

**CITY OF  
JOONDALUP**

**ANNUAL REPORT**

**FINANCIAL STATEMENTS**

**30-Jun-02**

**CITY OF JOONDALUP**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

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**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 2002 as set out on pages 2 to 40. 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 2002, 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**

4 October 2002  
Perth, Western Australia

## SCHEDULE 2

### Form 1

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

### STATEMENT BY 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 2002 are in my opinion properly drawn up to present fairly the financial position of the City of Joondalup at 30 June 2002 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 3rd day of October 2002



Chief Executive Officer  
Denis Ian Smith

**CITY OF JOONDALUP**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2002  
(BY PROGRAMME)**

<b>REVENUES</b>	<b>Note</b>	<b>Actual 2002 \$</b>	<b>Adopted Budget 2002 \$</b>	<b>Actual 2001 \$</b>
General Purpose Funding		44,633,180	45,221,159	43,062,633
Law, Order, Public Safety		606,286	1,654,307	2,086,911
Health		78,689	108,561	104,467
Education and Welfare		366,463	724,702	3,046,007
Community Amenities		8,011,433	7,399,460	6,674,864
Recreation and Culture		1,283,588	1,310,993	3,687,543
Transport		7,256,290	7,971,314	6,769,346
Economic Services		813,852	580,276	508,805
Other Property and Services		429,195	3,986,814	183,154
<b>Total Operating Revenues</b>	<b>2b</b>	<b>63,478,976</b>	<b>68,957,586</b>	<b>66,123,730</b>
<b>EXPENSES</b>				
Governance		1,018,561	1,073,727	1,044,041
Law, Order, Public Safety		4,742,892	4,793,589	4,352,337
Health		971,915	1,092,989	1,238,039
Education and Welfare		2,037,670	2,315,435	5,374,049
Community Amenities		9,126,658	10,158,967	9,472,180
Recreation and Culture		18,262,020	18,454,057	20,605,520
Transport		18,034,996	17,185,588	16,914,414
Economic Services		1,046,606	1,128,490	1,154,547
Other Property and Services		4,574,678	7,751,915	4,188,505
<b>Total Operating Expenses</b>	<b>2b</b>	<b>59,815,996</b>	<b>63,954,757</b>	<b>64,343,632</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>2b</b>	<b>\$ 3,662,980</b>	<b>5,002,829</b>	<b>1,780,098</b>

Significant variances between actual and budget are shown in note 26

Notes to the Financial Statements are included on pages 9 to 40



**CITY OF JOONDALUP**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	Note	Actual 2002 \$	Actual 2001 \$
<b>CURRENT ASSETS</b>			
Cash Assets	14	31,596,791	27,547,032
Receivables	6	3,050,401	2,951,765
Inventories	7	7,009	4,019
<b>TOTAL CURRENT ASSETS</b>		<b>34,654,201</b>	<b>30,502,816</b>
<b>CURRENT LIABILITIES</b>			
Payables	9	4,665,096	4,520,024
Provisions	9	3,916,288	3,632,201
Interest Bearing Liabilities	14	1,813,618	1,476,911
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,395,002</b>	<b>9,629,136</b>
<b>NET CURRENT ASSETS</b>		<b>24,259,199</b>	<b>20,873,680</b>
<b>NON CURRENT ASSETS</b>			
Receivables	6	1,523,171	1,499,681
Property, Plant & Equipment	8	489,224,321	489,117,716
<b>TOTAL NON CURRENT ASSETS</b>		<b>490,747,492</b>	<b>490,617,397</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions	9	555,269	702,635
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>555,269</b>	<b>702,635</b>
<b>NET NON CURRENT ASSETS</b>		<b>490,192,223</b>	<b>489,914,762</b>
<b>NET ASSETS</b>		<b>\$ 514,451,422</b>	<b>510,788,442</b>
<b>EQUITY-</b>			
Accumulated Surplus		498,105,845	497,244,620
Reserves	10	16,345,577	13,543,822
<b>TOTAL EQUITY</b>		<b>\$ 514,451,422</b>	<b>510,788,442</b>

Notes to the Financial Statements are included on pages 9 to 40

**CITY OF JOONDALUP  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2002**

	Note	Actual 2002 \$	Actual 2001 \$
<b>RESERVES - CASH BACKED</b>			
Balance at Beginning of Year		13,543,822	11,297,662
Amount transferred from/to Accumulated Surplus (Net)		2,801,755	2,246,160
		<hr/>	<hr/>
Balance at End of Year	10 \$	<b>16,345,577</b>	<b>13,543,822</b>
		<hr/>	<hr/>
<b>ACCUMULATED SURPLUS</b>			
Balance at Beginning of Year		497,244,620	497,710,682
Change in Net Assets Resulting from Operations	2b	3,662,980	1,780,098
Transfers from/to Reserves (Net)		(2,801,755)	(2,246,160)
		<hr/>	<hr/>
Balance at End of Year	\$	<b>498,105,845</b>	<b>497,244,620</b>
		<hr/>	<hr/>
TOTAL EQUITY	\$	<b>514,451,422</b>	<b>510,788,442</b>
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Notes to the Financial Statements are included on pages 9 to 40

**CITY OF JOONDALUP  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2002**

	Note	Actual 2002 Inflows (Outflows) \$	Adopted Budget 2002 Inflows (Outflows) \$	Actual 2001 Inflows (Outflows) \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
Rates - General		40,458,139	39,523,361	37,635,500
Rates – Specified Area Rate Iluka		114,320	137,893	65,951
Property Surveillance & Security Charge		-	-	1,503,643
Government Grants & Subsidies		7,258,686	8,612,900	8,240,830
Contributions, Reimbursements, Donations		1,491,850	1,379,139	975,713
Fees & Charges		8,759,433	8,875,262	10,586,253
Interest Earnings		1,724,425	2,343,585	2,265,029
Revenue from Other Councils		144,490	148,780	341,108
Total Receipts		59,951,343	61,020,920	61,614,027
<b>Payments:</b>				
Employee Costs		(21,773,164)	(22,306,535)	(25,459,339)
Utilities (gas, electricity, water)		(2,504,213)	(2,582,695)	(2,737,220)
Insurance Expenses		(667,269)	(711,954)	(566,330)
Materials, Contracts, Suppliers		(20,104,243)	(21,527,001)	(21,951,039)
Total Payments		(45,048,889)	(47,128,185)	(50,713,928)
<b>Net Cash Provided by Operating Activities</b>	<b>16</b>	<b>14,902,454</b>	<b>13,892,735</b>	<b>10,900,099</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
Proceeds from Sale of Assets		375,835	563,163	624,866
Total Receipts:		375,835	563,163	624,866
<b>Payments:</b>				
Purchase of Artworks		(8,580)	(10,000)	(31,088)
Purchase of Furniture and Equipment		(367,405)	(774,566)	(735,340)
Purchase of Vehicles and Plant		(1,039,829)	(1,449,315)	(2,246,918)
Construction of Infrastructure Assets		(10,149,423)	(17,201,483)	(8,104,103)
Total Payments		(11,565,237)	(19,435,364)	(11,117,449)
<b>Net Cash (used in) Investing Activities</b>		<b>(11,189,402)</b>	<b>(18,872,201)</b>	<b>(10,492,583)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>3,713,052</b>	<b>(4,979,466)</b>	<b>407,516</b>
<b>Cash at Beginning of the Financial Year</b>		<b>26,070,121</b>	<b>26,070,121</b>	<b>25,662,605</b>
<b>Cash at the End of the Financial Year</b>	<b>14</b>	<b>\$ 29,783,173</b>	<b>21,090,655</b>	<b>26,070,121</b>

Significant variances between actual and budget are shown in note 27

Notes to the Financial Statements are included on pages 9 to 40



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**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 2002**

**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 2002**

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Employee Entitlements**

Provision is made for benefits accruing to employees in respect of annual leave, long service leave when it is probable that settlement will be required, and are capable of being measured reliably.

Provisions have been made in respect of sick leave (for staff transferred to Community Vision Inc and Meerilinga Young Childrens Service) to be settled when a claim is made from those organisations within each twelve months until those employees either leave that organisation or use up their entitlements.

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. The expense relating to those contributions has been included in the operating statement.

**(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 (if applicable) 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 at 30 June 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 2002**

**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 during the year 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.

**(r) Rounding off of Figures**

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

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**2. OPERATING REVENUES AND EXPENSES**

	Note	Actual 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
(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		1,608,440	1,601,087	1,601,342
Furniture/Office Computer Equipment		1,202,764	1,139,618	1,287,154
Plant and Vehicles		671,309	689,079	712,088
Other Equipment		81,374	88,713	93,913
Infrastructure Assets - Reserves		1,669,713	1,520,000	1,464,022
Infrastructure Assets - Engineering		9,025,323	8,745,500	8,753,036
		<u>\$ 14,258,923</u>	<u>13,783,997</u>	<u>13,911,555</u>
(b) Operating Expenses and Revenues Classified According to Nature and Type				
<b>Operating Revenues</b>				
Rates - General		38,701,435	39,587,473	36,781,577
Rates - Specified Area		-	137,893	-
Government Grants and Subsidies		7,608,637	8,512,750	8,240,830
Contributions Reimbursements Donations		4,852,412	9,321,450	5,408,052
Profit on Asset Disposals		79,016	30,393	532,905
Service Charges - Property Surveillance		-	-	1,503,643
Fees and Charges		10,368,562	8,875,262	11,050,586
Interest Earnings		1,724,424	2,343,585	2,265,029
Other Revenue		144,490	148,780	341,107
		<u>\$ 63,478,976</u>	<u>68,957,586</u>	<u>66,123,730</u>

The City did not have a separate Property Surveillance and Security Charge for the 2001/2002 financial year, this has been included in Rates - General.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

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

	Note	Actual 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
<b>Operating Expenses</b>				
Employee Costs		21,902,193	22,380,870	25,393,240
Materials Contracts and Suppliers		19,613,307	24,381,082	19,994,641
Utilities (gas, electricity, water etc)		2,504,213	2,582,695	2,737,220
Depreciation on Non - Current Assets		14,258,923	13,783,997	13,911,555
Loss on Asset Disposals		116,084	114,159	974,215
Insurance Expense		667,269	711,954	566,330
Other (FESA Contribution)		754,007	-	766,431
		<u>\$ 59,815,996</u>	<u>63,954,757</u>	<u>64,343,632</u>
Changes in Net Assets Resulting from Operations		<u>3,662,980</u>	<u>5,002,829</u>	<u>1,780,098</u>

**(c) Individually Significant Items**

Contributions to Infrastructure Assets from developers was 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 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
Vehicles		-	-	53,694
Parks and Reserves		107,547	200,000	221,979
Roads, Drainage, Footpaths etc		3,253,013	3,330,000	4,210,360
		<u>\$ 3,360,560</u>	<u>3,530,000</u>	<u>4,486,033</u>

**(d) Borrowing Costs**

The City does not have any loan borrowings.



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

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

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

	Actual 2002 \$	Actual 2001 \$
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 current and 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
Black Spot Program – Warwick/Dorchester Warwick	58,013	-
Black Spot Program – Whitfords/Kingsley Kingsley	58,328	-
Black Spot Program – Hodges/Constellation Ocean Reef	52,302	-
MRRP – Shenton Avenue Joondalup	443,525	-
FLRG – Giles Avenue Padbury	3,695	-
FLRG – Marmion Avenue 6 and Sorrento 1	26,000	-
Financial Councillng	11,960	-
Anchors Youth Services	594	-
CBD Enhancement – Promotions Officer	10,522	-
	<hr/>	<hr/>
	<b>\$ 664,939</b>	<b>288,370</b>
	<hr/>	<hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**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, (including specified area rates), domestic refuse charge and private swimming pool inspection fees inclusive of GST within 28 days of the issue date on the annual rate notice:
  - a 5% discount on 2001/2002 general rates only; and
  - eligibility to enter the early payment 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.

The 2001/02 financial accounts allowed for discounts to the total amount of \$ 1,075,156 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 (including specified area rates), domestic refuse charges, private swimming pool inspection fees and Property Surveillance & Security Charge inclusive of GST:

• **One Instalment**

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 and eligibility to enter the rates incentive scheme for prizes.

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, (including specified area 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, (including specified area 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.

• **Four Instalments**

The first instalment of 25% of the total current rates (including specified area 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.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

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

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

The second, third and fourth installment, each of 25% of the total current rates (including specified area rates), domestic refuse charge, private swimming pool inspection fee inclusive of GST, property surveillance & security charge and instalment charge payable as follows:

- 2<sup>nd</sup> installment – 63 days after due date of 1<sup>st</sup> installment
- 3<sup>rd</sup> installment – 63 days after due date of 2<sup>nd</sup> installment
- 4<sup>th</sup> installment – 63 days after due date of 3<sup>rd</sup> installment

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 (including specified area rates), domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated 35 days from the issue date of the annual rate notice 63 days after the due date of the first instalment:

- **Four Instalments;**

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

75% of the total current general rate (including specified area rates), domestic refuse charge, and private swimming pool inspection fees inclusive of GST 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 (including specified area rate), domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated from the date of issue of the annual rate.

Notice to 63 days after the date of the 1<sup>st</sup> installment to the due date of the 2<sup>nd</sup> installment and 50% of the total current rate (including specified area rate), domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated from the date of issue of the annual rate notice of 63 days after the due date of the 2<sup>nd</sup> installment to the due date of the third installment.

- **Hardship Cases**

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

These statements reflect that \$293,739 was generated from instalment costs charged on outstanding rates.

**(c) Late Payment Interest**

The Council, in accordance with the provisions of Section 6.13 and 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 arrears 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 the issue 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.

These statements reflect an amount of \$239,110 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 2002**

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

**(d) 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 2001/2002 financial year:

- \$119.00 per existing unit serviced; and
- Additional services \$130.50 (inclusive of GST)
- Collection from within the property boundary :
  - (a) Existing services \$119.00
  - (b) Additional cost \$41.20 inclusive of GST.
- New service \$119.00 + Bin and delivery \$39.60 inclusive of GST.
- Optional recycling cart \$84.70 inclusive of GST.
- Optional recycling cart – sort and collect recycling cart \$35.20 inclusive of GST.

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

The Council, in accordance with the provisions of Section 245a (8) of the Local Government Act 1995 imposed for the 2001/2002 financial year, a Private Swimming Pool Inspection Fee of \$11.00 (inclusive of GST) on those properties owning a private swimming pool.

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

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2001/2002 financial year, a specified area rate for the area of Iluka for enhanced landscaping services.

A rate in the \$ of 0.756¢ was charged on the Gross Rental Value on each property with a total rateable value of \$9,919,256.

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

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2001/2002 financial year, a specified area rate for the area of Woodvale Waters for enhanced landscaping services.

A rate in the \$ of 1.7584¢ was charged on the Gross Rental Value on each property with a total rateable value of \$1,381,910.

**(g) Prescribed Services – Specified Area Rating Harbour Rise**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2001/2002 financial year, a specified area rate for the area of Harbour Rise for enhanced landscaping services.

A rate in the \$ of 1.6860¢ was charged on the Gross Rental Value on each property with a total rateable value of \$2,432,128.

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

The total value of rates and charges written off during the year was \$3,881.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**4 (a). 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.

By Programme	Note	Actual 2002 \$	Budget 2002 \$
General Purpose Funding		682,165	-
Law Order and Public Safety		529,423	561,832
Health		45,506	62,934
Education and Welfare		91,607	93,835
Community Amenities	1	7,127,324	6,783,675
Recreation and Culture		618,054	616,839
Transport		77,261	56,871
Economic Services	2	791,301	577,339
Other Property and Services	3	405,921	121,937
		<hr/>	<hr/>
		<b>\$ 10,368,562</b>	<b>8,875,262</b>
		<hr/>	<hr/>

1. Household refuse removal charges \$110,900 more than estimated.  
Land purchase inquiries \$96,400 more than estimated.
2. Building licences \$103,600 more than estimated.
3. Other Property and Services includes \$232,464 written back from Bonds, Deposits and Retentions which had been held for over ten years and are non refundable.

**4 (b). GOVERNMENT GRANTS INFORMATION**

The total revenue from government grants by programme as required under Australian Accounting Standard AAS27 paragraph 86(b) are shown below.

By Programme	Note	Actual 2002 \$	Budget 2002 \$
General Purpose Funding		3,674,472	3,677,195
Law Order and Public Safety	1	29,880	60,000
Education and Welfare	2	214,127	585,412
Community Amenities		41,277	31,680
Recreation and Culture		82,845	92,541
Transport	3	3,566,036	4,065,922
		<hr/>	<hr/>
		<b>\$ 7,608,637</b>	<b>8,512,750</b>
		<hr/>	<hr/>

1. An operating Grant of \$60,000 for Safer WA Security was not received from the State Government.
2. Contribution of \$400,000 for the construction of Currumbine Community Centre was not received as project has been deferred.
3. Contribution of \$578,000 from Westrail for parking facilities at Collier Pass was deferred.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**5. INVESTMENTS**

	Actual 2002 \$	Actual 2001 \$
Restricted	17,010,516	13,832,192
Unrestricted	12,767,977	13,710,290
	<hr/>	<hr/>
	<b>\$ 29,778,493</b>	<b>27,542,482</b>

Investments comprise short term deposits held with banks.

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

Asset Replacement Reserve	7,034,398	6,733,227
Cash in Lieu of Parking Reserve	419,551	402,769
Cash in Lieu of Public Open Space Reserve	704,311	674,169
Domestic Cart - Refuse Collection Reserve	2,333,125	1,136,748
Heavy Vehicles Replacement Reserve	578,926	446,943
Hodges Drive Drainage Reserve	179,309	171,633
Joondalup City Centre Public Parking Reserve	455,373	395,709
Leisure Centres Capital Improvements Reserve	14,445	-
Light Vehicles Replacement Reserve	924,799	683,260
Ocean Reef Boat Launching Facility Reserve	51,266	49,070
Performing Arts Facility Reserve	2,044,774	1,000,000
Plant Replacement Reserve	563,086	465,592
Property Surveillance & Security Charge Reserve	-	362,094
Section 20A Land Reserve	28,962	27,721
Special Area Rating - Iluka Reserve	-	24,797
Town Planning Scheme 10 (Revoked) Reserve	986,539	944,522
Wanneroo Bicentennial Trust Reserve	26,713	25,568
Unspent Government Grants and Contributions	664,939	288,370
	<hr/>	<hr/>
	<b>\$ 17,010,516</b>	<b>13,832,192</b>

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

**6. RECEIVABLES**

	Actual 2002 \$	Actual 2001 \$
<b>Current</b>		
Rates Receivables Outstanding	957,523	1,352,332
Trade Receivables	773,585	694,680
Allowance for Doubtful Debts	(58,662)	(7,824)
Prepaid Expenses	173,384	103,823
Accrued Income	759,548	278,197
Goods & Services Tax (GST) Receivable	445,023	530,557
	<hr/>	<hr/>
	<b>\$ 3,050,401</b>	<b>2,951,765</b>



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**6. RECEIVABLES**

	Actual 2002 \$	Actual 2001 \$
<b>Non-Current</b>		
Rates Receivable Outstanding - Pensioners Deferred	855,266	829,044
Deferred Receivable - Wanneroo Basketball Association	169,000	207,000
Deferred Receivable - Local Government House	20,367	14,349
Capital Advance - Mindarie Regional Council	274,288	274,288
Capital Advance - City of Wanneroo	204,250	175,000
	<hr/>	<hr/>
	<b>\$ 1,523,171</b>	<b>1,499,681</b>
	<hr/>	<hr/>

Deferred Receivable - Wanneroo Basketball Association - repayments will not be finalised until the 2006/2007 financial year.

Deferred Receivable - Local Government House - the City holds five units valued at \$4073.38 each.

Capital Investment - Mindarie Regional Council - contributions made between 1988 - 1993 to assist with the initial operations of the waste treatment facilities.

Capital Advance - City of Wanneroo - advance 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. INVENTORIES**

	Actual 2002 \$	Actual 2001
Materials - Cost	<b>7,009</b>	<b>4,019</b>
	<hr/>	<hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**8. PROPERTY, PLANT AND EQUIPMENT**

Fixed Assets At Cost	Freehold Land at Cost	Buildings at Cost	Artworks, Furniture and Computer Equipment at Cost	Plant and Equipment at Cost	Plant and Vehicles at Cost	TOTAL
<i>Gross Carrying Amount</i>						
Balance at 30 June 2001	3,027,048	64,178,235	5,946,085	1,473,483	7,223,981	81,848,832
Transfers and Adjustments	-	1,008,756	1,021	(36,514)	47,844	1,021,107
Additions	-	-	392,473	74,633	983,887	1,450,993
Disposals	-	-	(328,765)	(244,774)	(683,904)	(1,257,443)
Balance at 30 June 2002	\$ 3,027,048	65,186,991	6,010,814	1,266,828	7,571,808	83,063,489
<i>Accumulated Depreciation/Amortisation</i>						
Balance at 30 June 2001	-	11,524,468	3,577,385	1,110,455	1,567,524	17,779,832
Transfers and Adjustments	-	-	953	(2,108)	1,155	-
Additions	-	1,608,440	1,193,201	89,524	672,722	3,563,887
Disposals	-	-	(301,308)	(232,966)	(310,987)	(845,261)
Balance at 30 June 2002	\$ -	13,132,908	4,470,231	964,905	1,930,414	20,498,458
Net Book Value	\$ 3,027,048	52,054,083	1,540,582	301,923	5,641,394	62,565,030
As at 30 June 2001	\$ 3,027,048	52,653,767	2,368,701	363,028	5,656,458	64,069,002
As at 30 June 2002	\$ 3,027,048	52,054,083	1,540,582	301,923	5,641,394	62,565,030

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2002	2001
Buildings	1,608,440	1,601,342
Plant and Vehicles	671,309	712,088
Plant and equipment	81,374	93,913
Artworks, Furniture and Computer Equipment	1,202,764	1,287,154
	\$ 3,563,887	3,694,497

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**8. PROPERTY, PLANT AND EQUIPMENT (contd)**

Infrastructure Assets	Reserves	Roads	Footpaths	Drainage	Other Engineering	TOTAL
<i>Gross Carrying Amount</i>						
<b>Balance at 30 June 2001</b>						
Deemed Cost Pre - 1997	17,036,066	184,422,507	8,170,671	125,616,531	21,313,677	356,559,452
Cost	12,783,163	67,604,519	3,325,730	15,708,563	3,613,488	103,035,463
Additions	1,787,122	6,834,711	865,108	1,196,575	516,520	11,200,036
Disposals	(19,320)	-	-	-	-	(19,320)
Balance at 30 June 2002	\$ 31,587,031	258,861,737	12,361,509	142,521,669	25,443,685	470,775,631
<i>Accumulated Depreciation/Amortisation</i>						
Balance at 30 June 2001	4,223,998	19,558,021	998,173	8,158,746	2,826,078	35,765,016
Additions	1,669,713	5,840,566	365,050	2,150,731	668,976	10,695,036
Disposals	(18,600)	-	-	-	-	(18,600)
Balance at 30 June 2002	\$ 5,875,111	25,398,587	1,363,223	10,309,477	3,495,054	46,441,452
Net Book Value	\$ 25,711,920	233,463,150	10,998,286	132,212,192	21,948,631	424,334,179
As at 30 June 2001	\$ 25,595,231	232,469,005	10,498,228	133,166,348	22,101,087	423,829,899
As at 30 June 2002	\$ 25,711,920	233,463,150	10,998,286	132,212,192	21,948,631	424,334,179

	2002	2001
Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:		
Reserves	1,669,713	1,464,022
Roads	5,840,566	5,492,693
Footpaths	365,050	343,164
Drainage	2,150,731	2,132,694
Other Infrastructure	668,976	784,485
	\$ 10,695,036	10,217,060

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**8. PROPERTY, PLANT AND EQUIPMENT (contd)**

	2002	2001
Work in Progress - Buildings	323,862	303,478
Work in Progress - Reserves	315,967	613,761
Work in Progress - Roads	1,555,860	197,743
Work in Progress - Drainage	60,159	18,474
Work in Progress - Footpaths	14,608	39,473
Work in Progress - Other Engineering	54,356	45,886
Work in Progress - Buildings		
	<b>\$ 2,325,112</b>	<b>1,218,815</b>
<b>Net Book Value of Property, Plant and Equipment</b>	<b>\$ 489,224,321</b>	<b>489,117,716</b>

**9. PAYABLES AND PROVISIONS**

**Current**

**Payables**

Trade Payables	2,124,766	2,453,994
Sundry Creditors	1,357,359	1,196,587
Accrued Expenses	1,117,994	796,774
Goods & Services Tax (GST) Payable	64,977	72,669
	<b>\$ 4,665,096</b>	<b>4,520,024</b>

**Provisions**

Provision for Annual Leave	2,123,989	2,085,590
Provision for Long Service Leave	1,456,847	1,378,394
Provision for Sick Leave	58,056	72,154
Provision for Workers Compensation Premium	277,396	96,063
	<b>\$ 3,916,288</b>	<b>3,632,201</b>

**Non Current**

Provision for Long Service Leave	<b>\$ 555,269</b>	<b>702,635</b>
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Non current long service leave relates to employees who have less than seven years service as per AAS 30.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

Number of Employees (FTE) at end of financial year		(2002) 439	(2001) 431	
		Actual 2002	Adopted Budget 2002	Actual 2001
		\$	\$	\$
<b>10. RESERVES</b>				
(a)	<b>Asset Replacement Reserve</b>			
	Opening Balance	6,733,227	6,733,227	6,339,205
	Transfer from Accumulated Surplus	301,171	446,306	394,022
	Transfer to Accumulated Surplus	-	(3,207,500)	-
	<b>Closing Balance</b>	<b>\$ 7,034,398</b>	<b>3,972,033</b>	<b>6,733,227</b>
	Expenditure for this Reserve required only when Approved developments are identified			
(b)	<b>Light Vehicles Replacement Reserve</b>			
	Opening Balance	683,260	683,260	473,829
	Transfer from Accumulated Surplus	468,586	492,085	637,620
	Transfer to Accumulated Surplus	(227,047)	(347,737)	(428,189)
	<b>Closing Balance</b>	<b>\$ 924,799</b>	<b>827,608</b>	<b>683,260</b>
	Expenditure for this Reserve is ongoing and relates to the light vehicle replacement programme			
(c)	<b>Heavy Vehicles Replacement Reserve</b>			
	Opening Balance	446,943	446,943	516,055
	Transfer from Accumulated Surplus	190,778	154,615	180,503
	Transfer to Accumulated Surplus	(58,795)	(156,000)	(249,615)
	<b>Closing Balance</b>	<b>\$ 578,926</b>	<b>445,558</b>	<b>446,943</b>
	Expenditure for this Reserve is ongoing and relates to the heavy vehicle replacement programme			
(d)	<b>Special Area Rating - Iluka Reserve</b>			
	Opening Balance	24,797	24,797	46,160
	Transfer from Accumulated Surplus	-	-	24,797
	Transfer to Accumulated Surplus	(24,797)	(24,797)	(46,160)
	<b>Closing Balance</b>	<b>\$ -</b>	<b>-</b>	<b>24,797</b>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	Actual 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
<b>10. RESERVES (continued)</b>			
<b>(e) Property Surveillance &amp; Security Charge Reserve</b>			
Opening Balance	362,094	362,094	320,864
Transfer From Accumulated Surplus	-	-	362,094
Transfer to Accumulated Surplus	(362,094)	(362,094)	(320,864)
<b>Closing Balance</b>	<b>\$ -</b>	<b>-</b>	<b>362,094</b>
<b>(f) Cash in Lieu of Parking Reserve</b>			
Opening Balance	402,769	402,769	376,884
Transfer From Accumulated Surplus	17,982	26,697	25,885
Transfer to Accumulated Surplus	(1,200)	-	-
<b>Closing Balance</b>	<b>\$ 419,551</b>	<b>429,466</b>	<b>402,769</b>
Expenditure for this Reserve required only when approved developments identified			
<b>(g) Cash in Lieu of Public Open Space Reserve</b>			
Opening Balance	674,169	674,169	634,720
Transfer From Accumulated Surplus	30,142	44,687	39,449
<b>Closing Balance</b>	<b>\$ 704,311</b>	<b>718,856</b>	<b>674,169</b>
Expenditure for this Reserve is on going.			
<b>(h) Ocean Reef Launching Facility Reserve</b>			
Opening Balance	49,070	49,070	46,200
Transfer From Accumulated Surplus	2,196	32,253	2,870
<b>Closing Balance</b>	<b>\$ 51,266</b>	<b>52,323</b>	<b>49,070</b>
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 2002**

	Actual 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
<b>10. RESERVES (continued)</b>			
<b>(i) Domestic Cart – Refuse Collection Reserve</b>			
Opening Balance	1,136,748	1,136,748	639,961
Transfer From Accumulated Surplus	1,236,377	310,360	671,787
Transfer to Accumulated Surplus	(40,000)	-	(175,000)
<b>Closing Balance</b>	<b>\$ 2,333,125</b>	<b>1,447,108</b>	<b>1,136,748</b>
Expenditure for this Reserve is on going.			
<b>(j) Hodges Drive Drainage Reserve</b>			
Opening Balance	171,633	171,633	161,593
Transfer from Accumulated Surplus	7,676	11,377	10,040
<b>Closing Balance</b>	<b>\$ 179,309</b>	<b>183,010</b>	<b>171,633</b>
Expenditure for this Reserve is only when required.			
<b>(k) Joondalup City Centre Parking Reserve</b>			
Opening Balance	395,709	395,709	388,501
Transfer from Accumulated Surplus	59,664	26,229	23,408
Transfer to Accumulated Surplus	-	-	(16,200)
<b>Closing Balance</b>	<b>\$ 455,373</b>	<b>421,938</b>	<b>395,709</b>
Expenditure from this Reserve is only when required.			
<b>(l) Plant Replacement Reserve</b>			
Opening Balance	465,592	465,592	381,350
Transfer from Accumulated Surplus	330,693	376,861	251,218
Transfer to Accumulated Surplus	(233,199)	(288,615)	(166,976)
<b>Closing Balance</b>	<b>\$ 563,086</b>	<b>553,838</b>	<b>465,592</b>
Expenditure for this Reserve is on going and relates to the plant replacement programme			

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	Actual 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
<b>10. RESERVES (continued)</b>			
<b>(m) Section 20A Land Reserve</b>			
Opening Balance	27,721	27,721	26,093
Transfer from Accumulated Surplus	1,241	1,837	1,628
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 28,962</b>	<b>29,558</b>	<b>27,721</b>
	<hr/> <hr/>	<hr/> <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	944,522	944,522	889,247
Transfer from Accumulated Surplus	42,017	62,607	55,275
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 986,539</b>	<b>1,007,129</b>	<b>944,522</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this reserve is only when approved developments are identified.			
<b>(o) Leisure Centres Capital Replacement Reserve</b>			
Opening Balance	-	-	-
Transfer From Accumulated Surplus	14,445	10,833	-
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>\$ 14,445</b>	<b>10,833</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this Reserve when approved.			
<b>(p) Wanneroo Bicentennial Trust</b>			
Opening Balance	25,568	25,568	57,000
Transfer from Accumulated Surplus	1,145	-	2,358
Transfer to Accumulated Surplus	-	(25,568)	(33,790)
	<hr/>	<hr/>	<hr/>
<b>Closing Balance</b>	<b>26,713</b>	<b>-</b>	<b>25,568</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Expenditure from this Reserve will be in 2002/2003 for community funding.			

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	Actual 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
<b>10. RESERVES (continued)</b>			
(q)			
<b>Performing Arts Facility Reserve</b>			
Opening Balance	1,000,000	1,000,000	-
Transfer from Accumulated Surplus	1,044,774	1,066,284	1,000,000
<b>Closing Balance</b>	<b>\$ 2,044,774</b>	<b>2,066,284</b>	<b>1,000,000</b>
Expenditure for this Reserve is required only when this project is undertaken.			
<b>Grand Total of Reserves</b>			
Opening Balance	13,543,822	13,543,822	11,297,662
Transfer from Accumulated Surplus	3,748,887	3,034,032	3,682,954
Transfer to Accumulated Surplus	(947,132)	(4,412,311)	(1,436,794)
<b>Closing Balance</b>	<b>\$ 16,345,577</b>	<b>12,165,543</b>	<b>13,543,822</b>

**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 2001 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 or all 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 \$2,764,593 (2000/2001 \$2,666,533).

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**12. TRUST FUNDS**

	Opening Balance 1/7/2001 \$	Receipts \$	Payments \$	Closing Balance 30/6/2002 \$
Funds over which the Local Government has no control and which are not included in the financial statements are as follows:-				
Unclaimed Monies	44,004	1,913	16,738	29,179
Unclaimed Wages	1,722	-	237	1,485
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$ 45,726</b>	<b>1,913</b>	<b>16,975</b>	<b>30,664</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**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, the former City of Perth and the City of 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.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**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 2002 \$	Actual 2001 \$
<b>Cash Assets</b>		
Cash Advances	4,680	4,550
Investments	31,592,111	27,542,482
	<hr/> <b>\$ 31,596,791</b> <hr/>	<hr/> <b>27,547,032</b> <hr/>
<b>Interest Bearing Liabilities</b>		
Bank Overdraft	<hr/> <b>\$ (1,813,618)</b> <hr/>	<hr/> <b>(1,476,911)</b> <hr/>
<b>Net Cash Balance</b>	<hr/> <b>\$ 29,783,173</b> <hr/>	<hr/> <b>26,070,121</b> <hr/>

Cash and investments represents restricted assets of \$17,010,516 which has restrictions imposed by regulations or other externally imposed requirements and the net balance of \$12,767,977 is required for unpaid creditors and provisions and to fund carried forward works as at the end of year.

**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	19,133	-	20	-	(19,113)	-
Computer Equipment	8,325	-	4,010	-	(4,315)	-
Mobile Plant	43,508	141,146	42,515	79,406	(993)	(61,740)
Other Equipment	11,808	-	170	-	(11,638)	-
Vehicles	329,409	507,723	329,120	485,697	(289)	(22,026)
Infrastructure Assets	720	-	-	-	(720)	-
<b>Gain on Disposal of Assets</b>	<hr/> <b>\$ 412,903</b> <hr/>	<hr/> <b>648,869</b> <hr/>	<hr/> <b>375,835</b> <hr/>	<hr/> <b>565,103</b> <hr/>	<hr/> <b>(37,068)</b> <hr/>	<hr/> <b>(83,766)</b> <hr/>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**16. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2002**

		Actual 2002 \$		Actual 2001 \$
<b>Change in Net Assets Resulting from Operations</b>		<b>3,662,980</b>		<b>1,780,098</b>
<u>Add Back</u>				
Depreciation	14,258,923		13,911,555	
Decrease in Debtors	366,742		744,908	
Increase in Creditors	-		522,918	
Decrease in Stock in Hand	-		8,840	
Decrease in Accrued Income	-		111,873	
Increase in Accrued Expenses	321,220		-	
Increase in Provisions	284,087		-	
Increase in Accrued GST	77,842		-	
Loss on Sale of Assets (net)	37,068	<b>15,345,882</b>	441,310	<b>15,741,404</b>
<b>Sub Total</b>		<b>19,008,862</b>		<b>17,521,502</b>
<u>Deduct</u>				
Contribution of Assets	3,360,560		4,486,033	
Increase in Prepayments	69,561		2,226	
Increase in Deferred Debtors	23,490		395,536	
Increase in Stock	2,990		-	
Increase in Accrued Income	481,351		-	
Decrease in Creditors	168,456		-	
Decrease in Accrued GST	-		470,000	
Decrease in Accrued Expenses	-		228,380	
Capital Component Charge	-		973,128	
Decrease in Provisions	-	<b>4,106,408</b>	66,100	<b>6,621,403</b>
<b>Net Cash Provided By Operating Activities</b>	<b>\$</b>	<b>14,902,454</b>		<b>10,900,099</b>

**17. CREDIT STANDBY FACILITIES**

		Actual 2002 \$	Actual 2001 \$
Bank Offset Limit		500,000	500,000
Bank Overdraft at Reporting Date		1,813,618	1,476,911
<b>Total Amount Unused/(Exceeding Offset Limit)</b>	<b>\$</b>	<b>(1,313,618)</b>	<b>(976,911)</b>

Note: The Bank Overdraft at reporting date reflects the position as shown in City'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 2002 as shown above includes unrepresented cheques.



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**18. COMMITMENTS FOR MAJOR EXPENDITURE**

	Actual 2002 \$	Actual 2001 \$
At the reporting date, the City had entered into contracts for the following major expenditure:		
Buildings Works	1,590,188	113,006
Engineering Works	1,019,460	446,222
Parks Works	294,272	321,311
	<u>\$ 2,903,920</u>	<u>880,539</u>

These expenditures are due for payment:

Not later than One Year	2,903,920	880,539
	<u>\$ 2,903,920</u>	<u>880,539</u>

It is anticipated that all committed works at the end of the year will be completed in the next financial year.

**19. OTHER EXPENSES**

	Actual 2002 \$	Adopted Budget 2001 \$
<b>(a) Elected Members Expenses</b>		
Members Costs are paid monthly in arrears:		
Elected Members Allowances/Remuneration	201,001	200,000
Elected Members Conferences	29,481	50,000
Elected Members Presentation Items	4,804	-
Elected Members Training	9,865	40,000
	<u>\$ 245,151</u>	<u>290,000</u>

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

**(b) Auditors Expenses**

Annual Audit Fee – Deloitte Touche Tohmatsu	<u>\$ 30,000</u>	<u>30,000</u>
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**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**20. GENERAL PURPOSE FUNDING**

	Actual 2002 \$	Adopted Budget 2002 \$	Actual 2001 \$
Rates General	38,701,435	39,587,475	36,781,577
Fees and Charges on Rates	532,849	-	504,551
Grants Commission - GP Grants	3,623,014	3,607,195	3,465,837
Interest on Deferred Pensioner Rates	51,458	45,000	45,640
Interest on Investments - Municipal	1,120,264	1,473,184	1,588,317
Interest on Investments - Reserves	604,160	870,401	676,711
Less: Transfer from Reserves	-	(362,096)	-
	<u>\$ 44,633,180</u>	<u>45,221,159</u>	<u>43,062,633</u>

A major part of the increase in rates general is due to the Property Surveillance and Security Charge included in rates general for 2001/2002. Reduction in interest earnings was due to lower than anticipated interest rates.

**21. MAJOR LAND TRANSACTIONS**

During the 2001/2002 financial year the City did not purchase or dispose of any land.

On 21 May 2001 the City leased the Craigie Leisure Centre, Ocean Ridge Leisure Centre and the Sorrento/Duncraig Leisure Centre to the RANS Management Group. On the 12 June 2002 RANS Management Group appointed a voluntary administrator, Carson McLellan PPD and subsequently entered into liquidation.

The City has negotiated with the Administrator to retake possession of those operations/facilities with effect from 12 July 2002.

The City currently holds a \$184,000 cash bond from the RANS Management Group and legal advice obtained from Knott Gunning indicates that the City is able to apply claims due to the non performance or consequential losses and damages against that bond.

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

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2001/2002 financial year, a specified area rate for the suburb of Iluka.

During the 2001/2002 financial year the income and expenditure was as follows;

Income available from the Specified Area Rate	\$101,720
Expenditure for the area of Iluka	<u>\$166,269</u>
Council's contribution for the 2001/2002 year	<u><b>\$ 64,549</b></u>

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

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

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2001/2002 financial year, a specified area rate for the area of Woodvale Waters.

During the 2001/2002 financial year the income and expenditure was as follows;

Income available from the Specified Area Rate	\$24,348
Expenditure for the area of Woodvale Waters	<u>\$40,500</u>
Council's contribution for the year 2001/2002	<u><b>\$16,152</b></u>

**24. PRESCRIBED SERVICES – SPECIFIED AREA RATE – HARBOUR RISE**

The Council, BY AN ABSOLUTE MAJORITY in accordance with the provisions of Section 6.32 and 6.37 of the Local Government Act 1995 imposed for the 2001/2002 financial year, a specified area rate for the area of Harbour Rise Hillarys.

During the 2001/2002 financial year the income and expenditure was as follows;

Income available from the Specified Area Rate	\$48,044
Expenditure for Area of Harbour Rise Hillarys	<u>\$48,044</u>
Surplus/Deficit for the year 2001/2002	<u><b>NIL</b></u>

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

On 1 July 2001 a number of Community Services which were previously provided by the City were transferred to a new community based service delivery called Community Vision Inc.

All employee entitlements at 30 June 2001 were transferred to Community Vision Inc on 1 July 2001 with the exception of a newly created sick leave provision which will be held by the City pending future claims.

**26. OPERATING REVENUE AND EXPENSES (BY PROGRAMME) FOR THE YEAR ENDING 2002**

**Operating Revenue Significant Variances**

**General Purpose Funding**

Reduction in interest earnings was due to lower than anticipated interest rates.

**Law Order and Public Safety**

Contribution of \$260,000 towards the re-development of the Mullaloo Surf Life Saving Club deferred until 2002/2003. Safer WA Security Grant for \$60,000 not received.

Adopted budget includes \$574,878 for Transfer from Reserves.

**Education and Welfare**

Contribution of \$400,000 towards the construction of the Currumbine Community Centre deferred.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**26. OPERATING REVENUE AND EXPENSES (BY PROGRAMME) FOR THE YEAR ENDING 2002**  
**(Continued)**

**Community Amenities**

Household refuse charges, Land Purchase Inquiries and Building Licences more than estimated.

**Recreation and Culture**

Adopted budget includes \$33,861 for transfer from reserves.

**Transport**

Contribution from Westrail of \$578,000 for parking facilities at Collier Pass deferred until 2002/2003.

Adopted budget includes \$199,896 for transfer from reserves.

**Economic Services**

The building licence fees and development application fees were \$200,000 greater than anticipated.

**Other Property and Services**

Adopted budget includes \$3,603,676 for transfers from reserves.

**Operating Expenses Significant Variances**

**Governance**

Salaries paid out for redundancy payments not budgeted.

Adopted budget includes \$570,401 for transfer to reserves.

**Community Amenities**

Tipping Fees from Mindarie Regional Council and Waste Management Services from City of Wanneroo significantly less than anticipated.

Adopted budget includes \$235,012 for transfer to reserves.

**Recreation and Culture**

Parks Maintenance expenditure for external materials purchased was more than anticipated.

Adopted budget includes \$1,010,833 for transfer to reserves.

**Transport**

Depreciation on infrastructure assets was \$300,000 more than anticipated.

Adopted budget includes \$458,893 for transfer to reserves.

**Other Property and Services**

Building and cleaning maintenance, survey services and private contract works less than anticipated.

Adopted budget includes \$738,893 for transfer to reserves.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**27. CASHFLOW STATEMENT FOR THE YEAR ENDING 30 JUNE 2002**

**Revenue Significant Variances**

**Rates**

Rate collections were better than anticipated with outstanding rates reduced considerably.

**Government Grants and Subsidies**

Non operating grants for Black Spot Funding and construction of the Currumbine Community Centre not received in 2001/2002.

**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. Interest earnings were less than anticipated due to interest rates staying low for most of the year.

**Expenses Significant Variances**

**Employee Costs**

Some employees who resigned throughout the year were not replaced immediately, in some cases were contracted out hence savings were made in this area.

**Materials, Contracts and Suppliers**

Savings were achieved in Consultancy Costs, Tipping Fees and Waste Management Services.

**Proceeds from Sale of Assets**

Several light and heavy vehicles estimated to be disposed in 2001/2002 have been carried forward to next year.

**Furniture and Computer Equipment**

The variance in the budget to the actual position was due to delays in the acquisition of Computer and Communications equipment.

**Purchase of Vehicles and Plant**

The variance in budget to actual position was due to purchases being delayed until 2002/2003.

**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 included as carried forward works to be undertaken in 2002/2003.

**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**28. 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.

			Fixed Interest Rate Maturity			Non-Interest Bearing	Total
			Less than 1 Year	1 to 5 Years	More than 5 Years		
2001/2002	Average Interest Rate %	Variable Interest Rate \$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash							
Receivables						4,680	4,680
Investments	4.05		31,592,111			4,573,572	4,573,572
<b>Total</b>			<b>31,592,111</b>			<b>4,578,252</b>	<b>31,592,111</b>
<b>Financial Liabilities</b>							
Trade payables							
Bank overdraft	7.45	1,813,618				4,665,096	4,665,096
Employee entitlements							1,813,618
<b>Total</b>		<b>1,813,618</b>				<b>4,471,557</b>	<b>4,471,557</b>
						<b>9,136,653</b>	<b>10,950,271</b>

			Fixed Interest Rate Maturity			Non-Interest Bearing	Total
			Less than 1 Year	1 to 5 Years	More than 5 Years		
2000/2001	Average Interest Rate %	Variable Interest Rate \$	\$	\$	\$	\$	\$
<b>Financial Assets</b>							
Cash							
Receivables						4,550	4,550
Investments	5.25		27,542,482			4,451,446	4,451,446
<b>Total Assets</b>			<b>27,542,482</b>			<b>4,455,996</b>	<b>27,542,482</b>
<b>Financial Liabilities</b>							
Trade payables							
Bank overdraft	8.95	1,476,911				4,520,024	4,520,024
Employee entitlements							1,476,911
<b>Total Liabilities</b>		<b>1,476,911</b>				<b>4,334,836</b>	<b>4,334,836</b>
						<b>8,854,860</b>	<b>10,331,771</b>



**CITY OF JOONDALUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**28. 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 Council 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 2002**

**ADDITIONAL DISCLOSURES FOR LOCAL GOVERNMENT**

**PERFORMANCE MEASUREMENTS**

	1998/1999	1999/2000	2000/2001	2001/2002
a) Current Ratio	1.30:1	1.86:1	1.73:1	1.76:1
b) Debt Ratio	0.07:1	0.02:1	0.02:1	0.02:1
c) Debt Service Ratio	0.00:1	0.00:1	0.00:1	0.00:1
d) Rate Coverage Ratio	0.51:1	0.58:1	0.56:1	0.61:1
e) Outstanding Rates	0.07:1	0.08:1	0.06:1	0.05:1

Note. The City of Joondalup commenced operations on 1 July 1998.

**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**

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