

**CITY OF GOSNELLS**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
For the year ended 30 June 2002

	<b>Actual 2002</b>	<b>Budget 2002</b>	<b>Actual 2001</b>
<b><u>Operating Revenues</u></b>			
General Purpose Funding	25,459,257	25,685,261	24,886,197
Governance	80,341	35,600	62,163
Law, Order and Public Safety	259,599	248,705	320,864
Health	88,585	70,220	67,526
Welfare and Education	522,913	516,587	535,813
Housing	-	18,000	16,380
Community Amenities	4,405,646	4,227,107	4,786,846
Recreation and Culture	2,108,096	3,461,154	2,356,123
Transport	526,084	61,900	332,774
Economic Services	798,806	620,636	697,692
Other Property and Services	681,113	1,824,998	459,201
	<b>\$34,930,440</b>	<b>\$36,770,168</b>	<b>\$34,521,579</b>
<b><u>Operating Expenses</u></b>			
General Purpose Funding	852,894	794,836	624,853
Governance	2,428,851	2,466,079	2,343,175
Law, Order and Public Safety	1,909,766	2,025,308	1,769,835
Health	723,606	729,003	680,607
Welfare and Education	1,016,549	980,039	1,018,917
Housing	-	42,000	43,255
Community Amenities	6,327,724	6,349,090	6,469,218
Recreation and Culture	12,578,693	13,799,959	11,170,952
Transport	5,894,083	5,782,471	5,738,950
Economic Services	1,103,859	1,290,967	1,016,266
Other Property and Services	246,815	1,549,347	461,276
	<b>\$33,082,840</b>	<b>\$35,809,099</b>	<b>\$31,337,304</b>
<b><u>Contributions/Grants for the Development of Assets</u></b>			
Law, Order and Public Safety	-	-	-
Health	-	-	-
Welfare	-	-	-
Community Amenities	1,735,441	-	42,775
Recreation and Culture	58,250	-	-
Transport	2,363,473	2,161,740	1,740,606
Economic Services	2,146,864	-	-
Other property and Services	65,225	-	-
	<b>\$6,369,253</b>	<b>\$2,161,740</b>	<b>\$1,783,381</b>

**CITY OF GOSNELLS**  
**STATEMENT OF FINANCIAL PERFORMANCE (continued)**  
For the year ended 30 June 2002

	Actual 2002 \$	Budget 2002 \$	Actual 2001 \$
<b><u>Gain/(Loss) on Disposal of Assets</u></b>			
Governance	-	-	-
Law, Order and Public Safety	-	-	-
Health	-	-	-
Welfare	-	-	-
Community Amenities	-	-	185,900
Recreation and Culture	-	-	-
Transport	(66,002)	(235,830)	(295,490)
Economic Services	-	-	-
Other Property and Services	-	-	(2,819)
	(\$66,002)	(\$235,830)	(\$112,409)
<b>CHANGE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$8,150,851</b>	<b>\$2,886,979</b>	<b>\$4,855,247</b>

The above statement should be read in conjunction with the attached notes

**CITY OF GOSNELLS**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2002**

<b><u>Cash Flows from Operating Activities</u></b>	<b>Note</b>	<b>2002</b>	<b>2001</b>
<b><u>Revenues</u></b>		<b>\$</b>	<b>\$</b>
Rates		21,590,794	19,614,932
Fees and Charges			
Local Government Property		8,238,730	7,662,263
Contributions		5,101,415	1,630,418
Reimbursements		470,513	(97,430)
Interest		1,471,439	2,111,860
Other Income		-	39,320
Total Revenues		<u>\$36,872,891</u>	<u>\$30,961,363</u>
<b><u>Payments</u></b>			
Employee Costs		12,535,432	11,641,800
Utilities		1,634,703	1,600,406
Insurance		730,602	310,297
Materials and Contracts		11,551,885	10,132,416
Other Expenditure		823,931	709,956
Total Payments		<u>\$27,276,553</u>	<u>\$24,394,875</u>
Net Cash generated by Operating Activities	<b>4</b>	<u>\$9,596,338</u>	<u>\$6,566,488</u>
<b><u>Cash Flows from Investing Activities</u></b>			
Payments for Purchase of Assets		(12,911,639)	(12,256,736)
Proceeds from Sale of Assets		877,542	1,068,527
Capital Contributions			
Net Cash used in Investing Activities		<u>(\$12,034,097)</u>	<u>(\$11,188,209)</u>
<b><u>Cash Flows from Financing Activities</u></b>			
Repayment of Debt (Principal)		-	-
Net Cash used in Financing Activities		<u>-</u>	<u>-</u>
<b><u>Cash Flows from Government</u></b>			
Government Grants and Subsidies		3,682,312	4,407,775
Net Cash provided by Government		<u>\$3,682,312</u>	<u>\$4,407,775</u>
Net increase in cash held		1,244,553	(213,946)
Cash position brought forward 1 July		30,269,437	30,483,383
<b>CASH POSITION 30 JUNE</b>	<b>6</b>	<u><u>\$31,513,990</u></u>	<u><u>\$30,269,437</u></u>

The above statement should be read in conjunction with the attached notes

**CITY OF GOSNELLS**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2002**

	Note	2002 \$	2001 \$
<b><u>Current Assets</u></b>			
Cash assets	6	31,513,990	30,269,437
Receivables	7	3,049,327	2,222,483
Inventories		183,371	149,993
Prepayments		53,951	97,139
Total Current Assets		<u>\$34,800,639</u>	<u>\$32,739,052</u>
<b><u>Non Current Assets</u></b>			
Receivables	7	774,400	716,225
Property Plant and Equipment	8	59,021,294	58,722,389
Infrastructure	9	182,268,174	176,787,842
Tools		58,057	58,057
Contribution - Local Government House		15,464	15,464
Total non-current Assets		<u>\$242,137,389</u>	<u>\$236,299,977</u>
<b>Total assets</b>	<b>10</b>	<u><b>\$276,938,028</b></u>	<u><b>\$269,039,029</b></u>
<b><u>Current Liabilities</u></b>			
Payables	11	(5,196,641)	(5,750,062)
Provisions	12	(2,624,568)	(2,300,649)
Total Current Liabilities		<u>(\$7,821,209)</u>	<u>(\$8,050,711)</u>
<b><u>Non Current Liabilities</u></b>			
Payables	11	(1,189,697)	(1,234,356)
Provisions	12	(258,649)	(236,339)
Total Non Current Liabilities		<u>(\$1,448,346)</u>	<u>(\$1,470,695)</u>
<b>Total liabilities</b>		<u>(\$9,269,555)</u>	<u>(\$9,521,406)</u>
<b>NET ASSETS</b>		<u><b>\$267,668,473</b></u>	<u><b>\$259,517,623</b></u>
<b><u>Equity</u></b>			
Accumulated Surplus		215,646,853	208,765,575
Asset Revaluation Reserve		31,468,194	31,468,194
Reserve Funds	14	15,626,112	15,672,997
Town Planning Schemes Reserves	16	4,927,314	3,415,039
Trust Accounts Reserves	17	-	195,818
<b>TOTAL EQUITY</b>		<u><b>\$267,668,473</b></u>	<u><b>\$259,517,623</b></u>

The above statement should be read in conjunction with the attached notes

**CITY OF GOSNELLS**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2002**

	Note	2002 \$	2001 \$
<b><u>Reserves - Cash Backed</u></b>			
Balance B/Fwd 1 July		19,283,854	20,604,716
Net Movements 2001/2002:-			
Reserve Funds	14	(46,883)	186,212
Town Planning Scheme Reserves	16	1,512,274	510,086
Trust Accounts Reserves	17	(195,818)	(2,017,160)
		<hr/>	<hr/>
Balance as at 30 June		\$20,553,427	\$19,283,854
<b><u>Reserves – Non Cash Backed</u></b>			
		<hr/>	<hr/>
		\$31,468,194	\$31,468,194
<b><u>Accumulated Surplus</u></b>			
Surplus brought forward		208,765,575	202,589,466
Surplus from operations		8,150,851	4,855,247
Transfers to/from reserves:-			
Reserve funds		46,883	(186,212)
Town Planning Scheme Reserves		(1,512,275)	(510,086)
Trust accounts reserves		195,818	2,017,160
		<hr/>	<hr/>
Balance as at 30 June		\$215,646,852	\$208,765,575
<b>TOTAL EQUITY</b>		<b>\$267,668,473</b>	<b>\$259,517,623</b>

**CITY OF GOSNELLS  
RATES SETTING STATEMENT 2001/2002**

<b><u>PARTICULARS</u></b>	Note	<b>ACTUALS</b> \$	<b>BUDGET</b> \$
<b><u>Operating Revenue</u></b>			
General Purpose Funding		4,131,589	4,164,026
Governance		80,341	35,600
Law, Order and Public Safety		259,599	248,705
Health		88,585	70,220
Education and Welfare		522,913	516,587
Housing		-	18,000
Community Amenities		4,405,646	4,227,107
Recreation and Culture		2,108,096	3,461,154
Transport		526,085	61,900
Economic Services		798,806	620,636
Other Property and Services		750,156	1,824,998
		<b>13,671,816</b>	<b>15,248,933</b>
LESS			
<b><u>Operating Expenditure</u></b>			
General Purpose Funding		852,894	794,836
Governance		2,428,851	2,466,079
Law, Order and Public Safety		1,909,766	2,025,308
Health		723,606	729,003
Education and Welfare		1,016,549	980,039
Housing		-	42,000
Community Amenities		6,327,724	6,349,090
Recreation and Culture		12,578,693	13,799,959
Transport		5,894,083	5,782,471
Economic Services		1,103,859	1,290,967
Other Property and Services		381,860	1,785,177
		<b>33,217,885</b>	<b>36,044,929</b>
		<b>(19,546,069)</b>	<b>(20,795,996)</b>
<b>Change in net assets arising from operations</b>			
ADD			
Contributions/Grants for the Development of Assets		6,369,253	2,161,740
Profit/(Loss) on the Disposal of Assets		66,002	235,830
Write back:			
Depreciation		6,201,202	6,559,530
Proceeds of Assets Sold		877,000	1,134,490
		<b>13,513,457</b>	<b>10,091,590</b>

**CITY OF GOSNELLS  
RATES SETTING STATEMENT 2001/2002**

	Note	ACTUALS \$	BUDGET \$
LESS			
<b><u>CAPITAL PROGRAMME</u></b>			
Purchase Land and Buildings		1,149,447	1,449,825
Purchase Infrastructure Assets		6,803,243	8,832,452
Purchase Plant and Equipment		2,025,016	2,500,790
Purchase Furniture and Fittings		456,614	641,480
Capital Works in Progress		2,477,319	-
		<b>12,911,639</b>	<b>13,424,547</b>
<b><u>OTHER</u></b>			
Transfer to Town Planning Schemes		1,792,494	164,984
Transfer to Reserves		3,227,604	1,865,695
		<b>5,020,098</b>	<b>2,030,679</b>
ADD			
<b><u>FUNDING SOURCES</u></b>			
Restricted Assets		195,818	-
Reserves Utilised		3,274,487	-
Town Planning Schemes		280,220	4,628,397
Opening Funds		6,400,619	610,000
		<b>\$10,151,144</b>	<b>\$5,238,397</b>
<b>RATES LEVIED</b>		<b>(\$21,327,668)</b>	<b>(\$21,521,235)</b>
<b>Surplus</b>		<b>\$7,514,463</b>	<b>\$600,000</b>

**CITY OF GOSNELLS**  
**SCHEDULE 1**  
**GENERAL PURPOSE INCOME**  
**For the year ended 30 June 2002**

	<b>Actuals</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b><u>Rates (excluding minimums)</u></b>		
<b><u>General Rates</u></b>		
GRV	13,706,865	13,706,865
UV	326,866	326,860
<b><u>Specified Area Rates (GRV)</u></b>		
The Avenues (Park land maintenance)	32,098	32,100
Lansdowne Park (Park land maintenance)	21,511	21,510
Sanctuary Waters (Park land maintenance)	40,007	40,010
Brookland Greens	41,188	41,190
<b><u>Concessional Rates (UV)</u></b>		
Agricultural Rate	114,121	114,120
<b><u>Minimum Rates</u></b>		
<b><u>General Rates</u></b>		
GRV	6,813,520	6,813,980
UV	5,060	4,600
<b><u>Back Rates</u></b>		
GRV	(9,261)	-
UV	(3,709)	-
Specified Area Rates	297	-
<b><u>Interim Rates/Adjustments</u></b>		
GRV	218,492	420,000
UV	16,715	-
Specified Area Rates	3,898	-
<b>Total Rates levied</b>	<b>21,327,668</b>	<b>21,521,235</b>
Less - Discount allowed	-	-
Add - Late payment penalties	160,775	180,000
Add - Other Adjustments	-	-
<b>Total Amount made up from Rates</b>	<b>21,488,443</b>	<b>21,701,235</b>
<b><u>Other General Purpose Income</u></b>		
General (untied) grant	1,291,474	1,292,601
General (untied) roads grant	807,321	808,211
Pensioners' deferred rates interest grant	37,758	37,000
Interest on Municipal Investments	630,810	795,893
Late payment penalties (non rates)	30,082	-
Other	6,848	7,000
<b>Total Other General Purpose Income</b>	<b>2,804,293</b>	<b>2,940,705</b>
<b>Total General Purpose Income</b>	<b>24,292,736</b>	<b>24,641,940</b>



**SCHEDULE 2**  
**STATEMENT OF RATING INFORMATION**  
**For the year ended 30 June 2002**

	No. of Properties	Valuation \$	Minimum Rate or c/\$	YIELD				Total \$
				Rates \$	Interim Rates \$	Non Payment Penalty \$	Back Rates \$	
<b>Gross Rental Valuations</b>								
Residential Improved	14,274	105,716,018	7.8124	8,258,958	250,322	123,313	14,461	8,647,054
Residential Vacant	521	3,298,189	12.4998	412,267	8,267	9,914	-20,912	409,536
Commercial Improved	345	29,853,494	7.8124	2,332,274	-7,491	5,592	-30,649	2,299,726
Commercial Vacant	37	403,010	12.4998	50,375	-261	1,225	198	51,537
Industrial Improved	683	21,603,370	7.8124	1,687,742	27,471	10,364	13,930	1,739,507
Industrial Vacant	84	756,990	12.4998	94,622	-32,290	1,306	12,342	75,980
Kennel Area Improved	136	991,720	7.8124	77,477		391		77,868
Kennel Area Vacant	1	4,050	12.4998	506				506
Rural GRV	766	6,321,224	9.3749	592,608	-25,307	3,659	1,369	572,329
Extractive Industries	3	230,000	14.8436	34,140	460	3		34,603
Residential Development	164	1,640,388	9.3749	153,785	-2,676	1,972		153,081
Golf Club	1	155,000	7.8124	12,109		665		12,774
<b>TOTALS</b>	<b>17,015</b>	<b>170,973,453</b>		<b>13,706,863</b>	<b>218,495</b>	<b>158,404</b>	<b>-9,261</b>	<b>14,074,501</b>
<b>Unimproved Valuations</b>								
Rural UV	230	51,472,000	0.5476	281,861	15,319	1,049	-3,709	294,520
Rural UV Agricultural Concession	26	26,049,000	0.4381	114,121		56		114,177
Rural UV Residential Development Concession	26	13,700,000	0.3285	45,005	1,396	437		46,838
<b>TOTALS</b>	<b>282</b>	<b>91,221,000</b>		<b>440,987</b>	<b>16,715</b>	<b>1,542</b>	<b>-3,709</b>	<b>455,535</b>
<b>Minimum Rates</b>								
Residential Improved	13,372	70,819,910	460	6,151,120				6,151,120
Residential Vacant	1,179	3,124,725	460	542,340				542,340
Commercial Improved	65	248,352	460	29,900				29,900
Commercial Vacant	2	3,000	460	920				920
Industrial Improved	91	463,666	460	41,860				41,860
Industrial Vacant	3	3,590	460	1,380				1,380
Kennel Area Improved	12	68,068	460	5,520				5,520
Rural GRV	88	363,882	460	40,480				40,480
Rural UV	1	2,925	460	460				460
Rural UV Residential Development Concession	9	634,000	460	4,140				4,140
	1	119,000	460	460				460
<b>TOTALS</b>	<b>14,823</b>	<b>75,851,118</b>		<b>6,818,580</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,818,580</b>
<b>Specified Area Rates - GRV*</b>								
<b>Gross Rental Valuations</b>								
The Avenues	461	3,856,121	0.8324	32,098	771	159	-93	32,935
Lansdowne Park	298	2,206,670	0.9748	21,511	81	171		21,763
Sanctuary Waters	688	6,508,413	0.6147	40,007	641	274	149	41,071
Brookland Greens	500	4,035,309	1.0207	41,188	2,404	225	241	44,058
<b>TOTALS</b>	<b>1,947</b>	<b>16,606,513</b>		<b>134,804</b>	<b>3,897</b>	<b>829</b>	<b>297</b>	<b>139,827</b>
<b>TOTAL RATES INCOME</b>	<b>32,120</b>			<b>21,101,234</b>	<b>239,107</b>	<b>160,775</b>	<b>-12,673</b>	<b>21,488,443</b>

\* These totals not duplicated in total rates levied above

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**1 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of these financial statements are:

**a. Reporting Entity**

For the purposes of reporting the Local Government as a single unit, all transactions and balances in respect to the Municipal, Reserve and Town Planning Scheme accounts have been consolidated.

Certain moneys held in the Trust Fund have been excluded (see Note 15).

**b. Basis of Accounting**

The financial statements have been drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996. They have been prepared on the accrual basis under the convention of historical cost.

**c. Employee Entitlements**

(i) Wages and Salaries

A Liability for wages and salaries is recognised and is stated as the amount unpaid at balance date calculated at current rate of pay.

(ii) Annual Leave

Employee entitlements to annual leave are recognised as leave not taken at balance date calculated at current rates of pay.

(iii) Long Service Leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using average Commonwealth Government bond rates that match as closely as possible estimated future cash outflows. The amount expected to be paid to employees within the next twelve months is recognised as a current liability in the statement of financial position.

**d. Superannuation Fund**

The superannuation expense for the reporting period is the amount of contributions made to the Local Government Superannuation Fund which provides benefits to Council's employees. Detail of this arrangement is set out in note 26.

**e. Investments**

All investments are made in accordance with the Trustee's Act and are valued at cost. Interest revenue on the investments is recognised as it accrues.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**f. Rates, Grants, Donations and Other Contributions**

The rating and reporting periods coincide and rates levied for the year are recognised as revenues. All grants, donations and other contributions are recognised as revenues during their reporting period and expenditure of those monies is made in the manner specified under the conditions upon which City of Gosnells received those monies.

**g. Stock on Hand**

City of Gosnells uses the weighted average cost method in determining the value of stock on hand.

**h. Cash**

For the purposes of the Statement of Cashflows, cash includes cash on hand and at bank, and investments in money market instruments.

**i. Depreciation of non-current assets**

Property, plant and equipment are brought to account at cost less where applicable any accumulated depreciation. Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives on a straight-line basis.

Major depreciation periods for non-current assets other than infrastructure assets are:

Buildings	20 to 50 years
Plant	5 to 10 years
Furniture and Equipment	5 to 15 years

Major depreciation periods for infrastructure assets are:

Roads	20 - 50 years	Car Park Development	20 - 50 years
Drains	50 - 100 years	Play equipment	10 - 20 years
Park land Development	20 - 50 years	Street Furniture	20 - 50 years
Bridges	50 - 100 years	Other Infrastructure	33 - 100 years

Only individual items with a value of \$1000 or more have been capitalised, in accordance with Council's asset management policy.

**j. Fixed Assets Values and Revaluations**

To comply with the requirements of the new Australian Accounting Standard AAS 38 "Revaluation of Non Current Assets" the City of Gosnells has elected to value all its fixed assets at cost. All assets previously shown at valuation in prior years have had their net carrying value as at 1 July 2000 be their deemed cost value. The information included below is supplied to assist the reader in understanding the comparative information.

All land purchased prior to 1 July 1997 has been revalued at current value as supplied by the Valuer General's office using a basis of minimal land value reflecting its restricted community use. All land purchased since that date has been valued at cost.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

All buildings in situ as at 1 July 1997 are based on Valuer General valuations. The Valuer General's value is derived from the gross replacement (or reproduction) cost of improvements less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. The result is an estimate of value to the undertaking in occupation of a property at valuation date assuming continued operations. The valuation uses a deprival value basis, applying a Depreciated Replacement Costs (DRC) method. All constructions after 1 July 1997 have been valued at cost.

Plant and Equipment was revalued by Council in 1996 using an internal assessment of current market value. Purchases since are valued at cost.

Furniture and Equipment was revalued by Council in 1997 using an internal assessment of depreciated current replacement value. Purchases in 1997/98 are valued at cost.

Roads & Footpaths in situ as at 30 June 1996 were revalued by Council in 1997 using the Pavement & Road Maintenance Management System (PARMMS), a recognised valuation system provided by Pavement Management Services (NSW), based on internally generated costings.

Roads and Footpaths construction since 1 July 1996 are valued at cost.

Bridges were valued by Council using an internal assessment of insured values.

Drains acquired before 1 July 1996 were valued using the Drainage Asset Management System (DRAMS), a recognised valuation system provided by Huefner & Associates (SA), based on internally generated costings. Subsequent drainage works are valued at cost.

Parks developed prior to 1 July 1996 have been valued by Council using an internal assessment of current market value. Subsequent developments have been valued at cost.

Play equipment purchased prior to 1 July 1996 has been valued by Council using an internal assessment of current market value, subsequent purchases have been valued at cost.

Street furniture purchased prior to 1 July 1996 has been valued by Council using an internal assessment of current market value. Subsequent purchases have been valued at cost.

Other Infrastructure purchased prior to 1 July 1996 has been valued by Council using an internal assessment of current replacement value. Subsequent purchases have been valued at cost.

**k. Land under Roads**

Land under roads has not been recognised as an asset as at the reporting date.

**l. Management Clearing programme**

In accordance with changes to the Local Government (Financial Management) Regulations 1996, City of Gosnells has allocated all general administration costs over all programmes on activity based costing principles.

**m. Roundings**

Amounts shown in the financial report have been rounded to the nearest dollar. This may result in minor variations between schedules.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**2 COMPONENT FUNCTIONS AND ACTIVITIES**

**General Purpose Funding**

To collect revenue to finance Council activities

Rates, government grants and interest revenue collection and administration

**Governance**

To provide a decision-making process to efficiently allocate scarce resources

Administration and operation of facilities and services to members of Council and other costs relating to assistance to members that cannot be specifically allocated

**Law, Order and Public Safety**

To provide services to ensure a safer community

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

**Health**

To provide an operational framework for good community health

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

**Education and Welfare**

To assist in meeting the needs of the community

Operation of senior citizens' and day-care centres, pre-schools, playgroup assistance and other voluntary services

**Housing**

To help ensure adequate housing

Provision of minimal staff and rental housing

**Community Amenities**

To provide services required by the community

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

**Recreation and Culture**

To establish and manage facilities for the wellbeing of the community

Ensure availability of halls, aquatic centre, recreation and sportsgrounds and libraries

**Transport**

To provide effective infrastructure to the community in the most efficient way

Construction and maintenance of roads and bridges and lighting and cleaning of streets

**Economic Services**

To promote the City and improve its economic base

Promotion of tourism and the area together with regulation of building

**Other Property and Services**

Private works operations, plant repairs and general operations costs

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**3 REVENUE AND EXPENSE**  
**CLASSIFIED BY NATURE**

	<u>2002</u>	<u>2001</u>
	\$	\$
<b>Revenue</b>		
Rates	21,327,668	20,257,248
Fees and Charges – Local Government property	8,147,976	7,575,719
Contributions	2,716,225	1,712,611
Reimbursements	167,285	108,249
Interest	1,474,517	2,107,693
Grants and Subsidies – operating	2,602,531	2,798,313
Grants and Subsidies – capital	4,633,812	1,712,995
Profit on Sale of Fixed Assets	69,043	185,900
Other income	229,681	32,132
Total	<u>\$41,368,738</u>	<u>\$36,490,860</u>
<b>Expense</b>		
Employee costs	12,881,661	12,395,153
Utilities	1,634,703	1,600,406
Insurance	730,762	622,091
Materials and Contracts	10,963,615	10,016,466
Other expenditure	683,242	709,772
Depreciation on non current assets	6,188,859	5,993,416
Loss on Sale of Fixed Assets	135,045	298,309
Total	<u>\$33,217,887</u>	<u>\$31,635,613</u>
<b>Change in net assets resulting from operations</b>	<u><b>\$8,150,851</b></u>	<u><b>\$4,855,247</b></u>

**4 RECONCILIATION OF NET CASH USED IN OPERATING**  
**ACTIVITIES TO CHANGE IN NET ASSETS RESULTING**  
**FROM OPERATIONS**

	<u>2002</u>	<u>2001</u>
	\$	\$
Change in net assets resulting from operations	8,150,851	4,855,247
Profit on sales of fixed assets	(69,043)	(185,900)
Loss on Sale of Fixed Assets	135,045	298,309
Government revenues	(3,682,312)	(4,407,775)
Decrease (Increase) in debtors	(885,019)	(865,619)
Depreciation	6,188,859	5,993,415
Increase in provisions	346,229	429,651
Increase in creditors (operating expenditure)	(598,080)	209,859
Decrease (Increase) in inventory	(33,378)	(23,278)
Decrease (Increase) in prepayments	43,186	262,579
Net cash used in operating activities	<u>\$9,596,338</u>	<u>\$6,566,488</u>

**5 SPECIFIED AREA RATES**

Specified Area Rates have been raised to cover the additional cost of maintaining the above average standard of landscaping in The Avenues, Lansdowne Park and Sanctuary Waters housing developments.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**5 SPECIFIED AREA RATES continued**

A comparison of actual against estimated net expenditure for this purpose in the 2001/2002 year is as follows:-

	Estimated	Actual	Surplus (Deficit)
	\$	\$	\$
The Avenues	110,150	101,739	8,411
Lansdowne Park	66,200	48,940	17,260
Sanctuary Waters	157,610	143,859	13,751
Brookland Green	122,700	126,229	(3,529)

Surplus amounts have been carried forward into 2002/2003.

**6 CASH POSITION**

	<u>2002</u>	<u>2001</u>
	\$	\$
Unrestricted	10,960,564	10,985,583
Restricted	20,553,426	19,283,854
TOTAL CASH	<u>\$31,513,990</u>	<u>\$30,269,437</u>

Cash holdings restricted as to use by Council resolution, regulation or external requirement –

Reserves	15,626,112	15,672,997
Trust	-	195,818
Town Planning Scheme accounts	4,927,314	3,415,039
TOTAL RESTRICTED CASH	<u>\$20,553,426</u>	<u>\$19,283,854</u>

**7 RECEIVABLES**

	<u>2002</u>	<u>2001</u>
	\$	\$
<b><u>CURRENT</u></b>		
Rates	1,288,721	1,602,552
GST recoverable	218,895	218,775
Contributions	179,826	18,997
Income from property	157,309	99,967
Recreation ground hire	37,905	52,428
Reinstatements	21,525	17,628
Insurance	18,548	15,927
Government Grants	1,137,312	248,901
Miscellaneous works	7,572	2,789
Firebreaks	1,912	448
Interest	38,680	35,602
Town planning application fees	-	127
Other sundry debtors	40,855	8,342
Sub-total	3,149,060	2,322,483
Less - provision for doubtful debts	(99,733)	(100,000)
Total current receivables	<u>\$3,049,327</u>	<u>\$2,222,483</u>

**NON CURRENT**

Pensioners' deferred rates	655,601	614,896
Other sundry debtors	118,799	101,329
Total non current receivables	<u>774,400</u>	<u>716,225</u>
Total receivables	<u>\$3,823,727</u>	<u>\$2,938,708</u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**8 (a) STATEMENT OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT**

PROGRAMME	Net book value of Assets Disposed of		Income from Disposal of Assets		Profit/(Loss) on Disposal of Assets	
	Budget	Actual	Budget	Actual	Budget	Actual
	\$	\$	\$	\$	\$	\$
Governance	-	-	-	-	-	-
Law Order and Public Safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Community Amenities	-	-	-	-	-	-
Recreation and Culture	-	-	-	-	-	-
Transport	-	-	-	-	-	-
Economic Services	-	-	-	-	-	-
Other Property and Services	1,370,320	943,544	1,134,490	877,542	(235,830)	(66,002)
<b>TOTALS</b>	<b>\$1,370,320</b>	<b>\$943,544</b>	<b>\$1,134,490</b>	<b>\$877,542</b>	<b>(\$235,830)</b>	<b>(\$66,002)</b>

**8 (b) MOVEMENTS - PROPERTY, PLANT AND EQUIPMENT**

	Cost 1/7/01	Additions	Disposals at Cost	Transfers	Cost 30/6/02
<b>Carried at Revalued Amount</b>					
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Plant & Machinery	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-
Total	-	-	-	-	-
<b>Carried at Cost</b>					
Land	14,681,981	810,080	-	-	15,492,061
Buildings	34,057,489	339,367	-	-	34,396,856
Plant & Machinery	10,257,109	2,025,017	(1,374,651)	-	10,907,475
Furniture & Equipment	3,190,482	456,614	-	-	3,647,096
Total	<b>62,187,061</b>	<b>3,631,078</b>	<b>(1,374,651)</b>		<b>64,443,488</b>
	Accum. Depreciation 1/7/01	Depreciation expensed 2001/2002	Accum. Depreciation on Disposals	Transfers	Accum. Depreciation 30/6/02
<b>Carried at Revalued Amount</b>					
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Plant & Machinery	-	-	-	-	-
Furniture & Equipment	-	-	-	-	-
Total	-	-	-	-	-
<b>Carried at Cost</b>					
Land	-	-	-	-	-
Buildings	781,433	721,539	-	-	1,502,972
Plant & Machinery	1,795,177	1,197,024	(431,108)	-	2,561,093
Furniture & Equipment	888,059	470,070	-	-	1,358,129
Total	<b>3,464,669</b>	<b>2,388,633</b>	<b>(431,108)</b>		<b>5,422,194</b>
				<b>Net Book Value</b>	<b>\$59,021,294</b>



**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**8 (c) PROPERTY PLANT AND EQUIPMENT**

	<u>2002</u>	<u>2001</u>
	\$	\$
<b>(i) Carried at Cost</b>		
Land	15,492,061	14,681,981
Buildings	34,396,855	34,057,487
Less : Accumulated Depreciation	(1,502,972)	(781,433)
Net Book Value	<u>32,893,883</u>	<u>33,276,054</u>
Plant and Machinery	10,907,474	10,257,108
Less : Accumulated Depreciation	(2,561,094)	(1,795,177)
Net Book Value	<u>8,346,380</u>	<u>8,461,931</u>
Furniture and Equipment	3,647,096	3,190,483
Less : Accumulated Depreciation	(1,358,129)	(888,060)
Net Book Value	<u>2,288,967</u>	<u>2,302,423</u>
<b>Total - Property, Plant and Equipment carried at cost</b>	<b><u><u>\$59,021,291</u></u></b>	<b><u><u>\$58,722,389</u></u></b>
<b>(ii) Total Property, Plant and Equipment</b>		
Property, Plant and Equipment at revalued amount	-	-
Property Plant and Equipment at Cost	<u>59,021,291</u>	<u>58,722,389</u>
<b>Total Property, Plant and Equipment</b>	<b><u><u>\$59,021,291</u></u></b>	<b><u><u>\$58,722,389</u></u></b>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**9 (a) CLASSIFICATION - INFRASTRUCTURE**

	Cost 1/7/01	Additions	Disposals at Cost	Transfers	Cost 30/6/02
<b>Carried at Cost</b>					
Roads & Paths	117,030,918	4,865,339	-	19,906	121,916,163
Bridges	8,310,916	-	-	(209)	8,310,707
Drains	40,681,695	501,131	-	-	41,182,826
Car Park Development	2,912,294	-	-	-	2,912,294
Parks Development	10,055,177	891,918	-	373	10,947,468
Play Equipment	1,490,628	14,571	-	-	1,505,199
Street Furniture	464,160	-	-	(193)	463,967
Other Infrastructure	779,371	510,407	-	-	1,289,778
Capital Works in progress	19,906	2,497,196	-	(19,877)	2,497,225
<b>Total</b>	<b>181,745,065</b>	<b>9,280,562</b>	-	-	<b>191,025,627</b>

	Accum. Depreciation 1/7/01	Depreciation expensed 2000/2001	Accum. Depreciation on Disposals	Transfers	Accum. Depreciation 30/6/02
<b>Carried at Cost</b>					
Roads & Paths	3,389,697	2,652,503	-	-	6,042,200
Bridges	154,439	153,136	-	-	307,575
Drains	474,848	415,073	-	-	889,921
Car Park Development	73,165	65,772	-	-	138,937
Parks Development	630,932	349,770	-	-	980,702
Play Equipment	198,727	141,711	-	-	340,438
Street Furniture	27,459	12,122	-	-	39,581
Other Infrastructure	7,960	10,139	-	-	18,099
Capital Work in Progress	-	-	-	-	-
<b>Total</b>	<b>4,957,227</b>	<b>3,800,226</b>	-	-	<b>8,757,453</b>
<b>Net Book Value</b>					<b><u>\$182,268,174</u></b>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

<b>9 (b) INFRASTRUCTURE</b>	<u>2002</u>	<u>2001</u>
<b>(i) Carried at Cost</b>		
Roads and Paths	121,916,163	117,030,918
Less : Accumulated Depreciation	(6,042,200)	(3,389,697)
Net Book Value	<u>115,873,963</u>	<u>113,641,221</u>
Bridges	8,310,707	8,310,917
Less : Accumulated Depreciation	(307,575)	(154,440)
Net Book Value	<u>8,003,132</u>	<u>8,156,477</u>
Drains	41,182,827	40,681,696
Less : Accumulated Depreciation	(889,921)	(474,849)
Net Book Value	<u>40,292,906</u>	<u>40,206,847</u>
Car Park Development	2,912,667	2,912,296
Less : Accumulated Depreciation	(138,936)	(73,166)
Net Book Value	<u>2,773,731</u>	<u>2,839,130</u>
Parks Development	10,947,095	10,055,176
Less : Accumulated Depreciation	(980,702)	(630,931)
Net Book Value	<u>9,966,393</u>	<u>9,424,245</u>
Play Equipment	1,505,199	1,490,628
Less : Accumulated Depreciation	(340,438)	(198,727)
Net Book Value	<u>1,164,761</u>	<u>1,291,901</u>
Street Furniture	463,967	464,160
Less : Accumulated Depreciation	(39,581)	(27,459)
Net Book Value	<u>424,386</u>	<u>436,701</u>
Other Infrastructure	1,289,778	779,371
Less : Accumulated Depreciation	(18,099)	(7,960)
	<u>1,271,679</u>	<u>771,411</u>
Capital Work in Progress	<u>2,497,225</u>	19,909
<b>Total Infrastructure - carried at cost</b>	<b><u>182,268,176</u></b>	<b><u>176,787,842</u></b>
<b>(ii) Total Infrastructure</b>		
Infrastructure at Revalued Amount		
Infrastructure at cost	<u>182,268,176</u>	<u>176,787,842</u>
Net Book Value - Infrastructure	<b><u>\$182,268,176</u></b>	<b><u>\$176,787,842</u></b>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**10 TOTAL ASSETS AS AT 30 JUNE 2001**  
**CLASSIFIED BY FUNCTION**

	<u>2002</u>	<u>2001</u>
	\$	\$
General Purpose Funding	34,634,304	32,472,487
Governance	3,417,636	3,521,954
Law, Order and Public Safety	271,473	117,065
Health	427,139	436,292
Welfare and Education	2,343,846	2,395,262
Housing	772,300	774,653
Community Amenities	57,388,559	56,823,280
Recreation and Culture	48,215,701	48,721,539
Transport	117,994,771	113,143,264
Economic Services	274,692	172,875
Other Property and Services	11,197,607	10,460,358
TOTAL	<b>\$276,938,028</b>	<b>\$269,039,029</b>

**11 CREDITORS**

	\$	\$
<u>CURRENT</u>		
Trade Creditors - unsecured	2,998,552	3,969,057
Sundry Creditors	329,070	95,292
Bonds and Retentions	1,097,796	937,686
Accruals	599,468	687,923
Income received in advance	171,755	60,104
Total current creditors	<u>\$5,196,641</u>	<u>\$5,750,062</u>
<u>NON CURRENT</u>		
Bonds and Retentions	1,084,978	1,147,152
Sundry Creditors	104,719	87,204
Total non current creditors	<u>\$1,189,697</u>	<u>\$1,234,356</u>
Total creditors	<u><u>\$6,386,338</u></u>	<u><u>\$6,984,418</u></u>

**12 PROVISION FOR EMPLOYEE ENTITLEMENTS**

**The provision for Employee entitlements is made up as follows:**

<u>CURRENT</u>		
Annual Leave	1,419,921	1,233,299
Long Service Leave	1,204,647	1,067,350
Total current provisions	<u>\$2,624,568</u>	<u>\$2,300,649</u>
<u>NON CURRENT</u>		
Long Service Leave	258,649	236,339
Total non current provisions	<u>\$258,649</u>	<u>\$236,339</u>
Total provisions	<u><u>\$2,883,217</u></u>	<u><u>\$2,536,988</u></u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**13 CONDITIONS OVER CONTRIBUTIONS**

- a) All grants which were recognised as revenues during the reporting period and which were obtained on prescribed conditions for expenditure had been applied in that manner as at the reporting date.
- b) Contributions for works within gazetted Town Planning Schemes together with contributions towards Public Open Space yet to be applied in the specified manner as at the reporting date were:-

	<u>2002</u>	<u>2001</u>
	\$	\$
Town Planning Scheme accounts (Note 16)	4,927,314	3,415,039
Public Open Space Reserve (Note 14)	1,600,597	1,597,825
	<u>\$6,527,911</u>	<u>\$5,012,864</u>

**14 DETAILS OF CASH BACKED RESERVES**

PARTICULARS	Balance B/Fwd 1/7/2001		Allocation from General Revenue		Reserves Utilised		Balance 30/6/2002		Anticipated Usage Time
	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	
Southern River Rd contaminated site rehab	1,051,752	1,065,794	52,588	45,151	40,000	40,000	1,064,340	1,070,945	2 years
MGB plant and equipment	992,583	1,098,380	49,629	268,891	72,000	161,750	970,212	1,205,521	3 years
Waste disposal site development	3,594,944	3,639,791	179,747	713,229	-	-	3,774,691	4,353,020	3 years
Refuse disposal site rehabilitation	1,594,791	1,616,761	79,740	47,281	-	560,623	1,674,531	1,103,419	2 years
Netball courts resurfacing	24,365	24,682	1,218	1,047	-	-	25,583	25,729	3 years
Performing arts centre	8,189	8,295	410	351	-	-	8,599	8,646	1 year
Hillside Farm equipment	1,367	1,386	68	58	-	-	1,435	1,444	1 year
Insurance	370,477	486,807	18,524	56,250	-	-	389,001	543,057	3 years
Leisure World mechanical/plant svces	236,236	241,520	11,812	10,215	-	-	248,048	251,735	1 year
Building construction	269,112	271,472	13,456	11,498	-	7,508	282,568	275,462	2 years
Marketing and public relations	43,023	43,585	2,151	1,873	-	10,000	45,174	35,458	2 years
AMSCC - bus	497	8,618	25	1,432	-	-	522	10,050	2 years
AMSCC - plant and equipment	15,418	15,619	771	662	-	2,695	16,189	13,586	2 years
Gosnells Town Centre revitalisation	3,024,144	3,051,275	75,604	127,832	3,098,587	785,396	1,161	2,393,711	2 years
Plant and Equipment	540,336	1,554,591	1,213,174	1,373,543	1,333,800	978,023	419,710	1,950,111	Ongoing
Local government elections	381	3,733	61,019	61,523	-	-	61,400	65,256	2 years
Rate Revaluation	80,974	81,956	3,037	3,293	84,011	84,010	-	1,239	1 year
Walter Padbury Park	22,682	22,978	1,134	45,746	-	-	23,816	68,724	2 years
Sutherlands Park lighting	21,516	22,601	1,076	10,279	-	-	22,592	32,880	2 years
National Competition Policy	66,307	67,160	3,315	3,191	-	-	69,622	70,351	2 years
Maddington Golf Course	742	137	37	10,945	-	-	779	11,082	1 year
Administration Building Construction	-	215,073	-	7,762	-	-	-	222,835	5 years
Maddington Sporting Facilities	526,186	532,958	26,309	22,776	-	555,734	552,495	-	2 years
Public Open Space	1,417,023	1,597,825	70,851	209,373	-	206,602	1,487,874	1,600,596	Ongoing
Maddington/ Kenwick Strategy	-	-	-	311,255	-	-	-	311,255	3 years
<b>TOTALS</b>	<b>\$13,903,045</b>	<b>15,672,997</b>	<b>1,865,695</b>	<b>3,345,456</b>	<b>4,628,398</b>	<b>3,392,341</b>	<b>11,140,342</b>	<b>15,626,112</b>	

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**15 TRUST FUNDS**

Funds over which City of Gosnells does not exercise control and which are therefore not included in the financial statements are as follows -

Details	Balance B/Fwd 1/07/2001	Receipts 2001/2002	Payments 2001/2002	Balance 30/06/2002
	\$	\$	\$	\$
Unclaimed monies				
General	-	-	-	-
Impounded Vehicles	-	-	-	-
B.C.I.T.F. Levies	13,167	223,940	217,967	19,140
WAGA Registrations	-	-	-	-
	<b>\$13,167</b>	<b>\$223,940</b>	<b>\$217,967</b>	<b>\$19,140</b>

**16 TOWN PLANNING SCHEMES**

As at 30 June 2000 City of Gosnells administers six Town Planning Schemes for the purpose of ensuring proper development of particular areas within the district.

Financial details of these schemes are as follows:

	<u>2002</u>	<u>2001</u>
	\$	\$
<b><u>Town Planning Scheme No. 7</u></b>		
Balance B/Fwd 1 July	159,362	150,332
Scheme revenues	7,119	9,030
Scheme expenses	(32,750)	-
Balance as at 30 June	<u>\$133,731</u>	<u>\$159,362</u>
represented by:		
Cash at Bank and Investments	<u>\$133,731</u>	<u>\$159,362</u>

**Town Planning Scheme No. 9A**

Balance B/Fwd 1 July	915,405	907,469
Scheme revenues	39,505	60,015
Scheme expenses	-	(52,079)
Balance as at 30 June	<u>\$954,910</u>	<u>\$915,405</u>
represented by:		
Cash at Bank and Investments	<u>\$954,910</u>	<u>\$915,405</u>

**Town Planning Scheme No. 10**

Balance B/Fwd 1 July	208,832	197,062
Scheme revenues	9,332	11,770
Scheme expenses	(8,902)	-
Balance as at 30 June	<u>\$209,262</u>	<u>\$208,832</u>
represented by:		
Cash at Bank and Investments	<u>\$209,262</u>	<u>\$208,832</u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

	<u>2002</u>	<u>2001</u>
	\$	\$
<b><u>Town Planning Scheme No. 15</u></b>		
Balance B/Fwd 1 July	747,400	648,801
Scheme revenues	188,263	264,396
Scheme expenses	(141,186)	(165,797)
Balance as at 30 June	<u>\$794,477</u>	<u>\$747,400</u>
represented by:		
Cash at Bank and Investments	<u>\$794,477</u>	<u>\$747,400</u>
<b><u>Town Planning Scheme No. 17</u></b>		
Balance B/Fwd 1 July	777,007	830,183
Scheme revenues	110,446	46,024
Scheme expenses	(71,962)	(99,200)
Balance as at 30 June	<u>\$815,491</u>	<u>\$777,007</u>
represented by:		
Cash at Bank and Investments	<u>\$815,491</u>	<u>\$777,007</u>
<b><u>Town Planning Scheme No. 20</u></b>		
Balance B/Fwd 1 July	219,398	171,106
Scheme revenues	32,709	48,292
Scheme expenses	(19,056)	-
Balance as at 30 June	<u>\$233,051</u>	<u>\$219,398</u>
represented by:		
Cash at Bank and Investments	<u>\$233,051</u>	<u>\$219,398</u>
Total Town Planning Schemes	<u>\$3,140,922</u>	<u>\$3,027,404</u>
<b><u>Canning Vale Outline Development Plan</u></b>		
Balance B/Fwd 1 July	\$387,635	-
Plan revenues	1,515,406	387,635
Plan expenses	(116,650)	-
Balance as at 30 June	<u>\$1,786,391</u>	<u>\$387,635</u>
represented by:		
Cash at Bank and Investments	<u>\$1,786,391</u>	<u>\$387,635</u>
<b>Total Town Planning Schemes and Outline Development Plans</b>	<u>\$4,927,313</u>	<u>\$3,415,039</u>

The total equities in the schemes and plan should accrue to City of Gosnells over the life of the schemes through provision of improved public facilities within the scheme areas including road works, drainage, and recreation facilities.

It is not possible to accurately estimate the completion time of the schemes which will be contingent on economic factors and demand in regard to sub division of land.

**17 TRUST ACCOUNTS RESERVES**



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	<u>2002</u>	<u>2001</u>
	\$	\$
Contribution for construction of Business Incubator	-	195,818
Total Trust Accounts Reserves	-	\$195,818

**18 COMMITMENTS FOR CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES**

- (a) At the reporting date, City of Gosnells had not entered into any commitments for capital expenditure.
- (b) The City has guaranteed an amount up to \$110,000 to the National Australia Bank in respect of funding provided to the Kenwick Sporting Club Inc by the bank.

**19 COUNCILLOR ALLOWANCES AND FEES**

i) In accordance with section 5.98 (2) of the Local Government Act, 1995 Councillors, including the Mayor, were entitled to receive reimbursement of approved expenses incurred in connection with the performance of Councillor related duties.

Expenses reimbursed in accordance with this section in 2001/2002 are as follows:

	<u>2002</u>	<u>2001</u>
	\$	\$
Travel	11,306	11,843
Telephone	12,083	11,992
Other	2,863	2,504
Total expenses reimbursed	\$26,252	\$26,339

ii) In accordance with section 5.98 (1) of the Local Government Act, 1995 Councillors are entitled to fees for attending Council and committee meetings. During 2001/2002, the City of Gosnells paid \$76,500(\$77,792 2000/2001) to Councillors as meeting fees.

iii) In accordance with section 5.98 (5) of the Local Government Act, 1995 the Mayor of the City was allocated the sum of \$10,600 (2000/2001 \$10,000) as an allowance during the 2001/2002 financial year and the Deputy Mayor was allocated an allowance of \$1590 during the 2001/20002 year (\$1,500 in 2000/2001).

**CITY OF GOSNELLS**  
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<b>20 <u>FINANCIAL RATIOS</u></b>	<u>2002</u>	<u>2001</u>
<b>a) Current Ratio</b>		
<i>Purpose:</i>		
To assess ability to meet current commitments	182.20%	166.00%
<b>b) Debt Ratio</b>		
<i>Purpose:</i>		
To identify the exposure of the City to debt, as an indicator of the "solvency" of the City	3.35%	3.57%
<b>c) Debt Service Ratio</b>		
<i>Purpose:</i>		
To assess the capacity of the City to meet total debt commitments from operating revenue.	Nil	Nil
<b>d) Rate Coverage Ratio</b>		
<i>Purpose:</i>		
To assess dependence on rate income.	51.55%	52.17%
<b>e) Outstanding Rates Ratio</b>		
<i>Purpose:</i>		
To assess the impact of uncollected rates on liquidity and of the adequacy of recovery efforts	5.62%	7.48%

**21 FEES AND CHARGES**

The following changes to fees and charges included in the original estimates were made during 2000/2001:-

<b>Fees Raised</b>	<b>\$</b>
Total revenues from fees and charges on a programme basis were :-	
General Purpose Funding	335,049
Governance	46,446
Law, Order & Public Safety	189,388
Health	69,472
Welfare and Education	223,064
Housing	
Community Amenities	4,349,393
Recreation & Culture	1,966,239
Transport	25,203
Economic Services	784,167
Other Property and Services	159,555
	8,147,976
	8,147,976

**CITY OF GOSNELLS**  
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**22 DISCOUNTS, INCENTIVES, WAIVERS AND CONCESSIONS**

**a) Discounts**

No discount were allowed during the current year in respect of the payment of rates or fees.

**b) Incentives**

Ten \$1,000 prizes drawn by random selection were provided by the City of Gosnells for ratepayers, with eligibility limited to those property owners who paid their rates, charges and arrears by the due date.

**c) Waivers and Concessions**

Agricultural concession:

A 20% rates concession was allowed to approved property owners who reside on the property and derive their livelihood from conducting certain farming activities on the property.

The concession is provided to compensate these categories of property owners against the impact of increasing land values associated with expanding urban development.

**d) Interest charges for late payment of rates**

Effective from the due date of the second rates instalment under the instalment option, interest at the rate of 10% per annum was charged on all arrears of rates on a daily basis.

Total revenue from the .imposition of this charge in 2001/2002 was \$160,775 (\$174,518 in 2001/2).

**e) Instalment options - rates**

An option was provided to pay current year rates by four equal instalments at intervals of two months, with the first instalment due 35 days after the date of issue of the rates notice.

To participate in the instalment option, all arrears of rates together with the first instalment had to be paid by the due date.

A fee of \$8 was imposed for participation in the instalment option.

**23 INVESTMENTS**

Money held surplus to need from time to time was invested in cash securities resulting in interest income earned from investments as follows:-

	<u>2002</u>	<u>2001</u>
	\$	\$
Reserves	635,598	900,909
Town Planning Schemes	170,350	177,635
Other	668,568	988,984
	<hr/>	<hr/>
TOTAL	<u>\$1,474,516</u>	<u>\$2,067,528</u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**For the year ended 30 June 2002**

**24 FINANCIAL INSTRUMENTS**

**a) Terms, conditions and accounting policies**

City of Gosnells' accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at the balance date, are as follows:

<u>Financial Instrument</u>	<u>Accounting policies</u>	<u>Terms and conditions</u>
<b>1) Financial Assets</b>		
Receivables - Rates	<p>Rates debtors, including amounts due for domestic rubbish collection, and swimming pool inspection fees, are carried at their levied amounts plus penalty interest on overdue payments at a percentage determined by Council up to a prescribed maximum, less provision for doubtful debts.</p> <p>A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.</p> <p>Pensioners' deferred rates are carried at their original levy amounts less any payments received.</p>	<p>Rates and charges are due on set dates decided by Council on adoption of the annual budget and in accordance with the provisions of the Local Government Act 1995.</p> <p>Council receives a grant from the State Revenue Department calculated on a percentage basis in respect of rates deferred by eligible pensioners.</p>
Other	<p>Other debtors are carried at nominal amounts, less provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.</p>	<p>Credit is extended on the basis of 30 days terms.</p>
<b>2) Financial Liabilities</b>		
Sundry creditors and accrued expenses	<p>Liabilities are recognised for amounts to be paid in the future for goods and services actually received by Council as at the reporting date whether billed or not.</p>	<p>Creditor invoices are normally paid within 30 days following the end of the month in which they are received. Emergency payments may be made on an ad hoc basis as required.</p>
Bonds and retentions	<p>Council requires payment of bonds in respect of various activities including the hire of Council property, and construction work where there is a possibility of damage to Council property.</p>	<p>Bonds are either refunded on conclusion of the subject activity or utilised to the extent necessary to make any necessary restitution or completion of works.</p>

**FINANCIAL INSTRUMENTS (continued)**

**(b) Interest rate risk**

City of Gosnells' exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows;

Financial Instrument	Floating Interest rate		Fixed interest rates maturing in :				Non - interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2002 \$	2001 \$	1 year or less 2002 \$	1 year or less 2001 \$	More than 5 years 2002 \$	More than 5 years 2001 \$	2002 \$	2001 \$	2002 \$	2001 \$	2002 %	2001 %
<b>1) Financial Assets</b>												
Cash	31,503,980	30,255,791					10,010	13,646	31,513,990	30,269,437	4.77%	6.81%
Receivables - Pensioners' deferred rates			655,601	614,896					655,601	614,896	5.90%	5.79%
Receivables - Rates							1,288,721	1,602,552	1,288,721	1,602,552		
Receivables - Other									0	0		
Total financial assets	31,503,980	30,255,791	655,601	614,896			1,298,731	1,616,198	33,458,312	32,486,885		
<b>2) Financial Liabilities</b>												
Sundry creditors & accrued expenses							4,203,564	4,899,580	4,203,564	4,899,580		
Bonds and retentions							2,182,774	2,084,838	2,182,774	2,084,838		
Total financial liabilities							6,386,338	6,984,418	6,386,338	6,984,418		

**CITY OF GOSNELLS**  
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**(c) Net fair values**

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows:

	Total carrying amount as per the balance sheet		Aggregate net fair value	
	2002 \$	2001 \$	2002 \$	2001 \$
<b>1) Financial assets</b>				
Cash	31,513,990	30,269,436	31,513,990	30,269,436
Receivables - Pensioners' deferred rates	655,601	614,896	655,601	614,896
Receivables - Rates (other)	1,288,721	1,602,552	1,288,721	1,602,552
Receivables - Other	1,879,405	707,615	1,879,405	707,615
Total financial assets	35,337,717	33,194,499	35,337,717	33,194,499
<b>2) Financial liabilities</b>				
Sundry creditors and accrued expenses	4,203,564	4,899,580	4,203,564	4,899,580
Bonds and retentions	2,182,774	2,084,838	2,182,774	2,084,838
Total financial liabilities	6,386,338	6,984,418	6,386,338	6,984,418

The following methods are used to determine the net fair values of financial assets and liabilities:

(i) Cash and cash equivalents

The carrying amounts approximate fair value because of their short term to maturity.

(ii) Receivable and payables

The carrying amounts approximate fair value.

(iii) Loan Liability

The carrying amounts approximate fair value.

(iv) Bonds and retentions

The carrying amounts approximate fair value.

**(d) Credit risk exposure**

City of Gosnells' maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

**CITY OF GOSNELLS**  
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**25 MAJOR LAND TRANSACTIONS**

Development of land -

Pt. 100/Pt. 1677 Balfour Street, Huntingdale.

The City has not progressed the development of this land in 2001/2 pending improvement in market conditions. There was no expenditure during the year on this project.

**26 SUPERANNUATION**

In addition to its responsibilities under the Superannuation Guarantee Levy Legislation, City of Gosnells contributes to the Local Government Superannuation Scheme in proportion to contributions to the scheme made by employees.

The maximum contribution rate by City of Gosnells is set at 14% inclusive of the Superannuation Guarantee Levy component (8% for 2001/2)

The amount of superannuation contributions paid by City of Gosnells in 2001/2 were \$1,772,890 (\$1,586,987 in 2000/01).