch Your Thinking Rebate Scheme - Solahart		2,000
Traffic Function of Mills Road - DPI, MRWA		30,000
Travelsmart - Travelsmart		7,993
Travelsmart - Travelsmart		20,833
Work for the Dole - Office of Crime Prevention		750
Tom Bateman Reserve Pavilion DSR (Recreation and Culture)	363,008	
Tonkin Hwy/Gosnells Rd West Intersection MRWA (Transport)	9,091	
Spencer Road/Roe Highway Embankments MRWA (Transport)	20,269	
Southern River Rd - Install Lighting MRWA (Transport)	32,000	
Dorothy St/Lissiman St - Splitter Island MRWA (Transport)	15,566	
Olga Rd/Attfield St - Traffic Signals MRWA (Transport)	39,025	
Ranford Rd/Campbell Rd Traffic Lights MRWA (Transport)	95,173	
Nicholson Rd / Amherst Rd MRWA (Transport)	30,602	
Nicholson Rd - Birnam Rd to Hughes St MRWA (Transport)	128,864	
Upgrade lighting Nicholson Rd Yale Rd MRWA (Transport)	13,600	
Upgrade lighting Corfield St Dorothy St MRWA (Transport)	2,400	
Upgrade lighting Wanaping Rd Brixton St MRWA (Transport)	6,000	
Upgrade lighting Kelvin Rd Maddington Rd MRWA (Transport)	6,000	
Upgrade lighting Fremantle Rd Corfield St MRWA (Transport)	12,000	
Traffic Signals Dorothy St Wheatley St MRWA (Transport)	88,786	
Upgrade lighting Burslem Dr Attfield St MRWA (Transport)	4,000	
Safety Barrier, Speed Signs Mills Rd (E) MRWA (Transport)	193,513	
L Turn Slip Lane Nicholson Rd Spencer Rd MRWA (Transport)	46,603	
Med Islands & Bus Embayment Spencer Rd MRWA (Transport)	66,751	
L & R Turn Lane Spencer Rd Berehaven Ave MRWA (Transport)	48,000	
Bridge 925 - Nicholson Road Langford WALGA (Transport)	22,909	
Connemara Drive - Spencer/Camberley MRWA (Transport)	58,496	
Bickley and Brook Rd MRWA (Transport)	4,000	
Maddington Rd at Alcock St MRWA (Transport)	20,800	

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions (Continued)	\$	\$
Maddington Rd at Eva St MRWA (Transport)	20,142	
Forest Lakes Drive - Ovens/Towncentre MRWA (Transport)	39,888	
Spencer Rd - Yale/Thornlie MRWA (Transport)	26,400	
Anaconda Dv, Corfield-Chamberlain MRWA (Transport)	9,000	
Kelvin Rd - Westfield St to Weston St MRWA (Transport)	26,400	
Maddington Rd - Kelvin Rd to Alcock St MRWA (Transport)	44,000	
Royal St - Kenwick Link to Albany Hway MRWA (Transport)	30,400	
Pioneer Park - DUP DPI (Transport)	43,000	
Inclusive Recreation Service General DSC (Education and Welfare)	5,132	
Inclusive Recreation Service Littlies DSC (Education and Welfare)	1,591	
Inclusive Recreation Service Sibs DSC (Education and Welfare)	1,102	
Take A Break Holiday Program Dept of Health (Education and Welfare)	36,065	
Take a Break Carers Retreats Dept of Health (Education and Welfare)	15,302	
Take a Break Awesome Fun Club Dept of Health (Education and Welfare)	1,150	
Youth Health Expo Lotterywest (Education and Welfare)	869	
Club Development DSR (Recreation and Culture)	18,405	
Maddington Village DPI (Economic Services)	172,064	
Improving Connectivity Mad/Ken DPI (Economic Services)	395	
Early Childhood Education and Family Support DPI (Economic Services)	8,954	
Co-ordination of Education and Training DPI (Economic Services)	1,457	
Business Development Program DPI (Economic Services)	58,141	
Heritage Program DPI (Economic Services)	651	
STR8 Talking Project Attorney General (Economic Services)	197,202	
Switched on Business DIISR (Economic Services)	55,131	
Environmental Management SRT (Community Amenities)	1,325	
Switched on Business DIISR (Economic Services)	5,000	
Break Dance - Office of Crime Prevention	276	
Parent Workshop - Department of Community Development	616	
Traffic Function of Mills Road - DPI, MRWA	30,000	
Work for the Dole - Office of Crime Prevention	750	
Switch Your Thinking Rebate Scheme - Solahart	2,000	
Bridge 928 - Station St Gosnells - DOTARS	60,000	
Bridge 937 - Austin Ave Kenwick - DOTARS	60,000	
Bridge 938 - Davison St Maddington - DOTARS	60,000	
Roadwise - Roadwise	5,000	
Home Safety Audit Program - Office of Crime Prevention	237	
Home Safety Audit Program - SGIO	3,843	
Keeping Kids Out of Crime - Office of Crime Prevention	10,000	
SafetyLynx Program - Attorney General	264	
SafetyLynx Program - Office of Crime Prevention	853	
Travelsmart - Travelsmart	7,003	
Travelsmart - Travelsmart	20,833	
Rotary Club of Kenwick	549	
	2,408,846	737,156

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions (Continued)	\$	\$
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.		
Tom Bateman Reserve Pavilion DSR (Recreation and Culture)		363,008
Tonkin Highway/Gosnells Road West Intersection MRWA (Transport)		9,091
Spencer Road/Roe Highway Embankments MRWA (Transport)		20,269
Southern River Rd - Install Lighting MRWA (Transport)		32,000
Dorothy St/Lissiman St - Splitter Island MRWA (Transport)		15,566
Olga Rd/Attfield St - Traffic Signals MRWA (Transport)		39,025
Ranford Rd/Campbell Rd Traffic Lights MRWA (Transport)		95,173
Nicholson Rd / Amherst Rd MRWA (Transport)		30,602
Nicholson Rd - Birnam Rd to Hughes St MRWA (Transport)		128,864
Upgrade lighting Nicholson Rd Yale Rd MRWA (Transport)		13,600
Upgrade lighting Corfield St Dorothy St MRWA (Transport)		2,400
Upgrade lighting Wanaping Rd Brixton St MRWA (Transport)		6,000
Upgrade lighting Kelvin Rd Maddington Rd MRWA (Transport)		6,000
Upgrade lighting Fremantle Rd Corfield St MRWA (Transport)		12,000
Traffic Signals Dorothy St Wheatley St MRWA (Transport)		88,786
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Safety Barrier, Speed Signs Mills Rd (E) MRWA (Transport)		193,513
L Turn Slip Lane Nicholson Rd Spencer Rd MRWA (Transport)		46,603
Med Islands & Bus Embayment Spencer Rd MRWA (Transport)		66,751
L & R Turn Lane Spencer Rd Berehaven Ave MRWA (Transport)		48,000
Bridge 925 - Nicholson Road Langford WALGA (Transport)		22,909
Connemara Drive - Spencer/Camberley MRWA (Transport)		58,496
Bickley and Brook Rd MRWA (Transport)		4,000
Maddington Rd at Alcock St MRWA (Transport)		20,800
Maddington Rd at Eva St MRWA (Transport)		20,142
Forest Lakes Drive - Ovens/Towncentre MRWA (Transport)		39,888
Spencer Rd - Yale/Thornlie MRWA (Transport)		26,400
Anaconda Dv, Corfield-Chamberlain MRWA (Transport)		9,000
Kelvin Rd - Westfield St to Weston St MRWA (Transport)		26,400
Maddington Rd - Kelvin Rd to Alcock St MRWA (Transport)		44,000
Royal St - Kenwick Link to Albany Hway MRWA (Transport)		30,400
Pioneer Park - DUP DPI (Transport)		43,000
Inclusive Recreation Service General DSC (Education and Welfare)		5,132
Inclusive Recreation Service Littlies DSC (Education and Welfare)		1,591
Inclusive Recreation Service Sibs DSC (Education and Welfare)		1,102
Take A Break Holiday Program Dept of Health (Education and Welfare)		36,065
Take a Break Carers Retreats Dept of Health (Education and Welfare)		15,302
Take a Break Awesome Fun Club Dept of Health (Education and Welfare)		1,150
Youth Health Expo Lotterywest (Education and Welfare)		869
Club Development DSR (Recreation and Culture)		18,405
Maddington Village DPI (Economic Services)		172,064
Improving Connectivity Mad/Ken DPI (Economic Services)		395
Early Childhood Education & Family Support DPI (Economic Services)		8,954

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions (Continued)	\$	\$
Co-ordination of Education and Training DPI (Economic Services)		1,457
Business Development Program DPI (Economic Services)		58,141
Heritage Program DPI (Economic Services)		651
STR8 Talking Attorney General (Economic Services)		197,202
Switched on Business DIISR (Economic Services)		55,131
Environmental Management SRT (Community Amenities)		1,325
Switched on Business DIISR (Economic Services)		5,000
Rotary Club of Kenwick		549
Don Russell Performing Arts Centre Upgrade - Dept Inf & Transport (Rec & Culture)	54,000	
Anti Graffiti Coating on Richard Rushton Community Centre - Office of Crime Prev (Rec & Culture)	17,497	
Equipment for Recording Studio Cpod - Attorney General Dept (Rec & Culture)	6,420	
New cricket wicket - Sutherland Park Res F - CSRIFF (Rec & Culture)	3,954	
Thornlie Skate Park Upgrade - Attorney General Dept (Rec & Culture)	208,233	
Harmony Fields (Stableford) - Play Ground - Dept of Inf & Training (Rec & Culture)	122,437	
Centennial Pioneer Park Signage - Dept of Inf & Training (Rec & Culture)	14,750	
William St/Luyer St - Roundabout - MRWA (Transport)	53,796	
Warton Rd - Garden St to Ranford Rd - MRWA (Transport)	20,000	
Nicholson Rd - Garden St to Hughes St - MRWA (Transport)	98,972	
Upgrade lighting Nicholson Rd /Yale Rd - MRWA (Transport)	21,161	
Upgrade lighting Corfield St /Dorothy St - MRWA (Transport)	23,378	
Upgrade lighting Wanaping Rd/Brixton St - MRWA (Transport)	3,586	
Upgrade lighting Kelvin Rd/Maddington Rd - MRWA (Transport)	5,227	
Upgrade lighting Fremantle Rd/Corfield St - MRWA (Transport)	10,509	
Upgrade lighting Burslem Dr/Attfield St - MRWA (Transport)	1,267	
L Turn Slip Lane Corfield St/King St - MRWA (Transport)	20,302	
Bickley Rd and Brook Rd - MRWA (Transport)	979	
St Lights - Warton Rd/Forest Lakes Dr - MRWA (Transport)	9,671	
St Lights - Kelvin Rd/Bickley Rd - MRWA (Transport)	12,000	
St Lights - Warton Rd - MRWA (Transport)	99,486	
St Lights - Brixton St & Dulwich St - MRWA (Transport)	6,197	
St Lights - Amherst Rd & Fraser Rd North - MRWA (Transport)	4,024	
St Lights - Olga Rd & Burslem Dr - MRWA (Transport)	9,785	
St Lights - Hume Rd & Murdoch Rd - MRWA (Transport)	13,435	
Warton Rd - Garden St to Ranford Rd - MRWA (Transport)	1,125,936	
Bridge Construction - Royal St - MRWA (Transport)	1,439,128	
Amherst Road/Campbell Road - MRWA (Transport)	16,000	
Terence Street/Walter Street - MRWA (Transport)	67,364	
Bridge 928 - Station St - WA Grant Commission (Transport)	22,000	
Burslem Dr - Albany Hwy to Olga Rd - MRWA (Transport)	133,182	
Harmony Fields Cora Rack - DPI (Transport)	1,000	
Corfield St at Verna St - Intersection - MRWA (Transport)	293,504	
Canning Vale - Drainage Upgrade (Transport)	237,610	
Committees - Office of Crime Prevention (Law & Order)	1,097	
Model Industrial Guidelines -SCC (Community Amenities)	38,625	

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
2. REVENUES AND EXPENSES (Continued)		
(c) Conditions Over Contributions (Continued)		
Indigenous Oral History Project - Lotterywest (Recreation and Culture)	15,235	
Club Development - Dept of Sport and Recreation (Recreation and Culture)	17,315	
Maddington Village DPI (Economic Services)	13,160	
Maddington Town Centre - DPI (Economic Services)	61,393	
Peace Court Linear Park Concept - DPI (Economic Services)	116,518	
Watercourse Rehabilitation - DPI (Economic Services)	35,231	
Community Attitudes to Education & Training - DPI (Economic Services)	469	
Great Gardens Program - DPI (Economic Services)	7,971	
Business Development Program - DPI (Economic Services)	13,642	
Safety & Security Program - DPI (Economic Services)	21,150	
Community Health & Wellbeing Program - DPI (Economic Services)	16,798	
Community Development - DPI (Economic Services)	18,270	
Bequest Funds to Addie Mills Centre (Education and Welfare)	25,174	
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Bush Fire Brigade 2005/06 Surplus - Bush Fire Brigade		(28,479)
Community Safety Program - Office of Crime Prevention		(12,600)
FESA 2005/06 Surplus - Fire and Emergency Service		(13,242)
Interest on Harmony Fields Loan		(382,480)
Parent Workshop - Department of Community Development		(5,000)
Safer Seniors Programme - Rotary Club Kenwick		(1,000)
Switch Your Thinking - Admin - SEDO		(4,000)
Break Dance - Office of Crime Prevention		(1,814)
Parent Workshop - Department of Community Development		(5,246)
Travelsmart - Travelsmart		(990)
Home Safety Audit Program - Office of Crime Prevention		(4,763)
Home Safety Audit Program - SGIO		(1,157)
SafetyLynx Program - Attorney General Department		(454)
SafetyLynx Program - Office of Crime Prevention		(4,256)
Keeping Kids Out of Crime - Office of Crime Prevention		(10,000)
Tom Bateman Reserve Pavilion DSR (Recreation and Culture)	(363,008)	
Tonkin Highway/Gosnells Road West Intersection MRWA (Transport)	(9,091)	
Southern River Rd - Install Lighting MRWA (Transport)	(32,000)	
Dorothy St/Lissiman St - Splitter Island MRWA (Transport)	(15,566)	
Olga Rd/Attfield St - Traffic Signals MRWA (Transport)	(39,025)	
Nicholson Rd / Amherst Rd MRWA (Transport)	(30,602)	
Nicholson Rd - Birnam Rd to Hughes St MRWA (Transport)	(55,228)	
Upgrade lighting Nicholson Rd Yale Rd MRWA (Transport)	(2,839)	
Upgrade lighting Corfield St Dorothy St MRWA (Transport)	(622)	
Upgrade lighting Wanaping Rd Brixton St MRWA (Transport)	(2,414)	
Upgrade lighting Kelvin Rd Maddington Rd MRWA (Transport)	(773)	
Upgrade lighting Fremantle Rd Corfield St MRWA (Transport)	(1,491)	
Upgrade lighting Burslem Dr Attfield St MRWA (Transport)	(2,733)	
Safety Barrier, Speed Signs Mills Rd (E) MRWA (Transport)	(193,513)	

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions (Continued)	\$	\$
Connemara Drive - Spencer/Camberley MRWA (Transport)	(58,496)	
Bickley and Brook Rd MRWA (Transport)	(3,021)	
Forest Lakes Drive - Ovens/Towncentre MRWA (Transport)	(39,888)	
Kelvin Rd - Westfield St to Weston St MRWA (Transport)	(26,400)	
Maddington Rd - Kelvin Rd to Alcock St MRWA (Transport)	(44,000)	
Royal St - Kenwick Link to Albany Hway MRWA (Transport)	(30,400)	
Inclusive Recreation Service General DSC (Education and Welfare)	(5,132)	
Inclusive Recreation Service Littlies DSC (Education and Welfare)	(1,591)	
Inclusive Recreation Service Sibs DSC (Education and Welfare)	(1,102)	
Take A Break Holiday Program Dept of Health (Education and Welfare)	(36,065)	
Take a Break Carers Retreats Dept of Health (Education and Welfare)	(15,302)	
Take a Break Awesome Fun Club Dept of Health (Education and Welfare)	(1,150)	
Club Development DSR (Recreation and Culture)	(4,486)	
Early Childhood Education and Family Support DPI (Economic Services)	(8,954)	
Heritage Program DPI (Economic Services)	(651)	
STR8 Talking Project Attorney General (Economic Services)	(151,799)	
Switched on Business DIISR (Economic Services)	(55,131)	
Environmental Management SRT (Community Amenities)	(1,190)	
Switched on Business DIISR (Economic Services)	(5,000)	
Break Dance - Office of Crime Prevention	(276)	
Parent Workshop - Department of Community Development	(134)	
Traffic Function of Mills Road - DPI, MRWA	(30,000)	
Bridge 928 - Station St Gosnells - DOTARS	(17,856)	
Bridge 937 - Austin Ave Kenwick - DOTARS	(11,688)	
Bridge 938 - Davison St Maddington - DOTARS	(11,688)	
Roadwise - Roadwise	(5,000)	
Home Safety Audit Program - Office of Crime Prevention	(237)	
Home Safety Audit Program - SGIO	(3,843)	
Keeping Kids Out of Crime - Office of Crime Prevention	(10,000)	
SafetyLynx Program - Attorney General	(264)	
SafetyLynx Program - Office of Crime Prevention	(853)	
Travelsmart - Travelsmart	(7,003)	
Travelsmart - Travelsmart	(20,833)	
Rotary Club of Kenwick	(549)	
Closing balances of unexpended grants	5,628,797	2,408,846

Comprises:

Tom Bateman Reserve Pavilion DSR (Recreation and Culture)	363,008
Tonkin Highway/Gosnells Road West Intersection MRWA (Transport)	9,091
Spenser Road/Roe Highway Embankments MRWA (Transport)	20,269
Southern River Rd - Install Lighting MRWA (Transport)	32,000
Dorothy St/Lissiman St - Splitter Island MRWA (Transport)	15,566
Olga Rd/Attfield St - Traffic Signals MRWA (Transport)	39,025
Ranford Rd/Campbell Rd Traffic Lights MRWA (Transport)	95,173
Nicholson Rd / Amherst Rd MRWA (Transport)	30,602
Nicholson Rd - Birnam Rd to Hughes St MRWA (Transport)	128,864
Upgrade lighting Nicholson Rd Yale Rd MRWA (Transport)	13,600
Upgrade lighting Corfield St Dorothy St MRWA (Transport)	2,400
Upgrade lighting Wanaping Rd Brixton St MRWA (Transport)	6,000

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions (Continued)	\$	\$
Upgrade lighting Kelvin Rd Maddington Rd MRWA (Transport)		6,000
Upgrade lighting Fremantle Rd Corfield St MRWA (Transport)		12,000
Traffic Signals Dorothy St Wheatley St MRWA (Transport)		88,786
Upgrade lighting Burslem Dr Attfield St MRWA (Transport)		4,000
Safety Barrier, Speed Signs Mills Rd (E) MRWA (Transport)		193,513
L Turn Slip Lane Nicholson Rd Spencer Rd MRWA (Transport)		46,603
Med Islands & Bus Embayment Spencer Rd MRWA (Transport)		66,751
L & R Turn Lane Spencer Rd Berehaven Ave MRWA (Transport)		48,000
Bridge 925 - Nicholson Road Langford WALGA (Transport)		22,909
Connemara Drive - Spencer/Camberley MRWA (Transport)		58,496
Bickley and Brook Rd MRWA (Transport)		4,000
Maddington Rd at Alcock St MRWA (Transport)		20,800
Maddington Rd at Eva St MRWA (Transport)		20,142
Forest Lakes Drive - Ovens/Towncentre MRWA (Transport)		39,888
Spencer Rd - Yale/Thornlie MRWA (Transport)		26,400
Anaconda Dv, Corfield-Chamberlain MRWA (Transport)		9,000
Kelvin Rd - Westfield St to Weston St MRWA (Transport)		26,400
Maddington Rd - Kelvin Rd to Alcock St MRWA (Transport)		44,000
Royal St - Kenwick Link to Albany Hway MRWA (Transport)		30,400
Pioneer Park - DUP DPI (Transport)		43,000
Inclusive Recreation Service General DSC (Education and Welfare)		5,132
Inclusive Recreation Service Littlies DSC (Education and Welfare)		1,591
Inclusive Recreation Service Sibs DSC (Education and Welfare)		1,102
Take A Break Holiday Program Dept of Health (Education and Welfare)		36,065
Take a Break Carers Retreats Dept of Health (Education and Welfare)		15,302
Take a Break Awesome Fun Club Dept of Health (Education and Welfare)		1,150
Youth Health Expo Lotterywest (Education and Welfare)		869
Club Development DSR (Recreation and Culture)		18,405
Maddington Village DPI (Economic Services)		172,064
Improving Connectivity Mad/Ken DPI (Economic Services)		395
Early Childhood Education and Family Support DPI (Economic Services)		8,954
Co-ordination of Education and Training DPI (Economic Services)		1,457
Business Development Program DPI (Economic Services)		58,141
Heritage Program DPI (Economic Services)		651
STR8 Talking Project Attorney General (Economic Services)		197,202
Switched on Business DIISR (Economic Services)		55,131
Environmental Management SRT (Community Amenities)		1,325
Switched on Business DIISR (Economic Services)		5,000
Break Dance - Office of Crime Prevention		276
Parent Workshop - Department of Community Development		616
Traffic Function of Mills Road - DPI, MRWA		30,000
Work for the Dole - Office of Crime Prevention		750
Switch Your Thinking Rebate Scheme - Solahart		2,000
Bridge 928 - Station St Gosnells - DOTARS		60,000
Bridge 937 - Austin Ave Kenwick - DOTARS		60,000
Bridge 938 - Davison St Maddington - DOTARS		60,000
Roadwise - Roadwise		5,000
Home Safety Audit Program - Office of Crime Prevention		237
Home Safety Audit Program - SGIO		3,843
Keeping Kids Out of Crime - Office of Crime Prevention		10,000
SafetyLynx Program - Attorney General		264
SafetyLynx Program - Office of Crime Prevention		853

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions (Continued)	\$	\$
Travelsmart - Travelsmart		7,003
Travelsmart - Travelsmart		20,833
Rotary Club of Kenwick		549
Don Russell Performing Arts Centre Upgrade - Dept Inf & Transport (Rec & Culture)	54,000	
Anti Graffiti Coating on Richard Rushton Community Centre - Office of Crime Prev (Rec & Culture)	17,497	
Equipment for Recording Studio Cpod - Attorney General Dept (Rec & Culture)	6,420	
Cricket wicket - Sutherland Park Res F - CSRIF (Rec & Culture)	3,954	
Thornlie Skate Park Upgrade - Attorney General Dept (Rec & Culture)	208,233	
Harmony Fields (Stableford) - Play Ground - Dept of Inf & Training (Rec & Culture)	122,437	
Centennial Pioneer Park Signage - Dept of Inf & Training (Rec & Culture)	14,750	
William St/Luyer St - Roundabout - MRWA (Transport)	53,796	
Warton Rd - Garden St to Ranford Rd - MRWA (Transport)	20,000	
Nicholson Rd - Garden St to Hughes St - MRWA (Transport)	98,972	
Bridge 928 - Station St Gosnells - DOTARS	42,144	
Bridge 937 - Austin Ave Kenwick - DOTARS	48,312	
Bridge 938 - Davison St Maddington - DOTARS	48,312	
Nicholson Rd - Birnam Rd to Hughes St MRWA (Transport)	73,636	
Upgrade lighting Nicholson Rd /Yale Rd - MRWA (Transport)	21,161	
Upgrade lighting Corfield St /Dorothy St - MRWA (Transport)	23,378	
Upgrade lighting Wanaping Rd/Brixton St - MRWA (Transport)	3,586	
Upgrade lighting Kelvin Rd/Maddington Rd - MRWA (Transport)	5,227	
Upgrade lighting Fremantle Rd/Corfield St - MRWA (Transport)	10,509	
Upgrade lighting Burslem Dr/Attfield St - MRWA (Transport)	1,267	
LTurn Slip Lane Corfield St/King St - MRWA (Transport)	20,302	
Bickley Rd and Brook Rd - MRWA (Transport)	979	
St Lights - Warton Rd/Forest Lakes Dr - MRWA (Transport)	9,671	
St Lights - Kelvin Rd/Bickley Rd - MRWA (Transport)	12,000	
St Lights - Warton Rd - MRWA (Transport)	99,486	
St Lights - Brixton St & Dulwich St - MRWA (Transport)	6,197	
St Lights - Amherst Rd & Fraser Rd North - MRWA (Transport)	4,024	
St Lights - Olga Rd & Burslem Dr - MRWA (Transport)	9,785	
St Lights - Hume Rd & Murdoch Rd - MRWA (Transport)	13,435	
Warton Rd - Garden St to Ranford Rd - MRWA (Transport)	1,125,936	
Bridge Construction - Royal St - MRWA (Transport)	1,439,128	
Amherst Road/Campbell Road - MRWA (Transport)	16,000	
Terence Street/Walter Street - MRWA (Transport)	67,364	
Bridge 928 - Station St - WA Grant Commission (Transport)	22,000	
Burslem Dr - Albany Hwy to Olga Rd - MRWA (Transport)	133,182	
Harmony Fields Cora Rack - DPI (Transport)	1,000	
Corfield St at Verna St - Intersection - MRWA (Transport)	293,504	
Canning Vale - Drainage Upgrade (Transport)	237,610	
Parent Workshop - Department of Community Development	482	
Committees - Office of Crime Prevention (Law & Order)	1,097	

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)	2009	2008
(c) Conditions Over Contributions (Continued)	\$	\$
Work for the Dole - Office of Crime Prevention	750	
Indigenous Oral History Project - Lotterywest (Recreation and Culture)	15,235	
Club Development - Dept of Sport and Recreation (Recreation and Culture)	17,315	
Maddington Village DPI (Economic Services)	13,160	
Maddington Town Centre - DPI (Economic Services)	61,393	
Peace Court Linear Park Concept - DPI (Economic Services)	116,518	
Watercourse Rehabilitation - DPI (Economic Services)	35,231	
Great Gardens Program - DPI (Economic Services)	7,971	
Community Attitudes to Education & Training - DPI (Economic Services)	469	
Business Development Program - DPI (Economic Services)	13,642	
Safety & Security Program - DPI (Economic Services)	21,150	
Community Health & Wellbeing Program - DPI (Economic Services)	16,798	
Community Development - DPI (Economic Services)	18,270	
Switch Your Thinking Rebate Scheme - Solahart	2,000	
Environmental Management SRT (Community Amenities)	135	
Model Industrial Guidelines -SCC (Community Amenities)	38,625	
Spencer Road/Roe Highway Embankments MRWA (Transport)	20,269	
Ranford Rd/Campbell Rd Traffic Lights MRWA (Transport)	95,173	
Upgrade lighting Nicholson Rd Yale Rd MRWA (Transport)	10,761	
Upgrade lighting Corfield St Dorothy St MRWA (Transport)	1,778	
Upgrade lighting Wanaping Rd Brixton St MRWA (Transport)	3,586	
Upgrade lighting Kelvin Rd Maddington Rd MRWA (Transport)	5,227	
Upgrade lighting Fremantle Rd Corfield St MRWA (Transport)	10,509	
Traffic Signals Dorothy St Wheatley St MRWA (Transport)	88,786	
Upgrade lighting Burslem Dr Attfield St MRWA (Transport)	1,267	
L Turn Slip Lane Nicholson Rd Spencer Rd MRWA (Transport)	46,603	
Med Islands & Bus Embayment Spencer Rd MRWA (Transport)	66,751	
L & R Turn Lane Spencer Rd Berehaven Ave MRWA (Transport)	48,000	
Bridge 925 - Nicholson Road Langford WALGA (Transport)	22,909	
Bickley and Brook Rd MRWA (Transport)	979	
Maddington Rd at Alcock St MRWA (Transport)	20,800	
Maddington Rd at Eva St MRWA (Transport)	20,142	
Spencer Rd - Yale/Thornlie MRWA (Transport)	26,400	
Anaconda Dv, Corfield-Chamberlain MRWA (Transport)	9,000	
Pioneer Park - DUP DPI (Transport)	43,000	
Youth Health Expo Lotterywest (Education and Welfare)	869	
Club Development DSR (Recreation and Culture)	13,919	
Maddington Village DPI (Economic Services)	172,064	
Improving Connectivity Mad/Ken DPI (Economic Services)	395	
Co-ordination of Education and Training DPI (Economic Services)	1,457	
Business Development Program DPI (Economic Services)	58,141	
STR8 Talking Project Attorney General (Economic Services)	45,403	
Bequest Funds to Addie Mills Centre (Education and Welfare)	25,174	
	<u>5,628,797</u>	<u>2,408,846</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	15,167,073	10,417,160
Restricted	38,335,541	12,247,321
	<u>53,502,614</u>	<u>22,664,481</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Reserves (Refer Note 12)	35,002,934	35,822,973
Unspent Grants	5,628,797	2,408,846
Unspent Loans	2,786,454	3,010,756
	<u>43,418,185</u>	<u>41,242,575</u>
Restricted Cash and Investments		
Restricted Cash	38,335,541	12,247,321
Investments (Refer Note 4)	5,082,644	28,995,254
	<u>43,418,185</u>	<u>41,242,575</u>
4. INVESTMENTS		
Financial assets at fair value through profit or loss	<u>5,082,644</u>	<u>28,995,254</u>
Financial assets at fair value through profit or loss		
At beginning of the year	28,995,254	43,838,190
Revaluation to Income Statement	374,325	264,384
Additions	0	10,000,000
Disposals	(24,286,935)	(25,107,320)
At end of the year	<u>5,082,644</u>	<u>28,995,254</u>
Held for trading		
- Managed Funds	<u>5,082,644</u>	<u>28,995,254</u>
	<u>5,082,644</u>	<u>28,995,254</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Various Reserve Funds	<u>5,082,644</u>	<u>28,995,254</u>
	<u>5,082,644</u>	<u>28,995,254</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	634,728	915,445
GST Receivable	517,818	636,228
Accrued Interest	208,874	287,815
Accrued Income	698,625	6,892
CLASS Debtors	23,517	71,550
Sundry Debtors	1,062,481	835,379
Less - Provision for Doubtful Debts	(102,208)	(102,208)
Underground Power Debtors	0	6,005
	<u>3,043,835</u>	<u>2,657,106</u>
Non-Current		
Rates & ESL Outstanding - Pensioners	<u>816,589</u>	<u>762,104</u>
	<u>816,589</u>	<u>762,104</u>
6. INVENTORIES		
Current		
Fuel and Materials	<u>331,617</u>	<u>341,099</u>
	<u>331,617</u>	<u>341,099</u>
Non-Current		
Land Held for Resale - Deemed Cost		
Cost of Acquisition	3,341,195	2,100,000
Development Costs	2,432,438	1,241,195
Disposals	(1,030,279)	0
	<u>4,743,354</u>	<u>3,341,195</u>

Correction of prior period errors

In accordance with AASB 108 the following prior period error has been identified:

The Financial report for the year ended 30th June 2008 contained an error in relation to the following

Non Current Inventories - Land Held for Resale

Buildings construction was incorrectly capitalised as non current inventories land held for resale.

The impact on each line item of the financial statement comparative of correcting this prior period error is as follows:

	2008	2008
	Original	Corrected
	\$	\$
Non Current Assets		
Inventories	3,878,175	3,341,195
Property Plant and Equipment	<u>268,769,722</u>	<u>269,306,701</u>
Total	<u>272,647,897</u>	<u>272,647,896</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

7. PROPERTY, PLANT AND EQUIPMENT	2009	2008
	\$	\$
Land and Building		
Land - Management Valuations 2008	184,423,550	184,423,550
Building - Management Valuations 2008	64,750,350	64,750,350
Buildings - Cost	23,767,865	8,430,196
Less Accumulated Depreciation	<u>(1,511,353)</u>	<u>(58,468)</u>
	<u>271,430,412</u>	<u>257,545,628</u>
Furniture and Equipment - Cost	4,770,802	4,671,835
Less Accumulated Depreciation	<u>(2,977,011)</u>	<u>(2,857,395)</u>
	<u>1,793,791</u>	<u>1,814,440</u>
Plant and Equipment - Cost	13,566,739	13,922,044
Less Accumulated Depreciation	<u>(3,846,609)</u>	<u>(4,619,766)</u>
	<u>9,720,130</u>	<u>9,302,278</u>
Local Government House - Cost	<u>15,464</u>	<u>15,464</u>
	15,464	15,464
	<u>282,959,797</u>	<u>268,677,810</u>
Intangible Assets		
Intangible Assets - Cost	1,500,337	1,450,163
Less Accumulated Amortisation	<u>(924,789)</u>	<u>(821,272)</u>
	<u>575,548</u>	<u>628,891</u>
	<u>283,535,345</u>	<u>269,306,701</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings \$	Furniture & Equipment \$	Intangible Assets \$	Plant & Equipment \$	Local Government House \$	Total \$
Balance as at 1 July 2008	184,423,550	73,122,078	1,814,440	628,891	9,302,278	15,464	269,306,701
Additions	0	15,355,669	528,982	50,174	3,878,558	0	19,813,383
(Disposals)	0	(17,668)	(27,015)	0	(2,028,665)	0	(2,073,348)
Revaluation - Increments - (Decrements)	0	0	0	0	0	0	0
Impairment - (losses) - reversals	0	0	0	0	0	0	0
Depreciation (Expense)	0	(1,453,217)	(535,280)	(103,517)	(1,419,377)	0	(3,511,391)
Other Movements	0	0	12,664	0	(12,664)	0	0
Balance as at 30 June 2009	<u>184,423,550</u>	<u>87,006,862</u>	<u>1,793,791</u>	<u>575,548</u>	<u>9,720,130</u>	<u>15,464</u>	<u>283,535,345</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
8. INFRASTRUCTURE		
Roads & Footpaths - Cost	189,103,025	179,298,520
Less Accumulated Depreciation	<u>(45,261,784)</u>	<u>(37,944,261)</u>
	143,841,241	141,354,259
Bridges - Cost	8,841,528	8,619,423
Less Accumulated Depreciation	<u>(1,467,092)</u>	<u>(1,294,706)</u>
	7,374,436	7,324,717
Drainage - Cost	45,650,581	45,186,242
Less Accumulated Depreciation	<u>(6,113,095)</u>	<u>(5,207,216)</u>
	39,537,486	39,979,026
Park Development - Cost	33,316,519	31,988,788
Less Accumulated Depreciation	<u>(9,758,993)</u>	<u>(8,230,826)</u>
	23,557,526	23,757,962
	<u>214,310,689</u>	<u>212,415,964</u>

CITY OF GOSNELLS
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FOR THE YEAR ENDED 30TH JUNE 2009

8. INFRASTRUCTURE (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads & Footpaths \$	Bridges \$	Drainage \$	Parks \$	Total \$
Balance as at 1 July 2008	141,354,259	7,324,717	39,979,026	23,757,962	212,415,964
Additions	9,804,505	222,105	464,339	1,618,534	12,109,483
(Disposals)	0	0	0	(135,795)	(135,795)
Impairment - (losses) - reversals	0	0	0	0	0
Depreciation (Expense)	(7,317,523)	(172,386)	(905,879)	(1,683,175)	(10,078,963)
Balance as at 30 June 2009	<u>143,841,241</u>	<u>7,374,436</u>	<u>39,537,486</u>	<u>23,557,526</u>	<u>214,310,689</u>

CITY OF GOSNELLS
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FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	2,801,428	4,693,141
Bonds and Other Retentions	0	0
Accruals	644,995	127,428
Income Received in Advance	240,111	286,528
	<u>3,686,534</u>	<u>5,107,097</u>

10. LONG-TERM BORROWINGS

Current

Secured by Floating Charge Debentures	<u>20,969,313</u>	<u>6,500,000</u>
	<u>20,969,313</u>	<u>6,500,000</u>

Additional detail on borrowings is provided in Note 22.

Non-Current

Secured by Floating Charge Debentures	<u>5,700,000</u>	<u>6,000,000</u>
	<u>5,700,000</u>	<u>6,000,000</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

Current

Provision for Annual Leave	2,046,449	2,262,668
Provision for Long Service Leave	<u>1,873,235</u>	<u>1,869,195</u>
	<u>3,919,684</u>	<u>4,131,863</u>

Non-Current

Provision for Long Service Leave	<u>414,187</u>	<u>314,445</u>
	<u>414,187</u>	<u>314,445</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
12. RESERVES - CASH/INVESTMENT BACKED			
(a) MGB Plant & Equipment			
Opening Balance	1,725,049	1,720,052	1,155,596
Amount Set Aside / Transfer to Reserve	861,071	730,280	642,649
Amount Used / Transfer from Reserve	(231,909)	(1,008,000)	(73,196)
	<u>2,354,211</u>	<u>1,442,332</u>	<u>1,725,049</u>
(b) Leisure World Mechanical Plant Services			
Opening Balance	82,287	85,527	82,398
Amount Set Aside / Transfer to Reserve	4,055	4,017	3,289
Amount Used / Transfer from Reserve	0	0	(3,400)
	<u>86,342</u>	<u>89,544</u>	<u>82,287</u>
(c) Netball Court Resurfacing			
Opening Balance	7,133	7,117	6,857
Amount Set Aside / Transfer to Reserve	352	334	276
Amount Used / Transfer from Reserve	0	0	0
	<u>7,485</u>	<u>7,451</u>	<u>7,133</u>
(d) Performing Arts Centre			
Opening Balance	88,335	90,423	89,410
Amount Set Aside / Transfer to Reserve	23,039	21,764	20,925
Amount Used / Transfer from Reserve	0	0	(22,000)
	<u>111,374</u>	<u>112,187</u>	<u>88,335</u>
(e) Waste Disposal Site Development			
Opening Balance	4,079,620	4,070,894	3,922,007
Amount Set Aside / Transfer to Reserve	201,050	191,195	157,613
Amount Used / Transfer from Reserve	0	0	0
	<u>4,280,670</u>	<u>4,262,089</u>	<u>4,079,620</u>
(f) Refuse Disposal Site Rehabilitation			
Opening Balance	290,292	289,448	225,194
Amount Set Aside / Transfer to Reserve	14,460	81,531	65,098
Amount Used / Transfer from Reserve	0	0	0
	<u>304,752</u>	<u>370,979</u>	<u>290,292</u>
(g) Hillside Farm Equipment *			
Opening Balance	1,967	1,963	1,891
Amount Set Aside / Transfer to Reserve	24	92	76
Amount Used / Transfer from Reserve	(1,991)	0	0
	<u>0</u>	<u>2,055</u>	<u>1,967</u>

CITY OF GOSNELLS
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	2009 \$	2009 Budget \$	2008 \$
12. RESERVES - CASH/INVESTMENT BACKED (Continued)			
(h) Insurance			
Opening Balance	382,320	381,501	367,549
Amount Set Aside / Transfer to Reserve	20,273	17,918	14,771
Amount Used / Transfer from Reserve	0	0	0
	<u>402,593</u>	<u>399,419</u>	<u>382,320</u>
(i) Southern River Contaminated Site Rehabilitation			
Opening Balance	605,229	604,292	665,064
Amount Set Aside / Transfer to Reserve	29,757	28,381	26,036
Amount Used / Transfer from Reserve	0	(100,000)	(85,871)
	<u>634,986</u>	<u>532,673</u>	<u>605,229</u>
(j) Building Construction			
Opening Balance	416,497	415,606	400,406
Amount Set Aside / Transfer to Reserve	19,053	19,519	16,091
Amount Used / Transfer from Reserve	(40,000)	0	0
	<u>395,550</u>	<u>435,125</u>	<u>416,497</u>
(k) Local Government Elections			
Opening Balance	159,712	159,467	190,843
Amount Set Aside / Transfer to Reserve	109,242	108,726	103,951
Amount Used / Transfer from Reserve	(26,272)	0	(135,082)
	<u>242,682</u>	<u>268,193</u>	<u>159,712</u>
(l) Rate Revaluation			
Opening Balance	14,380	14,998	121,039
Amount Set Aside / Transfer to Reserve	116,581	112,462	93,341
Amount Used / Transfer from Reserve	0	0	(200,000)
	<u>130,961</u>	<u>127,460</u>	<u>14,380</u>
(m) Gosnells Town Centre Revitalisation			
Opening Balance	122,778	122,143	121,190
Amount Set Aside / Transfer to Reserve	81,153	79,877	1,930
Amount Used / Transfer from Reserve	0	(18,500)	(342)
	<u>203,931</u>	<u>183,520</u>	<u>122,778</u>
(n) Plant & Equipment			
Opening Balance	840,763	1,184,696	1,382,843
Amount Set Aside / Transfer to Reserve	1,187,306	1,190,401	1,168,743
Amount Used / Transfer from Reserve	(1,643,331)	(1,555,000)	(1,710,823)
	<u>384,738</u>	<u>820,097</u>	<u>840,763</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
12. RESERVES - CASH/INVESTMENT BACKED (Continued)			
(o) Walter Padbury Park			
Opening Balance	377,456	306,561	267,667
Amount Set Aside / Transfer to Reserve	76,643	62,462	109,789
Amount Used / Transfer from Reserve	(274,291)	(260,000)	0
	<u>179,808</u>	<u>109,023</u>	<u>377,456</u>
(p) Sutherlands Park			
Opening Balance	85,892	137,310	71,857
Amount Set Aside / Transfer to Reserve	73,189	71,130	14,035
Amount Used / Transfer from Reserve	0	0	0
	<u>159,081</u>	<u>208,440</u>	<u>85,892</u>
(q) Harmony Fields			
Opening Balance	31,690	31,601	110,451
Amount Set Aside / Transfer to Reserve	20,913	19,605	19,259
Amount Used / Transfer from Reserve	0	0	(98,020)
	<u>52,603</u>	<u>51,206</u>	<u>31,690</u>
(r) Administration Building Construction			
Opening Balance	868,092	864,799	363,274
Amount Set Aside / Transfer to Reserve	299,035	294,158	581,346
Amount Used / Transfer from Reserve	(134,350)	(134,350)	(76,528)
	<u>1,032,777</u>	<u>1,024,607</u>	<u>868,092</u>
(s) Public Open Space			
Opening Balance	10,138,322	9,691,705	7,253,261
Amount Set Aside / Transfer to Reserve	2,624,444	1,455,184	3,323,851
# Equity Transfer to Developer Contribution Reserve	0	0	(12,700)
# Equity Transfer from CV ODP	0	0	87,720
Amount Used / Transfer from Reserve	(3,746,655)	(3,350,699)	(513,810)
	<u>9,016,111</u>	<u>7,796,190</u>	<u>10,138,322</u>
(t) Maddington/Kenwick Strategy			
Opening Balance	3,417,048	3,470,960	2,495,579
Amount Set Aside / Transfer to Reserve	749,312	163,018	1,713,689
Amount Used / Transfer from Reserve	(957,343)	(1,604,573)	(792,220)
	<u>3,209,017</u>	<u>2,029,405</u>	<u>3,417,048</u>
(u) Mills Park			
Opening Balance	148,656	148,275	101,126
Amount Set Aside / Transfer to Reserve	56,705	43,165	47,530
Amount Used / Transfer from Reserve	(71,168)	0	0
	<u>134,193</u>	<u>191,440</u>	<u>148,656</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
12. RESERVES - CASH/INVESTMENT BACKED (Continued)			
(v) Langford Oval Redevelopment			
Opening Balance	65,198	65,033	46,119
Amount Set Aside / Transfer to Reserve	22,947	20,603	19,079
Amount Used / Transfer from Reserve	0	(40,000)	0
	<u>88,145</u>	<u>45,636</u>	<u>65,198</u>
(w) Gosnells Oval Redevelopment			
Opening Balance	191,880	191,364	133,974
Amount Set Aside / Transfer to Reserve	64,949	61,397	57,906
Amount Used / Transfer from Reserve	0	0	0
	<u>256,829</u>	<u>252,761</u>	<u>191,880</u>
(x) Developer Contributions Infrastructure			
Opening Balance	161,081	135,219	107,923
Amount Set Aside / Transfer to Reserve	130,179	56,351	40,458
# Equity Transfer from POS	0	0	12,700
Amount Used / Transfer from Reserve	(16,167)	0	0
	<u>275,093</u>	<u>191,570</u>	<u>161,081</u>
(y) Operations Centre			
Opening Balance	409,570	421,475	406,061
Amount Set Aside / Transfer to Reserve	18,544	19,795	16,235
Amount Used / Transfer from Reserve	(85,306)	(340,000)	(12,726)
	<u>342,808</u>	<u>101,270</u>	<u>409,570</u>
(z) Floodlighting Levy			
Opening Balance	12,152	0	0
Amount Set Aside / Transfer to Reserve	10,929	0	12,152
Amount Used / Transfer from Reserve	0	0	0
	<u>23,081</u>	<u>0</u>	<u>12,152</u>
(aa) TPS No. 7			
Opening Balance	55,480	55,673	53,337
Amount Set Aside / Transfer to Reserve	2,734	2,615	2,143
Amount Used / Transfer from Reserve	0	0	0
	<u>58,214</u>	<u>58,288</u>	<u>55,480</u>
(ab) TPS No. 9A			
Opening Balance	1,187,765	1,069,417	1,054,463
Amount Set Aside / Transfer to Reserve	186,136	75,227	163,338
Amount Used / Transfer from Reserve	(142,580)	(580,000)	(30,036)
	<u>1,231,321</u>	<u>564,644</u>	<u>1,187,765</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
12. RESERVES - CASH/INVESTMENT BACKED (Continued)			
(ac) TPS No. 10			
Opening Balance	8,070	8,098	7,758
Amount Set Aside / Transfer to Reserve	398	380	312
Amount Used / Transfer from Reserve	0	0	0
	<u>8,468</u>	<u>8,478</u>	<u>8,070</u>
(ad) TPS No. 15			
Opening Balance	321,184	322,325	313,681
Amount Set Aside / Transfer to Reserve	15,644	40,138	12,503
Amount Used / Transfer from Reserve	(5,000)	(5,000)	(5,000)
	<u>331,828</u>	<u>357,463</u>	<u>321,184</u>
(ae) TPS No. 17			
Opening Balance	227,293	227,752	315,685
Amount Set Aside / Transfer to Reserve	11,017	60,697	36,994
Amount Used / Transfer from Reserve	(5,000)	(5,000)	(125,386)
	<u>233,310</u>	<u>283,449</u>	<u>227,293</u>
(af) TPS No. 20			
Opening Balance	695,793	697,015	584,277
Amount Set Aside / Transfer to Reserve	164,983	132,736	116,516
Amount Used / Transfer from Reserve	(37,929)	(205,000)	(5,000)
	<u>822,847</u>	<u>624,751</u>	<u>695,793</u>
(ag) ODP Canning Vale			
Opening Balance	122,825	40,361	1,341,455
Amount Set Aside / Transfer to Reserve	184,684	251,896	1,077,897
# Equity Transfer to POS Reserve	0	0	(87,720)
Amount Used / Transfer from Reserve	(68,297)	(346,736)	(2,208,807)
	<u>239,212</u>	<u>(54,479)</u>	<u>122,825</u>
(ah) ODP Southern River Precinct 5			
Opening Balance	341,018	342,229	332,749
Amount Set Aside / Transfer to Reserve	149,651	16,073	13,269
Amount Used / Transfer from Reserve	(308,222)	(325,000)	(5,000)
	<u>182,447</u>	<u>33,302</u>	<u>341,018</u>
(ai) ODP Southern River Precinct 3			
Opening Balance	64,726	64,951	62,225
Amount Set Aside / Transfer to Reserve	3,190	3,051	2,501
Amount Used / Transfer from Reserve	0	0	0
	<u>67,916</u>	<u>68,002</u>	<u>64,726</u>

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	2009 \$	2009 Budget \$	2008 \$
12. RESERVES - CASH/INVESTMENT BACKED (Continued)			
(aj) ODP Southern River Precinct 1			
Opening Balance	747,747	750,365	723,764
Amount Set Aside / Transfer to Reserve	36,666	285,242	28,983
Amount Used / Transfer from Reserve	(5,000)	(5,000)	(5,000)
	<u>779,413</u>	<u>1,030,607</u>	<u>747,747</u>
(ak) ODP Campbell Estate (West Canning Vale)			
Opening Balance	5,079,319	5,664,210	3,291,134
Amount Set Aside / Transfer to Reserve	648,688	766,027	2,317,030
Amount Used / Transfer from Reserve	(1,494,115)	(195,646)	(528,845)
	<u>4,233,892</u>	<u>6,234,591</u>	<u>5,079,319</u>
(al) ODP Southern River Precinct 2			
Opening Balance	2,146,301	2,012,126	1,512,847
Amount Set Aside / Transfer to Reserve	553,751	594,502	653,454
Amount Used / Transfer from Reserve	(428,059)	(450,000)	(20,000)
	<u>2,271,993</u>	<u>2,156,628</u>	<u>2,146,301</u>
(am) Recreation and Culture Infrastructure			
Opening Balance	102,053	101,580	0
Amount Set Aside / Transfer to Reserve	111,223	107,771	102,053
Amount Used / Transfer from Reserve	(12,128)	0	0
	<u>201,148</u>	<u>209,351</u>	<u>102,053</u>
(an) Staff Retention			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	31,104	30,000	0
Amount Used / Transfer from Reserve	0	0	0
	<u>31,104</u>	<u>30,000</u>	<u>0</u>
TOTAL CASH / INVESTMENT BACKED RESERVES	<u><u>35,002,934</u></u>	<u><u>32,659,747</u></u>	<u><u>35,822,973</u></u>
Summary of Cash / Investment Backed Reserves			
Opening Balance	35,822,973	35,968,531	29,682,954
Amount Set Aside / Transfer to Reserve	8,915,074	7,219,720	12,797,111
# Equity Transfer to / (from) Reserve	0	0	0
Amount Used / Transfer from Reserve	(9,735,113)	(10,528,504)	(6,657,092)
Total Summary of Cash / Investment Backed Reserves	<u><u>35,002,934</u></u>	<u><u>32,659,747</u></u>	<u><u>35,822,973</u></u>

All of the cash backed reserve accounts are supported by money held in financial institutions or in separate investments and match the amounts shown as restricted cash and restricted investments in Notes 3 and 4 to this report.

Equity Transfer to / (from) Reserve are movements between reserve funds. These equity transfers are in accordance with the 2008/2009 Budget or Council Resolution or a correction of a previous incorrect transfer.

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

* Hillside Farm Equipment Reserve is no longer required - Estate has been Surrendered to Education Department

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12. RESERVES - CASH/INVESTMENT BACKED (Continued)

MGB Plant & Equipment

- acquisition of Mobile Garbage Plant and associated (including bins).

Leisure World Mechanical Plant Services

- purchase and/or major repair of plant located at the Leisure World Complex.

Netball Court Resurfacing

- resurfacing of the Southern District Netball Courts in Langford as required.

Performing Arts Centre

- construction, equipping and assessment of Don Russell Performing Arts Centre

Waste Disposal Site Development

- replacement of work to extend the life of the Kelvin Road Refuse Disposal Site and/or funding towards entry cost to a regional site.

Refuse Disposal Site Rehabilitation

- rehabilitation of the Kelvin Road Refuse Disposal Site following closure.

Hillside Farm Equipment

- to fund future purchase of equipment at Hillside Farm.

Insurance

- to provide funds in case of calls on Council participating in the self-insurance scheme.

Southern River Contaminated Site Rehabilitation

- for expenditure associated with the rehabilitation of the Southern River contaminated site.

Building Construction

- new or refurbished building activity in major building plant replacement.

Local Government Elections

- for the expenditure associated with holding of Local Government Elections.

Rate Revaluation

- for expenditure associated with the revaluation of properties on which council raises rates.

Gosnells Town Centre Revitalisation

- to fund the cost of redeveloping the Gosnells Town Centre.

Plant & Equipment

- to fund replacement or new acquisition of the plant and associated equipment.

Walter Padbury Park

- to provide for works at the Walter Padbury park as determined by Council.

Sutherlands Park

- to fund work at Sutherland Park.

Harmony Fields

- to provide for expenditure at Harmony Fields.

Administration Building Construction

- to fund expenditure on a new Administration Building.

Public Open Space

- to fund infrastructure expenditure arising out of the need to meet our obligations in respect of contributions in lieu of Public Open Space.

Maddington/Kenwick Strategy

- to fund the cost of urban renewal in Maddington / Kenwick.

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FOR THE YEAR ENDED 30TH JUNE 2009

12. RESERVES - CASH/INVESTMENT BACKED (Continued)

Mills Park

- to assist with the development of Mills Park.

Langford Oval Redevelopment

- to assist with the development of Langford Oval from income derived from telephone tower leases.

Gosnells Oval Redevelopment

- to fund Council's expenditure on Gosnells Oval from the income derived from telco tower leases.

Developer Contributions for Future Infrastructure

- to fund future expenditure on developments that fall outside of a TPS or ODP.

Operations Centre

- to fund Council's expenditure on redeveloping Gosnells operations centre.

Floodlighting Levy

- to upgrade the City's active reserve floodlighting.

TPS No. 7

- to fund expenditure on developments within the TPS site with contribution from developers.

TPS No. 9A

- to fund expenditure on developments within the TPS site with contribution from developers.

TPS No. 10

- to fund expenditure on developments within the TPS site with contribution from developers.

TPS No. 15

- to fund expenditure on developments within the TPS site with contribution from developers.

TPS No. 17

- to fund expenditure on developments within the TPS site with contribution from developers.

TPS No. 20

- to fund expenditure on developments within the TPS site with contribution from developers.

ODP Canning Vale

- to fund expenditure on developments within the ODP site with contribution from developers.

ODP Southern River Precinct 5

- to fund expenditure on developments within the ODP site with contribution from developers.

ODP Southern River Precinct 3

- to fund expenditure on developments within the ODP site with contribution from developers.

ODP Southern River Precinct 1

- to fund expenditure on developments within the ODP site with contribution from developers.

ODP Campbell Estate (West Canning Vale)

- to fund expenditure on developments within the ODP site with contribution from developers.

ODP Southern River Precinct 2

- to fund expenditure on developments within the ODP site with contribution from developers.

Recreation and Culture Infrastructure

- to fund future expenditure on Recreational and Cultural Infrastructure.

Staff Retention

- to fund future director bonuses.

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13. RESERVES - ASSET REVALUATION	2009	2008
	\$	\$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Land and Buildings		
Balance as at 1 July 2008	223,706,184	86,422,244
Revaluation Increment	0	137,283,940
Revaluation Decrement	0	0
Balance as at 30 June 2009	<u>223,706,184</u>	<u>223,706,184</u>
TOTAL ASSET REVALUATION RESERVES	<u><u>223,706,184</u></u>	<u><u>223,706,184</u></u>

CITY OF GOSNELLS
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14. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the balance sheet as follows:

	2009 \$	2009 Budget \$	2008 \$
Cash and Cash Equivalents	<u>53,502,614</u>	<u>39,201,102</u>	<u>22,664,481</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	12,246,470	13,523,229	8,448,629
Amortisation	103,517	161,000	137,430
Depreciation	13,486,837	13,054,427	13,345,855
Fair Value adjustment to financial assets at fair value through profit or loss	(374,325)	0	(264,384)
(Profit)/Loss on Sale of Asset	(626,147)	(4,058,248)	2,713,539
(Increase)/Decrease in Receivables	(441,214)	(757,850)	(714,754)
(Increase)/Decrease in Inventories	9,482	(96,619)	(54,036)
Increase/(Decrease) in Payables	(1,420,563)	799,592	1,148,071
Increase/(Decrease) in Employee Provisions	(112,437)	30,475	357,376
Grants/Contributions for the Development of Assets	<u>(12,649,786)</u>	<u>(12,844,657)</u>	<u>(11,302,099)</u>
Net Cash from Operating Activities	<u>10,221,834</u>	<u>9,811,349</u>	<u>13,815,627</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Overdraft limit	0	0	0
Bank Overdraft at Balance Date	0	0	0
Credit Card limit	(60,000)	(30,000)	(60,000)
Credit Card Balance at Balance Date	<u>13,832</u>	<u>0</u>	<u>16,223</u>
Total Amount of Credit Unused	<u>(46,168)</u>	<u>(30,000)</u>	<u>(43,777)</u>

Loan Facilities

Loan Facilities - Current	20,969,313	30,900,000	7,063,000
Loan Facilities - Non-Current	5,700,000	12,240,000	20,900,000
Total Facilities in Use at Balance Date	<u>26,669,313</u>	<u>43,140,000</u>	<u>27,963,000</u>
Unused Loan Facilities at Balance Date	<u>2,786,454</u>	<u>0</u>	<u>15,463,000</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
15. CONTINGENT LIABILITIES		
Nil.		
16. CAPITAL AND LEASING COMMITMENTS		
(a) Finance Lease Commitments		
Nil.		
(b) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	54,980	48,560
- later than one year but not later than five years	75,627	159,788
	<u>130,607</u>	<u>208,348</u>
(c) Capital Expenditure Commitments		
Contracted for:		
- Civic Centre - Capital Expenditure	7,487,793	16,825,319
- Amherst Community Centre - Capital Expenditure	55,201	3,438,072
- Harmony Fields Redevelopment - Capital Expenditure	0	751,660
Payable:		
- not later than one year		
- Civic Centre - Capital Expenditure	7,487,793	15,663,932
- Amherst Community Centre - Capital Expenditure	55,201	3,438,072
- Harmony Fields Redevelopment - Capital Expenditure	0	751,660
The capital expenditure projects outstanding at the end of the current reporting period represents the construction of the redevelopment of the Civic Centre and the construction of Amherst Village Community Centre.		

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
17. JOINT VENTURE		
Nil.		
18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY		
Governance	1,562,424	3,100,000
General Purpose Funding	3,148,271	2,088,585
Law, Order, Public Safety	1,255,155	1,261,026
Health	2,366,051	2,408,000
Education and Welfare	4,249,133	4,138,900
Community Amenities	149,988,336	136,495,847
Recreation and Culture	136,755,472	136,317,782
Transport	159,790,348	165,295,395
Economic Services	182,096	250,589
Other Property and Services	45,711,745	36,586,033
Unallocated	60,357,656	52,541,747
	<u>565,366,687</u>	<u>540,483,904</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

19. FINANCIAL RATIOS	2009	2008	2007
Current Ratio	0.693	0.919	1.122
Untied Cash to Unpaid Trade Creditors Ratio	5.414	2.220	1.638
Debt Ratio	0.061	0.041	0.050
Debt Service Ratio	0.129	0.125	0.001
Gross Debt to Revenue Ratio	0.418	0.224	0.122
Gross Debt to			
Economically Realisable Assets Ratio	0.076	0.038	0.035
Rate Coverage Ratio	0.523	0.532	0.499
Outstanding Rates Ratio	0.016	0.026	0.007

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

20. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in the financial statements are as follows:

	Balance 1-Jul-08 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-09 \$
Unclaimed Monies	4,491	0	(3,931)	560
BCITF	163,965	472,595	(471,824)	164,736
BRB	17,438	101,669	(94,962)	24,145
Building Bonds	1,084,359	728,328	(590,805)	1,221,882
Planning Bonds	1,733,177	497,793	(713,458)	1,517,512
Infrastructure Bonds	1,987,047	1,314,818	(1,754,288)	1,547,577
Special Works Bonds	2,960	56,747	(59,707)	0
Road Works & Mtce Bonds	950	450	(1,400)	0
City Facilities Bonds	25,289	190,025	(182,629)	32,685
Community Engagement Bonds	2,900	7,050	(7,200)	2,750
Miscellaneous Bonds	9,615	0	0	9,515
Health & Building Bonds	2,340	0	(2,340)	0
Sub-Division Bonds	2,593	0	(2,593)	0
Sub-Division Bonds	391,187	0	(391,187)	0
Building Provisions/Bonds	64,156	0	(64,156)	0
Sundry Bonds and Deposits	211,241	0	(6,842)	204,399
Private Works	282,789	0	0	282,789
	<u>5,986,497</u>			<u>5,008,550</u>

Correction of prior period errors

In accordance with AASB 108 the following prior period error has been identified:

The Financial report for the year ended 30th June 2008 contained an error in relation to the following

Bonds and Retentions

Bonds and retentions outside the control of the City of Gosnells were recognised as cash and cash equivalents in the Municipal Fund with a corresponding current and non-current liability offset amount. The impact on each line item of the financial statement comparative of correcting this prior period error is as follows:

	2008 Original \$	2008 Corrected \$
Current Assets		
Cash and Cash Equivalents	28,465,083	22,664,481
Current Liabilities		
Trade and Other Payables	9,671,275	5,107,097
Non Current Liabilities		
Trade and Other Payables	1,236,424	0
Total	<u>17,557,384</u>	<u>17,557,384</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

20. TRUST FUNDS (Continued)

	2008 Original \$	2008 Corrected \$
Trust Fund		
Building Bonds	0	1,084,359
Planning Bonds	0	1,733,177
Infrastructure Bonds	0	1,987,047
Special Works Bonds	0	2,960
Road Works & Mtce Bonds	0	950
City Facilities Bonds	0	25,289
Community Engagement Bonds	0	2,900
Miscellaneous Bonds	0	9,615
Health & Building Bonds	0	2,340
Sub-Division Bonds	0	2,593
Sub-Division Bonds	0	391,187
Building Provisions/Bonds	0	64,156
Sundry Bonds and Deposits	0	211,241
Private Works	0	282,789
	<u>0</u>	<u>5,800,603</u>

21. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		(Profit)Loss	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land (Held for Resale)	1,030,279	2,429,000	2,033,707	6,585,000	(1,003,428)	4,156,000
Buildings	17,668	0	0	0	17,668	0
Furniture & Equipment	27,015	0	7,008	0	20,007	0
Plant & Equipment	2,028,664	1,762,252	1,824,853	1,664,500	203,811	(97,752)
Roads and Footpaths	0	0	0	0	0	0
Park Development	135,795	0	0	0	135,795	0
	<u>3,239,421</u>	<u>4,191,252</u>	<u>3,865,568</u>	<u>8,249,500</u>	<u>(626,147)</u>	<u>4,058,248</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

22. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$
Recreation and Culture						
Harmony Fields Redevelopment	6,500,000	0	1,000,000	5,500,000	520,381	300,000
Amherst Village Community Centre Construction Loan	0	4,000,000	0	4,000,000	33,929	410,000
Development of Lot 8 Holmes St Loan	0	1,700,000	0	1,700,000	14,420	460,000
Other Property and Services						
Civic Centre	6,000,000	15,469,313	6,000,000	15,469,313	658,488	1,500,000
	12,500,000	21,169,313	7,000,000	26,669,313	1,227,218	2,670,000

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2008/09

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Civic Centre	15,469,313	3,500,000	WA Treasury Corporation	Debenture	1	631,679	3.34% - 7.66%	9,502,434	3,500,000	1,829,180
Amherst Village Community Centre Construction Loan	4,000,000	5,760,000	WA Treasury Corporation	Debenture	2	137,223	3.34%	3,521,089	5,760,000	478,911
Development of Lot 8 Holmes St Loan	1,700,000	6,480,000	WA Treasury Corporation	Debenture	2	58,320	3.34%	1,221,637	6,480,000	478,363

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

22. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1-Jul-08 \$	Borrowed During Year \$	Expended During Year \$	Refinanced During Year \$	Balance 30-Jun-09 \$
Harmony Fields Redevelopment	27/06/2008	1,148,455	6,500,000	(1,148,455)	(6,500,000)	0
Civic Centre	15/04/2008	1,862,301	15,469,313	(9,502,434)	(6,000,000)	1,829,180
Amherst Village	1/04/2009	0	4,000,000	(3,521,089)	0	478,911
Lot 8 Holmes St	1/04/2009	0	1,700,000	(1,221,637)	0	478,363
		3,010,756	27,669,313	(15,393,615)	(12,500,000)	2,786,454

(d) Overdraft

Council has not utilised an overdraft facility during the financial year.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

23. RATING INFORMATION - 2008/09 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential General Rate GRV											
Commercial Improved	7.0000	375	50,160,017	3,511,201	142,279	0	3,653,480	3,511,201	100,000	0	3,611,201
Commercial Vacant	9.1000	35	835,450	76,026	(2,264)	0	73,762	76,026	0	0	76,026
Extractive Industry	13.3000	3	324,000	43,092	6,715	0	49,807	43,092	0	0	43,092
Golf Courses	7.0000	2	144,500	10,115	2,800	0	12,915	10,115	0	0	10,115
Industrial Improved	7.0000	721	39,069,700	2,734,879	174,286	0	2,909,165	2,734,879	60,000	0	2,794,879
Industrial Vacant	9.1000	70	1,596,228	145,257	(17,403)	0	127,854	145,257	10,000	0	155,257
Kennel Area Improved	7.0000	120	1,390,504	97,335	(960)	0	96,375	97,335	0	0	97,335
Kennel Area Vacant	9.1000	0	0	0	0	0	0	0	0	0	0
Residential Development GRV	8.4000	88	3,996,454	335,702	75,569	0	411,271	335,702	0	0	335,702
Residential Improved	7.0000	18,057	223,889,478	15,672,264	694,284	0	16,366,548	15,672,263	483,321	0	16,155,584
Residential Vacant	9.1000	2,132	24,968,540	2,272,137	40,654	0	2,312,791	2,272,137	50,000	0	2,322,137
Rural GRV	8.4000	676	12,316,534	1,034,589	(34,545)	0	1,000,044	1,034,589	0	0	1,034,589
Gosnells Town Centre	8.0500	87	7,078,698	569,835	8,373	0	578,208	569,835	0	0	569,835
UV											
Residential Development UV	0.1190	4	6,500,000	7,735	(2,164)	0	5,571	7,735	0	0	7,735
Rural UV	0.1990	229	213,208,550	424,285	(13,870)	0	410,415	424,285	0	0	424,285
Rural UV Agriculture Concession	0.1590	25	90,185,000	143,394	0	0	143,394	143,394	0	0	143,394
Sub-Totals		22,624	675,663,653	27,077,846	1,073,754	0	28,151,600	27,077,845	703,321	0	27,781,166

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

23. RATING INFORMATION - 2008/09 FINANCIAL YEAR (Continued)

RATE TYPE	Minimum \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Minimum Rates											
GRV											
Commercial Improved	659	69	460,028	45,471	0	0	45,471	45,471	0	0	45,471
Commercial Vacant	659	2	5,420	1,318	0	0	1,318	1,318	0	0	1,318
Extractive Industry	659	0	0	0	0	0	0	0	0	0	0
Golf Courses	659	0	0	0	0	0	0	0	0	0	0
Industrial Improved	659	108	846,473	71,172	0	0	71,172	71,172	0	0	71,172
Industrial Vacant	659	0	0	0	0	0	0	0	0	0	0
Kennel Area Improved	659	29	255,736	19,111	0	0	19,111	19,111	0	0	19,111
Kennel Area Vacant	659	0	0	0	0	0	0	0	0	0	0
Residential Development GRV	659	0	0	0	0	0	0	0	0	0	0
Residential Improved	659	15,974	131,203,531	10,526,866	0	0	10,526,866	10,526,866	0	0	10,526,866
Residential Vacant	659	235	1,461,500	154,865	0	0	154,865	154,865	0	0	154,865
Rural GRV	659	127	858,302	83,693	0	0	83,693	83,693	0	0	83,693
Gosnells Town Centre	659	3	20,930	1,977	0	0	1,977	1,977	0	0	1,977
UV											
Residential Development UV	659	0	0	0	0	0	0	0	0	0	0
Rural UV	659	5	1,281,450	3,295	0	0	3,295	3,295	0	0	3,295
Rural Agricultural Concession	659	0	0	0	0	0	0	0	0	0	0
Sub-Totals		16,552	136,393,370	10,907,768	0	0	10,907,768	10,907,768	0	0	10,907,768
Specified Area Rate (refer note 24)							39,059,368				38,688,934
Discounts (refer note 26)							253,807				253,537
Totals							39,313,175				38,942,471
							0				0
							39,313,175				38,942,471

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

24. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
The Avenues	0.005081	498	7,421,000	37,766	30	37,766	37,796	37,766
Sanctuary Waters	0.004878	688	11,403,669	55,627	119	55,627	55,746	55,627
The Reserve	0.004216	301	5,026,950	21,194	199	21,194	21,393	21,194
Brookland Greens	0.006315	546	9,626,069	60,789	112	60,789	60,901	60,789
Brookland Park	0.005540	308	4,582,430	25,386	59	25,386	25,445	25,386
The Boardwalk	0.004738	622	11,138,694	52,775	(249)	52,775	52,526	52,775
				253,537	270	253,537	253,807	253,537

Purpose of the rate and proposed applicant of proceeds:

To recover in each Specified Area up to 25% of park maintenance cost incurred by council.

The proceeds of the rate are applied in full to the costs of the park maintenance and no transfer to or from reserve accounts has occurred.

25. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

Nil.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2008/09 FINANCIAL YEAR

INCENTIVE A

An incentive for the early payment of rates was offered as follows:

Five prizes of \$1,000 each funded by the City of Gosnells will be drawn on a random basis.

Challenge Bank will also provide a \$2,000 savings account.

Inclusion in the draw was automatic for all ratepayers who paid their rates in full by the advertised due date of the first instalment.

Winners were notified by mail and the results published in a newspaper circulating in the district.

Councillors and employees of the City of Gosnells and their immediate families are ineligible to enter.

27. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	NA	192,388	180,131
Interest on Instalments Plan	5.50%	NA	270,889	170,000
Charges on Instalment Plan	NA	15	256,568	260,000
			719,845	610,131

Ratepayers had the option of paying rates in four equal instalments, due on 29th August 2008, 31st October 2008, 9th January 2009 and 6th March 2009. Administration charges and interest applied for the final three instalments.

28. FEES & CHARGES	2009 \$	2008 \$
Governance	19,425	26,985
General Purpose Funding	360,811	346,217
Law, Order, Public Safety	239,921	214,808
Health	146,584	113,950
Education and Welfare	388,742	394,452
Community Amenities	7,643,771	7,054,651
Recreation and Culture	2,241,495	2,281,941
Transport	78,114	53,006
Economic Services	1,869,815	1,797,460
Other Property and Services	320,039	198,968
	13,308,717	12,482,438

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

29. GRANTS, SUBSIDIES AND CONTRIBUTIONS REVENUE

	2009	2008
	\$	\$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	6,197,349	5,360,199
Non-Operating Grants, Subsidies and Contributions	12,649,786	11,302,099
	<u>18,847,135</u>	<u>16,662,298</u>
By Program:		
General Purpose Funding	4,060,067	2,825,162
Governance	1,747	1,919
Law, Order, Public Safety	153,581	149,723
Health	7,372	5,428
Education and Welfare	425,185	486,994
Community Amenities	3,928,434	7,609,317
Recreation and Culture	1,334,105	750,484
Transport	7,755,954	3,684,754
Economic Services	738,493	841,095
Other Property and Services	442,197	307,422
	<u>18,847,135</u>	<u>16,662,298</u>

30. COUNCILLORS' REMUNERATION

	2009	2009	2008
	\$	Budget	\$
		\$	
The following fees, expenses and allowances were paid to council members and/or the Mayor.			
Meeting Fees	92,310	91,000	89,575
Mayor's Allowance	64,755	60,000	60,000
Deputy Mayor's Allowance	8,963	9,000	9,000
Travelling Expenses	14,338	14,000	16,567
Telecommunications Allowance	18,838	18,000	17,785
	<u>199,204</u>	<u>192,000</u>	<u>192,927</u>

31. EMPLOYEES' REMUNERATION

Set out below, in bands of \$10,000, is the number of employees of the City entitled to an annual salary of \$100,000 or more.

Salary Range	2009	2008
\$		
100,000 - 109,999	4	0
110,000 - 119,999	3	3
120,000 - 129,999	1	1
130,000 - 139,999	0	0
140,000 - 149,999	0	0
150,000 - 159,999	3	5
160,000 - 169,999	2	0
190,000 - 199,999	0	1
200,000 - 209,999	1	0

32. EMPLOYEE NUMBERS

	2009	2008
The number of full-time equivalent employees at balance date	<u>374</u>	<u>369</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

33. MAJOR LAND TRANSACTIONS

Former Gosnells Library Site

(a) Details

The site is to be sold and the funds used to pay for the development of Pioneer Park.

(b) Current year transactions	2009 \$	2009 Budget \$	2008 \$
Operating Income			
- Profit on sale	0	1,200,000	0
Capital Income			
- Sale Proceeds	0	1,200,000	0
Capital Expenditure			
- Purchase of Land	0	0	0
- Development Costs	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

There are no liabilities in relation to this land transaction as at 30 June 2009.

(c) Expected Future Cash Flows

	2010 \$	2011 \$	2012 \$	2013 \$	2014 \$	Total \$
Cash Outflows						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Inflows						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Flows	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

33. MAJOR LAND TRANSACTIONS (Continued)

Harmony Fields Redevelopment

(a) Details

Redevelopment of the former Maddington Golf course now named Harmony Fields. The project plan allows for the construction of a pavilion, active sporting reserve and a passive reserve area.

Funding will be derived from the sale of the small parcel of land around the edges of the area for residential development and the Tonkin Highway on ramp and various small reserves within Maddington and the sale of 10 Alloo Road Maddington.

(b) Current year transactions	2009 \$	2009 Budget \$	2008 \$
Operating Income			
- Profit on sale	1,003,427	5,385,000	0
Capital Income			
- Sale Proceeds	2,033,706	5,385,000	0
Capital Expenditure			
- Purchase of Land	0	0	0
- Development Costs	(1,210,801)	0	(849,891)
	<u>(1,210,801)</u>	<u>0</u>	<u>(849,891)</u>

The above capital expenditure is included as land held for resale (refer Note 6).

(c) Expected Future Cash Flows

	2010 \$	2011 \$	2012 \$	2013 \$	2014 \$	Total \$
Cash Outflows						
- Development Costs	0	0	0	0	0	0
- Loan Repayments	(4,447,500)	(2,052,500)	0	0	0	(6,500,000)
	<u>(4,447,500)</u>	<u>(2,052,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,500,000)</u>
Cash Inflows						
- Loan Proceeds	0	0	0	0	0	0
- Sale Proceeds	4,447,500	2,052,500	0	0	0	6,500,000
	<u>4,447,500</u>	<u>2,052,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,500,000</u>
Net Cash Flows	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

33. MAJOR LAND TRANSACTIONS (Continued)

Lot 8 Corner Holmes Street and Warton Rd, Southern River Development

(a) Details

Council intended to develop the 6 Hectare site for subdivision with the profits to be used to partially offset the cost of the construction of the new Civic Centre.

The initial development of the site will be funded by a loan from Treasury.

(b) Current year transactions	2009 \$	2009 Budget \$	2008 \$
Operating Income			
- Profit on sale	0		0
Capital Income			
- Sale Proceeds	0		0
Capital Expenditure			
- Purchase of Land	0		0
- Development Costs	(1,221,637)	(5,780,000)	(1,241,195)
	<u>(1,221,637)</u>	<u>(5,780,000)</u>	<u>(1,241,195)</u>

The above capital expenditure is included as land held for resale (refer Note 6).

There are unspent loan liabilities of \$478,363 in relation to this land transaction as at 30 June 2009.

(c) Expected Future Cash Flows

	2010 \$	2011 \$	2012 \$	2013 \$	2014 \$	Total \$
Cash Outflows						
- Development Costs	(7,850,000)	0	0	0	0	(7,850,000)
- Loan Repayments	0	(1,500,000)	(8,280,000)	0	0	(9,780,000)
	<u>(7,850,000)</u>	<u>(1,500,000)</u>	<u>(8,280,000)</u>	<u>0</u>	<u>0</u>	<u>(17,630,000)</u>
Cash Inflows						
- Loan Proceeds	7,850,000	0	0	0	0	7,850,000
- Sale Proceeds	0	1,500,000	15,000,000	0	0	16,500,000
	<u>7,850,000</u>	<u>1,500,000</u>	<u>15,000,000</u>	<u>0</u>	<u>0</u>	<u>24,350,000</u>
Net Cash Flows	<u>0</u>	<u>0</u>	<u>6,720,000</u>	<u>0</u>	<u>0</u>	<u>6,720,000</u>

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2008/09 financial year.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

35. FINANCIAL RISK MANAGEMENT

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

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2009	2008	2009	2008
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	53,502,614	22,664,481	53,502,614	22,664,481
Receivables	3,860,424	3,419,210	3,860,424	3,419,210
Financial assets at fair value through profit or loss	<u>5,082,644</u>	<u>28,994,254</u>	<u>5,082,644</u>	<u>28,994,254</u>
	<u><u>62,445,682</u></u>	<u><u>55,077,945</u></u>	<u><u>62,445,682</u></u>	<u><u>55,077,945</u></u>
Financial Liabilities				
Payables	3,686,534	5,107,097	3,686,534	5,107,097
Borrowings	<u>26,669,313</u>	<u>12,500,000</u>	<u>25,069,544</u>	<u>12,050,240</u>
	<u><u>30,355,847</u></u>	<u><u>17,607,097</u></u>	<u><u>28,756,078</u></u>	<u><u>17,157,337</u></u>

Fair value is determined as follows:

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

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit or loss

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

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

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

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

	30-Jun-09	30-Jun-08
	\$	\$
Impact of a 10% (*) movement in price of investments:		
- Equity	1,471,159	3,760,516
- Income Statement	1,471,159 (+)	3,760,516 (+)
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	628,608	630,713
- Income Statement	628,608	630,713

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

(+) Maximum impact.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

35. FINANCIAL RISK MANAGEMENT (Continued)
(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

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

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	89.86%	93.64%
- Overdue	10.14%	6.36%

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted
	\$	\$	\$	\$	\$	\$	\$	Average
								Effective
								Interest Rate
								%
Year Ended 30 June 2009								
Borrowings								
Fixed Rate								
Debtures	20,969,313	5,700,000	0	0	0	0	26,669,313	3.81%
Weighted Average Effective Interest Rate	3.91%	3.44%						
Year Ended 30 June 2008								
Borrowings								
Fixed Rate								
Debtures	6,500,000	6,000,000	0	0	0	0	12,500,000	7.96%
Weighted Average Effective Interest Rate	8.02%	7.89%						

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF GOSNELLS**

Report on the Financial Report

We have audited the accompanying financial report of the City of Gosnells, which comprises the balance sheet as at 30 June 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the City of Gosnells is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the City's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).


**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF GOSNELLS (Continued)**

Other Matters

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City.
- b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



DAVID TOMASI
PARTNER

Address: Perth, WA
Date: 13 October 2009

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