

**CITY OF GOSNELLS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

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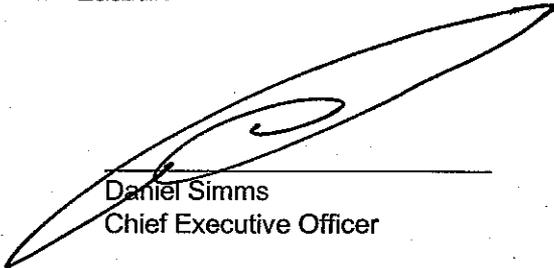
**CITY OF GOSNELLS  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2007**

**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 2007 are in my opinion properly drawn up to present fairly the financial position of the City of Gosnells at 30th June 2007 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 regulations under that Act.

Signed on the 6 day of November 2007.



Daniel Simms  
Chief Executive Officer

**CITY OF GOSNELLS**

**INCOME STATEMENT**

**BY NATURE OR TYPE**

**FOR THE YEAR ENDED 30TH JUNE 2007**

	<b>NOTE</b>	<b>2007</b> \$	<b>2007</b> Budget \$	<b>2006</b> \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	22	(31,960,551)	(31,734,684)	(28,756,283)
Grants and Subsidies	28	(3,911,665)	(3,269,414)	(3,344,606)
Contributions Reimbursements and Donations		(1,087,182)	(588,386)	(947,649)
Service Charges	24	0	0	(1,458,516)
Fees and Charges	27	(11,934,432)	(11,205,977)	(10,668,163)
Interest Earnings	2(a)	(3,958,114)	(2,584,556)	(3,145,305)
Other Revenue		<u>(132,603)</u>	<u>(63,000)</u>	<u>(70,553)</u>
		<u>(52,984,547)</u>	<u>(49,446,017)</u>	<u>(48,391,075)</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		19,374,540	20,573,221	19,850,754
Materials and Contracts		13,531,546	13,649,521	13,160,540
Utilities		2,378,749	2,320,564	2,199,900
Amortisation	2(a)	155,588	0	144,699
Depreciation	2(a)	12,555,000	13,170,734	13,221,923
Interest Expenses	2(a)	50,462	0	0
Insurance		1,062,218	1,178,888	1,085,506
Other Expenditure		<u>876,221</u>	<u>529,000</u>	<u>353,200</u>
		<u>49,984,324</u>	<u>51,421,928</u>	<u>50,016,522</u>
		(3,000,223)	1,975,911	1,625,447
Grants and Subsidies - non-operating	28	(3,242,743)	(5,053,950)	(4,678,715)
Contributions, Reimbursements and Donations - non-operating		(8,430,045)	(1,938,979)	(3,038,948)
Profit on Asset Disposals	20	(365,613)	(4,490,816)	(1,392,977)
Loss on Asset Disposals	20	<u>852,223</u>	<u>221,500</u>	<u>373,636</u>
<b>NET RESULT</b>		<u><u>(14,186,401)</u></u>	<u><u>(9,286,334)</u></u>	<u><u>(7,111,557)</u></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 2007**

<b>NOTE</b>	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>REVENUES FROM ORDINARY ACTIVITIES</b>			
Governance	(71,266)	(53,200)	(66,734)
General Purpose Funding	(39,460,975)	(37,233,647)	(34,665,488)
Law, Order, Public Safety	(420,935)	(431,345)	(521,521)
Health	(110,180)	(95,850)	(97,460)
Education and Welfare	(776,627)	(871,823)	(594,410)
Community Amenities	(15,148,111)	(8,074,686)	(8,699,990)
Recreation and Culture	(2,811,994)	(7,319,454)	(3,671,623)
Transport	(3,658,897)	(4,829,052)	(5,080,623)
Economic Services	(1,963,690)	(1,257,518)	(2,918,125)
Other Property and Services	(600,272)	(617,600)	(1,185,741)
	<u>(65,022,947)</u>	<u>(60,784,175)</u>	<u>(57,501,715)</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
<b>EXCLUDING BORROWING COSTS EXPENSE</b>			
Governance	3,148,893	3,200,849	2,985,588
General Purpose Funding	833,715	875,479	795,801
Law, Order, Public Safety	1,538,667	1,686,096	1,377,715
Health	922,211	989,573	780,095
Education and Welfare	2,407,419	2,560,410	1,223,336
Community Amenities	8,473,505	8,659,968	7,401,354
Recreation & Culture	16,977,320	17,182,825	17,577,085
Transport	12,829,051	12,972,476	13,425,232
Economic Services	2,043,102	2,311,383	3,681,686
Other Property and Services	1,662,663	1,058,782	1,142,266
	<u>50,836,546</u>	<u>51,497,841</u>	<u>50,390,158</u>
<b>NET RESULT</b>	<u>(14,186,401)</u>	<u>(9,286,334)</u>	<u>(7,111,557)</u>

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

**CITY OF GOSNELLS**

**BALANCE SHEET**

**AS AT 30TH JUNE 2007**

NOTE	2007 \$	2006 \$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	3	49,658,233
Trade and Other Receivables	4	1,990,434
Inventories	5	287,063
<b>TOTAL CURRENT ASSETS</b>	51,935,730	39,470,330
<b>NON-CURRENT ASSETS</b>		
Other Receivables	4	714,022
Property, Plant and Equipment	6	130,793,500
Intangible Assets	6	766,322
Infrastructure	7	208,191,527
<b>TOTAL NON-CURRENT ASSETS</b>	340,465,371	331,069,715
<b>TOTAL ASSETS</b>	392,401,101	370,540,045
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	8	8,048,080
Long Term Borrowings	9	6,500,000
Provisions	10	1,994,906
<b>TOTAL CURRENT LIABILITIES</b>	16,542,986	8,842,133
<b>NON-CURRENT LIABILITIES</b>		
Other Payables	8	1,066,158
Provisions	10	2,094,027
<b>TOTAL NON-CURRENT LIABILITIES</b>	3,160,185	3,186,383
<b>TOTAL LIABILITIES</b>	19,703,171	12,028,516
<b>NET ASSETS</b>	372,697,930	358,511,529
<b>EQUITY</b>		
Retained Surplus		256,592,732
Reserves - Cash Backed	11	29,682,954
Reserves - Asset Revaluation	12	86,422,244
<b>TOTAL EQUITY</b>		372,697,930

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 2007**

	NOTE	2007 \$	2006 \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2006		249,540,420	244,306,983
Provision for Annual Leave AIFRSs Adjustment		0	(46,717)
Net Result		14,186,401	7,111,557
Transfer from/(to) Reserves		<u>(7,134,089)</u>	<u>(1,831,403)</u>
Balance as at 30 June 2007		<u>256,592,732</u>	<u>249,540,420</u>
<b>RESERVES - CASH BACKED</b>			
Balance as at 1 July 2006		22,548,865	20,717,462
Amount Transferred (to)/from Retained Surplus		<u>7,134,089</u>	<u>1,831,403</u>
Balance as at 30 June 2007	11	<u>29,682,954</u>	<u>22,548,865</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2006		86,422,244	86,422,244
Revaluation Increment		0	0
Revaluation Decrement		<u>0</u>	<u>0</u>
Balance as at 30 June 2007	12	<u>86,422,244</u>	<u>86,422,244</u>
<b>TOTAL EQUITY</b>		<u><u>372,697,930</u></u>	<u><u>358,511,529</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 2007**

	NOTE	2007 \$	2007 Budget \$	2006 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		(32,072,423)	(31,255,962)	(28,945,843)
Grants and Subsidies - operating		(3,911,665)	(3,693,026)	(3,344,606)
Contributions, Reimbursements & Donations		(1,087,182)	(588,386)	(947,649)
Service Charges		(433,180)	0	(680,452)
Fees and Charges		(11,954,500)	(11,483,829)	(11,198,513)
Interest Earnings		(3,961,941)	(2,584,556)	(3,144,587)
Goods and Services Tax		(4,674,973)	(4,400,000)	(4,642,331)
Other		(132,603)	(63,000)	(70,553)
		<u>(58,228,467)</u>	<u>(54,068,759)</u>	<u>(52,974,534)</u>
<b>Payments</b>				
Employee Costs		19,407,806	20,858,701	19,372,043
Materials and Contracts		13,118,275	13,456,342	17,241,928
Utilities (gas, electricity, water, etc)		2,279,989	1,215,564	2,241,454
Insurance		1,062,218	1,178,888	1,085,506
Interest		0	0	0
Goods and Services Tax		4,773,112	4,400,000	4,414,639
Other		876,222	529,000	404,885
		<u>41,517,622</u>	<u>41,638,495</u>	<u>44,760,455</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>(16,710,845)</u>	<u>(12,430,264)</u>	<u>(8,214,079)</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Development of Land Held for Resale		42,261	0	0
Payments for Purchase of Property, Plant & Equipment		7,928,347	20,758,304	6,258,538
Payments for Construction of Infrastructure		16,075,270	22,161,763	13,025,500
Grants/Contributions for the Development of Assets		(11,672,788)	(6,992,929)	(7,513,923)
Proceeds from Sale of Assets		(2,406,655)	(5,229,528)	(1,646,696)
<b>Net Cash Provided By (Used In) Investing Activities</b>		9,966,435	30,697,610	10,123,419
<b>Cash Flows from Financing Activities</b>				
Proceeds from New Debentures		(6,500,000)	(12,737,628)	0
Movement in Bonds and Retentions		(543,368)	0	75,480
<b>Net Cash Provided By (Used In) Financing Activities</b>		(7,043,368)	(12,737,628)	75,480
<b>Net Increase (Decrease) in Cash Held Cash at Beginning of Year</b>		(13,787,778) (35,870,455)	5,529,718 (37,664,697)	1,984,820 (37,855,275)
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u>(49,658,233)</u>	<u>(32,134,979)</u>	<u>(35,870,455)</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 2007**

	NOTE	2007 \$	2007 Budget \$
<b>REVENUES</b>			
Governance		(71,266)	(53,200)
General Purpose Funding		(7,500,424)	(5,498,963)
Law, Order, Public Safety		(415,997)	(431,345)
Health		(110,180)	(95,850)
Education and Welfare		(776,627)	(871,823)
Community Amenities		(6,860,659)	(6,574,686)
Recreation and Culture		(2,628,024)	(6,643,476)
Transport		(472,023)	(207,707)
Economic Services		(1,963,690)	(1,257,518)
Other Property and Services		(590,718)	(567,600)
		(21,389,608)	(22,202,168)
<b>EXPENSES</b>			
Governance		3,148,893	3,200,849
General Purpose Funding		833,715	875,479
Law, Order, Public Safety		1,538,667	1,686,096
Health		922,211	989,573
Education and Welfare		2,407,419	2,560,410
Community Amenities		8,473,505	8,659,968
Recreation & Culture		16,977,320	17,182,825
Transport		12,829,051	13,354,637
Economic Services		2,043,102	2,311,383
Other Property and Services		1,662,663	1,058,783
		50,836,546	51,880,003
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
(Profit)/Loss on Asset Disposals		(486,610)	4,269,316
Movement in Other Non Current Assets		(357,250)	0
Movement in Non Current Liabilities		1,092,356	0
Depreciation and Amortisation on Assets		(12,710,587)	(13,407,288)
<b>Capital Expenditure and Revenue</b>			
Purchase Land and Buildings		4,141,150	16,848,411
Purchase Infrastructure Assets		16,075,271	22,161,765
Purchase Plant and Equipment		3,064,886	2,833,100
Purchase Furniture and Equipment		764,572	1,076,791
Proceeds from Disposal of Assets		(1,095,775)	(5,229,528)
Proceeds from New Debentures		(6,500,000)	(12,737,628)
Contribution/Grants for the construction of Assets		(11,672,788)	(6,992,929)
Transfers to Reserves (Restricted Assets)		15,298,942	5,841,407
Transfers from Reserves (Restricted Assets)		(8,164,853)	(7,726,806)
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		(8,079,332)	(5,279,762)
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		11,143,631	400,000
<b>Amount Required to be Raised from Rates</b>	<b>22</b>	<b>31,960,551</b>	<b>31,734,684</b>

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 2007**

**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 applicable Australian Accounting Standards, 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.

**Compliance with IFRSs**

International Financial Reporting Standards ("IFRSs") form the basis of Australian Accounting Standards adopted by the AASB, being AIFRSs. The financial report of the Shire complies with IFRSs and interpretations adopted by the International Accounting Standards Board except as follows:

- AIFRSs include specific provisions relating to not-for-profit entities. These are not included in IFRSs.
- Australian Accounting Standard AAS27 '*Financial Reporting by Local Governments*' also applies and there is no equivalent standard in IFRSs.

The principal areas of non-compliance with IFRSs include:

- the recognition of non-reciprocal revenue;
- the definition of value in use for the purposes of estimating the recoverable amount of impaired assets; and
- the offsetting of asset revaluation increments and decrements on a class of asset basis rather than individual asset basis.

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 2007.

Council is of the view the new standards or amendments will have no direct impact on the amounts included in the financial report although the changes may impact upon the way in which some financial information is disclosed.

**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.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 19 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.

Collectibility 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.

**(f) Inventories**

***General***

Inventories are valued at the lower of cost and net realisable value.

***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.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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***

Land under roads is excluded from infrastructure in accordance with the transition arrangements available under AASB 1045 and in accordance with legislative requirements.

***Other***

As of 1 July 2004, Council elected to revert to the cost basis for measuring land and buildings and all infrastructure assets (other than roads) that were being carried at a revalued amount at the immediately preceding reporting date being 30 June, 2004.

This was achieved by deeming the carrying amount of the non-current assets comprising the particular class to be their cost and complied with the requirements on application of AASB 1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards*.

**(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	3 to 15 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 seals	30 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	40 years
Sewage piping	100 years
Water supply & drainage piping	50 years

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(i) Investments and Other Financial Assets**

Financial Assets in the scope of AASB 139 '*Financial Instruments: Recognition and Measurement*' are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Council determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

**(j) 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.

**(k) 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.

**(l) 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) Annual Leave and Long Service Leave (Long-term Benefits)**

The provision for employees' benefits for annual leave and long service leave expected to be settled more than 12 months from the reporting date represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees service to balance date.

**(m) 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.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) 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.

**(o) Joint Venture**

Not Applicable

**(p) 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.

**(q) Superannuation**

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

**(r) Interest Rate Risk**

Information on interest rate risk as it applies to financial instruments is disclosed in Note 34.

**(s) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial report.

**(t) Liquidity Risk**

The Council's liquidity risk is managed via the use of its cash and cash equivalent balances, other financial assets and borrowing policy.

**(u) Fair Value**

All assets and liabilities recognised in the balance sheet, whether they are carried at cost or at fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

**CITY OF GOSNELLS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(v) Rounding Off Figures**

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

**(w) Comparative Figures**

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

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**2. REVENUES AND EXPENSES**

**2007**  
\$

**2006**  
\$

**(a) Result from Ordinary Activities**

The Result from Ordinary Activities includes:

(i) Charging as an Expense:

<b>Significant Expense</b>	<u>NIL</u>	<u>NIL</u>
<b>Amortisation</b>		
Intangible Assets	155,588	144,699
<b>Auditors Remuneration</b>		
- Audit	12,500	16,850
<b>Depreciation</b>		
Buildings	1,761,104	1,611,166
Furniture and Equipment	441,522	1,117,731
Plant and Equipment	1,588,047	1,568,608
Roads & Footpaths	6,344,738	6,680,715
Bridges	172,387	172,366
Drainage	876,928	866,391
Car Parks	0	161,771
Park Development	1,370,274	645,841
Play Equipment	0	196,672
Street Furniture	0	46,395
Other Infrastructure	0	154,267
	<u>12,555,000</u>	<u>13,221,923</u>
<b>Interest Expenses</b>		
Debentures ( <i>refer Note 21(a)</i> )	50,462	0
	<u>50,462</u>	<u>0</u>
<b>Rental Charges</b>		
- Operating Leases	52,176	81,233
	<u>52,176</u>	<u>81,233</u>

(ii) Crediting as Revenue:

**2007**  
\$

**2007**  
**Budget**  
\$

**2006**  
\$

**Interest Earnings**

Investments			
- Reserve Funds	1,847,457	1,101,082	1,516,292
- Other Funds	1,792,632	1,075,804	1,166,411
Other Interest Revenue	318,025	407,670	462,602
	<u>3,958,114</u>	<u>2,584,556</u>	<u>3,145,305</u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**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 members.

**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 centres, 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 streelighting 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 2007**

**2. OPERATING REVENUES AND EXPENSES (Continued)**

	2007	2006
	\$	\$
<b>(c) Conditions Over Contributions</b>		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Westfield Skate Park		37,416
Westfield Reserve - Wheeled Sports Facility		40,000
Resurface Langford Oval Netball Courts - Stage 1		52,750
Yale Rd Bicycle Lane - Spencer Rd to Garden St		1,500
Campbell Rd/Shreeve Rd - Construct roundabout		57,456
Fremantle Rd to Lissiman St - Anti skid treatment & signage		4,600
Fremantle Rd to King St Traffic Islands		24,000
Westfield St to Pitchford Ave		52,800
Thornlie Ave - opp Thornlie Business Centre		64,000
Upgrade of on-Street parking facilities around existing schools		1,100
Nicholson Rd - Garden St to Hughes St		920,140
Burslem Dr - Pedestrian Underpass		23,273
East Kenwick Primary School		22,120
Bridge Rd Developer Funded		7,852
Garden St/Forest Lakes Dr Traffic Signals		120,000
Ranford Rd/Campbell Rd Traffic Lights		96,000
Dorothy St/Hicks St Roundabout & Medians		24,000
Dorothy St Median Island Channelisation		8,000
Thornlie Ave/Culross Ave Median Island		3,200
Matilda St Pedestrian Island Modification		26,667
Burslem Dr South of Olga Rd		20,000
Spencer Rd/Warton Rd to Regal Dr		32,000
Dorothy St/Digby St Intersection Lights		12,000
William St/Streatham St Roundabout		32,000
Spencer Rd - Warton Rd to Denham Wy		9,600
Brixton St Pedestrian Island		24,000
Kenwick Rd/Bickley Rd		17,270
William St - Road Rehabilitation		270,396
Crime Prevention through Environmental Design (CPTED)		15,809
Community Consultation		10,782
Smoke Detectors		615
Sensor light		3,534
Smoke Detectors		615
Sensor light		4,771
Holiday Programme		5,171
Early Years Development		15,499
Youth Development Holiday Programme		1,000
Safe Places - Indigenous Youth Service		3,050
Work for the Dole		45,000
Switch Your Thinking Project		38,516
Fire Management Plan		4,500
Dialogue with the City Initiative		24,598
Addie Mills Centre Gazebo Construction	32,063	
Nicholson Rd/Amherst Rd - Install Traffic Control Signal	7,000	
Yale Rd/Hargrave Dr - Construct Median Islands	8,000	
Warton Rd/Garden St - Improve Street Lighting	96,000	

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

2. OPERATING REVENUES AND EXPENSES (Continued)

	2007	2006
	\$	\$
<b>(c) Conditions Over Contributions (Continued)</b>		
Attfield St/Herbert St - Construct Roundabout	24,000	
Olga Rd/Attfield St - Construct Traffic Control Signals	32,000	
Nicholson Rd/Wilfred Rd - Install Left Turn Lane	12,800	
Southern River Rd - Holmes St to Ranford Rd Upgrade Street Lightir	32,000	
Harry St/James St - Construct Roundabout	24,000	
Williams St/Luyer St - Construct Roundabout	32,000	
Packer St Area - Beckenham	18,443	
Footpath on Brixton St Bridge	50,000	
Safe City - PDA for Graffiti Technicians	10,000	
Switch Your Thinking - Rebate	3,100	
Switch Your Thinking - Rebate	600	
Leisure Services - Walking groups	3,200	
Leisure Services - Mix It	1,500	
Leisure Services - Club Development	2,000	
Bushfire - Fire Management Plan	5,500	
Technical Services - Travelsmart	20,833	
	415,039	2,177,600
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Addie Mills Centre Gazebo Construction		32,063
Nicholson Rd/Amherst Rd - Install Traffic Control Signal		7,000
Yale Rd/Hargrave Dr - Construct Median Islands		8,000
Warton Rd/Garden St - Improve Street Lighting		96,000
Attfield St/Herbert St - Construct Roundabout		24,000
Olga Rd/Attfield St - Construct Traffic Control Signals		32,000
Nicholson Rd/Wilfred Rd - Install Left Turn Lane		12,800
Southern River Rd - Holmes St to Ranford Rd Upgrade Street Lighting		32,000
Harry St/James St - Construct Roundabout		24,000
Williams St/Luyer St - Construct Roundabout		32,000
Packer St Area - Beckenham		18,443
Footpath on Brixton St Bridge		50,000
Safe City - PDA for Graffiti Technicians		10,000
Switch Your Thinking - Rebate		3,100
Switch Your Thinking - Rebate		600
Leisure Services - Walking groups		3,200
Leisure Services - Mix It		1,500
Leisure Services - Club Development		2,000
Bushfire - Fire Management Plan		5,500
Technical Services - Travelsmart		20,833
Break Dance - Office of Crime Prevention	2,090	
Bridge 928 - Station St Gosnells - Roads to Recovery Program	60,000	
Bridge 937 - Austen Ave Kenwick - Roads to Recovery Program	60,000	
Bridge 938 - Davison St Maddington - Roads to Recovery Program	60,000	
Bush Fire Brigade 2005/06 Surplus - Bush Fire Brigade	28,479	
Endorsed Community Safety Programme - Office of Crime Preventio	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	

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

2. OPERATING REVENUES AND EXPENSES (Continued)

	2007	2006
	\$	\$
<b>(c) Conditions Over Contributions (Continued)</b>		
Home Safety Audit Programme - Office of Crime Prevention	20,000	
Interest on Harmony Fields Loan	382,480	
Parent Workshop - Department of Community Development	5,862	
Parent Workshops - Department of Community Development	5,000	
Roadwise - Roadwise	5,000	
Safer Seniors Programme - Rotary Club Kenwick	1,000	
SafetyLynx Programme - Attorney General Department	718	
SafetyLynx Programme - Office of Crime Prevention	5,109	
Switch Your Thinking - Admin - SEDO	4,000	
Switch Your Thinking Rebate Scheme - Solahart, cool or cosy	2,000	
Traffic Function of Mills Road - DPI, MRWA	30,000	
Travelsmart - Travelsmart	7,993	
Work for the Dole (Out and About Programme) - Office of Crime Prev	750	
	716,323	415,039

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.

Westfield Skate Park	(37,416)
Westfield Reserve - Wheeled Sports Facility	(40,000)
Resurface Langford Oval Netball Courts - Stage 1	(52,750)
Yale Rd Bicycle Lane - Spencer Rd to Garden St	(1,500)
Campbell Rd/Shreeve Road - Construct roundabout	(57,456)
Fremantle Rd to Lissiman St - Anti skid treatment & signage	(4,600)
Fremantle Rd to King St Traffic Islands	(24,000)
Westfield St to Pitchford Ave	(52,800)
Thornlie Ave - opp Thornlie Business Centre	(64,000)
Upgrade of on-Street parking facilities around existing schools	(1,100)
Nicholson Rd - Garden St to Hughes St	(920,140)
Burslem Dr - Pedestrian Underpass	(23,273)
East Kenwick Primary School	(22,120)
Bridge Rd Developer Funded	(7,852)
Garden St/Forest Lakes Dr Traffic Signals	(120,000)
Ranford Rd/Campbell Rd Traffic Lights	(96,000)
Dorothy St/Hicks St Roundabout & Medians	(24,000)
Dorothy St Median Island Channelisation	(8,000)
Thornlie Ave/Culross Ave Median Island	(3,200)
Matilda St Pedestrian Island Modification	(26,667)
Burslem Dr South of Olga Rd	(20,000)
Spencer Rd/Warton Rd to Regal Dr	(32,000)
Dorothy St/Digby St Intersection Lights	(12,000)
William St/Streatham St Roundabout	(32,000)
Spencer Rd - Warton Rd to Denham Wy	(9,600)
Brixton St Pedestrian Island	(24,000)
Kenwick Rd / Bickley Rd	(17,270)
William St - Road Rehabilitation	(270,396)
Crime Prevention through Environmental Design (CPTED)	(15,809)
Community Consultation	(10,782)
Smoke Detectors	(615)
Sensor light	(3,534)

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

**2. OPERATING REVENUES AND EXPENSES (Continued)**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Conditions Over Contributions (Continued)</b>		
Smoke Detectors		(615)
Sensor light		(4,771)
Holiday Programme		(5,171)
Early Years Development		(15,499)
Youth Development Holiday Programme		(1,000)
Safe Places - Indigenous Youth Service		(3,050)
Work for the Dole		(45,000)
Switch Your Thinking Project		(38,516)
Fire Management Plan		(4,500)
Dialogue with the City Initiative		(24,598)
Addie Mills Centre Gazebo Construction	(32,063)	
Nicholson Rd/Amherst Rd - Install Traffic Control Signal	(7,000)	
Yale Rd/Hargrave Dr - Construct Median Islands	(8,000)	
Warton Rd/Garden St - Improve Street Lighting	(96,000)	
Attfield St/Herbert St - Construct Roundabout	(24,000)	
Olga Rd/Attfield St - Construct Traffic Control Signals	(32,000)	
Nicholson Rd/Wilfred Rd - Install Left Turn Lane	(12,800)	
Southern River Rd - Holmes St to Ranford Rd Upgrade Street Lightir	(32,000)	
Harry St/James St - Construct Roundabout	(24,000)	
Williams St/Luyer St - Construct Roundabout	(32,000)	
Packer St Area - Beckenham	(18,443)	
Footpath on Brixton St Bridge	(50,000)	
Safe City - PDA for Graffiti Technicians	(10,000)	
Switch Your Thinking - Rebate	(3,100)	
Switch Your Thinking - Rebate	(600)	
Leisure Services - Walking groups	(3,200)	
Leisure Services - Mix It	(1,500)	
Leisure Services - Club Development	(2,000)	
Bushfire - Fire Management Plan	(5,500)	
	(394,206)	(2,177,600)
Closing balances of unexpended grants	737,156	415,039

Comprises:

Addie Mills Centre Gazebo Construction	32,063
Nicholson Rd/Amherst Rd - Install Traffic Control Signal	7,000
Yale Rd/Hargrave Dr - Construct Median Islands	8,000
Warton Rd/Garden St - Improve Street Lighting	96,000
Attfield St/Herbert St - Construct Roundabout	24,000
Olga Rd/Attfield St - Construct Traffic Control Signals	32,000
Nicholson Rd/Wilfred Rd - Install Left Turn Lane	12,800
Southern River Rd - Holmes St to Ranford Rd Upgrade Street Lighting	32,000
Harry St/James St - Construct Roundabout	24,000
Williams St/Luyer St - Construct Roundabout	32,000
Packer St Area - Beckenham	18,443
Footpath on Brixton St Bridge	50,000
Safe City - PDA for Graffiti Technicians	10,000
Switch Your Thinking - Rebate	3,100
Switch Your Thinking - Rebate	600
Leisure Services - Walking groups	3,200
Leisure Services - Mix It	1,500
Leisure Services - Club Development	2,000

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

**2. OPERATING REVENUES AND EXPENSES (Continued)**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Conditions Over Contributions (Continued)</b>		
Bushfire - Fire Management Plan		5,500
Break Dance - Office of Crime Prevention	2,090	
Bridge 928 - Station St Gosnells - Roads to Recovery Program	60,000	
Bridge 937 - Austen Ave Kenwick - Roads to Recovery Program	60,000	
Bridge 938 - Davison St Maddington - Roads to Recovery Program	60,000	
Bush Fire Brigade 2005/06 Surplus - Bush Fire Brigade	28,479	
Endorsed Community Safety Programme - 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	
Home Safety Audit Programme - Office of Crime Prevention	20,000	
Interest on Harmony Fields Loan	382,480	
Parent Workshop - Department of Community Development	5,862	
Parent Workshops - Department of Community Development	5,000	
Roadwise - Roadwise	5,000	
Safer Seniors Programme - Rotary Club Kenwick	1,000	
SafetyLynx Programme - Attorney General Department	718	
SafetyLynx Programme - Office of Crime Prevention	5,109	
Switch Your Thinking - Admin - SEDO	4,000	
Switch Your Thinking Rebate Scheme - Solahart, cool or cosy	2,000	
Traffic Function of Mills Road - DPI, MRWA	30,000	
Travelsmart - Travelsmart	7,993	
Travelsmart - Travelsmart	20,833	20,833
Work for the Dole (Out and About Programme) - Office of Crime Prevention	750	
	<u>737,156</u>	<u>415,039</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	11,053,655	8,119,128
Restricted	38,604,578	27,751,327
	<u>49,658,233</u>	<u>35,870,455</u>
<p>The following restrictions have been imposed by regulations or other externally imposed requirements:</p>		
Reserves	29,682,954	22,548,865
Unspent Grants	737,156	415,039
Unspent Loan	2,853,677	0
Bonds and Retentions	5,330,791	4,787,423
	<u>38,604,578</u>	<u>27,751,327</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	220,113	351,174
GST Receivable	482,242	384,103
Accrued Interest	17,658	21,485
Accrued Income	20,000	203,109
CLASS Debtors	43,380	25,069
Sundry Debtors	964,365	2,053,627
Less - Provision for Doubtful Debts	(102,208)	(102,208)
Underground Power Debtors	344,884	401,624
	<u>1,990,434</u>	<u>3,337,983</u>
<b>Non-Current</b>		
Rates & ESL Outstanding - Pensioners	714,022	694,832
Underground Power Debtor	0	376,440
	<u>714,022</u>	<u>1,071,272</u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	287,063	261,892
	<u>287,063</u>	<u>261,892</u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land - Cost	3,874,532	3,612,203
Land - Valuation	31,714,172	31,714,172
	<u>35,588,704</u>	<u>35,326,375</u>
Building - Cost	18,858,172	15,671,321
Building - Valuation	72,328,000	72,328,000
Less Accumulated Depreciation	(6,434,728)	(4,705,114)
	<u>84,751,444</u>	<u>83,294,207</u>
Furniture and Equipment - Cost	4,602,480	2,614,589
Less Accumulated Depreciation	(2,688,954)	(1,347,553)
	<u>1,913,526</u>	<u>1,267,036</u>
Plant and Equipment - Cost	12,783,746	15,808,541
Less Accumulated Depreciation	(4,317,441)	(6,833,779)
	<u>8,466,305</u>	<u>8,974,762</u>
Miscellaneous Tools	58,057	58,057
	<u>58,057</u>	<u>58,057</u>
Local Government House	15,464	15,464
	<u>15,464</u>	<u>15,464</u>
	<u>130,793,500</u>	<u>128,935,901</u>
<b>Intangible Assets</b>		
Intangible Assets	1,450,164	1,400,898
Less Accumulated Amortisation	(683,842)	(528,254)
	<u>766,322</u>	<u>872,644</u>
	<u>131,559,822</u>	<u>129,808,545</u>

Effective from 1 July 2001, Council deemed the carrying amount of land and buildings previously carried at a revalued amount to be their cost.

This was in accordance with the exemptions on application of Australian Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards'. These assets, along with all other plant and equipment asset classes, are now being carried at cost. Whilst they are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 'Impairment of Assets'.

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

**6. 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.

	<u>Land \$</u>	<u>Buildings \$</u>	<u>Furniture &amp; Equipment \$</u>	<u>Intangible Assets \$</u>	<u>Plant &amp; Equipment \$</u>	<u>Miscellaneous Tools \$</u>	<u>Local Government House \$</u>	<u>Total \$</u>
Balance as at 1 July 2006	35,326,375	83,294,207	1,267,036	872,644	8,974,762	58,057	15,464	129,808,545
Additions	262,329	3,878,822	764,572	0	3,064,886	0	0	7,970,609
(Disposals)	0	(679,268)	0	0	(903,116)	0	0	(1,582,384)
Revaluation - Increments - (Decrements)	0	0	0	0	0	0	0	0
Impairment - (losses) - reversals	0	0	0	0	0	0	0	0
Depreciation (Expense)	0	(1,761,104)	(441,522)	(155,588)	(1,588,047)	0	0	(3,946,261)
Other Movements	0	18,787	323,440	49,266	(1,082,180)	0	0	(690,687)
Balance as at 30 June 2007	<u>35,588,704</u>	<u>84,751,444</u>	<u>1,913,526</u>	<u>766,322</u>	<u>8,466,305</u>	<u>58,057</u>	<u>15,464</u>	<u>131,559,822</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>7. INFRASTRUCTURE</b>		
Roads & Footpaths - Cost	168,126,605	153,437,041
Less Accumulated Depreciation	<u>(31,112,323)</u>	<u>(23,251,874)</u>
	137,014,282	130,185,167
Bridges - Cost	8,619,422	8,618,331
Less Accumulated Depreciation	<u>(1,123,259)</u>	<u>(950,829)</u>
	7,496,163	7,667,502
Drainage - Cost	44,100,789	43,814,527
Less Accumulated Depreciation	<u>(4,327,745)</u>	<u>(3,443,832)</u>
	39,773,044	40,370,695
Car Park Development - Cost	0	3,261,584
Less Accumulated Depreciation	<u>0</u>	<u>(604,331)</u>
	0	2,657,253
Park Development - Cost	30,553,695	19,526,562
Less Accumulated Depreciation	<u>(6,645,657)</u>	<u>(2,811,378)</u>
	23,908,038	16,715,184
Play Equipment - Cost	0	2,073,099
Less Accumulated Depreciation	<u>0</u>	<u>(1,003,164)</u>
	0	1,069,935
Street Furniture - Cost	0	492,568
Less Accumulated Depreciation	<u>0</u>	<u>(156,127)</u>
	0	336,441
Other Infrastructure - Cost	0	1,542,667
Less Accumulated Depreciation	<u>0</u>	<u>(354,946)</u>
	0	1,187,721
	<u><u>208,191,527</u></u>	<u><u>200,189,898</u></u>

Effective from 1 July 2001, Council deemed the carrying amount of all infrastructure assets, other than roads, carried at a revalued amount, to be their cost.

This was in accordance with the exemptions on application of Australian Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards'. These assets, along with all other infrastructure asset classes (other than roads), are now being carried at cost. Whilst they are not subject to a policy of regular revaluation, they are subject to an annual assessment as to whether there is any indication an asset may have been impaired in accordance with AASB 136 'Impairment of Assets'.

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. This policy accords with the requirements of AASB 116.

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**7. 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.

	<b>Roads &amp; Footpaths \$</b>	<b>Bridges \$</b>	<b>Drainage \$</b>	<b>Carparks \$</b>	<b>Parks \$</b>	<b>Play Equipment \$</b>	<b>Street Furniture \$</b>	<b>Other Infrastructure \$</b>	<b>Total \$</b>
Balance as at 1 July 2006	130,185,167	7,667,502	40,370,695	2,657,253	16,715,184	1,069,935	336,441	1,187,721	200,189,898
Additions	7,665,668	0	210,030	0	8,199,570	0	0	0	16,075,268
(Disposals)	0	0	0	0	0	0	0	0	0
Revaluation - Increments - (Decrements)	0	0	0	0	0	0	0	0	0
Impairment - (losses) - reversals	0	0	0	0	0	0	0	0	0
Depreciation (Expense)	(6,344,738)	(172,387)	(876,928)	0	(1,370,274)	0	0	0	(8,764,327)
Other Movements	5,508,185	1,048	69,247	(2,657,253)	363,558	(1,069,935)	(336,441)	(1,187,721)	690,688
Balance as at 30 June 2007	<u>137,014,282</u>	<u>7,496,163</u>	<u>39,773,044</u>	<u>0</u>	<u>23,908,038</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>208,191,527</u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	3,552,204	2,599,003
Bonds and Other Retention	4,264,633	3,791,083
Accruals	113,223	118,105
Income received in advance	118,020	401,786
	<u>8,048,080</u>	<u>6,909,977</u>
<b>Non- Current</b>		
Bonds and other Retentions	1,066,158	996,340
	<u>1,066,158</u>	<u>996,340</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge Debentures	6,500,000	0
	<u>6,500,000</u>	<u>0</u>
<b>Non-Current</b>		
Additional detail on borrowings is provided in Note 21.	NIL	NIL
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	1,540,189	1,458,814
Provision for Long Service Leave	454,717	473,342
	<u>1,994,906</u>	<u>1,932,156</u>
<b>Non-Current</b>		
Provision for Annual Leave	549,132	614,517
Provision for Annual Leave AIFRSs Adjustment	0	(58,961)
Provision for Long Service Leave	1,520,537	1,619,585
Deferred Salaries Provision	24,358	14,902
	<u>2,094,027</u>	<u>2,190,043</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

<b>11. RESERVES - CASH BACKED</b>	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>(a) MGB Plant &amp; Equipment</b>			
Opening Balance	974,580	975,420	580,010
Amount Set Aside / Transfer to Reserve	248,736	428,767	521,070
Amount Used / Transfer from Reserve	<u>(67,720)</u>	<u>(85,250)</u>	<u>(126,500)</u>
	<u>1,155,596</u>	<u>1,318,937</u>	<u>974,580</u>
<b>(b) Leisure World Mechanical Plant Services</b>			
Opening Balance	102,284	55,911	246,311
Amount Set Aside / Transfer to Reserve	6,292	3,152	7,506
Amount Used / Transfer from Reserve	<u>(26,177)</u>	<u>(16,537)</u>	<u>(151,533)</u>
	<u>82,399</u>	<u>42,526</u>	<u>102,284</u>
<b>(c) Netball Court Resurfacing</b>			
Opening Balance	6,417	6,384	29,550
Amount Set Aside / Transfer to Reserve	440	377	1,533
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(24,666)</u>
	<u>6,857</u>	<u>6,761</u>	<u>6,417</u>
<b>(d) Performing Arts Centre</b>			
Opening Balance	97,629	91,203	76,733
Amount Set Aside / Transfer to Reserve	23,242	21,728	20,896
Amount Used / Transfer from Reserve	<u>(31,461)</u>	<u>(22,000)</u>	<u>0</u>
	<u>89,410</u>	<u>90,931</u>	<u>97,629</u>
<b>(e) Waste Disposal Site Development</b>			
Opening Balance	3,670,552	3,651,662	5,006,602
Amount Set Aside / Transfer to Reserve	251,455	215,958	243,950
Equity Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(1,580,000)</u>
	<u>3,922,007</u>	<u>3,867,620</u>	<u>3,670,552</u>
<b>(f) Refuse Disposal Site Rehabilitation</b>			
Opening Balance	180,357	142,189	183,889
Amount Set Aside / Transfer to Reserve	46,439	55,912	91,495
Amount Used / Transfer from Reserve	<u>(1,601)</u>	<u>(99,500)</u>	<u>(95,027)</u>
	<u>225,195</u>	<u>98,601</u>	<u>180,357</u>
<b>(g) Hillside Farm Equipement</b>			
Opening Balance	1,770	1,768	1,658
Amount Set Aside / Transfer to Reserve	121	104	112
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,891</u>	<u>1,872</u>	<u>1,770</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

<b>11. RESERVES - CASH BACKED (Continued)</b>	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>(h) Insurance</b>			
Opening Balance	343,984	342,223	322,203
Amount Set Aside / Transfer to Reserve	23,565	20,238	21,781
Amount Used / Transfer from Reserve	0	0	
	<u>367,549</u>	<u>362,461</u>	<u>343,984</u>
<b>(i) Southern River Contaminated Site Rehabilitation</b>			
Opening Balance	611,153	608,472	488,582
Amount Set Aside / Transfer to Reserve	60,173	33,198	123,029
Amount Used / Transfer from Reserve	(6,262)	0	(458)
	<u>665,064</u>	<u>641,670</u>	<u>611,153</u>
<b>(j) Building Construction</b>			
Opening Balance	60,194	111,455	235,769
Amount Set Aside / Transfer to Reserve	607,187	259,682	8,664
Amount Used / Transfer from Reserve	(266,975)	(36,352)	(184,239)
	<u>400,406</u>	<u>334,785</u>	<u>60,194</u>
<b>(k) Local Government Elections</b>			
Opening Balance	90,000	90,000	0
Amount Set Aside / Transfer to Reserve	100,843	96,221	90,000
Amount Used / Transfer from Reserve	0	(141,500)	0
	<u>190,843</u>	<u>44,721</u>	<u>90,000</u>
<b>(l) Rate Revaluation</b>			
Opening Balance	32,967	32,815	31,875
Amount Set Aside / Transfer to Reserve	88,072	91,932	1,092
Amount Used / Transfer from Reserve	0	0	0
	<u>121,039</u>	<u>124,747</u>	<u>32,967</u>
<b>(m) Gosnells Town Centre Revitalisation</b>			
Opening Balance	500,786	379,337	588,471
Amount Set Aside / Transfer to Reserve	32,222	0	58,369
#Equity Transfer to / (from) Reserve	0	0	809,113
Amount Used / Transfer from Reserve	(411,818)	(154,824)	(955,167)
	<u>121,190</u>	<u>224,513</u>	<u>500,786</u>
<b>(n) Plant &amp; Equipment</b>			
Opening Balance	1,787,164	1,229,855	1,470,409
Amount Set Aside / Transfer to Reserve	1,188,174	1,152,583	1,626,848
Amount Used / Transfer from Reserve	(1,592,495)	(1,676,300)	(1,310,093)
	<u>1,382,843</u>	<u>706,138</u>	<u>1,787,164</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

<b>11. RESERVES - CASH BACKED (Continued)</b>	<b>2007</b> <b>\$</b>	<b>2007</b> <b>Budget</b> <b>\$</b>	<b>2006</b> <b>\$</b>
<b>(o) Walter Padbury Park</b>			
Opening Balance	226,938	220,306	187,665
Amount Set Aside / Transfer to Reserve	61,053	59,062	55,619
Amount Used / Transfer from Reserve	<u>(20,325)</u>	<u>0</u>	<u>(16,346)</u>
	<u>267,666</u>	<u>279,368</u>	<u>226,938</u>
<b>(p) Sutherlands Park</b>			
Opening Balance	9,041	0	87,151
Amount Set Aside / Transfer to Reserve	62,816	65,982	63,371
Amount Used / Transfer from Reserve	<u>0</u>	<u>(19,978)</u>	<u>(141,481)</u>
	<u>71,857</u>	<u>46,004</u>	<u>9,041</u>
<b>(q) Harmony Fields - (formally Maddington Golf Course)</b>			
Opening Balance	875,816	2,097,436	1,014,927
Amount Set Aside / Transfer to Reserve	1,348,747	63,112	98,119
Amount Used / Transfer from Reserve	<u>(2,114,112)</u>	<u>(693,358)</u>	<u>(237,230)</u>
	<u>110,451</u>	<u>1,467,190</u>	<u>875,816</u>
<b>(r) Administration Building Construction</b>			
Opening Balance	1,068,966	995,563	158,303
Amount Set Aside / Transfer to Reserve	212,216	23,955	92,755
# Equity Transfer to / (from) Reserve	0	0	1,100,000
Amount Used / Transfer from Reserve	<u>(917,908)</u>	<u>(850,000)</u>	<u>(282,092)</u>
	<u>363,274</u>	<u>169,518</u>	<u>1,068,966</u>
<b>(s) Public Open Space</b>			
Opening Balance	4,540,296	4,087,142	3,047,971
Amount Set Aside / Transfer to Reserve	2,720,706	772,227	1,568,894
Amount Used / Transfer from Reserve	<u>(7,741)</u>	<u>(12,720)</u>	<u>(76,569)</u>
	<u>7,253,261</u>	<u>4,846,649</u>	<u>4,540,296</u>
<b>(t) Maddington/Kenwick Strategy</b>			
Opening Balance	1,530,240	1,207,059	153,988
Amount Set Aside / Transfer to Reserve	1,463,304	1,124,292	1,971,122
Amount Used / Transfer from Reserve	<u>(497,965)</u>	<u>(380,441)</u>	<u>(594,870)</u>
	<u>2,495,579</u>	<u>1,950,910</u>	<u>1,530,240</u>
<b>(u) Civic Complex</b>			
Opening Balance	0	0	809,113
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	<u>0</u>	<u>0</u>	<u>(809,113)</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 2007**

<b>11. RESERVES - CASH BACKED (Continued)</b>	<b>2007</b> <b>\$</b>	<b>2007</b> <b>Budget</b> <b>\$</b>	<b>2006</b> <b>\$</b>
<b>(v) Mills Park</b>			
Opening Balance	62,652	55,589	29,479
Amount Set Aside / Transfer to Reserve	38,473	39,178	34,179
Amount Used / Transfer from Reserve	0	0	(1,006)
	<u>101,125</u>	<u>94,767</u>	<u>62,652</u>
<b>(w) Landford Oval Redevelopment</b>			
Opening Balance	29,896	30,598	13,378
Amount Set Aside / Transfer to Reserve	18,623	18,995	16,518
Amount Used / Transfer from Reserve	(2,400)	0	0
	<u>46,119</u>	<u>49,593</u>	<u>29,896</u>
<b>(x) Gosnells Oval Redevelopment</b>			
Opening Balance	63,969	47,148	15,168
Amount Set Aside / Transfer to Reserve	70,005	38,235	48,801
Amount Used / Transfer from Reserve	0	0	0
	<u>133,974</u>	<u>85,383</u>	<u>63,969</u>
<b>(y) Developer Contributions Infrastructure</b>			
Opening Balance	92,343	85,348	45,008
Amount Set Aside / Transfer to Reserve	15,580	57,984	47,335
Amount Used / Transfer from Reserve	0	0	0
	<u>107,923</u>	<u>143,332</u>	<u>92,343</u>
<b>(z) Operations Centre</b>			
Opening Balance	401,037	426,212	0
Amount Set Aside / Transfer to Reserve	27,181	0	25,888
# Equity Transfer to / (from) Reserve	0	0	480,000
Amount Used / Transfer from Reserve	(22,157)	(402,362)	(104,851)
	<u>406,061</u>	<u>23,850</u>	<u>401,037</u>
<b>(i) TPS No. 7</b>			
Opening Balance	49,918	88,265	78,825
Amount Set Aside / Transfer to Reserve	3,420	2,937	3,161
Amount Used / Transfer from Reserve	0	0	(32,068)
	<u>53,338</u>	<u>91,202</u>	<u>49,918</u>
<b>(ii) TPS No. 9A</b>			
Opening Balance	1,137,582	1,148,740	1,024,108
Amount Set Aside / Transfer to Reserve	74,865	94,315	248,670
Amount Used / Transfer from Reserve	(157,984)	(758,000)	(135,196)
	<u>1,054,463</u>	<u>485,055</u>	<u>1,137,582</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

<b>11. RESERVES - CASH BACKED (Continued)</b>	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>(iii) TPS No. 10</b>			
Opening Balance	7,261	7,225	116,525
Amount Set Aside / Transfer to Reserve	497	0	6,736
Amount Used / Transfer from Reserve	0	0	(116,000)
	<u>7,758</u>	<u>7,225</u>	<u>7,261</u>
<b>(iv) TPS No. 15</b>			
Opening Balance	178,941	57,200	0
Amount Set Aside / Transfer to Reserve	139,740	26,175	185,741
Amount Used / Transfer from Reserve	(5,000)	(5,000)	(6,800)
	<u>313,681</u>	<u>78,375</u>	<u>178,941</u>
<b>(v) TPS No. 17</b>			
Opening Balance	738,002	925,311	811,191
Amount Set Aside / Transfer to Reserve	188,585	106,141	53,922
Amount Used / Transfer from Reserve	(610,902)	(758,170)	(127,111)
	<u>315,685</u>	<u>273,282</u>	<u>738,002</u>
<b>(vi) TPS No. 20</b>			
Opening Balance	288,379	286,901	577,221
Amount Set Aside / Transfer to Reserve	425,897	115,206	263,458
Amount Used / Transfer from Reserve	(130,000)	(130,000)	(552,300)
	<u>584,276</u>	<u>272,107</u>	<u>288,379</u>
<b>(vii) ODP Canning Vale</b>			
Opening Balance	1,731,176	1,968,617	2,458,765
Amount Set Aside / Transfer to Reserve	385,859	262,778	739,503
Amount Used / Transfer from Reserve	(775,580)	(1,384,514)	(1,467,092)
	<u>1,341,455</u>	<u>846,881</u>	<u>1,731,176</u>
<b>(viii) ODP Southern River Precinct 5</b>			
Opening Balance	316,197	336,175	296,175
Amount Set Aside / Transfer to Reserve	21,552	18,310	20,022
Amount Used / Transfer from Reserve	(5,000)	(5,000)	0
	<u>332,749</u>	<u>349,485</u>	<u>316,197</u>
<b>(ix) ODP Southern River Precinct 3</b>			
Opening Balance	58,236	57,940	0
Amount Set Aside / Transfer to Reserve	3,989	3,426	58,236
Amount Used / Transfer from Reserve	0	0	0
	<u>62,225</u>	<u>61,366</u>	<u>58,236</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

<b>11. RESERVES - CASH BACKED (Continued)</b>	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
<b>(x) ODP Southern River Precinct 1</b>			
Opening Balance	682,142	678,639	530,439
Amount Set Aside / Transfer to Reserve	46,622	119,245	151,703
Amount Used / Transfer from Reserve	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>
	<u>723,764</u>	<u>792,884</u>	<u>682,142</u>
<b>(xi) ODP Campbell Estate (Canning Vale)</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	3,759,404	225,000	0
Amount Used / Transfer from Reserve	<u>(468,270)</u>	<u>(70,000)</u>	<u>0</u>
	<u>3,291,134</u>	<u>155,000</u>	<u>0</u>
<b>(xii) ODP Southern River Precinct 2</b>			
Opening Balance	0	0	0
Amount Set Aside / Transfer to Reserve	1,532,847	225,000	0
Amount Used / Transfer from Reserve	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
	<u>1,512,847</u>	<u>205,000</u>	<u>0</u>
 <b>TOTAL CASH BACKED RESERVES</b>	 <u><u>29,682,954</u></u>	 <u><u>20,640,709</u></u>	 <u><u>22,548,865</u></u>
 <b>Summary of Cash Backed Reserve</b>			
Opening Balance	22,548,865	22,526,108	20,717,462
Amount Set Aside / Transfer to Reserve	15,298,942	5,841,407	8,570,098
# Equity Transfer to / Reserve	0	0	2,389,113
# Equity Transfer / from Reserve	0	0	(2,389,113)
Amount Used / Transfer from Reserve	<u>(8,164,853)</u>	<u>(7,726,806)</u>	<u>(6,738,695)</u>
Total Summary of Cashed Backed Reserve	<u><u>29,682,954</u></u>	<u><u>20,640,709</u></u>	<u><u>22,548,865</u></u>

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

# Equity Transfer to / (from) Reserve are movements between reserve funds which would be a change from the previous purpose of the funds. These equity transfers are in accordance with the 2006/2007 Budget or Council Resolutions.

## CITY OF GOSNELLS

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

#### FOR THE YEAR ENDED 30TH JUNE 2007

#### 11. RESERVES - CASHED BACKED (Continued)

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

**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 and equipping of the City of Gosnells Don Russell Performing Arts Centre.

**Waste Disposal Site Development**

- replacement of or 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 Equipement**

- to fund 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**

- for unforeseen refurbishment of Council owned building and replacement of major plant located in Council buildings.

**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 - (formally Maddington Golf Course)**

- to provide for expenditure at Harmony Fields (formally known as Maddington Gold Course).

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**11. RESERVES - CASHED BACKED (Continued)**

**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 obligation in respect of contribution in lieu of Public Open Space.

**Maddington/Kenwick Strategy**

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

**Civic Complex**

- to partially fund the cost of the building the Civic Complex.

**Mills Park**

- to assist with the development of Mills Park.

**Landford Oval Redevelopment**

- to assist with the development of Landford Oval.

**Gosnells Oval Redevelopment**

- to assist with the development of Gosnells Oval.

**Developer Contributions 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.

**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 (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.

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

<b>12. RESERVES - ASSET REVALUATION</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) <b>Land and Buildings</b>		
Balance as at 1 July 2006	86,422,244	86,422,244
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2007	<u>86,422,244</u>	<u>86,422,244</u>
TOTAL ASSET REVALUATION RESERVES	<u>86,422,244</u>	<u>86,422,244</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

**13. 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:

	<b>2007</b> <b>\$</b>	<b>2007</b> <b>Budget</b> <b>\$</b>	<b>2006</b> <b>\$</b>
Cash and Cash Equivalents	<u>49,658,233</u>	<u>32,134,979</u>	<u>35,870,455</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net Result	(14,186,401)	(9,286,334)	(7,111,557)
Depreciation	(12,555,000)	(13,170,734)	(13,221,923)
Amortisation	(155,588)	0	(144,699)
Increase/(Decrease) in Receivables	(393,919)	(222,742)	1,406,802
Profit/(Loss) on Sale of Asset	(486,610)	4,269,315	1,019,341
Increase/(Decrease) in Inventories	25,171	(12,000)	25,851
(Increase)/Decrease in Payables	(664,552)	(216,180)	4,218,864
(Increase)/Decrease in Employee Provisions	33,266	(784,518)	(478,712)
Grants/Contributions for the Development of Assets	11,672,788	6,992,929	6,071,954
<b>Net Cash from Operating Activities</b>	<u>(16,710,845)</u>	<u>(12,430,264)</u>	<u>(8,214,079)</u>
<b>(c) Undrawn Borrowing Facilities</b>			
<b>Credit Standby Arrangements</b>			
Credit Card limit	60,000	60,000	60,000
Credit Card Balance at Balance Date	(19,617)	0	(10,170)
<b>Total Amount of Credit Unused</b>	<u>40,383</u>	<u>60,000</u>	<u>49,830</u>
<b>Loan Facilities</b>			
Loan Facilities - Current	6,500,000	0	0
Loan Facilities - Non-Current	0	0	0
<b>Total Facilities in Use at Balance Date</b>	<u>6,500,000</u>	<u>0</u>	<u>0</u>
<b>Unused Loan Facilities at Balance Date</b>	<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 2007**

	<b>2007</b>	<b>2006</b>
<b>14. CAPITAL AND LEASING COMMITMENTS</b>	<b>\$</b>	<b>\$</b>
<b>(a) Finance Lease Commitments</b>	NIL	NIL
<b>(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	43,209	90,155
- later than one year but not later than five years	179,881	270,465
- later than five years	0	0
	223,090	360,620
<b>(c) Capital Expenditure Commitments</b>	NIL	NIL
<b>15. CONTINGENT LIABILITIES</b>	NIL	NIL

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>16. JOINT VENTURE</b>	NIL	NIL
<b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
Governance	3,193,904	3,093,191
General Purpose Funding	36,708,715	35,551,175
Law, Order, Public Safety	303,611	294,037
Education and Welfare	1,360,450	1,317,551
Community Amenities	83,167,049	80,544,533
Recreation and Culture	74,201,706	71,861,895
Transport	123,698,732	120,217,445
Economic Services	155,288	150,391
Other Property and Services	17,444,793	16,894,704
Unallocated	52,166,853	40,615,123
	<u>392,401,101</u>	<u>370,540,045</u>

**CITY OF GOSNELLS**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE 2007**

<b>18. FINANCIAL RATIOS</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Current Ratio	1.17	1.90	1.16
Untied Cash to Trade Creditors Ratio	3.11	3.12	1.28
Debt Ratio	0.05	0.033	0.043
Debt Service Ratio	0.0009	0.00	0.00
Gross Debt to Revenue Ratio	0.1075	0.00	0.00
Gross Debt to Economically Realisable Assets Ratio	0.0352	0.00	0.00
Rate Coverage Ratio	0.50	0.50	0.49
Outstanding Rates Ratio	0.027	0.036	0.04

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 Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$
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 2007**

**19. 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:

	<b>Balance 1-Jul-06 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>Balance 30-Jun-07 \$</b>
Unclaimed Monies	4,491	0	0	4,491
BCITF	36,936	463,174	(389,754)	110,356
BRB	10,258	114,951	(112,552)	12,657
	<u>51,685</u>			<u>127,504</u>

**20. DISPOSALS OF ASSETS - 2006/07 FINANCIAL YEAR**

The following assets were disposed of during the year.

	<b>Net Book Value</b>		<b>Sale Price</b>		<b>Profit (Loss)</b>	
	<b>Actual \$</b>	<b>Budget \$</b>	<b>Actual \$</b>	<b>Budget \$</b>	<b>Actual \$</b>	<b>Budget \$</b>
Land and Buildings	679,268	0	0	4,345,228	(679,268)	4,345,228
Furniture and Equipment	0	0	19,317	0	19,317	0
Plant and Equipment	903,116	960,212	1,076,457	884,300	173,341	(75,912)
	<u>1,582,384</u>	<u>960,212</u>	<u>1,095,774</u>	<u>5,229,528</u>	<u>(486,610)</u>	<u>4,269,316</u>

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**21. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-06 \$	New Loans \$	Principal Repayments		Principal 30-Jun-07		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Recreation and Culture</b>								
Harmony Fields Redevelopment	0	6,500,000	0	0	6,500,000	182,783	50,462	0
<b>Other Property and Services</b>								
Administration Accommodation		0	0	12,554,845	0	12,554,845	0	0
	0	6,500,000	0	12,554,845	6,500,000	12,737,628	50,462	0

All debenture repayments were financed by general purpose revenue.

(b) New Debentures - 2006/07

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Harmony Fields Redevelopment	6,500,000	182,783	WA Treasury Corporation	Debenture	1	445,075	6.71	3,646,323	182,783	2,853,677

**CITY OF GOSNELLS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2007**

**21. INFORMATION ON BORROWINGS (Continued)**

(c) Unspent Debentures

<b>Particulars</b>	<b>Date Borrowed</b>	<b>Balance 1-Jul-06 \$</b>	<b>Borrowed During Year \$</b>	<b>Expended During Year \$</b>	<b>Balance 30-Jun-07 \$</b>
Harmony Fields Redevelopment	18/05/2007	0	6,500,000	3,646,323	2,853,677
		0	6,500,000	3,646,323	2,853,677

(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 2007

22. RATING INFORMATION - 2006/07 FINANCIAL YEAR

	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 \$
<b>RATE TYPE</b>											
<b>Differential General Rate</b>											
<b>GRV</b>											
Commercial Improved	7.9900	464	46,534,186	3,640,492	93,121	0	3,733,613	3,640,492	114,927	0	3,755,419
Commercial Vacant	12.7840	34	508,850	71,571	(7,739)	0	63,832	71,571	9,473	0	81,044
Extractive Industry	15.1810	3	257,500	39,091	0	0	39,091	39,091	1,072	0	40,163
Golf Courses	7.9900	1	135,000	10,787	0	0	10,787	10,787	0	0	10,787
Industrial Improved	7.9900	721	27,633,850	2,123,508	58,928	0	2,182,436	2,123,508	20,585	0	2,144,093
Industrial Vacant	12.7840	69	948,306	114,322	7,481	0	121,803	114,322	1,218	0	115,540
Kennel Area Improved	7.9900	132	1,152,156	92,007	46	0	92,053	92,007	1,000	0	93,007
Kennel Area Vacant	12.7840	0	0	0	0	0	0	0	0	0	0
Residential Development GRV	9.5880	93	1,992,621	214,347	(13,086)	0	201,261	214,347	21,942	0	236,289
Residential Improved	7.9900	18,941	178,966,844	13,469,768	676,930	0	14,146,698	13,469,768	356,017	0	13,825,785
Residential Vacant	12.7840	1,399	9,389,171	1,078,512	93,890	0	1,172,402	1,078,512	23,096	0	1,101,608
Rural GRV	9.5880	673	6,473,366	613,159	3,046	0	616,205	613,159	149	0	613,308
<b>UV</b>											
Residential Development UV	0.2910	4	5,000,000	27,090	(20,631)	0	6,459	29,215	2,446	0	31,661
Rural UV	0.3650	242	168,245,550	372,516	(2,425)	0	370,091	372,516	5,200	0	377,716
Rural UV Agricultural Concession	0.2920	25	76,095,000	187,563	0	0	187,563	187,563	392	0	187,955
<b>Sub-Totals</b>		22,801	523,332,400	22,054,733	889,561	0	22,944,294	22,056,858	557,517	0	22,614,375
<b>Minimum Rates</b>	<b>Minimum \$</b>										
<b>GRV</b>											
Commercial Improved	572	70	326,882	39,468	0	0	39,468	39,468	18,000	0	57,468
Commercial Vacant	572	2	2,380	2,288	0	0	2,288	2,288	0	0	2,288
Extractive Industry	572	0	0	0	0	0	0	0	0	0	0
Golf Courses	572	1	4,500	572	0	0	572	572	0	0	572
Industrial Improved	572	100	607,799	57,200	0	0	57,200	57,200	1,500	0	58,700
Industrial Vacant	572	0	0	0	0	0	0	0	0	0	0
Kennel Area Improved	572	17	115,336	9,724	0	0	9,724	9,724	0	0	9,724
Kennel Area Vacant	572	0	0	0	0	0	0	0	0	0	0
Residential Development GRV	572	0	0	0	0	0	0	0	1,500	0	1,500
Residential Improved	572	14,185	89,449,096	8,117,252	0	0	8,117,252	8,117,252	95,000	0	8,212,252
Residential Vacant	572	890	2,980,795	501,644	0	0	501,644	501,644	0	0	501,644
Rural GRV	572	116	603,030	68,640	0	0	68,640	68,640	0	0	68,640
<b>UV</b>											
Residential Development UV	572	0	0	572	0	0	572	572	0	0	572
Rural UV	572	5	926,450	3,432	0	0	3,432	3,432	0	0	3,432
Rural UV Agricultural Concession	572	0	0	0	0	0	0	0	0	0	0
<b>Sub-Totals</b>		15,386	95,016,268	8,800,792	0	0	8,800,792	8,800,792	116,000	0	8,916,792
Specified Area Rate (refer note 23)							31,745,086				31,531,167
							215,465				203,517
							31,960,551				31,734,684
Discounts (refer note 25)							0				0
<b>Totals</b>							31,960,551				31,734,684

**CITY OF GOSNELLS**  
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**FOR THE YEAR ENDED 30TH JUNE 2007**

**23. SPECIFIED AREA RATE - 2006/07 FINANCIAL YEAR**

	<b>Rate in \$</b>	<b>Basis of Rate</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Applied to Costs \$</b>	<b>Budget Applied to Costs \$</b>
<b>Specified Area Rates</b>								
The Avenues	0.6031	500	5,610,672	33,838	150	0	33,988	33,836
Sanctuary Waters	0.9329	688	8,566,879	35,661	358	0	36,019	43,151
The Reserve	0.8173	297	3,567,252	54,632	809	0	55,441	19,718
Brookland Greens	0.4754	546	6,684,524	16,516	8,357	0	24,873	54,635
Brookland Park	0.5037	306	3,474,184	43,150	75	0	43,225	16,515
The Boardwalk	0.5528	278	3,822,634	19,720	2,199	0	21,919	35,662
				203,517	11,948	0	215,465	203,517

Purpose for the rate and proposed applicant of proceeds:

To recover in each Specified Area up to 25% of the 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 have occurred.

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

24. SERVICE CHARGES - 2006/07 FINANCIAL YEAR NIL

25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2006/07 FINANCIAL YEAR NIL

26. INTEREST CHARGES AND INSTALMENTS - 2006/07 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11		108,905	166,865
Interest on Instalments Plan	5.5		162,643	200,000
Charges on Instalment Plan		10.50	191,873	180,000
			463,421	546,865

Ratepayers had the option of paying rates in four equal instalments, due on 25th August 2006, 20th October 2006, 15th December 2006, 9th February 2007. Administration charges and interest applied for the final three instalments.

27. FEES & CHARGES	2007 \$	2006 \$
Governance	44,308	43,045
General Purpose Funding	288,900	101,657
Law, Order, Public Safety	221,419	222,436
Health	105,723	93,301
Education and Welfare	330,098	226,616
Community Amenities	6,631,384	5,861,208
Recreation & Culture	2,373,003	2,256,766
Transport	62,410	77,883
Economic Services	1,589,534	1,419,875
Other Property & Services	287,653	365,376
	<u>11,934,432</u>	<u>10,668,163</u>

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 2007**

**28. GRANT REVENUE**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Grants and Subsidies - operating	3,911,665	3,344,606
Grants and Subsidies - non-operating	3,242,743	4,678,715
	<u>7,154,408</u>	<u>8,023,321</u>
<b>By Program:</b>		
General Purpose Funding	2,616,856	2,489,919
Law, Order, Public Sector	180,593	260,754
Education and Welfare	377,052	366,935
Community Amenities	125,329	124,899
Recreation and Culture	267,820	344,213
Transport	3,212,770	4,197,293
Economic Services	321,734	8,000
Other Property and Services	52,254	231,308
	<u>7,154,408</u>	<u>8,023,321</u>

**29. COUNCILLORS' REMUNERATION**

	<b>2007</b>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	89,587	91,000	75,833
Mayor's Allowance	60,000	60,000	50,000
Deputy Mayor's Allowance	9,000	9,000	7,500
Travelling Expenses	13,191	13,500	10,111
Telecommunications Allowance	17,697	18,000	15,000
	<u>189,475</u>	<u>191,500</u>	<u>158,444</u>

**30. 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.

<b>Salary Range</b>	<b>2007</b>	<b>2006</b>
<b>\$</b>		
100,000 - 109,999	1	0
110,000 - 119,999	0	0
120,000 - 129,999	2	4
130,000 - 139,999	2	1
140,000 - 149,999	1	0
150,000 - 159,999	0	1
160,000 - 169,999	0	0
170,000 - 179,999	0	0
180,000 - 189,999	0	0
190,000 - 199,999	0	0
200,000 - 209,999	1	0

**31. EMPLOYEE NUMBERS**

	<b>2007</b>	<b>2006</b>
The number of full-time equivalent Employees at balance date	337	365

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

32. MAJOR LAND TRANSACTIONS

**Harmony Fields formerly the Maddington Golf Course**

(a) Details

In 1999 the Council had the site rezoned for Parks and Recreation. A plan for redevelopment of the site was made in 2003 using a series of consensus design workshops. The plan will see a large number of new recreation facilities constructed on the site and a number of residential lots to be sold.

(b) Current year transactions	2007 \$	2006 \$
<b>Operating Income</b>		
- Loss on sale	0	0
<b>Capital Income</b>		
- Sale Proceeds	0	0
<b>Capital Expenditure</b>		
- Purchase of Land	0	
- Development Costs	0	237,230
	<u>0</u>	<u>237,230</u>

There are liabilities in relation to this land transaction as at 30 June 2007.

(c) Expected Future Cash Flows

	2008 \$	2009 \$	2010 \$	2011 \$	2012 \$	Total \$
<b>Cash Outflows</b>						
- Development Costs						0
- Loan Repayments	2,429,000					2,429,000
	<u>2,429,000</u>	0	0	0	0	<u>2,429,000</u>
<b>Cash Inflows</b>						
- Loan Proceeds						0
- Sale Proceeds	(6,585,000)					(6,585,000)
	<u>(6,585,000)</u>	0	0	0	0	<u>(6,585,000)</u>
<b>Net Cash Flows</b>	<u>(4,156,000)</u>	0	0	0	0	<u>(4,156,000)</u>

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

32. MAJOR LAND TRANSACTIONS (continued)

**Lot 8 Holmes Street and Warton Road, Southern River Development**

(a) Details

Council intends 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	2007 \$	2006 \$
<b>Operating Income</b>		
- Loss on sale	0	0
<b>Capital Income</b>		
- Sale Proceeds	0	0
<b>Capital Expenditure</b>		
- Purchase of Land	0	0
- Development Costs	42,261	0
	<u>42,261</u>	<u>0</u>

The above capital expenditure is included as land held for resale (refer Note 5).

(c) Expected Future Cash Flows

	2008 \$	2009 \$	2010 \$	2011 \$	2012 \$	Total \$
<b>Cash Outflows</b>						
- Development Costs	1,700,000	8,300,000				10,000,000
- Loan Repayments		10,000,000				10,000,000
	<u>1,700,000</u>	<u>18,300,000</u>	0	0	0	<u>20,000,000</u>
<b>Cash Inflows</b>						
- Loan Proceeds	(1,700,000)	(8,300,000)				(10,000,000)
- Sale Proceeds		(21,000,000)				(21,000,000)
	<u>(1,700,000)</u>	<u>(29,300,000)</u>	0	0	0	<u>(31,000,000)</u>
<b>Net Cash Flows</b>	<u>0</u>	<u>(11,000,000)</u>	0	0	0	<u>(11,000,000)</u>

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

32. MAJOR LAND TRANSACTIONS (continued)

**Former Gosnells Library Site**

(a) Details

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

(b) Current year transactions	2007 \$	2006 \$
<b>Operating Income</b>		
- Loss on sale	0	0
<b>Capital Income</b>		
- Sale Proceeds	0	0
<b>Capital Expenditure</b>		
- Purchase of Land	0	0
- Development Costs	0	0
	<u>0</u>	<u>0</u>

(c) Expected Future Cash Flows

	2008 \$	2009 \$	2010 \$	2011 \$	2012 \$	Total \$
<b>Cash Outflows</b>						
- Development Costs						0
- Loan Repayments						0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Cash Inflows</b>						
- Loan Proceeds						0
- Sale Proceeds	(1,200,000)					(1,200,000)
	<u>(1,200,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,200,000)</u>
<b>Net Cash Flows</b>	<u>(1,200,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,200,000)</u>

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2006/07 financial year.

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

34. INTEREST RATE RISK

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

Year Ended 30 June 2007	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %	
<b>FINANCIAL ASSETS</b>									
<b>Fixed Rate</b>									
Other Financial Assets							0		
Weighted Average Effective Interest Rate									
<b>Floating Rate</b>									
Cash and Cash Equivalents	49,785,737						49,785,737	6.84%	
Weighted Average Effective Interest Rate	6.84%								
<b>FINANCIAL LIABILITIES</b>									
<b>Fixed Rate</b>									
Debentures							6,500,000	6.71%	
Weighted Average Effective Interest Rate	6.71%								

CITY OF GOSNELLS

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2007

34. INTEREST RATE RISK (Continued)

<u>Year Ended 30 June 2006</u>	<u>&lt;1 year</u> \$	<u>&gt;1&lt;2 years</u> \$	<u>&gt;2&lt;3 years</u> \$	<u>&gt;3&lt;4 years</u> \$	<u>&gt;4&lt;5 years</u> \$	<u>&gt;5 years</u> \$	<u>Total</u> \$	<u>Weighted Average Effective Interest Rate</u> %
<b>FINANCIAL ASSETS</b>								
<b>Fixed Rate</b>								
Other Financial Assets							0	
Weighted Average Effective Interest Rate								
<b>Floating Rate</b>								
Cash and Cash Equivalents	35,922,140						35,922,140	6.52%
Weighted Average Effective Interest Rate	6.52%							
<b>FINANCIAL LIABILITIES</b>								
<b>Fixed Rate</b>								
Debentures		0					0	N/A
Weighted Average Effective Interest Rate								

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE RATEPAYERS 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 2007, and the income statement, statements of changes in equity, and cash flow statement for the year ended 30 June 2007, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

#### **Councils' responsibility for the financial report.**

The Council of the City of Gosnells is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. 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 judgement, 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Gosnells financial position and of their performance.

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 followed applicable independence requirements of Australian professional ethical pronouncements.

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**Auditor's opinion on the financial report**

In our opinion, the financial report of the City of Gosnells:

- (i) gives a true and fair view of the City of Gosnells financial position as at 30 June 2007 and of their performance for the financial year ended 30 June 2007, and
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations).
- (iii) are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

**Statutory Compliance**

I did not, during the course of my audit, become aware of any instances where the Council did not comply with the requirements of the Local Government Act and Local Government (Financial Management) Regulations 1996.



**GRANT THORNTON (WA) PARTNERSHIP**



**MICHAEL J HILLGROVE  
PARTNER**

Dated at Perth this 6<sup>th</sup> day of November 2007