

**JOONDALUP**

**ANNUAL REPORT**

**FINANCIAL STATEMENTS**

**30-Jun-01**

**CITY OF JOONDALUP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2001**  
**INDEX**

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## SCHEDULE 2

### Form 1

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

### STATEMENT BY ACTING CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Joondalup being the annual financial report and supporting notes and other information for the financial year ended 30 June 2001 are in my opinion properly drawn up to present fairly the financial position of the City of Joondalup at 30 June 2001 and the results of the operations for the financial year then ended in accordance with the *Australian Accounting Standards* (except to the extent that these have been varied in the Statement of Accounting Policies required by Australian Accounting Standard AAS 6 "Accounting Policies" and the accompanying notes to the annual financial report) and comply with the provisions of the *Local Government Act 1995* and the regulations under the Act.

Signed on the

21<sup>st</sup>

day of

SEPTEMBER

2001



Acting Chief Executive Officer  
John B Turkington

**INDEPENDENT AUDIT REPORT**

**TO THE RATEPAYERS OF THE CITY OF JOONDALUP**

**Scope**

We have audited the financial report of the City of Joondalup for the year ended 30 June 2001 as set out on pages 3 to 41. The Council is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Joondalup.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the requirements of the Local Government Act 1995, applicable Australian Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) so as to present a view of the City which is consistent with our understanding of its financial position, the results of its operations and cash flows.

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

**Audit opinion on the financial statements**

In our opinion, the financial report presents fairly the financial position of the City of Joondalup as at 30 June 2001, the results of its operations and cash flows for the year then ended in accordance with the requirements of the Local Government Act 1995, applicable Australian Accounting Standards and other mandatory professional reporting standards.

**Statutory Compliance**

We did not during the course of our audit, become aware of any instances where the City did not comply with the requirements of the Local Government Act 1995.

*Deloitte Touche Tohmatsu*

**DELOITTE TOUCHE TOHMATSU**

*P J Messer*

**P J MESSER**  
**Partner**  
**Chartered Accountants**

21 September 2001  
Perth, WA

**INDEPENDENT AUDIT REPORT**  
**TO THE RATEPAYERS OF THE CITY OF JOONDALUP**

**Scope**

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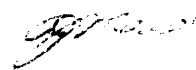
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**DELOITTE TOUCHE TOHMATSU**

  
**P J MESSER**  
Partner  
Chartered Accountants

21 September 2001  
Perth, WA

**CITY OF JOONDALUP**  
**OPERATING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2001**  
**(BY PROGRAMME)**

<b>REVENUES</b>	Note	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
General Purpose Funding		43,062,633	42,194,294	40,531,161
Governance		-	-	22,587
Law, Order, Public Safety		2,086,911	2,166,159	2,351,223
Health		104,467	98,808	55,185
Education and Welfare		3,046,007	3,122,108	3,076,217
Housing		-	12,628	-
Community Amenities		6,674,864	8,066,990	7,112,410
Recreation and Culture		3,687,543	3,415,930	4,963,760
Transport		6,769,346	12,012,726	14,958,386
Economic Services		508,805	894,157	964,785
Other Property and Services		183,154	318,505	507,603
<b>Total Operating Revenues</b>		<b>66,123,730</b>	<b>72,302,306</b>	<b>74,543,317</b>
<b>EXPENSES</b>				
Governance		1,044,041	1,007,607	1,015,077
Law, Order, Public Safety		4,352,337	4,840,662	3,789,801
Health		1,238,039	1,127,326	1,105,785
Education and Welfare		5,374,049	4,978,946	4,250,709
Housing		-	51,103	-
Community Amenities		9,472,180	11,627,018	9,430,640
Recreation and Culture		20,605,520	19,167,469	20,923,287
Transport		16,914,414	18,351,285	17,085,001
Economic Services		1,154,547	940,833	775,766
Other Property and Services		4,188,505	4,617,718	2,724,145
<b>Total Operating Expenses</b>		<b>64,343,632</b>	<b>66,709,967</b>	<b>61,100,211</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	\$	<b>1,780,098</b>	<b>5,592,339</b>	<b>13,443,106</b>

**Significant variances between actual and budget are shown in note 27**

Notes to and forming part of the accounts are included on pages 9 to 41

**CITY OF JOONDALUP**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Note	Actual 2001 \$	Actual 2000 \$
<b>CURRENT ASSETS</b>			
Cash Advances		4,550	7,250
Investments	5	27,542,482	27,831,598
Receivables	6	2,951,765	3,279,923
Stock on Hand	7	4,019	12,859
<b>TOTAL CURRENT ASSETS</b>		<b>30,502,816</b>	<b>31,131,630</b>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft		1,476,911	2,176,244
Creditors and Provisions	9	8,152,225	7,988,439
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,629,136</b>	<b>10,164,683</b>
<b>NET CURRENT ASSETS</b>		<b>20,873,680</b>	<b>20,966,947</b>
<b>NON CURRENT ASSETS</b>			
Receivables	6	1,499,681	1,104,145
Property, Plant & Equipment	8	489,117,716	487,518,837
<b>TOTAL NON CURRENT ASSETS</b>		<b>490,617,397</b>	<b>488,622,982</b>
<b>NON CURRENT LIABILITIES</b>			
Creditors and Provisions	9	702,635	581,585
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>702,635</b>	<b>581,585</b>
<b>NET NON CURRENT ASSETS</b>		<b>489,914,762</b>	<b>488,041,397</b>
<b>NET ASSETS</b>		<b>\$ 510,788,442</b>	<b>509,008,344</b>
<b>EQUITY</b>			
Accumulated Surplus		497,244,620	497,710,682
Reserves	10	13,543,822	11,297,662
<b>TOTAL EQUITY</b>		<b>\$ 510,788,442</b>	<b>509,008,344</b>

Notes to and forming part of the accounts are included on pages 9 to 41

**CITY OF JOONDALUP  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2001**

	Note	Actual 2001 \$	Actual 2000 \$
<b>RESERVES - CASH BACKED</b>			
Balance at Beginning of Year		11,297,662	7,027,447
Amount transferred from/to Accumulated Surplus (Net)		2,246,160	4,270,215
		<hr/>	<hr/>
Balance at End of Year	10	\$ <b>13,543,822</b>	<b>11,297,662</b>
		<hr/>	<hr/>
<b>ACCUMULATED SURPLUS</b>			
Balance at Beginning of Year		497,710,682	488,537,791
Change in Net Assets Resulting from Operations		1,780,098	13,443,106
Transfers from to Reserves (Net)		(2,246,160)	(4,270,215)
		<hr/>	<hr/>
Balance at End of Year		\$ <b>497,244,620</b>	<b>497,710,682</b>
		<hr/>	<hr/>
TOTAL EQUITY		\$ <b>510,788,442</b>	<b>509,008,344</b>
		<hr/> <hr/>	<hr/> <hr/>

Notes to and forming part of the accounts are included on pages 9 to 41



**CITY OF JOONDALUP  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2001**

	Note	Actual 2001 Inflows (Outflows) \$	Adopted Budget 2001 Inflows (Outflows) \$	Actual 2000 Inflows (Outflows) \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
Rates - General		37,635,500	35,061,363	34,791,144
Rates – Specified Area Rate Iluka		65,951	61,760	167,909
Property Surveillance & Security Charge		1,503,643	1,487,781	1,480,982
Government Grants & Subsidies		8,240,830	7,606,138	7,980,767
Contributions, Reimbursements, Donations		975,713	787,212	1,568,837
Service Charges		6,152,359	7,618,988	5,795,578
Fees & Charges		4,433,894	5,569,387	7,812,379
Interest Earnings		2,265,029	1,275,990	1,753,994
Revenue from Other Councils		341,108	315,636	845,218
Total Receipts		61,614,027	59,784,255	62,196,808
<b>Payments:</b>				
Employee Costs		(25,459,339)	(26,025,422)	(22,635,874)
Utilities (gas, electricity, water)		(2,737,220)	(2,573,840)	(2,664,876)
Insurance Expenses		(566,330)	(509,725)	(454,095)
Materials, Contracts, Suppliers		(21,951,039)	(24,694,055)	(26,525,924)
Total Payments		(50,713,928)	(53,803,042)	(52,280,769)
<b>Net Cash Provided by Operating Activities</b>	<b>16</b>	<b>10,900,099</b>	<b>5,981,213</b>	<b>9,916,039</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
Proceeds from Sale of Assets		624,866	1,494,738	961,676
Total Receipts:		624,866	1,494,738	961,676
<b>Payments:</b>				
Purchase of Buildings		(445,863)	-	(269,370)
Purchase of Artworks		(31,088)	(10,000)	-
Purchase of Furniture and Equipment		(735,340)	(1,660,385)	(1,555,315)
Purchase of Vehicles and Plant		(2,246,918)	(2,919,270)	(1,958,478)
Construction of Infrastructure Assets		(7,658,240)	(12,045,839)	(7,303,060)
Total Payments		(11,117,449)	(16,635,494)	(11,086,223)
<b>Net Cash (used in) Investing Activities</b>		<b>(10,492,583)</b>	<b>(15,140,756)</b>	<b>(10,124,547)</b>
<b>Cash Flows from Financing Activities</b>				
Payments made for COW Liabilities		-	-	(4,352,466)
<b>Net Cash (used in) Financing Activities</b>		<b>-</b>	<b>-</b>	<b>(4,352,466)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>407,516</b>	<b>(9,159,543)</b>	<b>(4,560,974)</b>
<b>Cash at Beginning of the Financial Year</b>		<b>25,662,605</b>	<b>25,709,981</b>	<b>30,223,579</b>
<b>Cash at the End of the Financial Year</b>	<b>14</b>	<b>\$ 26,070,121</b>	<b>16,550,438</b>	<b>25,662,605</b>

**Significant variances between actual and budget are shown in note 28**  
Notes to and forming part of the accounts are included on pages 9 to 41

# CITY OF JOONDALUP

## GENERAL PURPOSE FUNDING AS AT

**30 JUNE 2001**

GENERAL PURPOSE FUNDING	ACTUAL 2000/2001	CURRENT YEAR ESTIMATED	CURRENT YEAR VALUATIONS
	\$	\$	\$
<b><u>General Rates</u></b>			
GRV Rate in \$ - 6.8693 cents	33,739,562	33,340,546	485,355,781
UV Rate in \$ - 0.5408 cents	230,918	235,745	43,591,913
<b><u>Minimum Rate</u></b>			
GRV Number of Assessments 192 x \$763	146,496	146,496	1,581,137
GRV Number of Assessments 8919 x \$415	3,701,385	3,701,385	47,734,013
UV Number of Assessments 1 x \$415	0	415	52,500
<b><u>Interim Rates</u></b>			
GRV Rate in \$ - 6.6693 cents and 6.0023 cents	0	600,000	0
<b>Total General Rates Levied</b>	<b>\$ 37,818,361</b>	<b>38,024,587</b>	<b>578,315,344</b>
Plus - Late Payment Interest	154,273	109,815	
Plus Administration Fees	241,621	183,024	
Non Payment Penalty	108,657	73,210	
Less Discount Allowed	-1,036,784	-988,332	
<b>Total Amount Made Up from Rates</b>	<b>\$ 37,286,128</b>	<b>37,402,304</b>	
<b>General Purpose Grant</b>			
General (Untied) Grant	3,465,836	3,471,000	
<b>Other General Purpose Income</b>			
Pensioners' Deferred Rates Interest	45,640	45,000	
<b>Interest on Investments</b>	2,265,029	1,275,990	
<b>Total General Purpose Income Shown on Operating Statement</b>	<b>\$ 43,062,633</b>	<b>42,194,294</b>	

Notes to and forming part of the accounts are included on pages 9 to 41

**As at 30 June 2001**

[illegible]

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

These general purpose financial statements have been drawn up in accordance with the accounting concepts, standards and disclosure requirements of the Australian accounting bodies, the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. They have been prepared on the accrual basis under the convention of historical cost accounting and include the requirements of Australian Accounting Standard AAS27.

**(b) The Local Government Reporting Entity**

The financial statements forming part of this report have been prepared on the basis of a single consolidated fund (Municipal Fund). Monies held in Council Trust Fund have been excluded from the consolidated financial statements, but a separate statement of those monies appears at Note 12 to these financial statements.

**(c) Depreciation**

**Property, Plant and Equipment (Excluding Infrastructure Assets)**

Property, plant and equipment, excluding infrastructure assets are carried at cost. Items of property, plant and equipment, including buildings but excluding freehold land and artworks, are depreciated over their estimated useful lives on a straight-line basis. Depreciation has been charged to the Operating Statement.

**Depreciation Rates:**

Freehold Land	Nil	Artworks	NIL
Light Vehicles	7.5%	Buildings	2.5%
Heavy Vehicles	10.5%	Plant	12.5%
Computer Equipment	33.4%	Furniture & Office Equipment	10.0%
Other Equipment	10.0%	Computer Software (Over \$10,000)	20.0%

**Infrastructure Assets**

Reserves and Engineering infrastructure assets acquired prior to 30 June 1997 were brought to account as a non current asset at their estimated depreciated replacement cost at that time, additions subsequent to 30 June 1997 are recorded at cost. Infrastructure Assets acquired by the City from contributions by developers are recorded as additions to assets and the income recorded in the operating statement.

Infrastructure Assets capitalised are depreciated over their estimated useful lives on a straight-line basis from the date of acquisition or, in respect of constructed assets, from the time an asset is completed. Depreciation has been charged to the Operating Statement.

Engineering Infrastructure Assets (roads, footpaths, drains, etc) are depreciated over their estimated useful lives on a straight-line basis and are only depreciated from the commencement of the next financial year.

In accordance with the Local Government (Financial Management Regulations 1996) Section 16, land under roads has not been recognised as an asset in the statement of financial position.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

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

**Depreciation Rates:**

<b>Reserves -</b>	Playground Equipment	10.0%
	Sports Facilities	10.0% - 20.0%
	Picnic Facilities	10.0%
	Park Benches	8.0%
	Fencing	5.0% - 10.0%
	Reticulation	13.0% - 20.0%
	Park Structures	5.0% - 10.0%
	Pathways	5.0% - 10.0%
	Lighting	13.0%
	Oval Development	Nil
<b>Engineering -</b>	Roads/Traffic Management	2.0% - 5.0%
	Drainage	1.25%
	Car Parking	2.5%
	Public Access Ways	2.5% - 4.0%
	Footpaths/Bicycle Facilities	2.0% - 4.0%
	Robertson Road Cycleway	2.5% - 16.0%
	Beach Access Ways	2.5% - 10.0%
	Hardcourt Surfaces	2.5% - 20.0%
	Bus Shelters	2.0%
	Underpasses/Bridges	1.0% - 10.0%
	Joondalup City Lighting	2.0% - 16.0%
	Ocean Reef Boat Harbour	2.0% - 4.0%

Certain infrastructure assets comprise various components with each component depreciated separately.

**(d) Rates**

The rating and reporting periods coincide. All rates levied for the year are recognised as revenues. All outstanding rates are fully collectable and therefore no provision has been made for doubtful debts. In accordance with the Rates and Charges (Rates and Deferments) Act 1992, the City offers eligible pensioners and seniors the option to defer the payment of rates or to obtain a rebate from the Western Australian State Government.

**(e) Grants, Donations and Other Contributions**

All grants, donations and other contributions have been recognised as revenues when the City obtains control over the assets comprising the contribution. Expenditure of those monies has been made or in the case of unexpended monies at balance date will be made in the manner specified under the conditions upon which the City received those monies.

**(f) Investments**

All investments are valued at cost and interest on those investments is recognised as revenue when accrued.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Employee Entitlements**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual, long service, and sick leave (in part for the outside workforce and for staff transferred to Community Vision Inc) when it is probable that settlement will be required, and are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, long service leave and sick leave (in part for the outside workforce and staff transferred to Community Vision Inc) to be settled within twelve months, are measured at their nominal values in accordance with AAS30.

Provisions made in respect of long service leave which is not expected to be settled within 12 months is measured at its present value of the estimated future cash outflows to be made by the City in respect of services provided by employees up to the reporting date.

**(h) Superannuation Fund**

The City contributes to the Local Government Superannuation Plan with contributions to the fund made by employees.

**(i) Land Held for Resale**

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

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

**(j) Works in Progress**

Major buildings, Reserves and Infrastructure Assets which have not been completed have been recorded as works in progress.

**(k) Crown Land**

Crown land set aside as a public road reserve or other public thoroughfare or under the control of a Council under Section 3.53 of the Local Government Act 1995 or vested Crown land under the control of a local government by virtue of the operation of the Land Act or the Town Planning and Development Act has not been brought to account as an asset of the City. This is in accordance with the provisions of AAS27. Improvements or structures placed upon such land have been accounted for as assets of the City.

**(l) Accounts Payable**

Trade Payables and other accounts payable are recognised when the City becomes obliged to make future payments resulting from the purchase of goods and services.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Receivables**

Trade Receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

**(n) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

1. where the amount of GST incurred is not recoverable from the Australian Taxation Office. It is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
2. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of current assets and current liabilities.

**(o) Acquisition of Assets**

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

**(p) Inventories**

Inventories are valued at cost.

**(q) Revaluation of Non Current Assets**

The Australian Accounting Standard 38 Revaluation of Non-Current Assets was introduced for reporting periods commencing on or after 1 July 2000. This Accounting Standard requires the City to elect the method of valuing classes of non current assets for the year ending 30 June 2001 and onwards. The City has elected to continue to value its non current assets on a cost basis.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**2. OPERATING REVENUES AND EXPENSES**

	Note	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
(a) The change in net assets resulting from operations was arrived at after charging/(crediting) the following items:				
<b>Depreciation:</b>	<b>1c</b>			
Buildings		1,601,342	1,594,537	1,566,187
Furniture/Office Computer Equipment		1,287,154	1,124,800	1,305,385
Plant and Vehicles		712,088	663,029	671,982
Other Equipment		93,913	92,449	126,162
Infrastructure Assets - Reserves		1,464,022	510,000	1,410,040
Infrastructure Assets - Engineering		8,753,036	10,350,139	8,289,042
		<hr/>	<hr/>	<hr/>
		<b>\$ 13,911,555</b>	<b>14,334,954</b>	<b>13,368,798</b>
		<hr/>	<hr/>	<hr/>
(b) Operating Expenses and Revenues Classified According to Nature and Type				
<b>Operating Revenues</b>				
Rates - General		37,286,128	37,402,304	35,302,821
Rates - Specified Area		65,951	61,760	167,909
Property Surveillance & Security Charge		1,503,643	1,487,781	1,480,982
Government Grants and Subsidies		8,240,830	7,606,138	7,288,006
Contributions Reimbursements Donations		5,408,052	10,973,627	15,676,973
Profit on Asset Disposals		532,905	13,349	295,043
Service Charges		6,152,359	7,607,661	5,795,578
Fees and Charges		4,327,726	5,558,060	5,936,794
Interest Earned		2,265,029	1,275,990	1,753,994
Revenue from Other Local Governments		341,107	315,636	845,217
		<hr/>	<hr/>	<hr/>
		<b>\$ 66,123,730</b>	<b>72,302,306</b>	<b>74,543,317</b>
		<hr/>	<hr/>	<hr/>

The variance in actual to budget for Contributions Reimbursements and Donations is mainly due to contributions from Developers of Infrastructure Assets being \$6,967,661 less than anticipated.



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

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

	Note	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
<b>Operating Expenses</b>				
Employee Costs		25,393,240	26,273,185	22,051,513
Materials Contracts and Suppliers		20,761,072	22,468,447	22,137,776
Utilities (gas, electricity, water etc)		2,737,220	2,573,840	2,664,876
Depreciation on Non - Current Assets		13,911,555	14,334,954	13,368,798
Loss on Asset Disposals		974,215	549,816	423,153
Insurance Expense		566,330	509,725	454,095
		<hr/>	<hr/>	<hr/>
		<b>\$ 64,343,632</b>	<b>66,709,967</b>	<b>61,100,211</b>
		<hr/>	<hr/>	<hr/>
		<hr/>	<hr/>	<hr/>
Changes in Net Assets Resulting from Operations		<b>1,780,098</b>	<b>5,592,339</b>	<b>13,443,106</b>
		<hr/>	<hr/>	<hr/>

**(c) Individually Significant Items**

Contributions to Infrastructure Assets from developers was significantly less than anticipated and has been included in note 8 Property, Plant and Equipment, with the revenue included in the operating statement under contributions, reimbursements and donations as follows:-

	Note	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
Vehicles		53,694	-	-
Parks and Reserves		221,979	200,000	1,199,100
Roads, Drainage, Footpaths etc		4,210,360	11,400,000	12,909,036
		<hr/>	<hr/>	<hr/>
		<b>\$ 4,486,033</b>	<b>11,600,000</b>	<b>14,108,136</b>
		<hr/>	<hr/>	<hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

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

**(d) Conditions over Grants and Contributions**

	Actual 2001 \$	Actual 2000 \$
Grants and contributions which were recognised as revenues during the year and which were obtained on the condition that they be expended on the acquisition of non current assets but have yet to be applied in that manner at the reporting date were:		
Dept of Education – Camberwarra Primary School	24,354	-
Dept of Education – Woodvale Senior High School	7,027	-
Roads to Recovery Program – Glengarry Drive	39,926	-
Black Spot Program – Ocean Reef Roundabout	8,383	-
MRRP – Glengarry Drive – Warwick Road	36,181	-
MRRP – Coolibah Drive Greenwood	50,176	-
MRRP – Blackall Drive Greenwood	59,323	-
Contribution from COS – Beach Road Warwick Stormwater	63,000	-
Formula Local Road Grant 1998/99	-	89,441
Formula Local Road Grant 1999/00	-	473,215
MRRP – Hodges Drive 1998/99	-	115,502
MRDG – Whitfords Ave/Northshore Drive 1999/00	-	26,000
MRDG – Allenswood Road 1999/00	-	15,000
MRDG - Marmion Avenue – Cranston Loop Stage 22	-	24,050
MRDG - Various Road Programmes 1999/00	-	17,747
Various Locations – Safe Routes to School	-	1,200
Various Locations – Street Trees	-	9,035
Dept of Families and Children - Family Day Care	-	22,864
Dept of Families and Children - Family Day Care	-	13,914
Dept of Families and Children - Youth Services	-	7,903
Dept of Families and Children - Youth Services	-	19,000
Dept of Families and Children – Vacation Care	-	5,101
HACC – Meals Services	-	24,526
Dept of Families and Children - Family Day Care	-	78,130
Arts Development Scheme	-	10,000
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	<b>\$ 288,370</b>	<b>952,628</b>
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**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS**

**(a) Rates Discount and Incentive Scheme**

Council, in accordance with the provisions of Section 6.46 of the Local Government Act 1995, offered the following discount and early payment incentives for the payment of rates and charges:-

- Full payment of all current and arrears of rates, domestic refuse charge and private swimming pool inspection fees within 21 days of the issue date on the annual rate notice:
  - a 5% discount on 2000/2001 general rates only; and
  - eligibility to enter the early incentive draw which included a range of prizes sponsored by a number of organisations and thus at no cost to Council.
  - Prizewinners were chosen by a computerized random selection process. They were then invited to attend a draw in which prizes and prize winners names were drawn. Details of sponsors and prizes were placed in sealed envelopes and placed in separate boxes. The Mayor drew an envelope out of the sponsors' box and announced the prize. The sponsors' representative selected the prizewinners' envelope and presented the prize.
- Full payment of all current and arrears of rates, domestic refuse charges and swimming pool inspection fees within 28 days of the issue of the annual rate notice:
  - a 5% discount on general rates only.

The 2000/2001 financial accounts allowed for discounts to the total amount of \$1,036,784 for early payment of rates.

**(b) Rates Payment Options**

The City, in accordance with the provisions of Section 6.45 of the Local Government Act 1995, offered the following payment options for the payment of rates, domestic refuse charges, private swimming pool inspection fees and Property Surveillance & Security Charge:

- **One Instalment**

Payment in full within 21 days of the issue date of the annual rate notice and be eligible for a 5% discount on current general rates only and eligibility to enter the rates incentive scheme for prizes.

Payment in full within 28 days of the issue date of the annual rate notice and be eligible for a 5% discount on current general rates only.

Payment in full within 35 days of the issue date of the annual rate notice
- **Two Instalments**

The first instalment of 50% of the total current rates, domestic refuse charge, private swimming pool inspection fee inclusive of GST, property surveillance & security charge and instalment charge, plus the total outstanding arrears payable within 35 days of date of issue of the annual rate notice.

The second instalment of 50% of the total current rates, domestic refuse charge private swimming pool inspection fee inclusive of GST, property surveillance & security charge and instalment charge, payable 63 days after due date of first rate instalment.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (Continued)**

**(b) Rates Payment Options (continued)**

- **Four Instalments**

The first instalment of 25% of the total current rates, domestic refuse charge, private swimming pool inspection fee inclusive of GST, property surveillance & security charge and instalment charge, plus the total outstanding arrears payable within 35 days of date of issue of the annual rate notice.

The second installment, of 25% of the total current rates, domestic refuse charge, private swimming pool inspection fee inclusive of GST, property surveillance & security charge and instalment charge, payable 63 days after the due date of the first instalment.

The third and fourth instalment, each of 25% of the total current rates, domestic refuse charge, private swimming pool inspection fee inclusive of GST, property surveillance & security charge and instalment charge, payable 63 days after the due date of the second instalment and 63 days after the due date of the third instalment, respectively

The instalment options are subject to an administration fee of \$5.00 for each instalment two, three and four, together with an interest charge at 5.5% per annum, calculated on a simple interest basis on:

- **Two Instalments:**

50% of the total amount general rate calculated 35 days from the issue date of the annual rate notice 63 days after the due date of the first instalment:

- **Four Instalments;**

75% of the total current general rate calculated 35 days from the issue date of the annual rate notice 63 days after the due date of the first instalment:

50% of the total current general rate calculated from the due date of the first instalment to the due date of the second instalment; and

25% of the total current general rate calculated from the due date of the second installment to the due date of the third instalment.

- **Hardship Cases**

An administration fee of \$20.00 per assessment for each payment agreement.

**(c) Late Payment Interest**

The Council, in accordance with the provisions of Section 6.51 of the Local Government Act 1995, imposed interest on all current and arrears general rates (including specified area rate), current and arrears domestic refuse charges, current and arrears private swimming pool inspection fees (inclusive of GST) and current property surveillance & security charge at a rate of 8.95% per annum, calculated on a simple interest basis on arrears amounts that remain unpaid and current amounts that remain unpaid 35 days from date of the original rate notice, or the due date of the instalment and continues until instalment is paid. Excluded are deferred rates, instalment amounts not due under the four-payment option, registered pensioner portions and current government pensioner rebate amounts. Such interest to be charged once per month on the outstanding balance on the day of calculation for the number of days as previously detailed.

The 2000/2001 financial accounts reflect an amount of \$154,273 generated from interest charged on outstanding rates.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (Continued)**

- (d) In accordance with the provisions of Section 6.45 of the Local Government Act 1995, the Council imposed for the 2000/2001 financial year, the following administration fees and interest charges for payment of rates (including specified area rate), domestic refuse charge, private swimming pool inspection fees inclusive of GST and property surveillance & security charge:

**Two Instalment Option**

An administration fee of \$5.00 for instalment two, together with an interest charge of 5.5% per annum, calculated a simple interest basis on:

50% of the total current general rate (including specified area rate), domestic refuse charge, private swimming pool inspection fees and security charge calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment.

**Four Instalment Option**

An administration fee of \$5.00 for each instalment two, three and four, together with an interest charge of 5.5% per annum, calculated on a simple interest basis on:

75% of the total current general rate (including specified area rate), domestic refuse charge, private swimming pool inspection fees inclusive of GST, and property surveillance & security charge calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment;

50% of the total current general rate (including specified area rate), domestic refuse charge, private swimming pool inspection fees inclusive of GST, and property surveillance & security charge calculated from the due date of the first instalment to the due date of the second instalment; and

25% of the total current general rate (including specified area rate), domestic refuse charge, private swimming pool inspection fees inclusive of GST, and security charge calculated from the due date of the second instalment to the due date of the third instalment.

**Hardship Cases**

In addition to the late payment interest of 8.95% an administration fee of \$20.00 per assessment for each payment agreement was charged.

(e) **Domestic Refuse Charges**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of the Health Act 1911 imposed the following domestic refuse charges for the 2000/2001 financial year:

- \$116.00 per existing unit serviced; and
- \$154.50 (inclusive of GST) per existing unit serviced by collection from within the property boundary; and
- \$154.50 (inclusive of GST) per new unit serviced, incorporating \$38.50 bin charge (inclusive of GST).

The purpose of these charges is to cover the cost of providing a weekly domestic refuse collection service, a recycling programme, an annual bulk collection service and provide for alternative methods of refuse collection and disposal.

The 2000/2001 financial accounts reflects an amount of \$6,152,359 generated from Service Charges.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**3. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (Continued)**

**(f) Private Swimming Pool Inspection Fees**

The Council, in accordance with the provisions of Section 245A of the Local Government Act 1960 imposed for the 2000/2001 financial year, a Private Swimming Pool Inspection Fee of \$11.00 (inclusive of GST) on those properties where a swimming pool is located.

**(g) Prescribed Services – Property Surveillance and Security Charge**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.38 of the Local Government Act 1995 imposed for the 2000/2001 financial year, a property surveillance and security charge of \$27.00, on each piece of land (rateable and non rateable).

**(h) Prescribed Services – Specified Area Rating Iluka**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.37 and 6.38 of the Local Government Act 1995 imposed for the 2000/2001 financial year, a specified area rate for the District of Iluka for enhanced landscaping services.

A rate in the \$ of 0.4933¢ was charged on the Gross Rental Value on each property with a total rateable value \$8,810,070.

**(i) Prescribed Services – Specified Area Rating Woodvale Waters**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.37 and 6.38 of the Local Government Act 1995 imposed for the 2000/2001 financial year, a specified area rate for the district of Woodvale Waters for enhanced landscaping services.

A rate in the \$ of 1.3013¢ was charged on the Gross Rental Value on each property with a total rateable value of \$1,392,051.

**(j) Write Off Rates and Charges**

The total value of rates and charges written off during the year was \$3,764.60.

**4. FEES AND CHARGES INFORMATION**

The total revenue from fees and charges by programme as required under section 41 of the Local Government (Financial Management) Regulations 1996 are shown below.

<b>By Programme</b>	<b>Actual 2001 \$</b>	<b>Budget 2001 \$</b>
Law Order and Public Safety	1,852,641	2,086,209
Health	80,712	46,127
Education and Welfare	244,491	301,442
Community Services	295,513	350,673
Recreation and Culture	2,592,429	3,176,411
Economic Services	710,757	886,019
Other Property and Services	54,826	198,960
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	<b>\$ 5,831,369</b>	<b>7,045,841</b>
	<hr/>	<hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**5. INVESTMENTS**

	Actual 2001 \$	Actual 2000 \$
Restricted	13,832,192	12,250,290
Unrestricted	13,710,290	15,581,308
	<u>\$ 27,542,482</u>	<u>27,831,598</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:-

Asset Replacement Reserve	6,733,227	6,339,205
Cash in Lieu of Parking Reserve	402,769	376,884
Cash in Lieu of Public Open Space Reserve	674,169	634,720
Domestic Cart - Refuse Collection Reserve	1,136,748	639,961
Heavy Vehicles Replacement Reserve	446,943	516,055
Hodges Drive Drainage Reserve	171,633	161,593
Joondalup City Centre Public Parking Reserve	395,709	388,501
Light Vehicles Replacement Reserve	683,260	473,829
Ocean Reef Boat Launching Facility Reserve	49,070	46,200
Performing Arts Facility Reserve	1,000,000	-
Plant Replacement Reserve	465,592	381,350
Property Surveillance & Security Charge Reserve	362,094	320,864
Section 20A Land Reserve	27,721	26,093
Special Area Rating – Iluka Reserve	24,797	46,160
Town Planning Scheme 10 (Revoked) Reserve	944,522	889,247
Wanneroo Bicentennial Trust Reserve	25,568	57,000
Unspent Government Grants and Contributions	288,370	952,628
	<u>\$ 13,832,192</u>	<u>12,250,290</u>

- (a) Expenditure of Reserves is under the direction of Council.  
(b) Expenditure of unspent Government Grants and Contributions can only be spent within the function for which they have been intended.

**6. RECEIVABLES**

	Actual 2001 \$	Actual 2000 \$
<b>Current</b>		
Rates Outstanding	1,352,332	2,128,319
Trade Debtors	694,680	662,490
Provision for Doubtful Debts	(7,824)	(6,713)
Prepayments	103,823	101,597
Accrued Income	278,197	390,070
GST Receivable	530,557	4,160
	<u>\$ 2,951,765</u>	<u>3,279,923</u>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Actual 2000 \$
<b>6. RECEIVABLES</b>		
<b>Non-Current</b>		
Rates Outstanding - Pensioners Deferred	829,044	815,508
Deferred Debtor - Wanneroo Basketball Asscn	207,000	-
Deferred Debtors - Various	14,349	14,349
Capital Investment - Mindarie Regional Council	274,288	274,288
Capital Advance - City of Wanneroo	175,000	-
	<hr/>	<hr/>
	<b>\$ 1,499,681</b>	<b>1,104,145</b>
	<hr/>	<hr/>

Deferred Debtor - Wanneroo Basketball Association transferred from current debtors as repayments will not be finalised until 2006/2007 financial year.

Capital Advance - City of Wanneroo was for the upgrade of the Materials Recovery Facility at Wangara in joint participation between the Cities of Wanneroo, Swan and Joondalup and is to be repaid over five years.

**7. STOCK ON HAND**

Materials - Cost	<b>\$ 4,019</b>	<b>12,859</b>
	<hr/>	<hr/>

**8. PROPERTY, PLANT AND EQUIPMENT**

Land - Cost	<b>\$ 3,027,048</b>	<b>3,027,048</b>
	<hr/>	<hr/>
Buildings - Cost	64,178,235	63,971,743
Less: Accumulated Depreciation	11,524,468	9,924,905
	<hr/>	<hr/>
	<b>\$ 52,653,767</b>	<b>54,046,838</b>
	<hr/>	<hr/>
Furniture/Fittings and Computer Equipment - Cost	5,723,480	6,093,878
Less: Accumulated Depreciation	3,577,384	3,252,400
	<hr/>	<hr/>
	<b>\$ 2,146,096</b>	<b>2,841,478</b>
	<hr/>	<hr/>



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Actual 2000 \$
<b>8. PROPERTY, PLANT AND EQUIPMENT (Continued)</b>		
Plant and Vehicles - Cost	7,223,981	7,400,138
Less: Accumulated Depreciation	1,567,523	1,703,370
	<u>5,656,458</u>	<u>5,696,768</u>
	<u><u>\$ 5,656,458</u></u>	<u><u>5,696,768</u></u>
Artworks - Cost	<u>\$ 222,605</u>	<u>191,517</u>
	<u><u>\$ 222,605</u></u>	<u><u>191,517</u></u>
Other Plant and Equipment - Cost	1,473,483	1,575,588
Less: Accumulated Depreciation	1,110,455	1,128,824
	<u>363,028</u>	<u>446,764</u>
	<u><u>\$ 363,028</u></u>	<u><u>446,764</u></u>
Reserves Infrastructure - at valuation 1997	17,036,066	17,050,366
Reserves Infrastructure - at cost	12,783,163	11,299,780
Less: Accumulated Depreciation	4,223,998	2,720,995
	<u>25,595,231</u>	<u>25,629,151</u>
	<u><u>\$ 25,595,231</u></u>	<u><u>25,629,151</u></u>
Roads Infrastructure - at valuation 1997	184,422,507	184,894,007
Roads Infrastructure - at cost	67,604,519	56,559,973
Less: Accumulated Depreciation	19,558,021	14,536,828
	<u>232,469,005</u>	<u>226,917,152</u>
	<u><u>\$ 232,469,005</u></u>	<u><u>226,917,152</u></u>
Footpaths Infrastructure - at valuation 1997	8,170,671	8,170,671
Footpaths Infrastructure - at cost	3,325,730	2,450,292
Less: Accumulated Depreciation	998,173	655,009
	<u>10,498,228</u>	<u>9,965,954</u>
	<u><u>\$ 10,498,228</u></u>	<u><u>9,965,954</u></u>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Actual 2000 \$
<b>8. PROPERTY, PLANT AND EQUIPMENT (Continued)</b>		
Drainage Infrastructure - at valuation 1997	125,616,531	125,616,531
Drainage Infrastructure - at cost	15,708,563	14,265,553
Less: Accumulated Depreciation	<u>8,158,746</u>	<u>6,026,052</u>
	<b>\$ 133,166,348</b>	<b>133,856,032</b>
	<hr/>	<hr/>
Car Parking Infrastructure - at valuation 1997	6,883,917	6,883,917
Car Parking Infrastructure - at cost	1,595,384	1,482,884
Less: Accumulated Depreciation	<u>895,429</u>	<u>635,319</u>
	<b>\$ 7,583,872</b>	<b>7,731,482</b>
	<hr/>	<hr/>
Other Engineering Infrastructure - at valuation 1997	14,429,760	14,435,760
Other Engineering Infrastructure - at cost	2,018,104	1,550,259
Less: Accumulated Depreciation	<u>1,930,649</u>	<u>1,462,205</u>
	<b>\$ 14,517,215</b>	<b>14,523,814</b>
	<hr/>	<hr/>
Works in Progress - Buildings	303,478	271,601
Works in Progress - Reserves	613,761	70,699
Works in Progress - Roads	197,743	1,855,427
Works in Progress - Drainage	18,474	147,631
Works in Progress - Footpaths	39,473	117,324
Works in Progress - Car Parking	-	96,284
Works in Progress - Other Engineering	<u>45,886</u>	<u>85,873</u>
	<b>\$ 1,218,815</b>	<b>2,644,839</b>
	<hr/>	<hr/>
<b>Net Book Value of Property, Plant and Equipment</b>	<b>\$ 489,117,716</b>	<b>487,518,837</b>
	<hr/>	<hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Actual 2000 \$
<b>9. CREDITORS AND PROVISIONS</b>		
<b>Current</b>		
Trade Creditors	2,453,994	2,097,310
Sundry Creditors	1,196,587	1,030,353
Accrued Expenses	796,774	1,025,154
Provision for Annual Leave	2,085,590	2,005,744
Provision for Long Service Leave	1,378,394	1,318,578
Provision for Sick Leave	72,154	14,020
Provision for Workers Compensation Premium	96,063	481,008
GST Payable	72,669	16,272
	<u>\$ 8,152,225</u>	<u>7,988,439</u>
<b>Non Current</b>		
Provision for Long Service Leave	<u>\$ 702,635</u>	<u>581,585</u>

Non current long service leave relates to employees who have less than seven years service as per AAS 30.

	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
<b>10. RESERVES</b>			
<b>(a) Asset Replacement Reserve</b>			
Opening Balance	6,339,205	6,339,205	3,204,256
Transfer from Accumulated Surplus	394,022	220,380	3,134,949
	<u>6,733,227</u>	<u>6,559,585</u>	<u>6,339,205</u>
<b>Closing Balance</b>	<u>\$ 6,733,227</u>	<u>6,559,585</u>	<u>6,339,205</u>
Expenditure for this Reserve required only when Approved Developments are identified			
<b>(b) Light Vehicles Replacement Reserve</b>			
Opening Balance	473,829	473,829	-
Transfer from Accumulated Surplus	637,620	569,180	473,829
Transfer to Accumulated Surplus	(428,189)	(492,478)	-
	<u>683,260</u>	<u>550,531</u>	<u>473,829</u>
<b>Closing Balance</b>	<u>\$ 683,260</u>	<u>550,531</u>	<u>473,829</u>
Expenditure for this Reserve is ongoing and is related to the Light Vehicle Replacement Programme			

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001	Adopted Budget 2001	Actual 2000
	\$	\$	\$
<b>10. RESERVES (Continued)</b>			
<b>(c) Heavy Vehicles Replacement Reserve</b>			
Opening Balance	516,055	516,055	360,418
Transfer from Accumulated Surplus	180,503	170,388	155,637
Transfer to Accumulated Surplus	(249,615)	(300,366)	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 446,943</b>	<b>386,077</b>	<b>516,055</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve is ongoing and relates to the Heavy Vehicle Replacement Programme			
<b>(d) Special Area Rating - Iluka Reserve</b>			
Opening Balance	46,160	46,160	-
Transfer from Accumulated Surplus	24,797	-	46,160
Transfer to Accumulated Surplus	(46,160)	(46,160)	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 24,797</b>	<b>-</b>	<b>46,160</b>
	<hr/>	<hr/>	<hr/>
Funds for this Reserve will be returned to Operating Revenue on 1 July			
<b>(e) Property Surveillance &amp; Security Charge Reserve</b>			
Opening Balance	320,864	320,864	-
Transfer From Accumulated Surplus	362,094	-	320,864
Transfer to Accumulated Surplus	(320,864)	(320,864)	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 362,094</b>	<b>-</b>	<b>320,864</b>
	<hr/>	<hr/>	<hr/>
Funds for this Reserve will be returned to Operating Revenue on 1 July.			

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001	Adopted Budget 2001	Actual 2000
	\$	\$	\$
<b>10. RESERVES (Continued)</b>			
<b>(f) Cash in Lieu of Parking Reserve</b>			
Opening Balance	376,884	376,884	358,884
Transfer From Accumulated Surplus	25,885	13,102	18,000
Transfer to Accumulated Surplus	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 402,769</b>	<b>389,986</b>	<b>376,884</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve required only when Approved developments identified			
<b>(g) Cash in Lieu of Public Open Space Reserve</b>			
Opening Balance	634,720	634,720	544,140
Transfer From Accumulated Surplus	39,449	22,066	90,580
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 674,169</b>	<b>656,786</b>	<b>634,720</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve is on going.			
<b>(h) Ocean Reef Launching Facility Reserve</b>			
Opening Balance	46,200	46,200	44,000
Transfer From Accumulated Surplus	2,870	1,606	2,200
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 49,070</b>	<b>47,806</b>	<b>46,200</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve required only when approved developments are identified.			

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
<b>10. RESERVES (Continued)</b>			
<b>(i) Domestic Cart – Refuse Collection Reserve</b>			
Opening Balance	639,961	639,961	862,888
Transfer From Accumulated Surplus	671,787	22,248	-
Transfer to Accumulated Surplus	(175,000)	-	(222,927)
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 1,136,748</b>	<b>662,209</b>	<b>639,961</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve is on going.			
<b>(j) Hodges Drive Drainage Reserve</b>			
Opening Balance	161,593	161,593	153,893
Transfer from Accumulated Surplus	10,040	5,618	7,700
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 171,633</b>	<b>167,211</b>	<b>161,593</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve is only when required.			
<b>(k) Joondalup City Centre Parking Reserve</b>			
Opening Balance	388,501	388,501	269,701
Transfer from Accumulated Surplus	23,408	13,506	118,800
Transfer to Accumulated Surplus	(16,200)	-	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 395,709</b>	<b>402,007</b>	<b>388,501</b>
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve is only when required.			
<b>(l) Plant Replacement Reserve</b>			
Opening Balance	381,350	381,350	163,451
Transfer from Accumulated Surplus	251,218	298,298	217,899
Transfer to Accumulated Surplus	(166,976)	(194,837)	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 465,592</b>	<b>484,811</b>	<b>381,350</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve is on going and is related to the Plant Replacement Programme			

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
<b>10. RESERVES (Continued)</b>			
<b>(m) Section 20A Land Reserve</b>			
Opening Balance	26,093	26,093	3,123
Transfer from Accumulated Surplus	1,628	907	22,970
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 27,721</b>	<b>27,000</b>	<b>26,093</b>
	<hr/>	<hr/>	<hr/>
Expenditure from this reserve is only when approved developments are identified.			
<b>(n) Town Planning Scheme No 10 (Revoked)</b>			
Opening Balance	889,247	889,247	835,694
Transfer from Accumulated Surplus	55,275	30,914	53,553
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 944,522</b>	<b>920,161</b>	<b>889,247</b>
	<hr/>	<hr/>	<hr/>
Expenditure from this reserve is only when approved developments are identified.			
<b>(o) Trade/Industrial/Commercial Refuse Collection Refuse Reserve</b>			
Opening Balance	-	-	172,060
Transfer to Accumulated Surplus	-	-	(172,060)
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Adopted Budget 2001 \$	Actual 2000 \$
<b>10. RESERVES (Continued)</b>			
<p>(p)   <b>Wanneroo Bicentennial Trust</b></p>			
Opening Balance	57,000	57,000	54,939
Transfer from Accumulated Surplus	2,358	1,982	2,061
Transfer to Accumulated Surplus	(33,790)	(58,982)	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$     25,568</b>	<b>-</b>	<b>57,000</b>
	<hr/>	<hr/>	<hr/>
Expenditure from this Reserve will be in 2001/2002 for community funding.			
<p>(q)   <b>Performing Arts Facility Reserve</b></p>			
Transfer from Accumulated Surplus	1,000,000	1,000,000	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$   1,000,000</b>	<b>1,000,000</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>
Expenditure for this Reserve is required only when this Project is approved.			
<b>Grand Total of Reserves</b>			
Opening Balance	11,297,662	11,297,662	7,027,447
Transfer from Accumulated Surplus	3,682,954	2,370,195	4,665,202
Transfer to Accumulated Surplus	(1,436,794)	(1,413,687)	(394,987)
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$   13,543,822</b>	<b>12,254,170</b>	<b>11,297,662</b>
	<hr/>	<hr/>	<hr/>



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**11. SUPERANNUATION**

The City of Joondalup contributes in respect of its employees to a Superannuation Plan established in respect of all Local Governments in the State. In accordance with statutory requirements, the City contributes to the Local Government Superannuation Plan ("the Plan") amounts set down in the Plan's Trust Deed. As such, assets accumulate in the Plan to meet members' benefits as they accrue. The audited general purpose financial report of the Plan as at 30 June 2000 which was not subject to any audit qualification, indicates that the assets of the Plan are sufficient to meet the accrued benefits. No liability of the City of Joondalup has been recognised as at the reporting date in respect of superannuation benefits for its employees.

	Nominated Contribution Rates to the Plan by:	
	Employer	Employee
Local Government Superannuation Plan	5.5%	5.0%
Local Government Superannuation Plan	7.0%	6.0%
Local Government Superannuation Plan ( Award/SGC)	8.0%	Voluntary to 4.0%

Employees can also enter a Salary Sacrifice arrangement whereby part of their salary can be sacrificed towards their superannuation plan.

The amount of superannuation contributions paid by the City of Joondalup during the reporting period was \$ 2,666,533 (1999/2000 \$2,261,630).

**12. TRUST FUNDS**

	Opening Balance 1/7/2000 \$	Receipts \$	Payments \$	Closing Balance 30/6/2001 \$
Funds over which the Local Government has no control and which are not included in the financial statements are as follows:-				
Unclaimed Monies	45,655	200	1,851	44,004
Unclaimed Wages	1,722	-	-	1,722
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$ 47,377</b>	<b>200</b>	<b>1,851</b>	<b>45,726</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**13. TOWN PLANNING AND LAND DEVELOPMENT SCHEME**

In June 1978 Lot 17 Marmion Avenue, Mindarie, a 432 hectare property situated approximately 2 kilometres north of Burns Beach and 30 kilometres north of the Perth City Centre was purchased jointly by the former City of Wanneroo and the Cities of Perth and Stirling as tenants in common in equal shares to provide for a future sanitary disposal site.

Subsequently, the Mindarie Regional Council was established by the three Councils and in 1990 leased approximately 251 hectares for this purpose. The lease provides for an initial term of 21 years, with an option for renewal for a further 21 years.

On 1 July 1998 the former City of Wanneroo's one third share was split equally between the City of Joondalup and the City of Wanneroo, in accordance with the Joondalup and Wanneroo Order 1998, the assets and liabilities were allocated by determination of the Joint Commissioners.

It is envisaged that the southern portion of Lot 17 encompassing the leased area will eventually be used for regional open space/recreational purposes. The north and western portion has been identified as future urban development with the potential for subdivision and resale.

**14. RECONCILIATION OF CASH**

For the purposes of the Statement of Cash Flows, the City of Joondalup considers cash to include cash on hand and in banks and investments. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:-

	Actual 2001 \$	Actual 2000 \$
Cash Advances	4,550	7,250
Investments	27,542,482	27,831,599
Bank Overdraft	(1,476,911)	(2,176,244)
	<hr/>	<hr/>
	<b>\$ 26,070,121</b>	<b>25,662,605</b>
	<hr/>	<hr/>

Cash and investments represents restricted assets of \$13,832,192 which has restrictions imposed by regulations or other externally imposed requirements and the balance of \$12,237,929 is required for unpaid creditors and provisions and to fund carried forward works as at the end of year.

Reduction in cash advances relates to the outsourcing of the Craigie Leisure Centre, Ocean Ridge Leisure Centre and Sorrento/Duncraig Leisure Centre to the RANS Management Group and the transfer of a number of community services to Community Vision Inc with both organisations to provide their own cash advances.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**15. GAIN (LOSS) ON DISPOSAL OF ASSETS BY CLASS**

	Actual Net Book Value	Budget Net Book Value	Actual Sale Price	Budget Sale Price	Actual Gain/Loss on Disposal	Budget Gain/Loss on Disposal
	\$	\$	\$	\$	\$	\$
Furniture and Office Equipment	10,129	-	10,050	-	(13,228)	-
Computer Equipment	23,278	-	-	-	(10,129)	-
Mobile Plant	68,141	143,323	77,746	105,517	9,605	(37,806)
Other Equipment	32,493	-	2,186	-	(30,307)	-
Vehicles	1,588,917	1,872,578	1,198,366	1,373,917	(390,551)	(498,661)
Infrastructure Assets	6,700	-	-	-	(6,700)	-
<b>Gain on Disposal of Assets</b>	<b>\$ 1,729,658</b>	<b>2,015,901</b>	<b>1,288,348</b>	<b>1,479,434</b>	<b>(441,310)</b>	<b>(536,467)</b>

**16. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2001**

	Actual 2001 \$	Actual 2000 \$
<b>Change in Net Assets Resulting from Operations</b>	<b>1,780,098</b>	<b>13,443,106</b>
<u>Add Back</u>		
Depreciation	13,911,555	13,368,798
Decrease in Debtors	744,908	84,510
Decrease in Deferred Debtors	-	272,806
Increase in Creditors	522,918	-
Decrease in Stock in Hand	8,840	14,094
Decrease in Accrued Income	111,873	1,782,143
Increase in Accrued GST	-	12,111
Transfer to City of Wanneroo (net)	-	3,346,752
Abnormal Item – Arena Donation	-	1,654,667
Loss on Sale of Assets (net)	441,310	128,110
<b>Sub Total</b>	<b>17,521,502</b>	<b>34,107,097</b>
<u>Deduct</u>		
Contribution of Assets	4,486,033	14,108,136
Increase in Prepayments	2,226	94,097
Increase in Deferred Debtors	395,536	-
Decrease in Creditors	-	5,463,062
Decrease in Accrued GST	470,000	-
Decrease in Accrued Expenses	228,380	343,606
Capital Component Charge	973,128	823,663
Decrease in Provisions	66,100	3,358,494
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 10,900,099</b>	<b>9,916,039</b>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**17. CREDIT STANDBY FACILITIES**

	Actual 2001 \$	Actual 2000 \$
Bank Offset Limit	500,000	500,000
Bank Overdraft at Reporting Date	1,476,911	2,176,244
	<hr/>	<hr/>
Total Amount Unused/(Exceeding Offset Limit)	\$ (976,911)	(1,676,244)
	<hr/> <hr/>	<hr/> <hr/>

Note: The Bank Overdraft at reporting date reflects the position as shown in Council's books of account. However, as part of Council's investment strategy the actual bank balance is monitored daily and is seldom permitted to go into overdraft. The actual overdraft balance as at 30 June 2001 as shown above includes outstanding cheques.

**18. COMMITMENTS FOR MAJOR EXPENDITURE**

	Actual 2001 \$	Actual 2000 \$
At the reporting date, the City had entered into contracts for the following major expenditure:		
Buildings Works	113,006	98,234
Engineering Works	446,222	2,089,470
Community Services	-	49,785
Parks Works	321,311	138,825
	<hr/>	<hr/>
	\$ 880,539	2,376,314
	<hr/> <hr/>	<hr/> <hr/>

These expenditures are due for payment:

Not later than One Year	880,539	2,376,314
	<hr/>	<hr/>
	\$ 880,539	2,376,314
	<hr/> <hr/>	<hr/> <hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**19. OTHER EXPENSES**

	Actual 2001	Adopted Budget 2001
	\$	\$
<b>(a) Elected Members Expenses</b>		
Members Costs are paid monthly in arrears:		
Elected Members Allowances	197,802	200,000
Elected Members Conferences	33,451	35,000
Elected Members Presentation Items	2,680	-
Elected Members Training	7,871	15,000
	<hr/>	<hr/>
	<b>\$ 241,804</b>	<b>250,000</b>
	<hr/>	<hr/>

Elected Members Allowances comprise – Mayoral and Deputy Mayoral Allowance, Meeting Fees, Travelling Expenses, Baby Sitting Fees, Communications Allowance.

**(b) Auditors Expenses**

	<hr/>	<hr/>
Audit Fees	<b>\$ 29,010</b>	<b>29,000</b>
	<hr/>	<hr/>

**20. GENERAL PURPOSE FUNDING**

	Actual 2001	Adopted Budget 2001	Actual 2000
	\$	\$	\$
Rates Levied	37,286,129	37,402,304	35,302,821
Grants Commission Grants	3,465,836	3,471,000	3,384,276
Interest on Deferred Pensioner Rates	45,640	45,000	90,070
Interest on Investments - Municipal	1,588,317	895,990	1,375,383
Interest on Investments - Reserves	676,711	380,000	378,611
	<hr/>	<hr/>	<hr/>
	<b>\$ 43,062,633</b>	<b>42,194,294</b>	<b>40,531,161</b>
	<hr/>	<hr/>	<hr/>

Additional interest earnings were achieved due to greater funds being available for investment and cash held longer than anticipated due to deferral of capital works and initiatives, and higher than anticipated interest rates.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**21. MAJOR LAND TRANSACTIONS**

During the 2000/2001 financial year the City did not purchase or dispose of any land other than the following:- during the year the City leased the Craigie Leisure Centre; Ocean Ridge Leisure Centre and the Sorrento/Duncraig Leisure Centre to the RANS Management Group effective 21 May 2001 for a term of five years plus an option of five years. Following the first year, the City will receive a base rental together with a percentage of the gross turnover of those operations.

**22. PRESCRIBED SERVICES - SPECIFIED AREA RATE – ILUKA**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.37 and 6.38 of the Local Government Act 1995 imposed for the 2000/2001 financial year, a specified area rate for the suburb of Iluka.

During the 2000/2001 financial year the income and expenditure was as follows;

Income available from the Specified Area Rate	\$93,996
Expenditure for the Specified Area Rate	<u>\$69,199</u>
Surplus transferred to Reserve and Carried Forward to 2001/2002	\$ <u>24,797</u>

**23. PRESCRIBED SERVICES - SPECIFIED AREA RATE – WOODVALE WATERS**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.37 and 6.38 of the Local Government Act 1995 imposed for the 2000/2001 financial year, a specified area rate for the area of Woodvale Waters.

During the 2000/2001 financial year the income and expenditure was as follows;

Income available from the Specified Area	\$18,115
Expenditure for the Specified Area Rate	<u>\$18,115</u>
Surplus Carried Forward to 2001/2002	\$ <u>NIL</u>

**24. PRESCRIBED SERVICES – PROPERTY SURVEILLANCE & SECURITY CHARGE**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.38 of the Local Government Act 1995 imposed for the 2000/2001 financial year, a property surveillance & security charge of \$27.00, on each piece of land (rateable and non rateable).

During the 2000/2001 financial year the income and expenditure was as follows;

Income available from the Property Surveillance & Security Charge	\$1,902,427
Expenditure from the Property Surveillance & Security Charge	<u>\$1,540,333</u>
Surplus transferred to Reserve and Carried Forward to 2001/2002	\$ <u>362,094</u>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**25. OPERATIONAL MANAGEMENT AND LEASE OF THE CITY'S LEISURE CENTRES**

During the year the City advertised by tender for the Operational Management and Lease of the City's Leisure Centres: Craigie Leisure Centre, Ocean Ridge Leisure Centre and Sorrento Duncraig Leisure Centre.

Council at its November 2000 meeting awarded the lease to RANS Management Group for a term of five years plus an option of five years.

RANS Management Group commenced operations of the Leisure Centres on the 21 May 2001 with all employees entitlements paid out as at that date.

**26. TRANSFER OF SERVICES TO COMMUNITY VISION INC**

Council at its December 2000 meeting approved the transfer of a number of the Community Services currently provided by the City to a new community based service delivery organisation called Community Vision Inc.

All employee entitlements at 30 June 2001 will be transferred to the new organisation on 1 July 2001 with the exception of a newly created sick leave provision which will be held pending future claims.

Community Vision Inc will commence operations on 1 July 2001.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**LOCAL GOVERNMENT REGULATION AMENDMENT SCHEDULE 1**

**27. Operating Revenue and Expenses (By Programme) for the Year Ended 30 June 2001**

**Operating Revenue Significant Variances**

**General Purpose Funding**

Additional interest earnings were achieved due to greater funds being available for investment and cash held longer than anticipated due to deferral of capital works and initiatives, and higher than anticipated interest rates.

**Housing**

The City does not own any housing.

**Community Amenities**

The variance is due to a shortfall in recycling charges within Environmental Waste Management Services as a consequence of the number of new participants in the recycling scheme being less than anticipated.

**Transport**

Acquired infrastructure assets from developers for roads, drainage, footpaths, street lighting and reserves were significantly less than anticipated.

**Economic Services**

The building licence fees and development application fees received during 2000/2001 were less than anticipated due mainly to a downturn in the building industry and an overoptimistic budget expectation.

**Operating Expenses Significant Variances**

**Education and Welfare**

The variance of actual to budget was due to the transfer of a number of community services currently provided by the City to a new community based service delivery organisation called Community Vision Inc being deferred until 1 July 2001.

**Community Amenities**

The number of participants in the voluntary recycling scheme was significantly less than anticipated. Consequently the purchase of additional bins was deferred until the demand increases.

**Recreation and Culture**

Depreciation on Reserves Infrastructure Assets was \$975,000 greater than was estimated in the budget. Also delays associated with the transfer of the Craigie Leisure Centre, Sorrento/Duncraig and Ocean Ridge Leisure Centres resulted in additional expenditure over budget.

**Transport**

Depreciation on infrastructure assets was \$1,600,000 less than anticipated.



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**LOCAL GOVERNMENT REGULATION AMENDMENT SCHEDULE 2**

**28. Cashflow Statement for the year ending 30 June 2001**

**Revenues**

**Service Charges**

Relates to the Refuse Collection Charge only. All other charges were treated as Fees and Charges. The variance in revenue relates to the lower than anticipated take up of the Voluntary Recycling service.

**Fees and Charges**

Includes all fees and charges with the exception of the Refuse Collection charge. The variance in revenue was due mainly to a reduction in income from Building Licences and Development Application Fees of \$400,000, Reinstatement of Works \$264,000 and \$800,000 from Leisure Services.

**Government Grants and Subsidies**

Additional non operating grants were received for road construction in the areas of Black Spot Funding and Roads to Recovery Program.

**Interest Earnings**

The City's investment portfolio is in accordance with the City's investment policy which limits exposure to any single institution. The City receives advice from Grove Financial Services Pty Ltd in relation to the most suitable investment portfolio to meet the City's risk guidelines. Additional interest earnings were achieved due to greater funds being available for investment and cash held longer than anticipated due to the deferral of capital works and initiatives, and higher than anticipated interest rates.

**Expenses**

**Materials, Contracts and Suppliers**

The budget provided the purchase of new recycling bins for new participants in the Voluntary Recycling Scheme however the demand was considerably less than anticipated.

**Proceeds from Sale of Assets**

The variance in budget to actual was due to a change in the Light Vehicle Replacement Programme whereby light vehicles are to be traded every four years or 90,000 kilometres instead of two years or 40,000 kilometres, hence a majority of light vehicles budgeted to be traded have been deferred.

**Furniture and Equipment**

The variance in the budget to the actual position was due to delays in the acquisition of Computer and Communications equipment. Furniture and Office Equipment purchases were delayed due to delays in the refurbishment of the administration building.

**Purchase of Vehicles and Plant**

The variance in budget to actual position was due to a change during the year in the light vehicle replacement policy.

**Construction of Infrastructure Assets**

The variance in budget to actual was a direct reflection of several major capital projects not being commenced during the year. These have been listed as carried forward works to be undertaken in 2001/2002.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**29. FINANCIAL INSTRUMENTS**

**(a) Significant Accounting Policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the accounts.

**(b) Interest Rate Risk**

The following table details the City's exposure to interest rate risks as at the reporting date.

			<b>Fixed Interest Rate Maturity</b>				
	<b>Average Interest Rate %</b>	<b>Variable Interest Rate \$</b>	<b>Less than 1 Year \$</b>	<b>1 to 5 Years \$</b>	<b>More than 5 Years \$</b>	<b>Non-Interest Bearing \$</b>	<b>Total \$</b>
<b>2001</b>							
<b>Financial Assets</b>							
Cash						4,550	4,550
Receivables						4,451,446	4,451,446
Investments	5.25		27,542,482				27,542,482
<b>Total</b>			<b>27,542,482</b>			<b>4,455,996</b>	<b>31,998,478</b>
<b>Financial Liabilities</b>							
Trade payables						4,520,024	4,520,024
Bank overdraft	8.95	1,476,911					1,476,911
Employee entitlements						4,334,836	4,334,836
<b>Total \$</b>		<b>1,476,911</b>				<b>8,854,860</b>	<b>10,331,771</b>
			<b>Fixed Interest Rate Maturity</b>				
	<b>Average Interest Rate %</b>	<b>Variable Interest Rate \$</b>	<b>Less than 1 Year \$</b>	<b>1 to 5 Years \$</b>	<b>More than 5 Years \$</b>	<b>Non-Interest Bearing \$</b>	<b>Total \$</b>
<b>2000</b>							
<b>Financial Assets</b>							
Cash						7,250	7,250
Receivables						4,384,069	4,384,069
Investments	5.58		27,831,598				27,831,598
<b>Total</b>			<b>27,831,598</b>			<b>4,391,319</b>	<b>32,222,917</b>
<b>Financial Liabilities</b>							
Trade payables						4,169,089	4,169,089
Bank overdraft	8.45	2,176,244					2,176,244
Employee entitlements						4,400,935	4,400,935
<b>Total \$</b>		<b>2,176,244</b>				<b>8,570,024</b>	<b>10,746,268</b>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**29. FINANCIAL INSTRUMENTS (Continued)**

**(c) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the council. The council has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The economic entity measures credit risk on a fair value basis.

The council does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

**(d) Net Fair Value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

**ADDITIONAL DISCLOSURES FOR LOCAL GOVERNMENT**

**PERFORMANCE MEASUREMENTS**

	<b>1999</b>	<b>2000</b>	<b>2001</b>
a) Current Ratio	1.30:1	1.86:1	1.73:1
b) Debt Ratio	0.07:1	0.02:1	0.02:1
c) Debt Service Ratio	0.00:1	0.00:1	0.00:1
d) Rate Coverage Ratio	0.51:1	0.58:1	0.56:1
e) Outstanding Rates	0.07:1	0.08:1	0.06:1

**Formulae for calculation of ratios:**

(a) **Current Ratio**

$$\frac{\text{Current Assets minus Restricted Assets}}{\text{Current Liabilities minus Liabilities Associated with Restricted Assets}}$$

(b) **Debt Ratio**

$$\frac{\text{Total Liabilities}}{\text{Total Assets}}$$

(c) **Debt Service Ratio**

$$\frac{\text{Debt Service Costs}}{\text{Available Operating Revenue}}$$

(d) **Rate Coverage Ratio**

$$\frac{\text{Net Rate Revenue}}{\text{Operating Revenue}}$$

(e) **Outstanding Rates**

$$\frac{\text{Rates Outstanding}}{\text{Rates Collectable}}$$