

minutes

Audit Committee

MEETING HELD ON **TUESDAY 6 OCTOBER 2009 AND
TUESDAY 13 OCTOBER 2009**

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TABLE OF CONTENTS

Item No	Title	Page No
	Adjournment of Meeting	3
	Declaration of Opening	4
	Apologies/Leave of absence	4
	Confirmation of Minutes	4
	Announcements by the Presiding Person without discussion	4
	Declarations of Interest	4
	Identification of matters for which the meeting may sit behind closed doors	4
	Petitions and deputations	5
	Reports	
Item 1	2008/09 Annual Financial Report	5
	Motions of which previous notice has been given	9
	Requests for Reports for future consideration	9
	Closure	9

CITY OF JOONDALUP

NOTES OF THE AUDIT COMMITTEE MEETING HELD IN CONFERENCE ROOM 3, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY, 6 OCTOBER 2009 AND MINUTES TUESDAY 13 OCTOBER 2009

ATTENDANCE

Committee Members:

Cr Tom McLean	Presiding Person
Mayor Troy Pickard	
Cr Michele Rosano	
Cr Russ Fishwick	<i>from 1810 hrs</i>
Mr Robert (Andy) Cowin	External Member

Officers:

Mr Garry Hunt	Chief Executive Officer
Mr Mike Tidy	Director Corporate Services
Mr Peter McGuckin	Internal Auditor
Mr B Mulcahy	Senior Management Accountant
Mrs Rose Garlick	Administrative Secretary
Mrs Lesley Taylor	Administrative Secretary

In Attendance:

Mr M van der Merwe	Accountant, Grant Thornton
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APOLOGIES/LEAVE OF ABSENCE

Apology: Cr Fiona Diaz

ADJOURNMENT OF MEETING – [02154] [08122]

In the absence of a quorum, the Presiding Person **ADJOURNED** the meeting at 1801 hrs to be **RECONVENED** on Tuesday, 13 October 2009 at 1800 hrs.

Following the adjournment, informal discussions took place with the Internal Auditor and Mr van der Merwe of Grant Thornton in relation to the confidential City of Joondalup Concise Report to the Audit Committee for the year ended 30 June 2009 in relation to Item 1 - 2008/09 Annual Financial Report - (Attachment 1 refers)

Cr Fishwick entered the Room, the time being 1810 hrs.

RESUMPTION OF MEETING

The Presiding Person declared the Audit Committee that commenced on Tuesday, 6 October 2009 **RESUMED** at 1813 hrs on **TUESDAY, 13 OCTOBER 2009**, the following persons being present:

ATTENDANCE**Committee Members:**

Cr Tom McLean	Presiding Person
Mayor Troy Pickard	
Cr Michele Rosano	
Cr Russ Fishwick	
Mr Robert (Andy) Cowin	External Member

Officers:

Mr Garry Hunt	Chief Executive Officer
Mr Mike Tidy	Director Corporate Services
Mr Peter McGuckin	Internal Auditor
Mrs Lesley Taylor	Administrative Secretary

APOLOGIES/LEAVE OF ABSENCE

Nil.

CONFIRMATION OF MINUTES**MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 10 MARCH 2009**

MOVED Mayor Pickard, SECONDED Cr Fishwick, that the minutes of the meeting of the Audit Committee held on 10 March 2009 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (5/0)

In favour of the Motion: Crs McLean, Fishwick, Rosano, Mayor Pickard and Mr Cowin

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST

Nil.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

DETAILS

Issues and options considered:

The preparation of an Annual Financial Report and the submission of the report and the City's accounts to the auditors for audit are statutory requirements of the Local Government Act 1995.

The Annual Financial Report is required to be accepted by Council in order to enable the holding of an Annual General Meeting of Electors at which the City's Annual Report containing the abridged version of the financial report will be considered. The Annual Financial Report is also required to be submitted to the CEO of the Department of Local Government.

Legislation/Strategic Plan/Policy Implications

Legislation Local Government (Financial Management) Regulation 51(2) states:

“A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.”

Section 5.53 of the Local Government Act 1995 states:

5.53 Annual Reports

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain:*
 - (f) *the financial report for the financial year;*

Section 5.54 of the Local Government Act 1995 states:

5.54. Acceptance of annual reports

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

** Absolute majority required.*
- (2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

Section 6.4 of the Local Government Act 1995 states:

6.4 Financial report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) *be prepared and presented in the manner and form prescribed; and*
 - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) *the annual financial report of the local government for the preceding financial year.*

Strategic Plan

Key Focus Area: Leadership and Governance

Objective: 1.1 To ensure that the processes of local governance are carried out in a manner that is ethical, transparent and accountable

Policy

Not Applicable.

Risk Management considerations:

Not Applicable.

Financial/Budget Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

There is no legislative requirement to consult on the preparation of the Annual Financial Report, but the Local Government Act 1995 requires an Annual General Meeting of Electors to be held and the City's Annual Report incorporating the abridged financial report to be made available publicly. The full Annual Financial Report will also be publicly available.

COMMENT

It is proposed that the Annual Financial Report will be produced on CD-Rom and made available on the City's public website. A minimal number of printed, bound colour copies will be available for viewing at libraries, leisure centres and customer services centres.

In order for the City to meet its legislative requirements, it is recommended that the Council accepts the Annual Financial Report for the financial year 2008/09.

VOTING REQUIREMENTS

Absolute Majority

OFFICER'S RECOMMENDATION: That the Audit Committee RECOMMENDS that Council BY AN ABSOLUTE MAJORITY ACCEPTS the Annual Financial Report of the City of Joondalup and the accompanying Audit Report for the Financial Year 2008/09 forming Attachment 1 to this Report.

MOVED Mr Cowin, SECONDED Mayor Pickard that the Audit Committee RECOMMENDS that Council:

- 1 ACCEPTS the Annual Financial Report of the City of Joondalup and the accompanying Audit Report for the Financial Year 2008/09 forming Attachment 1 to this Report;**
- 2 NOTES that the Committee is satisfied with the disclosure relating to the re-evaluation adjustments in Note 10 of the Financial Statements.**

The Motion was Put and

**CARRIED BY AN
ABSOLUTE MAJORITY (5/0)**

In favour of the Motion: Crs McLean, Fishwick, Rosano, Mayor Pickard and Mr Cowin

Appendix 1 refers

To access this attachment on electronic document, click here: [Attach1agn061009.pdf](#)

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 1818 hrs; the following Elected members being present at that time:

Cr Tom McLean
Mayor Troy Pickard
Cr Michele Rosano
Cr Russ Fishwick
Mr Robert (Andy) Cowin

CITY OF JOONDALUP
FINANCIAL REPORT
FOR THE YEAR ENDED 30 June 2009

TABLE OF CONTENTS

Independent Auditor Report	1
Statement by Chief Executive Officer	3
Income Statement by Nature or Type	4
Income Statement by Program	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Rate Setting Statement	9
Statement of Rating Information	10
Notes to and Forming Part of the Financial Report	11
Addendum - New Accounting Standards and Interpretations	51

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INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE CITY OF JOONDALUP

Report on the Financial Report

We have audited the accompanying financial report of the City of Joondalup, which comprises the balance sheet as at 30 June 2009, and the income statement, statements of changes in equity, and statements of cash flows for the year ended 30 June 2009, a summary of significant accounting policies and other explanatory notes, and the Chief Executive Officer's statement.

Councils' responsibility for the financial report

The Council of the City of Joondalup is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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



We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Joondalup's financial position and of their performance.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion on the financial report

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

- (i) gives a true and fair view of the City of Joondalup's financial position as at 30 June 2009 and of its performance for the financial year ended 30 June 2009, and
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations).
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

I did not, during the course of my audit, become aware of any instances where the Council did not comply with the requirements of the Local Government Act, 1995 Part 6 (as amended) and Local Government (Financial Management) Regulations 1996 as they relate to the financial statements.

GRANT THORNTON (WA) PARTNERSHIP

M J Hillgrove
Partner

Dated at Perth this 20th of September 2009

CITY OF JOONDALUP
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the *20th* day of *September* 2009.


Garry Hunt
Chief Executive Officer

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

	NOTE	2009 Actual \$	2009 Budget \$	2008 Actual \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	2	61,374,779	61,129,616	56,696,608
Grants and Subsidies	5	4,422,910	3,510,975	3,453,882
Contributions, Rembursements and Donations		1,840,699	1,276,575	963,485
Fees and Charges	4	24,446,297	24,729,963	21,048,067
Profit on disposal of Assets	20	137,960	2,015,189	696,584
Interest Earnings	3(a)	4,597,969	4,555,137	3,979,178
Other Revenue		242,662	94,800	106,895
		<u>97,063,276</u>	<u>97,312,255</u>	<u>86,944,699</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(41,260,809)	(40,030,891)	(35,923,528)
Materials and Contracts		(34,924,570)	(34,632,324)	(30,110,725)
Utilities		(3,487,162)	(3,319,031)	(3,169,625)
Depreciation & Amortisation	3(a)	(23,632,664)	(16,524,473)	(14,904,901)
Loss on disposal of assets	20	(156,948)	(180,058)	(168,999)
Interest Expenses	3(a)	(183,056)	(303,861)	(189,118)
Insurance		(1,078,220)	(1,210,641)	(1,001,563)
Other Expenditure		-	-	(147,336)
		<u>(104,723,429)</u>	<u>(96,201,279)</u>	<u>(85,615,795)</u>
Net Result from Operating Activities		(7,660,153)	1,110,976	1,328,904
Non-Operating Activities				
Grants and Subsidies	5	11,017,767	9,708,843	4,429,516
Contributions, Reimbursements and Donations		2,184,685	6,085,000	6,685,716
NET RESULT		<u>5,542,299</u>	<u>16,904,819</u>	<u>12,444,136</u>

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

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

	NOTE	2009 Actual \$	2009 Budget \$	2008 Actual \$
REVENUES FROM ORDINARY ACTIVITIES				
General Purpose Funding		68,574,376	68,750,277	63,613,996
Law, Order, Public Safety		410,607	411,660	620,766
Health		340,626	341,500	271,060
Education and Welfare		243,355	243,979	516,409
Community Amenities		15,388,277	15,427,750	13,873,530
Recreation and Culture		5,919,988	5,935,173	5,704,008
Transport		2,451,219	2,457,507	1,062,343
Economic Services, Other Property & Services		3,734,828	3,744,409	1,282,587
		<u>97,063,276</u>	<u>97,312,255</u>	<u>86,944,699</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Governance		(1,061,380)	(975,007)	(1,977,344)
General Purpose Funding		(6,324,282)	(5,809,627)	(213,184)
Law, Order, Public Safety		(2,501,686)	(2,298,105)	(4,570,348)
Health		(1,367,585)	(1,256,294)	(1,517,309)
Education and Welfare		(1,924,052)	(1,767,477)	(2,630,332)
Community Amenities		(16,265,806)	(14,942,132)	(16,102,600)
Recreation & Culture		(31,166,409)	(28,630,159)	(28,231,963)
Transport		(18,612,967)	(17,098,287)	(23,475,625)
Economic Services		(25,499,262)	(23,424,191)	(6,897,090)
		<u>(104,723,429)</u>	<u>(96,201,279)</u>	<u>(85,615,795)</u>
Net Operating Surplus		(7,660,153)	1,110,976	1,328,904
Capital Grants and Contributions				
Grants for the development of assets		11,017,767	9,708,843	4,429,516
Acquired Infrastructure Assets	3(b)	2,071,451	6,085,000	6,625,080
Other capital contributions		113,234	0	60,636
Net Surplus for the Year		<u><u>5,542,299</u></u>	<u><u>16,904,819</u></u>	<u><u>12,444,136</u></u>

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

**CITY OF JOONDALUP
BALANCE SHEET
AS AT 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	16(a)	55,684,331	54,606,927
Trade and Other Receivables	7	<u>3,505,140</u>	<u>2,721,668</u>
TOTAL CURRENT ASSETS		<u>59,189,471</u>	<u>57,328,595</u>
NON-CURRENT ASSETS			
Other Receivables	7	2,023,911	2,258,007
Equity Investment	8	3,090,674	3,061,152
Property, Plant and Equipment	9	319,648,300	63,171,321
Infrastructure	10	<u>472,218,663</u>	<u>488,260,051</u>
TOTAL NON-CURRENT ASSETS		<u>796,981,548</u>	<u>556,750,531</u>
TOTAL ASSETS		<u>856,171,019</u>	<u>614,079,126</u>
CURRENT LIABILITIES			
Trade and Other Payables	11	10,253,748	11,882,032
Short Term Borrowings	12	647,464	348,040
Provisions	13	<u>6,655,033</u>	<u>6,128,436</u>
TOTAL CURRENT LIABILITIES		<u>17,556,245</u>	<u>18,358,508</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	12	3,571,495	2,684,959
Provisions	13	<u>817,593</u>	<u>678,062</u>
TOTAL NON-CURRENT LIABILITIES		<u>4,389,088</u>	<u>3,363,021</u>
TOTAL LIABILITIES		<u>21,945,333</u>	<u>21,721,529</u>
NET ASSETS		<u>834,225,686</u>	<u>592,357,597</u>
EQUITY			
Retained Surplus		531,889,759	530,594,389
Reserves - Cash/Investment Backed	14	40,257,678	36,010,749
Reserves - Asset Revaluation	15	<u>262,078,249</u>	<u>25,752,459</u>
TOTAL EQUITY		<u>834,225,686</u>	<u>592,357,597</u>

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

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

	NOTE	2009 Actual \$	2009 Budget \$	2008 Actual \$
RETAINED SURPLUS				
Balance as at 1 July 2008		530,594,389	557,367,563	522,793,508
Change in Net Assets Resulting from Operations		5,542,299	16,904,819	12,293,075
Net effect of correction of error	33	-	-	151,062
Transfer from/(to) Reserves		(4,246,929)	3,631,240	(4,643,256)
Balance as at 30 June 2009		<u><u>531,889,759</u></u>	<u><u>577,903,622</u></u>	<u><u>530,594,389</u></u>
RESERVES - CASH/INVESTMENT BACKED				
Balance as at 1 July 2008		36,010,749	33,607,673	31,367,493
Transfer from/(to) Retained Surplus		4,246,929	(3,631,240)	4,643,256
Balance as at 30 June 2009	14	<u><u>40,257,678</u></u>	<u><u>29,976,433</u></u>	<u><u>36,010,749</u></u>
RESERVES - ASSET REVALUATION				
Balance as at 1 July 2008		25,752,459	-	25,615,714
Revaluation Increment	30	236,325,790	-	136,745
Balance as at 30 June 2009	15	<u><u>262,078,249</u></u>	<u><u>-</u></u>	<u><u>25,752,459</u></u>
TOTAL EQUITY		<u><u>834,225,686</u></u>	<u><u>607,880,055</u></u>	<u><u>592,357,597</u></u>

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

**CITY OF JOONDALUP
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	NOTE	2009 Actual \$	2009 Budget \$	2008 Actual \$
Cash Flows From Operating Activities				
Receipts				
Rates		61,165,404	59,907,024	56,691,642
Grants and Subsidies - operating		4,422,910	3,510,975	3,453,882
Contributions, Reimbursements & Donations		1,840,698	1,251,575	1,024,121
Fees and Charges		24,196,267	24,482,663	20,360,336
Interest Earnings		4,597,969	4,591,333	3,418,972
Good and Services Tax		7,890,757	-	5,772,938
Other		3,300	94,800	106,895
		<u>104,117,305</u>	<u>93,838,370</u>	<u>90,828,786</u>
Payments				
Employee Costs		(41,479,683)	(40,135,862)	(35,289,189)
Materials and Contracts		(33,043,217)	(34,319,220)	(26,750,035)
Utilities (gas, electricity, water, etc)		(3,465,783)	(3,320,183)	(3,169,625)
Insurance		(1,078,220)	(1,210,641)	(1,008,188)
Interest		(175,965)	(320,641)	(189,118)
Goods and Services Tax		(7,908,386)	-	(6,001,252)
Other		-	-	(137,719)
		<u>(87,151,254)</u>	<u>(79,306,547)</u>	<u>(72,545,126)</u>
Net Cash Provided By (Used In)				
Operating Activities	16(b)	16,966,051	14,531,823	18,283,660
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(9,549,062)	(10,193,297)	(3,304,341)
Payments for Construction of Infrastructure		(19,458,468)	(29,404,420)	(17,823,822)
Capital Investment MRF		310,350	-	-
Capital Investment Mindarie RC		(29,522)	-	(53,675)
Grants/Contributions for the Development of Assets		11,131,001	9,708,843	4,429,516
Proceeds from Sale of Plant & Equipment		521,093	2,820,179	1,334,162
Net Cash Provided By (Used In)				
Investing Activities		(17,074,608)	(27,068,695)	(15,418,160)
Cash Flows from Financing Activities				
Repayment of Borrowings	21(a)	(348,039)	(651,146)	(328,483)
Transfer to the Trust Fund		-	-	-
Contribution to Upgrade Material Recovery Facility		-	-	31,000
Proceeds from borrowing	21(a)	1,534,000	2,794,000	-
Net Cash Provided By (Used In)				
Financing Activities		1,185,961	2,142,854	(297,483)
Net Increase (Decrease) in Cash Held		1,077,404	(10,394,018)	2,568,017
Cash at Beginning of Year		54,606,927	54,589,166	52,038,910
Cash and Cash Equivalents				
at the End of the Year	16(a)	<u>55,684,331</u>	<u>44,195,148</u>	<u>54,606,927</u>

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

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

	NOTE	2009 Actual \$	2009 Budget \$	2008 Actual \$
OPERATING REVENUES				
Rates		61,374,779	61,129,616	56,696,608
Government Grants & Subsidies - Operating		4,422,910	3,510,975	3,453,882
Contributions, Reimbursements and Donations - Operating		1,840,699	1,276,575	963,485
Profit on Disposal		137,960	2,015,189	696,584
Fees & Charges		24,446,297	24,729,963	21,048,067
Interest Earnings		4,597,969	4,555,137	3,979,178
Other Revenue		242,662	94,800	106,895
		<u>97,063,276</u>	<u>97,312,255</u>	<u>86,944,699</u>
EXPENSES				
Employee Costs		(41,260,809)	(40,030,891)	(35,923,528)
Materials & Contracts		(34,924,570)	(34,562,324)	(30,110,724)
Utilities		(3,487,162)	(3,319,031)	(3,169,625)
Depreciation & Amortisation on Assets		(23,632,664)	(16,524,473)	(14,904,901)
Loss on Disposal and Revaluation		(156,948)	(180,058)	(168,999)
Insurance Expenses		(1,078,220)	(1,210,641)	(1,001,563)
Interest Expense		(183,056)	(303,861)	(189,118)
Other Expenses		-	(70,000)	(147,336)
		<u>(104,723,429)</u>	<u>(96,201,279)</u>	<u>(85,615,794)</u>
		<u>(7,660,153)</u>	<u>1,110,976</u>	<u>1,328,905</u>
(DEFICIT)/SURPLUS FROM OPERATIONS				
OPERATING NON-CASH ADJUSTMENTS				
Depreciation on Assets		23,632,664	16,524,473	14,904,901
Loss on Disposal		156,948	180,058	168,999
Profit on Disposal		(137,960)	(2,015,189)	(696,584)
		<u>15,991,499</u>	<u>15,800,318</u>	<u>15,706,221</u>
OPERATING CASH SURPLUS				
CAPITAL REVENUE				
Capital Grants		11,017,767	9,708,843	4,429,516
Contributions & Reimbursements - Non Operating		113,234	-	60,636
Acquired Infrastructure Assets		2,071,451	6,085,000	6,625,080
		<u>13,202,452</u>	<u>15,793,843</u>	<u>11,115,232</u>
CAPITAL EXPENDITURE				
Capital Budget		(23,671,233)	(32,621,855)	(19,379,515)
Motor Vehicle Replacement		(3,282,490)	(3,221,639)	(1,742,376)
Loan Repayments (Principal)		(347,753)	(651,146)	(328,483)
Equity Investment		(29,523)	-	(53,675)
		<u>(27,330,999)</u>	<u>(36,494,640)</u>	<u>(21,504,049)</u>
		<u>(14,128,547)</u>	<u>(20,700,797)</u>	<u>(10,388,817)</u>
CAPITAL DEFICIT				
BUDGET DEFICIT				
		<u>1,862,952</u>	<u>(4,900,479)</u>	<u>5,317,404</u>
FUNDING				
Proceeds from Disposal		521,093	2,820,179	1,334,162
Surplus Carried Forward		3,939,078	1,768,285	7,927,237
Loans		1,534,000	2,794,000	-
Transfers from Reserves		10,181,967	9,685,276	10,775,732
Transfer to Reserves		(14,428,896)	(6,054,036)	(15,418,988)
Transfer to Accumulated Surplus		(2,071,451)	(6,085,000)	(6,625,080)
		<u>1,538,743</u>	<u>28,225</u>	<u>3,310,467</u>
NET BUDGET SURPLUS/(DEFICIT)				

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

CITY OF JOONDALUP
STATEMENT OF RATING INFORMATION
FOR THE YEAR ENDED 30 JUNE 2009

	GENERAL RATES				MINIMUM PAYMENTS				TOTAL
	Rateable Value	No of Properties	Rate in \$	Rate Yield	No of Properties	Minimum Payment	Rate Yield		
General Rate - Gross Rental Value (GRV)	\$			\$				\$	
Residential Improved	708,251,282	43,469	5.4596	38,667,687	12,519	593	7,423,767	46,091,454	
Residential Not Improved	48,105,081	1,707	5.4596	2,626,345	67	593	39,731	2,666,076	
Commercial Improved	154,819,843	1,000	6.3117	9,771,764	115	593	68,195	9,839,959	
Commercial Not Improved	527,447	15	10.9192	57,593	-	-	-	57,593	
Industrial Improved	15,106,314	369	5.9362	896,741	6	593	3,558	900,299	
Industrial Not Improved	409,966	14	10.9192	44,765	-	-	-	44,765	
Sub-Total GRV	927,219,933	46,574		52,064,895	12,707		7,535,251	59,600,146	
General Rate - Unimproved Value (UV)									
Residential	11,626,250	4	0.64000	74,408				74,408	
Rural	1,294,976	2	0.63700	8,249				8,249	
Total UV	12,921,226	6		82,657				82,657	
Interim Rates									
Total Rate Levy									
Early Payment Prizes (Note 2a)									
Net General Rates									
Specified Area Rate									
Iluka	38,939,404	1,482	0.156610	60,983				60,983	
Woodvale Waters	2,455,960	137	1.112558	27,324				27,324	
Harbour Rise	16,379,686	469	0.307570	50,379				50,379	
Total Specified Area Rate								138,686	
Interest on Outstanding Rates									
Instalment Administration Charge									
TOTAL RATES REVENUE									61,374,779

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

This Financial Report is a general purpose financial report that consists of an income statement, balance sheet, statement of cash flows, statement of changes in equity and notes accompanying these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

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

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

(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 Trust, of which the City has legal custody but is unable to deploy for its purposes, have been excluded from the consolidated financial statements and the cash position at the reporting date.

(c) Goods and Services Tax

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

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cashflow.

(d) Cash and Cash Equivalents

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

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, including bank overdrafts which form an integral part of the City's cash management, and are repayable on demand.

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

(e) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost for uncollectible amounts using the effective interest rate method, less any allowance.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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, subject to a capitalisation threshold applied to specific classes of assets as follows:

Furniture	\$2,000
Office Equipment	\$2,000
Motor vehicles	\$2,000
Plant and Equipment	\$2,000
Computer Equipment	\$2,000
Computer Software	\$20,000

All other classes of assets are capitalised, regardless of the initial cost of 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.

(g) Property, Plant and Equipment

Recognition

Property, plant and equipment are carried at cost less accumulated depreciation. 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 Income Statement. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure that the carrying amount does not differ significantly from that determined using fair value at the reporting date.

(h) Infrastructure Assets

Recognition

Reserves and Engineering infrastructure assets acquired prior to 30 June 1997 were brought to account as non-current assets at their estimated depreciated replacement cost at that time (deemed cost). 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 Income Statement.

Infrastructure assets acquired and constructed during the year are depreciated over their estimated useful lives on a straight-line basis from the commencement of the following financial year. Depreciation has been charged to the Income Statement.

Revaluation

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Infrastructure Assets (continued)

Land under Roads

Council has elected not to recognise the value of land under roads acquired before 1 July 2008 in accordance with AASB 1051. In addition, the City of Joondalup is required by Regulation 16 of the *Local Government (Financial Management) Regulations 1996* not to recognise a value for land under roads.

(i) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Depreciation rates are:

Property, Plant and Equipment

Freehold Land	Nil	Artworks	Nil
Light Vehicles	7.50%	Buildings	2.50%
Heavy Vehicles	10.50%	Mobile Plant	12.50%
Computer Equipment	33.33%	Furniture & Office Equipment	10.00%
Other Equipment	10.00%	Computer Software (>\$20,000)	33.33%

Property, plant and equipment are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use.

Infrastructure Assets

Parks and Reserves -

Playground Equipment	10.00%
Sports Facilities	10.0% - 20.0%
Picnic Facilities	10.00%
Park Benches	8.00%
Fencing	5.0% - 10.0%
Reticulation	13.0% - 20.0%
Park Structures	5.0% - 10.0%
Pathways	5.0% - 10.0%
Lighting	13.00%
Oval Development	Nil

Engineering

Roads/Traffic Management	2.0% - 5.0%
Drainage	1.25%
Car Parking	2.50%
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 listed above include various components with each component depreciated separately.

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Financial Assets

Classification

The City classifies its financial assets in the category 'Loans and receivables', as defined in AASB 139 'Financial Instruments Recognition and Measurement' and 'Cash and Cash Equivalents'. The classification reflects the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and, in the case of any assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Receivables

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

(ii) Held-to-maturity investments

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

Recognition and derecognition

The City recognises its financial assets on the date that the City's right to receive cash flows from these assets has been established. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and City has transferred substantially all the risks and rewards of ownership.

(k) Estimation of Fair Value

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

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

(l) Impairment

In accordance with Australian Accounting Standards the City's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Trade and Other Payables

Trade and other payables are recognised when the City becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are generally settled within 30 days of recognition.

(n) Employee Benefits

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

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

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

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

Provisions made in respect of long service leave which is not expected to be settled within 12 months is measured at the 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.

(o) Interest-bearing Loans and Borrowings

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The City currently has fixed-interest borrowings that are settled over by fixed payments over the term of the loans. The actual outstanding balances on these loans approximates to the amortised cost of the unpaid loan liabilities.

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

(o) Interest-bearing Loans and Borrowings (continued)

Borrowing Costs

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

(p) Provisions

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Provisions (continued)

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

(q) 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 allowance has been made for doubtful debts. In accordance with the Rates and Charges (Rebates and Deferments) Act 1992, the City offers eligible pensioners the option to defer the payment of rates or to obtain a rebate from the Western Australian State Government. All eligible pensioners registered under the Rates & Charges (Rebates and Deferments) Act 1992 may obtain a rebate or defer their rates for full payment upon sale of their property. Pensioners who hold a Commonwealth Concession Card and a Pensioner Health Benefit Card, a State Concession Card, Seniors Card or a Commonwealth Seniors Health Card can apply to be eligible for this State scheme. There is no cost to the City under this scheme as interest is received from the State Government for pensioner deferred rates.

(r) Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 3(b). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(s) Superannuation

The City of Joondalup makes statutory contributions to the Local Government Superannuation Plan on behalf of its employees. The Plan is a defined contribution scheme. The expense related to these contributions is recognised in the Income Statement.

(t) Works in Progress

Major buildings, reserves and infrastructure or other assets which have not been completed at the reporting date have been recorded as works in progress.

(u) Rounding Off Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Comparative Figures

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

(w) Current and Non-Current Classification

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

(x) Crown Land

In accordance with Regulation 16 of the Local Government (Financial Management) Regulations 1996 and current accounting standards Crown land set aside as a public road reserve or other public thoroughfare or under the control of a local government 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. Improvements or structures placed upon such land have been accounted for as assets of the City.

(y) New Accounting Standards and Interpretations

At the date of authorisation of this financial report, there were a number of Standards and Interpretations that were issued but not yet effective. These have not been adopted for the reporting period ended 30 June 2009, and the City's assessment of these new standards and interpretations has been provided in the Addendum to the financial statements.

(z) Critical Accounting Estimates

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

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

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

2. 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 early payment incentives for the payment of rates and charges:-

- Full payment of all current and arrears of rates (including specified area rates), Emergency Services Levy, domestic refuse charge and private swimming pool inspection fees (inclusive of GST) within 28 days of the issue date on the annual rate notice:
 - 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 the City, as well as 2 environmentally-friendly vehicles purchased by the City.
 - a pool of prize winners was chosen by a computerised random selection process, the integrity of which was authenticated by the City's auditor. The winners were invited to attend a prize draw function during which the prizes were allocated in a secondary draw process.

The total of early payment incentives against rates was as follows:

	2009 Actual	2009 Budget	2008 Actual
	\$	\$	\$
Rates - Early Payment Incentives & Prizes	74,525	75,000	-
Discount Allowed	-	-	750,790
	74,525	75,000	750,790

(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), Emergency Services Levy, 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 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, 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), Emergency Services Levy, domestic refuse charge, private swimming pool inspection fee inclusive of GST, instalment charge, payable 63 days after due date of first rate instalment.

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

2. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (continued)

(b) Rates Payment Options (continued)

- **Four Instalments**

The first instalment of 25% of the total current rates (including specified area rates), Emergency Services Levy, domestic refuse charge, private swimming pool inspection fee inclusive of GST, instalment charge plus the outstanding arrears payable within 35 days of the issue of the annual rate notice.

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

- **2nd instalment – 63 days after due date of 1st instalment**
- **3rd instalment – 63 days after due date of 2nd instalment**
- **4th instalment – 63 days after due date of 3rd instalment**

Instalment Charges and Calculation of Interest

The instalment options were subject to an administration fee of \$11.00 for each of instalments two, three and four, together with an interest charge at 5.5% per annum, calculated on a simple interest basis on the unpaid balance as follows:

- **Two Instalments:**

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

- **Four Instalments:**

75% of the total current general rate (including specified area rates), Emergency Services Levy, domestic refuse charge, and private swimming pool inspection fees inclusive of GST calculated 35 days from issue date 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), Emergency Services Levy, domestic refuse charge and private swimming pool inspection fees inclusive of GST calculated from the due date of second instalment to the due date of the third instalment; and

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

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

2. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (continued)

(b) Rates Payment Options (continued)

• **Special Payment Arrangements**

Special monthly or fortnightly payment arrangements were made with the City for those ratepayers who were unable to pay in full or according to the instalment plans offered. An administration fee of \$33.00 per assessment was charged on all payment arrangements and penalty interest of 11.00% pa was applied to the outstanding balance until the account was paid in full.

Details of interest and administrative charges on rates were as follows:-

	Interest Rate %	Admin. Charge \$	2009 Actual \$	2009 Budget \$	2008 Actual \$
Interest on Outstanding Rates	11.00%		462,171	355,758	345,374
Installment Administration Chgs	5.50%	\$ 11.00	547,314	350,621	479,812
			<u>1,009,485</u>	<u>706,379</u>	<u>825,186</u>

Ratepayers had the option of paying rates in four equal instalments, due on 5th September 2008, 7th November 2008, 9 January 2009 and 13 March 2009. An administration fee of \$11 and interest of 5.5% per annum applied for the final three instalments. Rates not paid by due date or by instalment incurred a penalty interest of 11% on outstanding amounts.

(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 11.00% 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 the 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 was 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 \$395,036 generated from interest charged on outstanding rates.

(d) Emergency Services Levy Interest Charged

In accordance with the provisions of section 36S of the Fire and Emergency Services Authority of Western Australia Act 1998, the City imposed interest on all current and arrears amounts of emergency services levy at a rate of 11.00% per annum, calculated on a simple interest basis on amounts of which remain unpaid after 35 days from the issue date of the original rate notice, or the due date of the instalment and continues until the instalment is paid. Excluded are instalment current amounts not yet due under the two or four-payment option, registered pensioner 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.

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

2. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (continued)

(e) Emergency Services Remittance Option B

The City elected to remit the current year Emergency Services Levy to Fire and Emergency Services Authority under Option B. Under Option B the City acquired the current year ESL when the annual rates were levied. The City remitted the ESL to FESA in quarterly payments – September 2008 (30%), December 2008 (30%), March 2009 (30%) and June 2009 (10%). The City invests the Emergency Services Levy receipts as part of its municipal funds investments. The ESL levies received and the ESL liability to FESA are reflected in the City's Balance Sheet and the cash flow impacts are included in the Cash Flow Statement.

(f) Domestic Refuse Charges

The Council, BY AN ABSOLUTE MAJORITY in accordance with Part IV of the Health Act 1911 (as amended) imposed the following domestic refuse charges for the 2008/09 financial year, including a charge for a recycling service to be provided to all ratepayers:

- \$240.00 per existing unit serviced, and
- Collection from within the property boundary:
Additional cost \$50 (inclusive of GST).
- New service \$240.00 plus cost of bin and bin delivery \$50.60 (inclusive of GST).

(g) Private Swimming Pool Inspection Fees

The Council, in accordance with the provisions of Section 245A (8) of the Local Government (Miscellaneous Provisions) Act 1960 imposed for the 2008/09 financial year, a Private Swimming Pool Inspection Fee of \$13.75 (inclusive of GST) on those properties owning a private swimming pool.

(h) 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 current financial year, a specified area rate for the area of Iluka for maintaining enhanced landscaping services.

A rate in the dollar of 0.15661¢ was charged on the Gross Rental Value on each property with a total rateable value which levied income of \$60,983.

(i) 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 2005/2006 financial year, a specified area rate for the area of Woodvale Waters for maintaining enhanced landscaping services.

A rate in the dollar of 1.112558¢ was charged on the Gross Rental Value on each property with a total rateable value which levied income of \$27,324.

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

2. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (continued)

(j) 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 2005/2006 financial year, a specified area rate for the area of Harbour Rise for maintaining enhanced landscaping services.

A rate in the dollar of 0.30757¢ was charged on the Gross Rental Value on each property with a total rateable value which levied income of \$50,379.

(k) Write Off Rates and Charges

The total value of rates and charges from previous years written off during the year was \$13,844.86

(l) Schedule of Valuations and Rate Revenue

The schedule of valuations and rate revenue is shown on the Statement of Rating Information included in this report.

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

2. RATES AND SERVICE CHARGES - PAYMENT OPTIONS (continued)

(j) 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 2005/2006 financial year, a specified area rate for the area of Harbour Rise for maintaining enhanced landscaping services.

A rate in the dollar of 0.30757¢ was charged on the Gross Rental Value on each property with a total rateable value which levied income of \$50,379.

(k) Write Off Rates and Charges

The total value of rates and charges from previous years written off during the year was \$13,844.86

(l) Schedule of Valuations and Rate Revenue

The schedule of valuations and rate revenue is shown on the Statement of Rating Information included in this report.

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

3. REVENUES AND EXPENSES	Note	2009	2008
		\$	\$
(a) Result from Ordinary Activities			
(i) Crediting as Revenue:			
Interest Earnings			
Investments	6	<u>4,597,969</u>	<u>3,979,178</u>
(ii) Debiting as Expenditure:			
Auditors Remuneration			
- Statutory		27,000	30,000
- Other Services		3,000	3,350
		<u>30,000</u>	<u>33,350</u>
Depreciation			
Buildings		5,380,763	1,761,136
Furniture and Equipment		611,738	622,219
Plant and Equipment		1,291,076	1,043,829
Parks and Reserves		2,755,555	2,438,268
Roads		6,235,737	6,115,452
Footpaths		1,644,320	321,624
Drainage		3,566,901	1,866,924
Other Infrastructure		2,146,574	735,449
		<u>23,632,664</u>	<u>14,904,901</u>
Interest Expenses			
Interest on Loan Repayments	21(a)	178,591	191,058
Other		4,465	(1,940)
		<u>183,056</u>	<u>189,118</u>

(b) Developers' Contributions

Contributions to Infrastructure Assets from developers recognised as revenue and included in the Income Statement under Contributions, Reimbursements and Donations are as follows:

Roads	550,791	4,811,400
Footpaths	97,006	282,780
Drainage	1,365,654	1,530,900
Other	58,000	0
	<u>2,071,451</u>	<u>6,625,080</u>

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

4. FEES & CHARGES	2009	2009	2008
	Actual	Budget	Actual
	\$	\$	\$
By Nature			
Rubbish Collection Fees	13,485,529	13,213,800	11,734,701
Membership Fees	1,823,269	1,835,139	1,745,811
Admission Fees	1,259,189	1,120,969	1,004,543
Building Licence Fees	1,046,881	1,100,000	1,165,352
Learn to Swim Program Fees	893,893	797,730	711,172
Court Sport Revenue	495,541	434,447	426,543
Facilities Hire	481,614	450,385	420,684
Development Application Fees	530,860	550,000	558,865
Property Rental	372,986	399,600	277,621
Inspection Fees	288,303	321,000	305,599
Land Purchase Enquiries Fees	208,880	239,200	238,698
Parking Infringements	697,788	700,000	113,449
Other infringements and fines	230,358	197,150	-
Commission	259,912	256,700	266,252
On-Street Parking Fee	364,613	800,000	-
Off Street Parking Fees	497,528	809,496	52,388
Cash in Lieu of Parking Spaces	23,650	100,000	419,250
Term Programme Activities Fees	207,392	209,776	156,259
Dog Registration Fees	206,229	230,000	189,821
Eating House Licences & Registrations	119,284	115,000	113,042
Environmental Health Services - Immunisation	84,978	182,000	232,191
Other Miscellaneous Charges	867,620	667,571	915,826
	<u>24,446,297</u>	<u>24,729,963</u>	<u>21,048,067</u>
 By Program			
General Purpose Funding	-	-	-
Law, Order & Public Safety	555,142	561,584	576,414
Health	183,368	185,496	291,810
Education & Welfare	127,063	128,537	385,973
Community Amenities	13,313,139	13,467,620	13,273,757
Recreation & Culture	4,993,228	5,051,168	4,237,026
Transport	2,311,667	2,338,491	717,059
Economic Services	2,560,085	2,589,791	1,419,596
Other Property and Services	402,605	407,276	146,432
	<u>24,446,297</u>	<u>24,729,963</u>	<u>21,048,067</u>

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

5. GRANT REVENUE	2009	2008
	\$	\$
By Nature and Type:		
Grants and Subsidies - operating		
Childcare Assistance	-	34,760
Dept. for Community Development	118,900	66,247
Dept. of Family and Community Services	94,665	95,566
Dept. of Sport and Recreation	-	65,000
Dept. of Transport	-	12,500
Grants Commission	3,711,142	2,816,377
Healthways	30,000	25,000
Lotteries Commission	62,000	16,000
Other Grants	406,203	322,432
	<u>4,422,910</u>	<u>3,453,882</u>
Grants and Subsidies - non-operating		
Black Spot Funding	588,413	95,814
Dept. Planning & Infrastructure	1,265,635	-
Formula Local Roads Grant	2,401,687	1,625,621
Regional & Local Community Infrastructure Programme	2,137,550	-
Main Roads Direct Grant	1,796,472	278,762
Metro Regional Road Programme	2,435,184	1,380,411
National Community Crime Prevention Programme	190,000	-
Roads to Recovery Programme	87,623	936,022
Other Government Grants	115,203	112,886
	<u>11,017,767</u>	<u>4,429,516</u>
	<u><u>15,440,677</u></u>	<u><u>7,883,398</u></u>

6. INVESTMENTS	Note	2009	2008
		\$	\$
Unrestricted		15,913,862	19,270,289
Restricted	14	40,257,678	36,010,749
	16(a)	<u><u>56,171,540</u></u>	<u><u>55,281,038</u></u>
Investments comprise the following:			
Westpac 11AM		2,141,000	5,013,366
ANZ Cash Plus		3,293,217	5,342,391
Managed Funds		-	-
LGFS Fixed Cash Outperformance Fund		7,737,323	14,925,281
Term Deposits		43,000,000	30,000,000
	16(a)	<u><u>56,171,540</u></u>	<u><u>55,281,038</u></u>

Investments comprise short term money market deposits and units in managed funds.

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

7. TRADE AND OTHER RECEIVABLES	Note	2009 \$	2008 \$
Current			
Rates Outstanding		602,398	111,577
Sundry Debtors		616,724	934,861
Prepayments		695,193	203,477
Accrued Income		658,349	581,898
GST Receivable		934,976	892,355
Less Provision for Doubtful Debts		<u>(2,500)</u>	<u>(2,500)</u>
		<u>3,505,140</u>	<u>2,721,668</u>
Non-Current			
Rates/ESL Receivable - Pensioners Deferred		1,165,261	1,089,007
Contributions to Upgrade Material Recovery Facility		<u>858,650</u>	<u>1,169,000</u>
		<u>2,023,911</u>	<u>2,258,007</u>
8. EQUITY INVESTMENTS			
Non-Current			
Capital Investment - Mindarie Regional Council		357,485	327,963
Capital Investment - Tamala Park Regional Council		2,703,573	2,703,573
Local Government House		<u>29,616</u>	<u>29,616</u>
		<u>3,090,674</u>	<u>3,061,152</u>

The Mindarie Regional Council (MRC), of which the City is an equity holder, is developing a Resource Recovery Facility (RRF). In this process, the MRC borrowed \$3.5m to acquire the land on which the RRF will be developed.

Due to the time lag between the loan repayment and the RRF operation and charges, the MRC Council approved that its equity holders be charged for the repayment obligations under the land purchase loan.

The methodology adopted for this charge was to treat the interest component of the repayment amount as an additional expense in substitution of an increase in the gate fee chargeable and to treat the principal repayment component as an additional equity contribution to the capital of the MRC.

The Tamala Park Regional Council (TPRC) was established in January 2006 for the purpose of the development of the Tamala Park land jointly owned by seven local governments, including the City of Joondalup, which has a one-sixth equity in the land.

The West Australia Planning Commission (WAPC) requested that a portion of this land be retained as "Bush Forever", which the Commission was prepared to acquire and pay for. The "Bush Forever" land was disposed of by the joint owners to the WAPC in November 2006. The City of Joondalup's share of the proceeds of disposal was \$2,703,573 which was subsequently contributed to the TPRC as equity investment to be used for TPRC purposes.

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

9 PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

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

At Cost/Valuation

	Balance at 1/07/2008	Additions	Disposals	Transfers, Adjustments & Revaluation	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Freehold Land	5,213,253	-	-	151,859,208	157,072,461
Buildings	70,573,744	6,900,000	-	72,978,733	150,452,477
Artworks	478,780	9,034	-	-	487,814
Furniture, Computer Equipment & Computer Software	6,802,583	322,797	(830,120)	(20,000)	6,275,260
Fleet, Plant & Equipment	12,404,667	4,065,559	(1,869,407)	-	14,600,819
	<u>95,473,027</u>	<u>11,297,390</u>	<u>(2,699,527)</u>	<u>224,817,941</u>	<u>328,888,831</u>

Accumulated Depreciation

	Balance at 1/07/2008	Disposals	Depreciation	Transfers, Adjustments & Revaluation	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Freehold Land	-	-	-	-	-
Buildings	(23,305,449)	-	(5,380,763)	23,060,798	(5,625,414)
Artworks	-	-	-	-	-
Furniture, Computer Equipment & Computer Software	(5,370,866)	819,918	(611,738)	(6,733)	(5,169,419)
Fleet, Plant & Equipment	(4,123,607)	1,292,364	(1,291,076)	(750)	(4,123,069)
	<u>(32,799,922)</u>	<u>2,112,282</u>	<u>(7,283,577)</u>	<u>23,053,315</u>	<u>(14,917,902)</u>

Written-Down Value

	Balance at 1/07/2008	Additions	Disposals	Depreciation, Adjustments & Revaluation	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Freehold Land	5,213,253	-	-	151,859,208	157,072,461
Buildings	47,268,295	6,900,000	-	90,658,768	144,827,063
Artworks	478,780	9,034	-	-	487,814
Furniture, Computer Equipment & Computer Software	1,431,717	322,797	(10,202)	(638,471)	1,105,841
Plant & Equipment	8,281,060	4,065,559	(577,043)	(1,291,826)	10,477,750
	<u>62,673,105</u>	<u>11,297,390</u>	<u>(587,245)</u>	<u>240,587,679</u>	<u>313,970,929</u>

Capital Acquisitions in Progress

	Balance at 1/07/2008	Additions	Capitalised	Adjustments	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Freehold Land	-	-	-	-	-
Buildings	114,017	3,782,374	-	-	3,896,391
Artworks	-	19,034	(9,034)	-	10,000
Furniture, Computer Equipment & Computer Software	-	-	-	-	-
Plant & Equipment	384,199	808,744	(322,797)	-	870,146
	<u>-</u>	<u>4,966,393</u>	<u>(4,065,559)</u>	<u>-</u>	<u>900,834</u>
	<u>498,216</u>	<u>9,576,545</u>	<u>(4,397,390)</u>	<u>-</u>	<u>5,677,371</u>

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

10 INFRASTRUCTURE ASSETS

Movements in Carrying Amounts

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

At Cost/Valuation					
	Balance at 1/07/2008	Additions	Disposals	Transfers and Adjustments	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Roads	458,141,730	10,219,630	-	-	468,361,360
Footpaths	16,053,378	869,052	-	3,767,637	20,690,067
Drainage	150,879,338	1,774,762	-	29,782,126	182,436,226
Reserves	42,663,398	1,385,510	-	7,797,343	51,846,251
Other Infrastructure	30,074,392	237,054	-	6,409,115	36,720,561
	697,812,236	14,486,008	-	47,756,221	760,054,465
Accumulated Depreciation					
	Balance at 1/07/2008	Disposals	Depreciation	Transfers and Adjustments	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Roads	(191,774,912)	-	(6,235,737)	-	(198,010,649)
Footpaths	(3,789,640)	-	(456,538)	(4,955,419)	(9,201,597)
Drainage	(23,145,454)	-	(2,249,465)	(31,099,562)	(56,494,481)
Reserves	(18,687,418)	-	(2,755,555)	(7,797,343)	(29,240,316)
Other Infrastructure	(7,734,506)	-	(826,219)	(7,729,470)	(16,290,195)
	(245,131,930)	-	(12,523,514)	(51,581,794)	(309,237,238)
Written-Down Value					
	Balance at 1/07/2008	Additions	Disposals	Adjustments and Depreciation	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Roads	266,366,818	10,219,630	-	(6,235,737)	270,350,711
Footpaths	12,263,738	869,052	-	(1,644,320)	11,488,470
Drainage	127,733,884	1,774,762	-	(3,566,901)	125,941,745
Reserves	23,975,980	1,385,510	-	(2,755,555)	22,605,935
Other Infrastructure	22,339,885	237,054	-	(2,146,574)	20,430,365
	452,680,305	14,486,008	-	(16,349,087)	450,817,226
Capital Work in Progress					
	Balance at 1/07/2008	New Work Added	Completed and Capitalised	Adjustments	Balance at 30/06/2009
	\$	\$	\$	\$	\$
Buildings	18,164,394	3,297,256	(6,900,000)	(11,729,688)	2,831,962
Reserves	4,102,513	2,082,055	(1,385,510)	(64,623)	4,734,435
Roads	10,953,878	10,236,085	(9,668,839)	(395,456)	11,125,668
Footpaths	631,628	784,669	(772,046)	(4,606)	639,645
Drainage	1,096,764	132,594	(409,108)	(16,860)	803,390
Other Infrastructure	630,569	822,720	(157,254)	(29,698)	1,266,337
	35,579,746	17,355,379	(19,292,757)	(12,240,931)	21,401,437

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

	Note	2009 \$	2008 \$
11. TRADE AND OTHER PAYABLES			
Current			
Trade Payables		6,311,533	5,045,588
Sundry Payables		233,149	122,753
Accrued Expenses		2,876,395	6,024,351
Income in Advance		693,526	575,187
Goods & Service Tax (GST) Payable		139,145	114,153
		<u>10,253,748</u>	<u>11,882,032</u>

12. BORROWINGS

Current - Loan Borrowings	28(c)	647,464	348,040
Non-Current Loan Borrowings		3,571,495	2,684,959
Total Borrowings	21(a)	<u>4,218,959</u>	<u>3,032,999</u>

Current loan borrowings represents the current portion of existing long-term liabilities as detailed in note 21.

The City does not include outstanding bank overdraft balances as current borrowings, as overdrafts represent a normal banking arrangement and are included as part of cash and cash equivalents.

13. PROVISIONS

Current			
Provision for Annual Leave		2,787,168	2,444,354
Provision for Long Service Leave		2,365,044	2,364,347
Provision for Sick leave		115,108	119,232
Provision for Workers Compensation		1,340,252	1,112,168
Provision for Write-off of Assets		30,804	77,969
Provisions-Other		16,657	10,366
		<u>6,655,033</u>	<u>6,128,436</u>
Non-Current			
Provision for Long Service Leave		817,593	678,062
		<u>817,593</u>	<u>678,062</u>

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009

	2009 Actual \$	2009 Budget \$	2008 Actual \$
14. RESERVES - CASH/INVESTMENT BACKED			
(a) Asset Replacement Reserve			
Opening Balance	3,371,423	3,172,695	8,760,449
Amount Set Aside / Transfer to Reserve	190,393	210,788	302,641
Amount Used / Transfer from Reserve	<u>(660,000)</u>	<u>(660,000)</u>	<u>(5,691,667)</u>
	<u>2,901,816</u>	<u>2,723,483</u>	<u>3,371,423</u>

Created in 1986/87 to assist with financing various essential assets including a works depot. Transfer from accumulated surplus represents interest and transfer to accumulated surplus represents funding to undertake the construction of the City's new Works Depot.

(b) Cash in Lieu of Parking Reserve			
Opening Balance	829,479	829,479	380,056
Amount Set Aside / Transfer to Reserve	51,925	61,507	449,423
Amount Used / Transfer from Reserve	-	-	-
	<u>881,404</u>	<u>890,986</u>	<u>829,479</u>

Created in 1993/94 with funds previously held in Trust Fund. Represents funds received from developers in lieu of providing car parking. Funds transferred to the reserve from accumulated surplus represent interest.

(c) Cash in Lieu of Public Open Space Reserve			
Opening Balance	1,313,258	1,313,258	1,249,332
Amount Set Aside / Transfer to Reserve	82,210	97,379	63,926
Amount Used / Transfer from Reserve	-	-	-
	<u>1,395,468</u>	<u>1,410,637</u>	<u>1,313,258</u>

Created in 1993/94 with money previously held in Trust Fund representing funds received from developers in lieu of providing public open space. Transfer to reserve from accumulated surplus represents interest.

(d) Community Facilities Reserve			
Opening Balance	384,546	384,546	365,827
Amount Set Aside / Transfer to Reserve	22,108	24,729	18,719
Amount Used / Transfer from Reserve	<u>(62,750)</u>	<u>(102,100)</u>	<u>-</u>
	<u>343,904</u>	<u>307,175</u>	<u>384,546</u>

Created in 2004/05 for the purpose of funding the construction, development and maintenance of community facilities. The reserve was established with funds previously carried forward related to the construction of the Currambine Community Facility project. Transfers from the reserve to accumulated surplus fund the replacement of old furniture at the City's community facilities and the establishment of a booking office at Craigie Leisure Centre. The transfer to the reserve represents interest.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2009

	2009 Actual \$	2009 Budget \$	2008 Actual \$
14. RESERVES - CASH/INVESTMENT BACKED (continued)			
(e) Domestic Cart-Refuse Collection Reserve			
Opening Balance	1,679,375	1,679,375	952,912
Amount Set Aside / Transfer to Reserve	2,299,838	1,872,726	726,463
Amount Used / Transfer from Reserve	-	(400,000)	-
	3,979,213	3,152,101	1,679,375

Created in 1990/91 by the former City of Wanneroo to provide for additional plant and equipment used specifically for the provision of the domestic cart refuse collection service

(f) Vehicle, Plant and Equipment Reserve			
Opening Balance	2,314,537	2,314,539	2,201,872
Amount Set Aside / Transfer to Reserve	123,812	136,458	112,665
Amount Used / Transfer from Reserve	(673,418)	(948,500)	-
	1,764,931	1,502,497	2,314,537

Created in 2008/09 to provide for the replacement of City's fleet of vehicles, plant and equipment by consolidating several previous separate reserves.

(g) Joondalup City Centre Parking Reserve			
Opening Balance	401,003	401,003	381,483
Amount Set Aside / Transfer to Reserve	25,103	29,735	19,520
Amount Used / Transfer from Reserve	-	-	-
	426,106	430,738	401,003

Created in 1995/96 by the former City of Wanneroo to accumulate funds received from developers within the Joondalup central business district in lieu of providing car parking and will be utilised to fund future car park requirements. Transfers from reserves fund car park works. The transfer to the reserve represents interest.

(h) Leisure Centres Capital Replacement Reserve			
Opening Balance	1,640,285	1,640,285	1,560,440
Amount Set Aside / Transfer to Reserve	-	60,454	79,845
Amount Used / Transfer from Reserve	(1,640,285)	(1,650,000)	-
	-	50,739	1,640,285

Created in 2001/02 with the outsourcing of the Craigie leisure centre, Ocean Ridge recreation centre and Sorrento/Duncraig recreation centre to the RANS Management Group to undertake future refurbishment works. Transfer from reserve funds the initial work for the development of a 50 metre Pool at Craigie Leisure Centre. The transfer to the reserve represents interest.

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

	2009 Actual \$	2009 Budget \$	2008 Actual \$
14. RESERVES - CASH/INVESTMENT BACKED (continued)			
(i) Library Literacy Program Reserve			
Opening Balance	15,136	15,136	4,680
Amount Set Aside / Transfer to Reserve	947	1,122	10,456
Amount Used / Transfer from Reserve	-	-	-
	16,083	16,258	15,136

Created in 2003/04 with proceeds from the sale of donated and surplus library books with such funds to be used for the development of literacy programs to be held at the city's libraries in future years. The transfer to the reserve represents interest.

(j) Capital Expenditure Carried Forward Reserve			
Opening Balance	7,276,902	5,072,554	5,027,062
Amount Set Aside / Transfer to Reserve	10,556,672	203,323	7,276,902
Amount Used / Transfer from Reserve	(6,478,967)	(4,661,086)	(5,027,062)
	11,354,607	614,791	7,276,902

Created in 2006/07 to hold unspent capital works funds carried forward to subsequent financial year(s). Transfer from accumulated surplus represents interest.

(k) Ocean Reef Marina Project Reserve			
Opening Balance	134,741	134,741	128,182
Amount Set Aside / Transfer to Reserve	8,435	-	6,559
Amount Used / Transfer from Reserve	-	(134,741)	-
	143,176	-	134,741

Created in 2008/09 for the purpose of planning, developing and managing the Ocean Reef Marina Project, comprising the launching facility and the adjacent foreshore lands from the previous Ocean Reef Boat Launching Facility Reserve. Transfer from reserve to accumulated surplus to fund the concept plan for the Ocean Reef Marina Project.

(l) Cultural Facility Reserve			
Opening Balance	841,499	841,499	800,537
Amount Set Aside / Transfer to Reserve	52,678	56,095	40,962
Amount Used / Transfer from Reserve	-	(170,000)	-
	894,177	727,594	841,499

Created in 2000/01 to assist with the design and development of a regional performing arts facility in the Joondalup city centre. The reserve was renamed in 2005/06 to more appropriately reflect the intent of this reject for a multi-purpose cultural facility

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

	2009 Actual \$	2009 Budget \$	2008 Actual \$
14. RESERVES - CASH/INVESTMENT BACKED (continued)			
(m) Rate Revaluation Reserve			
Opening Balance	417,751	417,751	255,945
Amount Set Aside / Transfer to Reserve	-	-	161,806
Amount Used / Transfer from Reserve	<u>(417,751)</u>	<u>(417,751)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>417,751</u>

Created in 2003/04 to assist with financing the costs associated with the triennial general property revaluation undertaken by the Valuer General.

(n) Section 20A Land Reserve			
Opening Balance	35,539	35,539	33,809
Amount Set Aside / Transfer to Reserve	2,225	2,635	1,730
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>37,764</u>	<u>38,174</u>	<u>35,539</u>

Created in 1993/94 by the former City of Wanneroo to comply with the Department of Land Administration guidelines on the sale of unwanted Section 20A "Public Recreation" reserve land that requires that the proceeds be applied to capital improvements on other recreation reserves in the general locality. The transfer from the reserve represents interest.

(o) Specified Area Rating – Harbour Rise Reserve			
Opening Balance	51,596	51,596	26,129
Amount Set Aside / Transfer to Reserve	2,638	3,826	25,467
Amount Used / Transfer from Reserve	<u>(18,915)</u>	<u>-</u>	<u>-</u>
	<u>35,319</u>	<u>55,422</u>	<u>51,596</u>

Created to hold unspent funds levied for the purpose of undertaking enhanced landscaping services in the Harbour Rise specified area.

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

	2009 Actual \$	2009 Budget \$	2008 Actual \$
14. RESERVES - CASH/INVESTMENT BACKED (continued)			
(p) Specified Area Rating - Iluka Reserve			
Opening Balance	87,826	87,826	106,684
Amount Set Aside / Transfer to Reserve	15,132	6,512	4,852
Amount Used / Transfer from Reserve	-	-	(23,710)
	<u>102,958</u>	<u>94,338</u>	<u>87,826</u>

Created to hold unspent funds levied for the purpose of undertaking enhanced landscaping services in the Iluka specified area. Transfers are to fund works undertaken in the specified area Iluka.

(q) Strategic Asset Management Reserve			
Opening Balance	14,151,707	14,151,707	8,584,530
Amount Set Aside / Transfer to Reserve	885,895	2,916,099	5,567,177
Amount Used / Transfer from Reserve	-	-	-
	<u>15,037,602</u>	<u>17,067,806</u>	<u>14,151,707</u>

Created in 2004/05 for the purpose of funding the maintenance, refurbishment, replacement and disposal of assets in the most effective required manner, at the level of service for future and present requirements.

(r) Town Planning Scheme No 10 (Revoked)			
Opening Balance	283,284	283,284	269,494
Amount Set Aside / Transfer to Reserve	16,920	-	13,790
Amount Used / Transfer from Reserve	(25,990)	(283,284)	-
	<u>274,214</u>	<u>-</u>	<u>283,284</u>

Created in 1993/94 by the former City of Wanneroo with funds previously held in Trust Fund. Represents residual funds from Town Planning Scheme No 10 (Revoked) and will be utilised on the provision of facilities generally within or in close proximity of the scheme area. This money can only be spent in the Town Planning Scheme No 10 area or repaid by the payee. Transfer from accumulated surplus represents interest.

(s) Wanneroo Bicentennial Trust Reserve			
Opening Balance	-	-	13,293
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	(13,293)
	<u>-</u>	<u>-</u>	<u>-</u>

Created in 1993/94 by the former City of Wanneroo with funds previously held in Trust Fund. The Trust was established in 1988 to perpetuate the spirit of Australia's bicentennial celebrations by serving as a source of encouragement of residents of the community who would not otherwise have the resources to progress in their chosen field of endeavour. The award of a grant by the Trust assisted these people in realising their goals and developing their talents to the benefit of the community. The Trust was administered by the Board of Trustees, and supported by staff of the City. The Trust was dissolved during 2001/01 and the final disposition of funds was made during the 2007/08 financial year.

CITY OF JOONDALUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 APRIL 2009

	2009 Actual \$	2009 Budget \$	2008 Actual \$	
14. RESERVES - CASH/INVESTMENT BACKED (continued)				
(t) Community Facilities Reserve - Kingsley				
Opening Balance	257,814	257,814	264,777	
Amount Set Aside / Transfer to Reserve	9,757	-	13,037	
Amount Used / Transfer from Reserve	<u>(203,891)</u>	<u>(257,814)</u>	<u>(20,000)</u>	
	<u>63,680</u>	<u>-</u>	<u>257,814</u>	
Created in 2005/06 for the purpose of funding the construction, development and maintenance of community facilities in the suburb of Kingsley. The reserve was established with funds realised from the disposal of land known as Yagan pre-school, which was located in Poimena Mews, Kingsley.				
(u) Community Facilities Reserve - Currambine/Kinross				
Opening Balance	523,048	523,048	-	
Amount Set Aside / Transfer to Reserve	32,743	38,784	523,048	
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>555,791</u>	<u>561,832</u>	<u>523,048</u>	
Created in 2007/08 for the purpose of funding the construction, development and maintenance of community facilities,				
(v) Parking Facility Reserve				
Opening Balance	-	-	-	
Amount Set Aside / Transfer to Reserve	49,465	331,864	-	
Amount Used / Transfer from Reserve	<u>-</u>	<u>-</u>	<u>-</u>	
	<u>49,465</u>	<u>331,864</u>	<u>-</u>	
Total Reserves - Cash/Investment Backed	40,257,678	29,976,434	36,010,749	
Grand Total of Reserves				
Opening Balance	36,010,749	33,607,674	31,367,493	
Transfer to Reserves	14,428,896	6,054,036	15,418,988	
Transfer from Reserves	<u>(10,181,967)</u>	<u>(9,685,276)</u>	<u>(10,775,732)</u>	
Closing Balance 30 June 2008.	<u><u>40,257,678</u></u>	<u><u>29,976,434</u></u>	<u><u>36,010,749</u></u>	
15. RESERVES - ASSET REVALUATION				
	Note	2009 Actual \$	2009 Budget \$	2008 Actual \$
(a) Roads				
Opening Balance		25,615,714	-	25,615,714
Revaluation Increment		<u>-</u>	<u>-</u>	<u>-</u>
		<u>25,615,714</u>	<u>-</u>	<u>25,615,714</u>
(b) Artworks				
Opening Balance		136,745	-	-
Revaluation Increment		<u>-</u>	<u>-</u>	<u>136,745</u>
		<u>136,745</u>	<u>-</u>	<u>136,745</u>
(c) Land and Buildings				
Opening Balance		-	-	-

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

16. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Note	2009 \$	2008 \$
Cash Assets			
Cash on Hand		9,755	8,105
Investments	6	<u>56,171,540</u>	<u>55,281,038</u>
		56,181,295	55,289,143
Interest-bearing liabilities			
Bank Account/(Bank Overdraft)		(496,964)	(682,216)
Cash and Cash Equivalents		<u><u>55,684,331</u></u>	<u><u>54,606,927</u></u>

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

	2009 Actual \$	2009 Budget \$	2008 Actual \$
Net Result	5,542,299	16,904,819	12,444,136
Depreciation & Amortisation	23,632,664	16,524,473	14,930,298
(Profit)/Loss on Sale of Assets	18,988	(1,835,131)	(552,982)
(Increase)/Decrease in Receivables	(291,336)	-	(623,791)
Increase/(Decrease) in Payables	1,403,650	(1,343,817)	1,373,639
Increase/(Decrease) in Employee Provisions	707,002	-	265,218
Increase/(Decrease) in Other Provisions	6,291	-	77,969
Increase/(Decrease) in Income in Advance	118,339	-	(50,037)
Increase/(Decrease) in Accrued Expenses	(401,228)	190,201	2,013,083
(Increase)/Decrease in Accrued Income	(76,451)	(114,879)	(560,206)
(Increase)/Decrease in Prepayments	(491,716)	-	81,719
(Increase)/Decrease in Doubtful Debts	-	-	(154)
Grants/Contributions for development of assets	(11,017,767)	(9,708,843)	(4,429,516)
Non-operating contributions & reimbursements	(113,234)	-	-
Contributions for Assets	(2,071,451)	(6,085,000)	(6,685,716)
Net Cash from Operating Activities	<u><u>16,966,051</u></u>	<u><u>14,531,823</u></u>	<u><u>18,283,660</u></u>

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

17. CONTINGENT LIABILITIES

At its meeting held on September 2007 Council resolved to acknowledge and accept the contingent liability resulting from the provision of an irrevocable financial guarantee on behalf of Mindarie Regional Council (MRC) for its contractual liability to the Contractor undertaking the development of the Resource Recovery Facility. The extent of the City's contingent liability is proportional and several (not joint and several) and is limited to 1/6 of any subsequent payment to the Contractor. The maximum amount that may be payable by the City under the Guarantee is 1/6 of \$88.2m amounting to \$14.7m. The term of the guarantee is 20 years unless the MRC liability under the agreement with the contractor is fully extinguished earlier.

18. COMMITMENTS FOR MAJOR EXPENDITURE AND OPERATING LEASES

	2009	2008
(a) Capital Expenditure Commitments	\$	\$

At the reporting date, the City had entered into contracts for the following major expenditure commitments which are due for payment within one year:

Major Expenditure Commitments	<u>8,931,659</u>	<u>2,895,337</u>
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	Up to 1 yr	1 - 5 yrs	> 5 yrs
(b) Projected Operating Lease Income			
Future Minimum Lease Income Expected	<u>412,738</u>	<u>1,089,159</u>	<u>2,526,087</u>

The City holds properties which are leased to Mindarie Regional Council, various corporations and community organisations.

(c) Projected Operating Lease Commitments			
Future Minimum Lease Payments Expected	<u>288,221</u>	<u>1,342,956</u>	<u>3,996,008</u>

The City leases various properties, including the Works Operation Centre.

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

19. TRUST FUNDS

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

	2009	2008
	\$	\$
Deposits and Bonds held in Trust	<u>1,520,824</u>	<u>2,237,336</u>

20. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR

The following assets were disposed of during the year.

Asset Class Disposed of	Net Book Value		Sale Price		Profit (Loss)		
	Actual	Budget	Actual	Budget	Actual Profit	Actual Loss	Budget
	\$	\$	\$	\$	\$	\$	\$
Furniture/Computer Equipment	10,202	-	-	-	-	(10,202)	-
Fleet, Plant & Equipment	577,043	966,625	521,093	1,020,179	137,960	(193,910)	53,554
	<u>587,245</u>	<u>966,625</u>	<u>521,093</u>	<u>1,020,179</u>	<u>137,960</u>	<u>(204,112)</u>	<u>53,554</u>

Less: Assets written off against provision at 30.06.2008

47,164

Loss on Disposal 2008/09

(156,948)

21. INFORMATION ON BORROWINGS

(a) Loan Repayments

Purpose of Loan	Balance 1-Jul-08	New Loans	Total Payments	Interest Expensed	Principal Repayments	Balance 30-Jun-09
	\$	\$	\$	\$	\$	\$
Craigie Leisure Centre	2,273,160		(398,972)	127,472	(271,500)	2,001,660
Sorrento Beach	759,838		(120,568)	44,029	(76,539)	683,299
Fee Pd Parking & Addition of Car Bays	-	1,534,000	-	-	-	1,534,000
	<u>3,032,998</u>	<u>1,534,000</u>	<u>(519,540)</u>	<u>171,501</u>	<u>(348,039)</u>	<u>4,218,959</u>

Add: Net Y/E interest accruals for 2008/09 7,090

Total interest per Income Statement 178,591

Additional borrowings of \$1,534,000 were received during the year, of which \$834,000 is allocated to the development of Fee Paid Parking in the Joondalup CBD and \$700,000 to the addition of 110 Car Bays at Shenton Avenue, Joondalup.

(b) Overdraft

	2009	2008
Bank Overdraft Facility Limit	500,000	500,000
Bank Overdraft at Reporting Date	<u>496,964</u>	<u>682,216</u>
Credit Amount Unused/(Exceeding limit)	<u><u>3,036</u></u>	<u><u>(182,216)</u></u>

The bank overdraft is disclosed as part of cash and cash equivalents as the overdraft facility forms part of the City's regular banking arrangements. The balances above represent the overdraft in the City's financial records and not the actual balance of funds held with the bank at the reporting date, due to timing differences in payments and receipts recorded.

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

22. 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 2008/09 financial year, a specified area rate for the suburb of Iluka.

	2009	2008
	\$	\$
During the 2007/08 financial year the income and expenditure was as follows:		
Balance 1 July 2008	87,825	106,624
2008/09 Rate Income	60,983	49,348
Interest	5,790	4,852
Expenditure	(51,640)	(72,999)
Surplus in Reserve at 30 June 2009	<u>102,958</u>	<u>87,825</u>

23. 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 2008/09 financial year, a specified area rate for the area of Woodvale Waters.

During the 2008/09 financial year the income and expenditure was as follows:

Balance 1 July 2008	-	-
2008/09 Rate Income	27,324	20,800
Expenditure	(27,324)	(20,800)
Surplus in Reserve at 30 June 2009	<u>-</u>	<u>-</u>

24. 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 2008/09 financial year, a specified area rate for the area of Harbour Rise.

During the 2008/09 financial year the income and expenditure was as follows:

Balance 1 July 2008	51,596	26,189
2008/09 Rate Income	50,379	74,818
Interest	2,638	1,939
Expenditure	(69,294)	(51,350)
Surplus in Reserve at 30 June 2009	<u>35,319</u>	<u>51,596</u>

25. COUNCILLORS' REMUNERATION

The following fees, expenses and allowances were paid to council members and/or the mayor

	2009	2009	2008
	Actual	Budget	Actual
	\$	\$	\$
Elected Members Allowances	200,961	204,200	214,222
Elected Members Conferences/Training	58,960	169,000	53,809
Elected Members Presentation Items	4,574	12,000	5,719
Elected Members Travel, Child Care and Other Specified Expenses	16,474	24,000	13,561
	<u>280,969</u>	<u>409,200</u>	<u>287,311</u>

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

26. MAJOR LAND TRANSACTIONS

There were no major land transactions during the 2008/09 financial year, as defined in Regulation 7(b) of the Local Government (Functions and General) Regulations 1996.

27. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City did not participate in any trading undertakings during the 2008/09 financial year.

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

28. FINANCIAL RISK MANAGEMENT

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City. The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

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

The City held the following financial instruments at balance date:

	Note	Carrying Value		Fair Value	
		2009 \$	2008 \$	2009 \$	2008 \$
Financial Assets					
Cash and cash equivalents	a)	55,684,330	54,606,927	55,684,330	54,606,927
Receivables	b)	5,529,052	4,979,675	5,529,052	4,979,675
Equity Investments		3,090,674	3,061,152	3,090,674	3,061,152
		<u>64,304,056</u>	<u>62,647,754</u>	<u>64,304,056</u>	<u>62,647,754</u>
Financial Liabilities					
Payables		9,376,710	11,306,845	9,376,710	11,306,845
Borrowings	d)	4,218,959	3,032,999	4,218,959	3,032,999
		<u>13,595,669</u>	<u>14,339,844</u>	<u>13,595,669</u>	<u>14,339,844</u>

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.

Equity investments - estimated to the carrying value which approximates net realisable value.

Borrowings– estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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

28. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

The City manages these risks by diversifying its portfolio and only places surplus cash with banking institutions with high credit ratings. The City also seeks advice from independent advisers (where applicable) before placing any cash and investments.

(b) Receivables

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

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

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

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

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

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

(c) Interest rate risk

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

	Interest Rate at Reporting Date %	Variable Interest Rate \$	Fixed Interest Rate Maturity				Total \$
			< 1 year \$	1 - 5 Years \$	> 5 Years \$	Non-Interest Bearing \$	
2008/09							
Financial Assets							
Cash	-	-	-	-	-	9,755	9,755
Receivables	-	-	-	-	-	2,902,742	2,902,742
Rates & ESL Receivable	11.00	-	-	602,398	-	-	602,398
BOQ Term Deposit	4.29	3,500,000	-	-	-	-	3,500,000
Bankwest Term Deposit	4.12	10,000,000	-	-	-	-	10,000,000
ANZ Cash Plus Fund	8.61	3,293,217	-	-	-	-	3,293,217
LGFS Fixed Cash	3.74	7,737,323	-	-	-	-	7,737,323
Outperformance Fund							
St. George Bank Term Deposit	4.14	4,000,000					4,000,000
Macquarie Term Deposit	4.00	2,000,000					2,000,000
Westpac Term Deposit	3.75	9,500,000					9,500,000
NAB Term Deposit	4.10	8,500,000					8,500,000
Suncorp Term Deposit	4.34	5,500,000					5,500,000
WA Treasury Corporation 11AM	3.00	2,141,000	-	-	-	-	2,141,000
Total Assets		56,171,540	-	602,398	-	2,912,497	59,686,435
Financial Liabilities							
Trade payables	-	-	-	-	-	10,070,236	10,070,236
Borrowings	5.95	-	81,196	377,284	224,818	-	683,298
"	5.79	-	287,564	1,330,776	383,320	-	2,001,660
"	4.72	-	278,703	1,255,297	-	-	1,534,000
Bank overdraft	8.71	496,964	-	-	-	-	496,964
Employee entitlements	-	-	-	-	-	7,472,626	7,472,626
Total Liabilities		496,964	647,463	2,963,357	608,138	17,542,862	22,258,784
2007/08							
Financial Assets							
Cash	-	-	-	-	-	8,105	8,105
Receivables	-	-	-	-	-	2,610,091	2,610,091
Rates & ESL Receivable	11.00	-	-	111,577	-	-	111,577
ANZ Term Deposit	7.85	9,000,000	-	-	-	-	9,000,000
BOQ Term Deposit	7.89	8,000,000	-	-	-	-	8,000,000
Bankwest Term Deposit	8.09	13,000,000	-	-	-	-	13,000,000
ANZ Cash Plus Fund	3.89	5,342,391	-	-	-	-	5,342,391
LGFS Fixed Cash	8.12	14,925,281	-	-	-	-	14,925,281
Outperformance Fund							
Westpac 11AM	7.15	5,013,366	-	-	-	-	5,013,366
Total Assets		55,281,038	-	111,577	-	2,618,196	58,010,811
Financial Liabilities							
Trade payables	-	-	-	-	-	11,882,032	11,882,032
Borrowings	5.95	-	76,540	361,543	321,755	-	759,838
"	5.79	-	271,500	1,250,537	751,124	-	2,273,161
Bank overdraft	9.25	682,216	-	-	-	-	682,216
Employee entitlements	-	-	-	-	-	6,806,498	6,806,498
Total Liabilities		682,216	348,040	1,612,080	1,072,879	18,688,530	22,403,745

Money market investments are held to maturity which negates any risk associated with movements in interest rates.

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

28. FINANCIAL RISK MANAGEMENT (Continued)

(d) Payables
Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2009</u>					
Payables	9,376,485	-	-	9,376,485	9,376,485
Borrowings	647,464	2,963,357	608,139	4,218,960	4,218,960
	<u>10,023,949</u>	<u>2,963,357</u>	<u>608,139</u>	<u>13,595,445</u>	<u>13,595,445</u>
<u>2008</u>					
Payables	11,306,845	0	0	11,306,845	11,306,845
Borrowings	348,040	1,612,080	1,072,879	3,032,999	3,032,999
	<u>11,654,885</u>	<u>1,612,080</u>	<u>1,072,879</u>	<u>14,339,844</u>	<u>14,339,844</u>

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

29. EVENTS AFTER THE REPORTING DATE

There were no material events after 30 June 2009 that require inclusion in the notes to the financial statements.

30. ASSET REVALUATION

During the reporting year the City undertook a revaluation of its land and buildings. The revaluation was carried out by AVP Valuers during July and August 2008 based on fair value as defined in AASB 116 using the Depreciated Replacement Cost method. The revaluation resulted in a net revaluation surplus of \$236,325,790 credited directly to the assets revaluation reserve.

31. TOWN PLANNING AND LAND DEVELOPMENT SCHEME - MINDARIE

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 portions have been identified as future urban development with the potential for subdivision and resale.

32. JOONDALUP NORMALISATION AGREEMENT

During 2004, the City of Joondalup and the Western Australia Land Authority (LandCorp) entered into a Memorandum of Agreement to complete the normalisation of the City of Joondalup. The Memorandum of Agreement (MOA) recognises the historical evolution and contemporary position of Joondalup in terms of the Western Australia Land Authority Act 1992 (as amended) and the "Joondalup Centre Plan – Completion 2001 Modification". The process of "normalisation" is a transitional process through which the strategic regional centre would become operationally and perceptually transformed from a development project to an established centre.

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

32. JOONDALUP NORMALISATION AGREEMENT (continued)

The Memorandum Of Agreement (MOA) required LandCorp to make a contribution of \$5.24m to the City of Joondalup for works previously completed by the City and to be carried out by the City in the future. The terms of settlement are not specified in the agreement however the City received \$1.9m in June 2004 and brought this revenue to account in 2003/04. The City received \$2.8m during 2005/06 as further settlement and this was recognised as revenue during 2005/06. The final payment of \$540,000 was conditional on LandCorp receiving possession of Lot 701 at the corner of Collier Pass and Joondalup Drive, which was leased to the City until December 2007. The lease has now expired and the City is still in possession of the land on holdover provisions, subject to further negotiation and agreement with LandCorp.

33. PRIOR YEAR ERROR CORRECTED

The City of Joondalup is party to a contract with Adshel Street Furniture to erect and maintain bus shelters at agreed locations within the City's boundaries, for which Adshel is paid a stipulated fee. Over the past several years, the City purchased 13 bus shelters from Adshel at a total cost of \$168,429.88, which met the capitalisation criteria but were charged to operating expenditure in error.

The financial statements for the year ended 30 June 2008 have been restated to correct this error. There is no effect on the financial statements for the year ended 30 June 2009. The effect of the restatement is summarised as follows:

	2008
Decrease in Materials and Contracts expenditure	168,429.88
(Increase) in Infrastructure Assets Depreciation	(17,368.13)
Increase in Net Surplus for the year	<u>151,061.75</u>
Increase in Infrastructure Assets - At Cost	168,429.88
(Increase) in Infrastructure Assets - Accumulated Depreciation	(17,368.13)
Increase in Net Assets (Equity)	<u>151,061.75</u>

	2009	2008	2007
34. STATUTORY FINANCIAL RATIOS			
Current Ratio	1.09	1.16	1.52
Untied Cash to Trade Creditors Ratio	2.44	3.69	5.74
Debt Ratio	0.03	0.03	0.03
Debt Service Ratio	0.01	0.01	0.01
Gross Debt to Revenue Ratio	0.04	0.04	0.05
Gross Debt to Economically Realisable Assets Ratio	0.01	0.02	0.03
Rate Coverage Ratio	0.63	0.65	0.63
Outstanding Rates Ratio	0.01	0.01	0.02

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Trade Creditors Ratio	$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$
Debt Ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$
Debt Service Ratio	$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$

Gross Debt to Revenue Ratio

$$\frac{\text{Gross debt}}{\text{Total revenue}}$$

Gross Debt to
Economically Realisable Assets Ratio

$$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$$

Rate Coverage Ratio

$$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$$

Outstanding Rates Ratio

$$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$$

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

Addendum - New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the City for the annual reporting period ended 30 June 2009. The City has assessed the possible impact of relevant standards or interpretations, as set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007	1 January 2009	The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the City. If any prior period adjustment or reclassification is made, a third balance sheet as at the beginning of the comparative period will be required.
(ii) AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009).	June 2007	1 January 2009	The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the City as a policy of capitalising qualifying borrowing costs already applies.

Notes:

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