

INDEPENDENT AUDIT REPORT

TO: RATEPAYERS OF THE CITY OF COCKBURN

PARTNERS

Anthony D Macri FCPA

C Winton Smith CPA

Statement by Chief Executive Officer

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

Signed on the 23rd day of October 2001

[Handwritten signature of R.W. Brown]

R.W.BROWN Chief Executive Officer

Scope

We have audited the financial report of the City of Cockburn, comprising the Operating Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and the notes to and forming part of the financial report for the year ended 30 June 2001. The Council are responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an independent audit of the financial report in order to express an opinion on it to the ratepayers of the City of Cockburn.

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

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

Audit Opinion

In our opinion, the financial statements of the City of Cockburn:

- (a) present fairly the financial position of the City of Cockburn as at 30 June 2001 and the results of its operations for the year then ended in accordance with applicable Accounting Standards; and
(b) are prepared in accordance with the requirements of the Local Government Act 1995 and Regulations under that act and other mandatory professional reporting requirements.

Subject to our management report, we did not during the course of our audit, become aware of any instances where the Council did not comply with the requirements of the Local Government Act and Regulations under that Act.

[Handwritten signature]
BARRETT & PARTNERS - DFK
CERTIFIED PRACTISING ACCOUNTANTS
28 THOROGOOD STREET
BURSWOOD WA 6100

[Handwritten signature]
A MACRI
PARTNER

PERTH
DATED THIS 23rd DAY OF OCTOBER 2001.

STATEMENT of financial position

| As at 30 June 2001 | | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--------------------------------------|--------|--------------------|--------------------|--------------------|
| | Notes | \$ | \$ | \$ |
| CURRENT ASSETS | | | | |
| Cash Assets | 4 & 14 | 29,419,623 | 21,086,649 | 27,384,313 |
| Receivables | 5 | 1,653,645 | 1,602,738 | 1,904,703 |
| Stock | 6 | 65,159 | 54,951 | 54,951 |
| Total Current Assets | | 31,138,427 | 22,744,338 | 29,343,967 |
| CURRENT LIABILITIES | | | | |
| Interest Bearing Liabilities | 8B | - | - | 31,811 |
| Payables | 9 | 4,150,786 | 3,513,846 | 4,239,732 |
| Total Current Liabilities | | 4,150,786 | 3,513,846 | 4,271,543 |
| NET CURRENT ASSETS | | 26,987,641 | 19,230,492 | 25,072,424 |
| NON-CURRENT ASSETS | | | | |
| Receivables | 5 | 312,904 | 428,045 | 465,077 |
| Property, Plant and Infrastructure | 7 | 196,784,572 | 201,782,605 | 191,762,000 |
| Total Non-Current Assets | | 197,097,476 | 202,210,650 | 192,227,077 |
| NON-CURRENT LIABILITIES | | | | |
| Interest Bearing Liabilities | 8B | - | - | - |
| Payables | 9 | 2,505,603 | 2,372,968 | 3,373,318 |
| Total Non-Current Liabilities | | 2,505,603 | 2,372,968 | 3,373,318 |
| NET ASSETS | | 221,579,514 | 219,068,174 | 213,926,183 |
| EQUITY | | | | |
| Accumulated surplus | | 162,907,320 | 163,773,295 | 157,420,500 |
| Reserves | 10 | 58,672,194 | 55,294,879 | 56,505,683 |
| Total Equity | | 221,579,514 | 219,068,174 | 213,926,183 |

The Statement of Financial Position should be read in conjunction with the accompanying notes.

statement of changes in EQUITY

| For the year ended 30 June 2001 | | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|-----------|--------------------|--------------------|--------------------|
| | Notes | \$ | \$ | \$ |
| RESERVES CASH BACKED | | | | |
| Balance at beginning of Year | | 16,687,302 | 16,687,302 | 14,810,789 |
| Amount transferred to/from accumulated surplus | | 2,166,511 | (1,210,804) | 1,876,513 |
| Balance at end of reporting period | 10 | 18,853,813 | 15,476,498 | 16,687,302 |
| RESERVES - OTHER | | | | |
| Asset Revaluation Reserve | | | | |
| Balance at beginning of Year | | 39,818,381 | 39,818,381 | 39,818,381 |
| Revaluation of assets during year | | - | - | - |
| Balance at end of reporting period | | 39,818,381 | 39,818,381 | 39,818,381 |
| TOTAL RESERVES | 10 | 58,672,194 | 55,294,879 | 56,505,683 |
| ACCUMULATED SURPLUS | | | | |
| Balance at beginning of Year | | 157,420,500 | 159,143,343 | 155,771,144 |
| Change in Net Assets resulting from Operations | | 7,653,331 | 3,419,148 | 3,525,869 |
| Transfers to/from Reserve Account | | (2,166,511) | 1,210,804 | (1,876,513) |
| Balance at end of reporting period | | 162,907,320 | 163,773,295 | 157,420,500 |
| TOTAL EQUITY | | 221,579,514 | 219,068,174 | 213,926,183 |

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

OPERATING statement

| For the year ended 30 June 2001 | Notes | Actual | Budget | Actual |
|---|-------|-------------------|-------------------|-------------------|
| | | 2000/01 | 2000/01 | 1999/00 |
| | | \$ | \$ | \$ |
| OPERATING REVENUE | | | | |
| General Purpose Funding | | 20,553,681 | 19,599,720 | 19,165,059 |
| Governance | | 1,756,675 | 30,202 | 65,549 |
| Law, Order and Public Safety | | 195,874 | 167,323 | 170,270 |
| Health | | 66,423 | 78,113 | 75,223 |
| Education & Welfare | | 3,684,819 | 3,260,784 | 3,650,745 |
| Community Amenities | | 7,528,480 | 7,953,117 | 7,134,841 |
| Recreation and Culture | | 2,867,650 | 2,350,265 | 2,450,007 |
| Transport | | 1,616,371 | 2,843,059 | 676,635 |
| Economic Services | | 628,907 | 615,700 | 797,056 |
| Other Property and Services | | 1,496,057 | 1,650,695 | 1,669,783 |
| Total Operating Revenue | | 40,394,937 | 38,548,978 | 35,855,168 |
| OPERATING EXPENDITURE | | | | |
| General Purpose Funding | | 504,065 | 519,000 | 464,021 |
| Governance | | 2,722,416 | 3,174,129 | 4,131,464 |
| Law, Order and Public Safety | | 1,505,725 | 1,389,789 | 1,302,057 |
| Health | | 593,928 | 652,374 | 640,104 |
| Education & Welfare | | 5,074,829 | 4,454,824 | 4,855,636 |
| Community Amenities | | 7,151,101 | 8,306,197 | 5,944,321 |
| Recreation and Culture | | 7,990,742 | 8,025,378 | 7,636,495 |
| Transport | | 4,652,101 | 5,131,314 | 4,538,292 |
| Economic Services | | 493,015 | 596,783 | 594,985 |
| Other Property and Services | | 2,053,684 | 2,880,042 | 2,221,924 |
| Total Operating Expenditure | | 32,741,606 | 35,129,830 | 32,329,299 |
| CHANGE IN NET ASSETS RESULTING FROM OPERATIONS | | | | |
| | 3 | 7,653,331 | 3,419,148 | 3,525,869 |

The Operating Statement should be read in conjunction with the accompanying notes.

statement of CASH FLOWS

| For the year ended 30 June 2001 | Notes | Actual | Budget | Actual |
|---|----------|---------------------|---------------------|---------------------|
| | | 2000/01 | 2000/01 | 1999/00 |
| | | \$ | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Payments: | | | | |
| Employee Costs | | (12,970,496) | (13,264,202) | (12,579,587) |
| Materials & Contracts | | (11,438,951) | (10,580,525) | (9,055,129) |
| Utilities | | (1,477,104) | (1,455,832) | (1,287,765) |
| Interest Paid | | (2,102) | (2,102) | (3,413) |
| Other Expenses | | (2,551,273) | (4,313,424) | (1,531,368) |
| Insurance | | (367,012) | (340,703) | (367,494) |
| | | (28,806,938) | (29,956,788) | (24,824,756) |
| Receipts: | | | | |
| Rates | | 16,864,921 | 16,050,586 | 15,757,073 |
| Fees & Charges | | 11,745,770 | 11,255,686 | 10,763,810 |
| Contributions, Donations & Reimbursements | | 747,516 | 375,043 | 829,154 |
| Interest Received | | 1,934,236 | 1,795,220 | 1,667,666 |
| Other Revenue / Income | | 1,858,331 | 1,464,687 | 1,585,455 |
| GST Refunded By ATO | | 979,512 | - | - |
| | | 34,130,286 | 30,941,222 | 30,603,157 |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 14[a] | 5,323,348 | 984,434 | 5,778,401 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from Sale of non-current Assets | 3[e] | 646,241 | 898,000 | 958,699 |
| Purchase Furniture & Equipment | | (202,423) | (1,183,233) | (393,479) |
| Purchase Computer Equipment | | (236,057) | - | - |
| Purchase Infrastructure Assets | | (6,003,959) | (10,365,938) | (7,060,936) |
| Purchase Plant & Equipment | | (1,294,282) | (2,354,700) | (1,609,372) |
| Purchase of Land | | (2,787,994) | (2,120,192) | (189,159) |
| Purchase Tools | | (9,617) | (27,000) | (1,546) |
| (Increase)/Decrease in Self Supporting Loans | | - | 13,607 | 13,607 |
| NET CASH FLOWS FROM INVESTING | | (9,888,091) | (15,139,456) | (8,282,187) |
| CASH FLOWS FROM GOVERNMENT | | | | |
| Grants & Subsidies | | 6,480,448 | 7,889,168 | 4,823,590 |
| NET CASH FLOWS FROM GOVERNMENT | | 6,480,448 | 7,889,168 | 4,823,590 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| (Increase)/Decrease in Bonds Held | | 151,416 | - | (94,522) |
| Repayment of Borrowings | 8[a] | (31,811) | (31,810) | (44,665) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | | 119,605 | (31,810) | (139,187) |
| Net Increase/(Decrease) in Cash Held | | 2,035,310 | (6,297,664) | 2,180,617 |
| Cash at Beginning of Reporting Period | | 27,384,313 | 27,384,313 | 25,203,696 |
| CASH AT END OF REPORTING PERIOD | 4, 14[b] | 29,419,623 | 21,086,649 | 27,384,313 |

1. SIGNIFICANT ACCOUNTING POLICIES

The following Significant Accounting Policies which have been adopted in the preparation of the Financial Report are:

[A] THE LOCAL GOVERNMENT REPORTING ENTITY:

All funds through which Council controls the resources to carry on its functions have been included in the Financial Report forming part of this report.

In the process of reporting on the City as a single unit all transactions and balances between the these funds [for example transfers between funds] have been eliminated.

[B] BASIS OF ACCOUNTING:

The Financial Report has been prepared to comply with applicable Australian Accounting Standards and disclosure requirements of the Local Government Act 1995 and Local Government Regulations. They are prepared on the accrual basis under the convention of historical cost accounting and do not take into account changes in money values.

The accounting policies adopted are consistently applied unless otherwise stated.

[C] CAPITALISATION, (MATERIALITY THRESHOLDS), VALUATION METHOD & CLASSES OF ASSETS:

In accordance with the provisions of AAS38 "Revaluation of Non-Current Assets", the City has elected to measure each class of non-current asset on the cost basis and to deem the carrying amount of non-current assets as at 1 July 2000 to be their cost.

| | Cost (\$) |
|--|-----------|
| Land | 0 |
| Buildings and Fixed Equipment | 0 |
| Furniture and Equipment and Computer Equipment | 1,000 |
| Plant, Machinery and Equipment | 1,000 |
| Tools | 1,000 |
| Infrastructure Assets | 5,000 |

[D] DEPRECIATION OF NON-CURRENT ASSETS (OTHER THAN LAND):

All Non-Current Assets have been depreciated based on the period that the asset is to be used by the entity.

Depreciation is recognised on a straight line basis, as follows:

| | |
|---|---------------------------|
| Buildings | 40 years (2.5% p.a.) |
| Furniture and Equipment | 10 years (10% p.a.) |
| Sedan and Wagons | Various Rates |
| Utilities | 12% p.a. |
| Vans and Buses | 8 years (12.5% p.a.) |
| Trucks | 8 years (12.5% p.a.) |
| Rubbish Trucks | 5 years (20% p.a.) |
| Tractors | 8 years (12.5% p.a.) |
| Unregistered Plant >\$5,000 | 8 years (12.5% p.a.) |
| Unregistered Plant <\$5,000 | 2 years (35% p.a.) |
| Tools | 5 years (20% p.a.) |
| Computer Equipment | 5 years (20% p.a.) |
| Infrastructure - Footpaths | 50 years (2% p.a.) |
| Infrastructure - Drainage | 75 years (1.3% p.a.) |
| Infrastructure - Roads | 20-50 years (5% -2% p.a.) |
| Infrastructure - Parks/Gardens | Infinite |
| Infrastructure - Park/Equipment & Plant | 20 years (5% p.a.) |

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

[E] EMPLOYEE ENTITLEMENTS:

Employee entitlements are accrued on a pro-rata basis in accordance with Contractual Agreements, Awards and relevant Acts in relation to Annual and Long Service Leave in respect of services provided by employees up to the reporting date.

Current rates of pay on costs and other factors including experience of employee departures and their periods of service are used in calculating the provisions, in accordance with the applicable Accounting Standards AAS30.

Long Service Leave Provision:

A cash backed Reserve has been established to cover the Council's current and potential liability for long service leave. This provision represents the amount payable to all employees who have completed 7 years service and are therefore eligible for pro-rata payment if they leave Council's employ, additional provision is made for staff who are approaching 7 years of service.

Superannuation:

The Council is a member of the Local Government Superannuation Scheme Fund. Council's superannuation contributions are 8% to the Superannuation Guarantee Charge, plus Council contribution of 4%.

[F] INVESTMENTS:

Investments are valued at cost and interest on those investments is recognised as revenue as they accrue.

[G] LAND HELD FOR RESALE:

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

Revenue arising from the sale of property is recognised in the operating statement at the time of contract of sale.

[H] CASH BACKED RESERVE:

Council maintains separately identifiable investment deposits for individual Reserve Accounts. The amount shown as a reserve is always represented by cash backing with the exclusion of the Asset Revaluation Reserve.

[I] RATES GRANTS, DONATIONS AND OTHER CONTRIBUTIONS:

Rates grants, donations and other contributions have been recognised as revenues when Council obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained on the date rates are levied. As outstanding rates are a charge against the land and will ultimately be collected, provision for doubtful rate debts will not be made.

Control over granted assets is normally obtained upon their receipt. Where contributions are only secured in arrears on satisfaction of specific conditions, control is deemed to occur upon satisfaction of the grant conditions according to the matching principle for the accounting period.

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

[J] JOINT VENTURE:

Information about joint ventures set out in Note No.13

[K] LEASES:

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

[L] COMPARATIVE FIGURES:

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

[M] ROUNDING OFF FIGURES:

All figures shown in the Annual Financial Statements, other than rates in the dollar, are rounded to the nearest dollar.

2. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous year except for the accounting policies with respect to the revaluation of non-current assets, which have been amended in accordance with the provisions of accounting standard AAS38 (refer Note 1c.)

3a. Operating Revenues & Expenses

Property, Plant & Infrastructure Assets & Depreciation Classified by Function & Activity

| | CARRYING AMOUNTS | | | DEPRECIATION RAISED | | |
|---------------------------|--------------------|--------------------|--------------------|---------------------|-------------------|-------------------|
| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Governance | 5,339,087 | 771,562 | 5,551,581 | 517,640 | 444,600 | 531,777 |
| Law, Order, Public Safety | 763,293 | 907,420 | 835,152 | 75,645 | 95,712 | 115,019 |
| Health | 381,163 | 418,657 | 381,017 | 18,271 | 21,360 | 18,191 |
| Education & Welfare | 1,608,740 | 1,751,629 | 1,615,800 | 94,926 | 84,518 | 162,404 |
| Community Amenities | 2,324,333 | 6,295,197 | 2,320,082 | 23,129 | 13,930 | 27,129 |
| Recreation & Culture | 34,730,412 | 35,236,418 | 33,766,738 | 970,381 | 828,886 | 893,914 |
| Transport | 116,922,059 | 126,778,593 | 114,669,116 | 2,163,831 | 2,611,762 | 2,111,650 |
| Economic Services | 288,111 | 301,505 | 312,792 | 24,680 | 14,544 | 22,796 |
| Other Property & Services | 34,427,374 | 29,321,624 | 32,309,722 | 882,419 | 824,084 | 875,265 |
| Total | 196,784,572 | 201,782,605 | 191,762,000 | 4,770,922 | 4,939,396 | 4,758,145 |

Total Assets Classified by Function & Activity

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|----------------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Governance | 12,969,681 | 9,158,342 | 9,091,651 |
| Law, Order & Public Safety | 763,293 | 2,572,601 | 2,553,868 |
| Health | 381,163 | 2,414,429 | 2,396,847 |
| Education & Welfare | 2,753,307 | 2,391,215 | 2,373,802 |
| Community Amenities | 12,295,840 | 8,757,013 | 8,693,245 |
| Recreation & Culture | 39,312,221 | 40,760,169 | 40,463,357 |
| Transport | 124,455,351 | 125,478,013 | 122,818,460 |
| Economic Services | 875,481 | 1,112,604 | 1,104,502 |
| Other Property & Services | 34,429,566 | 32,310,602 | 32,075,312 |
| Total | 228,235,903 | 224,954,988 | 221,571,044 |

3b. Control Over Contributions

Contributions which were recognised as revenues during the reporting period and which were obtained on the condition that they be expended for the purposes for which they were granted but have yet to be applied in that manner at the reporting date were:

| | Actual 2000/01 | Actual 1999/00 |
|---------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Road Construction & Development funds | 233,030 | 100,481 |
| Footpath Development Funds | 46,739 | 41,235 |
| Public Open Space Development Funds | 112,287 | 15,857 |
| Welfare Centres Deposits | 774,749 | 836,955 |
| Total | 1,166,805 | 994,528 |

Contributions which were recognised as revenues in the previous reporting periods and which were obtained on the condition that they be expended for the purposes for which they were granted but have not yet been applied in that manner at the reporting date were:

| | | |
|---------------------------------------|------------------|------------------|
| Flood Disaster Funds | 2,192 | 2,192 |
| Road Construction & Development funds | 426,456 | 332,081 |
| Bibra Lake Development funds | 167,327 | 167,327 |
| Drainage Development Funds | 365,185 | 365,185 |
| Footpath Development Funds | 860,825 | 999,780 |
| Public Open Space Development Funds | 1,093,073 | 1,077,216 |
| Total | 2,915,058 | 2,943,781 |

Grants which were recognised as revenues in a previous reporting period and were expended during the current reporting period in the manner specified by the grantor were:

| | | |
|---------------------------------------|------------------|------------------|
| Flood Disaster Funds | - | - |
| Road Construction & Development funds | - | - |
| Drainage Development Funds | - | - |
| Footpath Development Funds | 180,190 | 63,643 |
| Public Open Space Development Funds | - | 252,982 |
| Main Road Construction Funds | - | - |
| Welfare Centres Deposits | 836,951 | 617,383 |
| Total | 1,017,141 | 934,008 |
| Total | 3,064,722 | 3,004,301 |

3c. Change in Net Assets

The change in net assets resulting from Operations was arrived at after charging/crediting the following items:

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| AFTER CHARGING: | | | |
| Depreciation | | | |
| Tools | 5,088 | 6,000 | 5,718 |
| Buildings | 854,117 | 862,936 | 814,822 |
| Plant & Equipment | 1,047,937 | 926,847 | 1,113,351 |
| Furniture & Equipment | 540,683 | 573,003 | 569,369 |
| Infrastructure - Footpaths | 101,627 | 115,000 | 80,701 |
| Infrastructure - Drainage | 353,606 | 375,000 | 353,606 |
| Infrastructure - Roads | 1,662,253 | 1,850,610 | 1,632,203 |
| Infrastructure - Parks Equipment | 205,611 | 230,000 | 188,375 |
| | 4,770,922 | 4,939,396 | 4,758,145 |
| Interest on Borrowings | 2,102 | 2,102 | 3,413 |
| Proceeds from disposal of non-current assets | 646,241 | 898,000 | 958,699 |
| Carrying amount of non-current assets | 740,837 | 1,091,058 | 1,352,685 |
| | (94,596) | (193,058) | (393,986) |
| AFTER CREDITING | | | |
| Interest Earnings | | | |
| Interest received on Reserve Funds | 1,030,585 | 995,220 | 835,347 |
| Interest received on other Funds | 903,651 | 800,000 | 832,319 |
| | 1,934,236 | 1,795,220 | 1,667,666 |
| Inquiry Costs (Significant Item)* | 1,722,494 | - | (1,722,494) |

*Significant Item
Advice received from the Minister for Local Government stated that Council's debt of \$1,722,494 being the full cost of the Douglas Inquiry (recognised in the 1999/00 year) had been waived.

3d. Statement of Objective

The City of Cockburn has adopted changes to the program structure as outlined in schedule 1 of the 1996 Financial Regulations. The City has incorporated the allocation of costs throughout functions / activities in this Financial statement. The City of Cockburn has adopted the following mission statement - Striving for Excellence. An explanation of the contents and operations of the various headings as listed in the Operating Statement are as follows :

GENERAL PURPOSE FUNDING

All rate revenue and penalties, General purpose grant, Pensioners deferred rates grant, Investment interest

GOVERNANCE

Members of Council, Customer Services, Client Services, Accounting services, Information Technology, Records, Executive Support and Human Resources.

LAW, ORDER AND PUBLIC SAFETY

Supervision of various by-laws, animal and dog control, fire prevention, Cockburn Voluntary Emergency Services.

HEALTH

Environmental Health, Health clinics, Immunisation programs, Pest control and Environmental Management.

EDUCATION AND WELFARE

Relates to the provision of services to families and children, aged and disabled senior citizens, pre-schools, youth services.

COMMUNITY AMENITIES

Refuse collection, recycling and disposal, the operation of the Henderson Landfill site, protection of the environment, administration of the town planning scheme and maintenance of bus shelters.

RECREATION AND CULTURE

Community halls and recreation centres, maintenance of all parks and ovals and beach areas, the provision of library facilities and cultural events

TRANSPORT

This program includes road, drainage and footpath construction and maintenance, street trees and the purchase of heavy plant, maintenance of council depot

ECONOMIC SERVICES

Tourism and building control

OTHER PROPERTY AND SERVICES

Private works, Engineering overheads, plant operating costs

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

3e. Disposal of Assets

| | NET BOOK VALUE | | | SALE PRICE | | | PROFIT / LOSS | | |
|--------------------------------|----------------|------------------|------------------|----------------|----------------|----------------|-----------------|------------------|------------------|
| | Actual | Budget | Actual | Actual | Budget | Actual | Actual | Budget | Actual |
| | 2000/01 | 2000/01 | 1999/00 | 2000/01 | 2000/01 | 1999/00 | 2000/01 | 2000/01 | 1999/00 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| BY FUNCTION | | | | | | | | | |
| Governance | - | 78,548 | 172,828 | - | 83,000 | 166,280 | - | 4,452 | (6,548) |
| Law, Order & Public Safety | 65,132 | 124,577 | 88,745 | 76,378 | 135,000 | 70,714 | 11,246 | 10,423 | (18,031) |
| Health | 11,411 | 31,937 | 11,718 | 13,727 | 36,000 | - | 2,316 | 4,063 | (11,718) |
| Education & Welfare | 30,841 | 49,130 | 133,858 | 15,746 | 67,000 | 1,500 | (15,095) | 17,870 | (132,358) |
| Community Amenities | 13,136 | 271,287 | 39,931 | 12,227 | 76,000 | 44,000 | (909) | (195,287) | 4,069 |
| Recreation & Culture | 14,637 | 15,705 | 277,594 | 16,818 | 19,000 | 23,250 | 2,181 | 3,295 | (254,344) |
| Transport | - | 283,177 | - | - | 248,000 | - | - | (35,177) | - |
| Economic Services | - | - | 54,236 | - | - | 54,960 | - | - | 724 |
| Other Properties & Services | 605,680 | 236,697 | 573,775 | 511,345 | 234,000 | 597,995 | (94,335) | (2,697) | 24,220 |
| Total | 740,837 | 1,091,058 | 1,352,685 | 646,241 | 898,000 | 958,699 | (94,596) | (193,058) | (393,986) |
| BY ASSET CLASSIFICATION | | | | | | | | | |
| Plant & Equipment | 457,356 | 1,091,058 | 913,976 | 646,041 | 898,000 | 802,609 | 188,685 | (193,058) | (111,367) |
| Furniture & Equipment | 20,556 | - | 494 | 200 | - | - | (20,356) | - | (494) |
| Buildings | - | - | 255,001 | - | - | - | - | - | (255,001) |
| Land | 262,925 | - | 183,214 | - | - | 156,090 | (262,925) | - | (27,124) |
| Total | 740,837 | 1,091,058 | 1,352,685 | 646,241 | 898,000 | 958,699 | (94,596) | (193,058) | (393,986) |

3f. Operating Statement disclosed by Nature and Type

| | Actual | Budget | Actual |
|---|-------------------|-------------------|-------------------|
| | 2000/01 | 2000/01 | 1999/00 |
| | \$ | \$ | \$ |
| REVENUE | | | |
| Rates | 16,799,634 | 16,050,000 | 15,774,130 |
| Fees & Charges | 10,609,067 | 11,255,686 | 10,503,240 |
| Grants & Subsidies | 6,480,448 | 7,567,754 | 5,325,585 |
| Contributions , Donations & reimbursements | 2,470,010 | 375,043 | 829,154 |
| Interest Earnings | 1,934,236 | 1,795,220 | 1,667,666 |
| Other Revenue / Income | 1,858,331 | 1,464,687 | 1,585,454 |
| Profit on Sale of Assets | 243,211 | 40,588 | 169,939 |
| Total Operating Revenue | 40,394,937 | 38,548,978 | 35,855,168 |
| EXPENDITURE | | | |
| Employee Costs | 13,163,872 | 13,264,202 | 12,593,741 |
| Materials & Contracts | 9,919,582 | 10,580,525 | 9,500,956 |
| Utilities | 1,477,104 | 1,455,832 | 1,287,765 |
| Interest Expenses | 2,102 | 2,102 | 3,413 |
| Other Expenses | 2,703,205 | 4,313,424 | 3,253,861 |
| Depreciation on non-current Assets | 4,770,922 | 4,939,396 | 4,758,145 |
| Insurance | 367,012 | 340,703 | 367,494 |
| Loss on Sale of Assets | 337,807 | 233,646 | 563,924 |
| Total Operating Expenditure | 32,741,606 | 35,129,830 | 32,329,299 |
| CHANGE IN NET ASSETS RESULTING FROM OPERATIONS | 7,653,331 | 3,419,148 | 3,525,869 |

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

4. Cash Assets

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|---------------------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Cash at Bank | 1,143,052 | 30,841 | 472,569 |
| Term Deposits | 28,276,571 | 21,055,808 | 26,911,744 |
| | 29,419,623 | 21,086,649 | 27,384,313 |
| Restricted Funds | 25,007,995 | 20,945,907 | 22,546,511 |
| Unrestricted Funds | 4,411,628 | 140,742 | 4,837,802 |
| | 29,419,623 | 21,086,649 | 27,384,313 |
| SUMMARY OF RESTRICTED FUNDS | | | |
| Sundry Deposits & Bonds | | | |
| General Deposits | 741,574 | 682,809 | 683,070 |
| Rates Overpaid | 262 | - | - |
| Footpath Deposits | 66,522 | 66,522 | 66,522 |
| Crossover Deposits | 274,065 | 274,065 | 274,065 |
| Quarry Bonds | 487,262 | 460,610 | 460,610 |
| Hall Bonds | 30,648 | 12,296 | 12,296 |
| Reserve Bonds | 3,354 | 3,404 | 3,404 |
| Maintenance Bonds | 468,632 | 420,847 | 420,934 |
| | 2,072,319 | 1,920,553 | 1,920,901 |
| OTHER RESTRICTED FUNDS | | | |
| Flood Disaster Deposits | 2,192 | 2,192 | 2,192 |
| Rates Overpaid | - | 261 | - |
| Road Construction & Development Funds | 659,486 | 437,765 | 432,562 |
| Bibra Lake Development Funds | 167,326 | 167,327 | 167,326 |
| Drainage Development Funds | 365,185 | 365,185 | 365,185 |
| Footpath Development Funds | 907,564 | 921,014 | 1,041,014 |
| Public Open Space Development Funds | 1,205,361 | 833,074 | 1,093,074 |
| Welfare Centres Deposits | 774,749 | 822,038 | 836,955 |
| | 4,081,863 | 3,548,856 | 3,938,308 |

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| CASH BACKED RESERVE FUNDS | | | |
| Long Service Leave | 589,468 | 558,555 | 586,255 |
| Plant Replacement | 1,123,660 | 765,285 | 361,316 |
| Computer Replacement | 906,394 | 195,464 | 826,974 |
| Major Building Refurbishment | 755,880 | 755,153 | 705,803 |
| Rubbish Development | 6,597,782 | 5,266,662 | 6,233,662 |
| Land Development | 459,101 | 458,784 | 432,784 |
| Regional Roads | 3,435,693 | 3,227,048 | 3,238,748 |
| Naval Base Chalets | 128,269 | 128,215 | 86,215 |
| Mobile Rubbish Bins | 968,710 | 430,266 | 1,218,266 |
| Community Recreation Facility | 3,342,446 | 3,154,619 | 2,514,650 |
| Youth Advisory Council Canberra Trip | 10,944 | 10,937 | 10,317 |
| Community Bus | 39,168 | 35,132 | 28,332 |
| Workers Compensation | 176,592 | 176,469 | 166,469 |
| Family Day Care Vehicles | - | 3,080 | - |
| FDC Building Maintenance | 24,191 | 28,421 | 22,805 |
| Aged & Disabled vehicles | 16,117 | 6,498 | 6,127 |
| Welfare Employee Entitlements | 279,398 | 275,910 | 248,579 |
| | 18,853,813 | 15,476,498 | 16,687,302 |
| Total Cash Backed Reserve Funds | 18,853,813 | 15,476,498 | 16,687,302 |
| TOTAL RESTRICTED FUNDS | 25,007,995 | 20,945,907 | 22,546,511 |
| 5. Receivables | | | |
| CURRENT | | | |
| Rates Outstanding | 491,772 | 565,040 | 542,435 |
| Sundry Debtors | 1,006,480 | 936,370 | 1,261,761 |
| Rubbish Charges Outstanding | 78,795 | 59,727 | 59,727 |
| Loans - Clubs/Associations | - | 15,204 | 14,383 |
| Prepayments | 76,598 | 26,397 | 26,397 |
| | 1,653,645 | 1,602,738 | 1,904,703 |
| NON-CURRENT | | | |
| Rates Outstanding - Pensioners | 312,904 | 304,924 | 327,528 |
| Loans - Clubs/Associations | - | 123,121 | 137,549 |
| | 312,904 | 428,045 | 465,077 |
| 6. Stock on Hand | | | |
| DEPOT STORE | 65,159 | 54,951 | 54,951 |

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

7a. Property, Infrastructure, Plant & Equipment

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| INFRASTRUCTURE - FOOTPATHS | | | |
| Management Valuation 1997 | - | 2,436,576 | 2,436,576 |
| At cost | 5,441,022 | 3,180,349 | 2,205,081 |
| | 5,441,022 | 5,616,925 | 4,641,657 |
| LESS Accumulated Depreciation | 374,923 | 366,115 | 273,295 |
| | 5,066,099 | 5,250,810 | 4,368,362 |
| INFRASTRUCTURE - DRAINAGE | | | |
| Management valuation 1997 | - | 27,201,315 | 27,201,315 |
| At cost | 27,201,315 | 300,000 | - |
| | 27,201,315 | 27,501,315 | 27,201,315 |
| LESS Accumulated Depreciation | 1,415,702 | 1,416,096 | 1,062,096 |
| | 25,785,613 | 26,085,219 | 26,139,219 |
| INFRASTRUCTURE - ROADS | | | |
| Management valuation 1997 | - | 70,920,145 | 70,920,145 |
| at cost | 86,537,625 | 20,010,915 | 14,087,029 |
| | 86,537,625 | 90,931,060 | 85,007,174 |
| LESS Accumulated Depreciation | 6,341,493 | 6,604,106 | 4,679,240 |
| | 80,196,132 | 84,326,954 | 80,327,934 |
| INFRASTRUCTURE - PARKS & RESERVES (PLANT & EQUIPMENT) | | | |
| Management Valuation 1997 | - | 2,524,324 | 2,524,324 |
| At cost | 4,347,083 | 3,018,296 | 1,454,327 |
| | 4,347,083 | 5,542,620 | 3,978,651 |
| LESS Accumulated Depreciation | 581,414 | 574,727 | 375,803 |
| | 3,765,669 | 4,967,893 | 3,602,848 |
| INFRASTRUCTURE - PARKS & RESERVES (GARDENS) | | | |
| Management Valuation 1997 | - | 4,274,615 | 4,274,615 |
| At cost | 7,038,449 | 2,357,753 | 2,357,753 |
| | 7,038,449 | 6,632,368 | 6,632,368 |
| LAND | | | |
| At Council Revaluation 1993 | - | 18,998,516 | 18,998,516 |
| At Council Revaluation 1994 | - | 10,167,126 | 10,421,682 |
| At cost | 36,180,787 | 5,939,269 | 4,235,520 |
| | 36,180,787 | 35,104,911 | 33,655,718 |

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|---|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| REFUSE SITE | | | |
| At cost | 3,565,160 | 2,913,389 | 1,310,576 |
| | 3,565,160 | 2,913,389 | 1,310,576 |
| BUILDINGS | | | |
| At Council Revaluation 1993 | - | 26,099,790 | 26,099,790 |
| At cost | 34,516,825 | 8,442,988 | 7,771,990 |
| | 34,516,825 | 34,542,778 | 33,871,780 |
| LESS: Accumulated Depreciation | 5,817,521 | 5,826,340 | 4,963,404 |
| | 28,699,304 | 28,716,438 | 28,908,376 |
| FURNITURE & FITTINGS | | | |
| At cost | 4,486,727 | 5,270,472 | 4,087,240 |
| LESS: Accumulated Depreciation | 2,943,716 | 2,994,473 | 2,421,470 |
| | 1,543,011 | 2,275,999 | 1,665,770 |
| PLANT & MACHINERY | | | |
| At Council Revaluation 1993 | - | 4,401,431 | 4,401,431 |
| At cost | 8,052,418 | 4,571,508 | 3,790,387 |
| | 8,052,418 | 8,972,939 | 8,191,818 |
| LESS: Accumulated Depreciation | 3,168,796 | 3,541,512 | 3,097,186 |
| | 4,883,622 | 5,431,427 | 5,094,632 |
| TOOLS | | | |
| At Council valuation 1994 | - | 18,409 | 18,409 |
| At cost | 139,117 | 138,091 | 111,091 |
| | 139,117 | 156,500 | 129,500 |
| LESS: Accumulated Depreciation | 78,391 | 79,303 | 73,303 |
| | 60,726 | 77,197 | 56,197 |
| TOTAL PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT: | | | |
| Gross Book Value | 217,506,528 | 223,185,277 | 208,707,797 |
| Less: Accumulated Depreciation | 20,721,956 | 21,402,672 | 16,945,797 |
| | 196,784,572 | 201,782,605 | 191,762,000 |
| NET BOOK VALUE | | | |
| | 196,784,572 | 201,782,605 | 191,762,000 |

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

7b. Movements in Carrying Amounts

The following table reconciles the carrying amount at the beginning and end of the 2000/01 financial year for each class of non-current assets.

| | Carrying Amount at beginning of the year | Add: Acquisitions | Less: Disposals | Less: Depreciation | Carrying Amount at end of the year |
|--------------------------------|--|-------------------|------------------|--------------------|------------------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| PLANT & MACHINERY | 5,094,632 | 1,294,282 | (457,355) | (1,047,937) | 4,883,622 |
| TOOLS | 56,197 | 9,617 | - | (5,088) | 60,726 |
| FURNITURE & EQUIPMENT | 1,665,769 | 438,481 | (20,556) | (540,683) | 1,543,011 |
| BUILDINGS | 28,908,376 | 645,045 | - | (854,117) | 28,699,304 |
| FREEHOLD LAND | 33,655,718 | 2,787,994 | (262,925) | - | 36,180,787 |
| TIP SITE INFRASTRUCTURE | 1,310,576 | 2,254,584 | - | - | 3,565,160 |
| FOOTPATHS INFRASTRUCTURE | 4,368,362 | 799,364 | - | (101,627) | 5,066,099 |
| DRAINAGE INFRASTRUCTURE | 26,139,219 | - | - | (353,606) | 25,785,613 |
| ROADS INFRASTRUCTURE | 80,327,934 | 1,530,451 | - | (1,662,253) | 80,196,132 |
| PARKS & GARDENS INFRASTRUCTURE | 6,632,368 | 406,081 | - | - | 7,038,449 |
| PARKS EQUIPMENT | 3,602,848 | 368,432 | - | (205,611) | 3,765,669 |
| Total | 191,761,999 | 10,534,331 | (740,836) | (4,770,922) | 196,784,572 |

8a. Interest Bearing Liabilities

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--------------------|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| CURRENT | | | |
| Principal of Loans | - | - | 31,811 |
| Accrued Interest | - | - | - |
| | - | - | 31,811 |
| NON-CURRENT | | | |
| Principal of Loans | - | - | - |

8a. Schedule of Interest Bearing Liabilities

| Particulars | Lender | Month and Year of Maturity | Actual Rate of Interest Paid 2001/01 | Amount of Pricipal Outstanding 30/06/00 | Less:Principal Repayments made during the year | | Amount of Pricipal Outstanding 30/06/00 | Interest Repayments made during the year | |
|----------------------------|--------|----------------------------|--------------------------------------|---|--|----------------|---|--|----------------|
| | | | | | Actual 2000/01 | Budget 2000/01 | | Actual 2000/01 | Budget 2000/01 |
| | | | % | \$ | \$ | \$ | \$ | \$ | \$ |
| WELFARE | | | | | | | | | |
| Loan No. 113- Home Respite | NAB | Mar-01 | 8.75 | 31,810 | 31,810 | 31,810 | 0 | 2,102 | 2,102 |
| Total | | | | 31,810 | 31,810 | 31,810 | 0 | 2,102 | 2,102 |

9. Payables

CURRENT

| | | | |
|------------------------------------|------------------|------------------|------------------|
| Creditors** | 1,770,827 | 1,503,485 | 2,225,979 |
| Income Received in Advance | 417,013 | 259,922 | 263,314 |
| Provision for Annual Leave | 1,131,852 | 1,164,070 | 1,164,070 |
| Provision for long service leave * | 831,094 | 586,369 | 586,369 |
| | 4,150,786 | 3,513,846 | 4,239,732 |

NON-CURRENT

| | | | |
|------------------------------------|------------------|------------------|------------------|
| Non Current Creditors ** | - | - | 1,000,000 |
| Provision for long service leave * | 433,284 | 452,415 | 452,415 |
| Sundry Deposits & Bonds | 2,072,319 | 1,920,553 | 1,920,903 |
| | 2,505,603 | 2,372,968 | 3,373,318 |

* Provision for Long Service Leave is cash backed to the extent of \$589,468 in 2000/01 (cash backing in 1999/00 totalled \$586,255)

** Included in the 1999/00 actuals is \$1,722,494 relating to the Douglas Inquiry cost imposed by the State Government (refer to note 3C)

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

10a. Reserves

| | Actual | Budget | Actual |
|---|------------------|------------------|------------------|
| CASH BACKED RESERVES | 2000/01 | 2000/01 | 1999/00 |
| | \$ | \$ | \$ |
| AGED & DISABLED VEHICLES RESERVE | | | |
| Opening Balance | 6,127 | 6,127 | 53,962 |
| Transfer from Accumulated Surplus - Interest | 229 | 370 | 3,165 |
| Transfer from Accumulated Surplus | 16,117 | - | 17,800 |
| Transfer to Accumulated Surplus | (6,356) | - | (68,800) |
| | 16,117 | 6,497 | 6,127 |
| COMMUNITY BUS RESERVE | | | |
| Opening Balance | 28,332 | 28,332 | 22,042 |
| Transfer from Accumulated Surplus - Interest | 1,836 | 1,800 | 1,290 |
| Transfer from Accumulated Surplus | 9,000 | 5,000 | 5,000 |
| Transfer to Accumulated Surplus | - | - | - |
| | 39,168 | 35,132 | 28,332 |
| COMMUNITY RECREATION FACILITY RESERVE | | | |
| Opening Balance | 2,514,650 | 2,514,650 | 2,072,621 |
| Transfer from other reserves | - | - | - |
| Transfer from Accumulated Surplus - Interest | 167,795 | 177,000 | 121,090 |
| Transfer from Accumulated Surplus | 660,000 | 660,000 | 390,971 |
| Transfer to Accumulated Surplus | - | (197,031) | (70,032) |
| | 3,342,445 | 3,154,619 | 2,514,650 |
| COMPUTER REPLACEMENT RESERVE | | | |
| Opening balance | 826,974 | 826,974 | 345,197 |
| Transfer from Accumulated Surplus - Interest | 50,930 | 40,000 | 21,777 |
| Transfer from Accumulated Surplus | 28,490 | 28,490 | 460,000 |
| Transfer to Accumulated Surplus | - | (700,000) | - |
| | 906,394 | 195,464 | 826,974 |
| FAMILY DAY CARE BUILDING MAINTENANCE RESERVE | | | |
| Opening Balance | 22,805 | 22,805 | 5,512 |
| Transfer from Accumulated Surplus - Interest | 1,386 | 1,550 | 299 |
| Transfer from Accumulated Surplus | - | 4,066 | 16,994 |
| Transfer to Accumulated Surplus | - | - | - |
| | 24,191 | 28,421 | 22,805 |

| | Actual | Budget | Actual |
|--|----------------|----------------|------------------|
| | 2000/01 | 2000/01 | 1999/00 |
| | \$ | \$ | \$ |
| FAMILY DAY CARE VEHICLE RESERVE | | | |
| Opening Balance | - | - | - |
| Transfer from Accumulated Surplus - Interest | - | 80 | - |
| Transfer from Accumulated Surplus | - | 3,000 | - |
| Transfer to Accumulated Surplus | - | - | - |
| | - | 3,080 | - |
| LAND DEVELOPMENT RESERVE | | | |
| Opening Balance | 432,784 | 432,784 | 296,597 |
| Transfer from Accumulated Surplus - Interest | 26,317 | 26,000 | 19,637 |
| Transfer from Accumulated Surplus | - | - | 185,709 |
| Transfer to Accumulated Surplus | - | - | (69,159) |
| | 459,101 | 458,784 | 432,784 |
| LONG SERVICE LEAVE RESERVE | | | |
| Opening Balance | 586,255 | 586,255 | 613,308 |
| Transfer from Accumulated Surplus - Interest | 34,837 | 34,800 | 31,343 |
| Transfer from Accumulated Surplus | - | - | - |
| Transfer to Accumulated Surplus | (31,624) | (62,500) | (58,396) |
| | 589,468 | 558,555 | 586,255 |
| MAJOR BUILDING REFURBISHMENT RESERVE | | | |
| Opening Balance | 705,803 | 705,803 | 421,998 |
| Transfer from Accumulated Surplus - Interest | 43,077 | 42,350 | 29,102 |
| Transfer from Accumulated Surplus | 7,000 | 7,000 | 324,703 |
| Transfer to Accumulated Surplus | - | - | (70,000) |
| | 755,880 | 755,153 | 705,803 |
| MOBILE RUBBISH BIN RESERVE | | | |
| Opening Balance | 1,218,266 | 1,218,266 | 729,861 |
| Transfer from Accumulated Surplus - Interest | 83,101 | 72,000 | 48,005 |
| Transfer from Accumulated Surplus | 400,000 | 400,000 | 440,400 |
| Transfer to Accumulated Surplus | (732,657) | (1,260,000) | - |
| | 968,710 | 430,266 | 1,218,266 |
| NAVAL BASE CHALET RESORT RESERVE | | | |
| Opening Balance | 86,215 | 86,215 | 46,978 |
| Transfer from Accumulated Surplus - Interest | 6,054 | 6,000 | 3,237 |
| Transfer from Accumulated Surplus | 36,000 | 36,000 | 36,000 |
| Transfer to Accumulated Surplus | - | - | - |
| | 128,269 | 128,215 | 86,215 |

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|---|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| PLANT REPLACEMENT RESERVE | | | |
| Opening Balance | 361,316 | 361,316 | 347,506 |
| Transfer from Accumulated Surplus - Interest | 28,595 | 43,100 | 22,430 |
| Transfer from Accumulated Surplus | 833,750 | 393,750 | 220,380 |
| Transfer to Accumulated Surplus | (100,000) | (32,880) | (229,000) |
| | 1,123,661 | 765,286 | 361,316 |
| REGIONAL ROADS RESERVE | | | |
| Opening Balance | 3,238,748 | 3,238,748 | 3,784,253 |
| Transfer from Accumulated Surplus - Interest | 196,945 | 188,300 | 205,038 |
| Transfer from Accumulated Surplus | - | - | - |
| Transfer to Accumulated Surplus | - | (200,000) | (750,543) |
| | 3,435,693 | 3,227,048 | 3,238,748 |
| RUBBISH/DISPOSAL DEVELOPMENT RESERVE | | | |
| Opening balance | 6,233,662 | 6,233,662 | 5,760,775 |
| Transfer from Accumulated Surplus - Interest | 364,120 | 336,000 | 312,130 |
| Transfer from Accumulated Surplus | 662,687 | - | 162,000 |
| Transfer to Accumulated Surplus | (662,687) | (1,303,000) | (1,243) |
| | 6,597,782 | 5,266,662 | 6,233,662 |
| WELFARE PROJECTS EMPLOYEE ENTITLEMENTS RESERVE | | | |
| Opening balance | 248,579 | 248,579 | 231,175 |
| Transfer from Accumulated Surplus - Interest | 14,613 | 15,250 | 12,524 |
| Transfer from Accumulated Surplus | 39,253 | 12,081 | 4,880 |
| Transfer to Accumulated Surplus | (23,047) | - | - |
| | 279,398 | 275,910 | 248,579 |
| WORKERS COMPENSATION RESERVE | | | |
| Opening Balance | 166,469 | 166,469 | 69,217 |
| Transfer from Accumulated Surplus - Interest | 10,123 | 10,000 | 3,750 |
| Transfer from Accumulated Surplus | - | - | 93,502 |
| Transfer to Accumulated Surplus | - | - | - |
| | 176,592 | 176,469 | 166,469 |
| YOUTH ADVISORY COUNCIL CANBERRA TRIP RESERVE | | | |
| Opening Balance | 10,317 | 10,317 | 9,787 |
| Transfer from Accumulated Surplus - Interest | 627 | 620 | 530 |
| Transfer from Accumulated Surplus | - | - | - |
| Transfer to Accumulated Surplus | - | - | - |
| | 10,944 | 10,937 | 10,317 |

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| SUMMARY | | | |
| Opening Balance | 16,687,302 | 16,687,302 | 14,810,789 |
| Transfer from other reserves | - | - | - |
| Transfer from Accumulated Surplus - Interest | 1,030,585 | 995,220 | 835,347 |
| Transfer from Accumulated Surplus | 2,692,297 | 1,549,387 | 2,358,339 |
| Transfer to Accumulated Surplus | (1,556,371) | (3,755,411) | (1,317,173) |
| | 18,853,813 | 15,476,498 | 16,687,302 |
| Total Cash Backed Reserves* | | | |
| RESERVES OTHER | | | |
| ASSET REVALUATION RESERVE | | | |
| Opening Balance | 39,818,381 | 39,818,381 | 39,818,381 |
| Revaluation of Land | - | - | - |
| | 39,818,381 | 39,818,381 | 39,818,381 |
| Total Reserves Other | | | |
| | 58,672,194 | 55,294,879 | 56,505,683 |
| TOTAL RESERVES | | | |

*All of the above reserves with the exclusion of the Asset Revaluation Reserve are cash backed reserves supported by investments held with major financial institutions.

10b. Purpose of Reserves

The utilisation of Councils major reserve funds is planned to occur over the next 5 years. Councils Principal Activities Plan sets out the planned utilisation of these reserves, on a year to year basis.

The purpose of these Reserves are:

| | |
|---|--|
| AGED & DISABLED VEHICLES | Replacement of and major repairs to vehicles |
| COMMUNITY BUS | For the purchase of replacement vehicles |
| COMMUNITY RECREATION FACILITIES | Funds for the development of facilities within the city. |
| COMPUTER REPLACEMENT | For the replacement of computer equipment |
| FAMILY DAY CARE BUILDING | General fund to provide funds for major improvements |
| FAMILY DAY CARE VEHICLE | For the replacement of Vehicles |
| LAND DEVELOPMENT | For the purchase of land where required by council |
| LONG SERVICE LEAVE | To provide for long service leave entitlements |
| MAJOR BUILDING REFURBISHMENT | For the major upgrading of council buildings |
| MOBILE RUBBISH BINS | To provide for the replacement of 240 litre bins |
| NAVAL BASE CHALET RESORT | Funds for the reinstatement of the reserve when lease expires |
| PLANT | For the purchase of major plant. |
| REGIONAL ROADS | For the provision of roads leading to the Kwinana Freeway |
| RUBBISH DISPOSAL | To provide funds for the development of the disposal site. |
| WELFARE SCHEME LEAVE ENTITLEMENTS | To provide for long service leave entitlements |
| WORKERS COMPENSATION | To cover future increases in premium rates |
| YOUTH ADVISORY COUNCIL CANBERRA TRIP | Funds to allow Y.A.C. members a biennial excursion to Canberra |

11. Superannuation

The Council contributes in respect to its employees to the WA Local Government Superannuation Plan established in respect of all local governments in the state. In accordance with statutory requirements, the Council contributes to the Local Government Superannuation Plan ("the plan") amounts determined by the plan actuary. As such, assets accumulate in the plan to meet members' benefits as they accrue. If at any stage, the assets of the plan were insufficient to satisfy the benefits payable to beneficiaries, the Council would be required to meet its share of the deficiency.

The amount of superannuation contributions paid by the Council during the reporting period was:

| | Actual 2000/01 | Actual 1999/00 |
|-------------------|-------------------|-------------------|
| | \$ | \$ |
| CONTRIBUTORY | 202,758 | 247,049 |
| S.G. OCCUPATIONAL | 894,398 | 751,687 |
| | <u>1,097,156</u> | <u>998,736</u> |

12. Capital & Leasing Commitments

CAPITAL COMMITMENTS

At the reporting date, council had entered into contracts for the following major purchases:

| | | |
|---|------------------|----------------|
| Water Filtration Plant Upgrade-Southlake Leisure Centre | | 119,654 |
| Plant Purchases | | 244,836 |
| Construction of Beeliar Dve extension to Watson Rd | 1,804,419 | |
| Construction of lined landfill cell | 590,604 | |
| Install floodlighting at Atwell Reserve | 62,000 | |
| Purchase gang reel mower | 51,550 | |
| Beale Park - replace toilets/kitchen upgrade | 32,480 | |
| Replace Manning Park toilets | 27,995 | |
| Upgrade air-conditioning - admin building | 30,820 | |
| Install traffic signals Rockingham/Lancaster rds | 81,885 | |
| Install traffic signals Sudlow/Phoenix rds | 53,877 | |
| Install street lighting Armadale/Warton rds | 18,652 | |
| Purchase recycling bins | 233,150 | |
| Construct new clubrooms - Denis De Young reserve | 41,000 | |
| | <u>3,028,432</u> | <u>364,490</u> |

JOINT VENTURE ENTITY CAPITAL COMMITMENT

At the reporting date, Council's share of the Regional Resource Recovery Centre's (RRRC) capital commitment was as follows:

| | | |
|--|------------------|----------------|
| Total Joint Venture RRRC Construction Contract | 33,783,561 | 1,068,475 |
| Council's share of this contract | <u>7,922,245</u> | <u>250,557</u> |

LEASING COMMITMENTS

Operating Lease Commitments : non-cancellable operating leases contracted for but not capitalised in the accounts.

| | Actual 2000/01 | Actual 1999/00 |
|---|-------------------|-------------------|
| Payable: | \$ | \$ |
| Not later than 1 year | 136,411 | 144,115 |
| Later than 1 year but not later than 2 years | 103,406 | 94,751 |
| Later than 2 years but not later than 5 years | 142,110 | 142,429 |
| | <u>381,927</u> | <u>381,295</u> |

13. Interests in Joint Venture Entities

SOUTH WEST GROUP

The Council is a joint venturer in a project for the South West Management Groups. It contributes an equal share towards the costs of the South West Groups operations. Council's share in the net assets of the South West Groups as at 30 June was:

| | | |
|---------------------------|----------|----------|
| Amount of interest | \$10,300 | \$11,306 |
| Cost/profit sharing ratio | 19.54% | 17.8% |

SOUTHERN METROPOLITAN REGIONAL COUNCIL (SMRC)

General Funds

The Council is a member of the Southern Metropolitan Regional Council (SMRC) along with six other local authorities. Council's share in the net assets of the SMRC (excluding the RRRC project) as at 30 June was:

| | |
|---------------------------|----------|
| Amount of interest | \$45,273 |
| Cost/profit sharing ratio | 17.8% |

The RRRC project is disclosed separately as it has a different cost/profit sharing ratio to that for the SMRC's general funds.

Regional Resource Recovery Centre (RRRC)

The RRRC joint venture's principal activity is the development of a waste processing plant & recyclable & green waste facility at Canning Vale. This venture was established through the (SMRC) as a major trading undertaking & involves the cities of Canning, Cockburn, Fremantle, Melville & Town of East Fremantle.

The Council's interest in the RRRC joint venture is based on population percentages (census figures each 5 years) over the life of the loan. As at 30 June 2001, the projects net assets resulted in a liability after the elimination of inter-entity transactions. Council's share of this liability was:

| | |
|---------------------------|----------|
| Amount of liability | \$22,408 |
| Cost/profit sharing ratio | 23.45% |

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

SUMMARY OF AGGREGATE INTERESTS IN ABOVE JOINT VENTURE ENTITIES

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|-------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Current assets | 219,669 | | |
| Non-current assets | 1,378,171 | | |
| Current liabilities | 648,076 | | |
| Non-current liabilities | 916,599 | | |
| Net assets | 33,165 | | |
| Revenues | 161,529 | | |
| Expenses | 191,452 | | |
| Net Loss | (29,923) | | |

Council's interests in joint venture entities have not been recognised in the financial statements as they were deemed not material in accordance with accounting standard AAS 5 "Materiality".

Council's accumulated surplus does not include any amounts that are attributable to joint venture activities.

14. Notes To The Statement Of Cash Flows

[A] RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO CHANGE IN NET ASSETS RESULTING FROM OPERATIONS

| | | | |
|--|------------------|----------------|------------------|
| Change in Net Assets resulting from Operating Activities | 7,653,331 | 3,419,148 | 3,525,869 |
| ADD [LESS] NON-CASH ITEMS: | | | |
| Depreciation | 4,770,923 | 4,939,396 | 4,758,145 |
| Loss on Sale of Assets | 337,807 | 233,646 | 563,924 |
| Profit on Sale of Assets | (-243,211) | (-40,588) | (-169,939) |
| Amounts set aside to provisions | 193,376 | - | 14,154 |
| Less: Government Grants & Subsidies | (-6,480,448) | (-7,889,168) | (-4,823,591) |
| CHANGE IN ASSETS AND LIABILITIES: | | | |
| (Increase)/Decrease in Rates Debtors & Deferred Rates | 65,287 | - | (-16,511) |
| (Increase)/Decrease in Sundry Debtors | 255,281 | 322,000 | (-502,540) |
| (Increase)/Decrease in Stock on Hand | (-10,208) | - | 10,134 |
| Increase/(Decrease) in Creditors & Accruals | (-1,455,152) | - | 2,165,034 |
| (Increase)/Decrease in Rubbish Debtors | (-19,068) | - | (-1,449) |
| (Increase)/Decrease in Loans Receivable | 151,932 | - | - |
| Increase/(Decrease) on Income Received in Advance | 153,699 | - | 262,019 |
| Increase/(Decrease) in Prepayments | (-50,201) | - | (-6,846) |
| NET CASH USED IN OPERATING ACTIVITIES | 5,323,348 | 984,434 | 5,778,401 |

[B]

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |

RECONCILIATION OF CASH

For the purpose of Statement of Cash Flows, the entity considers cash to include Cash on Hand and in Banks and investments in Money Market Instruments. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows: -

| | | | |
|--------------------------|-------------------|-------------------|-------------------|
| Cash on Hand and at Bank | 1,143,052 | 30,841 | 472,569 |
| Term Deposits | 28,276,571 | 21,055,808 | 26,911,744 |
| | 29,419,623 | 21,086,649 | 27,384,313 |

15. Fees & Charges

GOVERNANCE

| | | | |
|----------------------------------|----------------|---------------|----------------|
| • Sale of Publications | 576 | 200 | 912 |
| • Administration Service Charges | 84,662 | 70,000 | 80,874 |
| • Rate Searches | 21,184 | 15,000 | 22,678 |
| | 106,422 | 85,200 | 104,464 |

LAW, ORDER AND PUBLIC SAFETY

| | | | |
|------------------------------------|----------------|----------------|----------------|
| • Dog Licences | 122,924 | 115,000 | 95,231 |
| • Dog Impounding/Fines | 24,200 | 11,400 | 15,306 |
| • Other Law, Order & Public Safety | 0 | 0 | 14,821 |
| | 147,124 | 126,400 | 125,358 |

HEALTH

| | | | |
|-------------------|---------------|---------------|---------------|
| • Health Licences | 55,768 | 62,000 | 58,156 |
| • Health Sales | 5,900 | 7,050 | 6,970 |
| | 61,668 | 69,050 | 65,126 |

EDUCATION & WELFARE

| | | | |
|------------------------|----------------|----------------|----------------|
| • Child Care Fees | 246,834 | 196,480 | 193,190 |
| • Aged & Disabled Fees | 28,809 | 12,236 | 29,497 |
| • Rental Income | 44,295 | 50,315 | 48,446 |
| | 319,938 | 259,031 | 271,133 |

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|-------------------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| COMMUNITY AMENITIES | | | |
| • Planning Fees | 237,274 | 143,500 | 156,842 |
| • Sundry Sales | 1,229 | 1,500 | 10,765 |
| • Disposal Site Fees | 3,252,277 | 4,243,000 | 3,870,144 |
| • Rubbish Levies | 3,793,068 | 3,440,000 | 2,980,449 |
| | 7,283,848 | 7,828,000 | 7,018,200 |
| RECREATION & CULTURE | | | |
| • Library Fees | 17,188 | 19,500 | 18,429 |
| • Hall Hire Fees | 144,724 | 137,200 | 124,348 |
| • Leasehold Rentals | 44,040 | 37,600 | 41,703 |
| • Recreation Centre Charges | 1,594,370 | 1,727,560 | 1,580,533 |
| • Reserves Hire | 54,260 | 49,500 | 61,073 |
| | 1,854,582 | 1,971,360 | 1,826,086 |
| TRANSPORT | | | |
| • Reinstatements | 24,625 | 18,000 | 18,354 |
| • Crossover Construction | 35,992 | 30,000 | 41,275 |
| | 60,617 | 48,000 | 59,629 |
| ECONOMIC SERVICES | | | |
| • Building Licenses | 440,275 | 409,200 | 539,991 |
| • Quarry Licence | 0 | 0 | 6,100 |
| • Caravan Park Leases/Licenses | 174,425 | 163,000 | 157,002 |
| • Application/Inspection Fees | 11,188 | 43,000 | 95,717 |
| | 625,888 | 615,200 | 798,810 |
| OTHER, PROPERTY AND SERVICES | | | |
| • Sale of Quarry Materials | 766 | 0 | 30,321 |
| • Subdivision Supervision Fees | 0 | 0 | 47,511 |
| • Private Works | 72,810 | 152,925 | 65,455 |
| • Lease/Rental Income | 68,446 | 93,520 | 83,081 |
| • Directional Signs | 6,958 | 7,000 | 8,066 |
| | 148,980 | 253,445 | 234,434 |
| TOTAL | 10,609,067 | 11,255,686 | 10,503,240 |

16. Councillors Remuneration

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| The following fees, expenses, and allowances were paid to councillors and the mayor: | | | |
| Meeting Fees | 40,568 | 32,500 | |
| Travelling Expenses | 8,990 | 4,000 | 651 |
| Mayoral Allowances | 35,000 | 35,000 | |
| Telephone Expenses | 21,586 | 16,350 | |
| Commissioners Fees / Expenses | 68,038 | 68,000 | 143,252 |
| | 174,182 | 155,850 | 143,903 |

17. Financial Ratios

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 | Actual 1998/99 |
|--|-------------------|-------------------|-------------------|-------------------|
| CURRENT RATIO (<i>The Higher The Better</i>) | 1.85:1 | 2.61:1 | 1.84:1 | 2.71:1 |
| DEBT RATIO (<i>The Lower The Better</i>) | 2.92% | 2.62% | 3.45% | 2.47% |
| DEBT SERVICE RATIO (<i>The Lower The Better</i>) | 0.08% | 0.13% | 0.14% | 1.29% |
| RATE COVERAGE RATIO | 41.59% | 41.69% | 43.99% | 43.00% |
| OUTSTANDING RATES RATIO (<i>The Lower The Better</i>) | 4.55% | 5.24% | 5.23% | 5.38% |

The above ratio's are calculated as follows:

CURRENT RATIO :

Current assets - Restricted Assets / Current liabilities - liabilities associated with restricted assets

Purpose: To assess the adequacy of working capital and the ability to satisfy obligations in the short term

DEBT RATIO :

Total liabilities / total assets

Purpose: To identify exposure to debt by measuring the proportion of assets funded by creditors

DEBT SERVICE RATIO :

Debt service cost / Available operating revenue

Purpose: To assess the degree to which revenues are committed to the repayment of debt

RATE COVERAGE RATIO :

Net rate revenue / operating revenue

Purpose: To assess the degree of dependance upon revenue from rates

OUTSTANDING RATES RATIO :

Rates outstanding / rates collectable

Purpose: To assess the impact of uncollected rates on liquidity and the adequacy of recovery effort

notes to and forming part of the financial statements
for the year ended 30 June 2001

18. Discounts, Incentives, Concessions, & Write Offs

| Type | Discount | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|--|----------------|-------------------|-------------------|-------------------|
| | % | \$ | \$ | \$ |
| GENERAL RATES | Discount | 515,896 | 565,000 | 505,592 |
| SELF SUPPORTING LOAN - COCKBURN BASKETBALL CLUB | Debt write off | 177,021 | 0 | 0 |

A discount on rates is provided to all ratepayers who pay their rates within 35 days from the date of issue. Council provides a number of incentives to entice ratepayers to pay their rates within the 35 day period. Those ratepayers who have their name drawn from a barrel are invited to the council chambers for the major draw. The mayor and the sponsors of the draw pull names out of the barrel to establish which ratepayers have won which prizes.

Prizes Offered As Early Payment Incentive:

- Reimbursement of Rates Paid (*City Of Cockburn*)
- Fitness Club Membership (*Lakes Leisure Complex*)
- Gift Vouchers (*Phoenix Park Shopping Centre*)
- Gift Vouchers (*Gateways Shopping Centre*)
- Dinner for two people (*Esplanade Hotel*)
- Adventure World Passes (*Adventure World*)
- Water Ski / Sling Shot Passes (*Cable Water Ski*)
- Travel Voucher (*Harvey World Travel*)

19. Interest charges and instalments

| | Interest Rate | Admin Charge | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|---------------------|------------------|-----------------|-------------------|-------------------|-------------------|
| | % | \$ | \$ | \$ | \$ |
| ADMINISTRATION FEE | - | 5 | 81,165 | 70,000 | 76,347 |
| RATE PENALTY | 11.00 | | 108,625 | 50,000 | 90,718 |
| INSTALMENT INTEREST | 6.50 | | 54,321 | 26,492 | 45,380 |

Ratepayers had the choice to pay for their rates by either :

(A) Pay within 35 days & receive a 5% discount on the rates due 12/9/00

(B) Pay in two instalments due on 12/9/00 & 16/01/01

(C) Pay in four instalments due:

| | |
|---------------|---------------|
| 1. 12/09/2000 | 3. 16/01/2001 |
| 2. 14/11/2000 | 4. 20/03/2001 |

The administration fee of \$5.00 is charged on the last three instalments. Late payment penalty for no instalment option taken will accrue on all unpaid charges three months from the date of issue. Late payment penalty for instalment option taken will accrue on any instalment unpaid after due date of the instalment.

20. Statement Of Rating Information For The Year Ended 30 June 2001

| PARTICULARS | MINIMUM RATE | | | | | TOTALS | | | | | |
|------------------------|---------------|--------------------|------------------|-------------------|-------------------|---------------|-------------------|-----------|------------------|---------------------|-------------------|
| | Qty | Rateable Value | Rate in Value | Yield | Budget 2000/01 | Qty | Rateable Value | Yield | Budget | Rateable 2000/01 | Yield Value |
| GRV | | \$ | \$ | \$ | \$ | | \$ | \$ | \$ | \$ | \$ |
| Residential - Improved | 11786 | 94,946,630 | 6.2447 | 5,929,132 | 5,664,727 | 9,731 | 53,035,644 | 3.853,476 | 3,855,060 | 147,982,274 | 9,782,608 |
| Residential - Vacant | 804 | 6,040,482 | 10.8169 | 653,393 | 717,841 | 1,201 | 3,334,330 | 475,596 | 595,980 | 9,374,812 | 1,128,989 |
| Commercial - Improved | 219 | 22,191,013 | 6.2447 | 1,385,762 | 1,369,796 | 41 | 264,278 | 24,231 | 23,640 | 22,455,291 | 1,409,993 |
| Commercial - Vacant | 16 | 307,500 | 10.8169 | 33,262 | 27,286 | 11 | 25,250 | 6,501 | 6,501 | 332,750 | 39,763 |
| Industrial - Improved | 577 | 43,913,614 | 6.2447 | 2,742,273 | 2,646,239 | 179 | 1,210,944 | 105,789 | 106,380 | 45,124,558 | 2,848,062 |
| Industrial - Vacant | 155 | 2,038,900 | 10.8169 | 220,546 | 231,371 | 29 | 116,175 | 17,139 | 15,957 | 2,155,075 | 237,685 |
| UFL - Imp Residential | 6 | 78,676 | 5.6202 | 4,422 | 5,933 | 2 | 13,520 | 792 | 792 | 92,196 | 5,214 |
| UFL - Vac Residential | 2 | 17,100 | 9.7352 | 1,665 | 1,665 | - | 0 | 396.00 | 0 | 17,100 | 1,665 |
| Part Year Rating | - | - | - | - | - | - | - | - | - | - | 0 |
| TOTAL GRV | 13565 | 169,533,915 | - | 10,970,455 | 10,664,858 | 11,194 | 58,000,141 | - | 4,483,524 | 4,604,310 | 15,453,979 |
| UV | | | | | | | | | | | |
| Rural - Special | 585 | 111,992,000 | 0.4375 | 489,965 | 347,047 | 2 | 6,952 | 396.00 | 0 | 111,998,952 | 490,757 |
| Rural - General | 644 | 138,255,600 | 0.4375 | 604,868 | 718,286 | 53 | 3,620,860 | 396.00 | 21,780 | 141,876,460 | 625,856 |
| UFL - Rural General | 82 | 18,613,000 | 0.3937 | 73,279 | 81,831 | 1 | 100,000 | 396.00 | 396 | 18,713,000 | 73,675 |
| TOTAL UV | 1311 | 268,860,600 | - | 1,168,113 | 1,147,164 | 56 | 3,727,812 | - | 22,176 | 272,588,412 | 1,190,289 |
| INTERIM RATES | | | | | | | | | | | |
| DISCOUNT ALLOWED | - | - | - | 508,316 | 100,000 | - | - | - | - | - | 508,316 |
| RATE INTEREST | - | - | - | -515,896 | -565,000 | - | - | - | - | - | -515,896 |
| RATE PENALTY | - | - | - | 54,321 | 26,492 | - | - | - | - | - | 54,321 |
| | - | - | - | 108,625 | 50,000 | - | - | - | - | - | 108,625 |
| TOTAL RATES | 14,876 | 438,394,515 | - | 12,293,934 | 11,423,514 | 11,250 | 61,727,953 | - | 4,505,700 | 500,122,468 | 16,799,634 |

21. Non-Operating Expenditure / Income Summary

The following income/expenditure and movements to and from the reserve accounts are not included in the Operating Statement.

| | Actual 2000/01 | Budget 2000/01 | Actual 1999/00 |
|-----------------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| NON OPERATING INCOME | | | |
| Deposits and Bonds Received | 366,248 | 270,900 | 431,037 |
| Self Supporting Loan Repayments | 0 | 13,607 | 13,607 |
| Sale of Assets | 646,241 | 898,000 | 958,699 |
| Transfers from Reserve | 1,556,371 | 3,755,411 | 1,375,973 |
| | 2,568,860 | 4,937,918 | 2,779,316 |
| NON OPERATING EXPENDITURE | | | |
| Deposits & Bonds Repaid | 214,832 | 270,900 | 525,559 |
| Principal Repayment of Loans | 31,810 | 31,810 | 44,665 |
| Purchase of Furniture & Equipment | 438,481 | 1,183,233 | 393,479 |
| Purchase of Plant & Machinery | 1,294,282 | 2,354,700 | 1,609,372 |
| Purchase of Freehold Land | 2,787,994 | 1,449,193 | 189,159 |
| Purchase of Tip Infrastructure | 2,254,584 | - | 244,578 |
| Purchase of Tools | 9,617 | 27,000 | 1,546 |
| Capital works - Buildings | 645,045 | 670,999 | 1,448,985 |
| Capital works - Infrastructure | 3,104,328 | 10,365,938 | 5,367,375 |
| Reserve Fund Transfers | 3,722,882 | 2,544,607 | 3,252,486 |
| TOTAL | 14,503,855 | 18,898,380 | 13,077,204 |

22. Net Current Asset Position

The net current asset position balance (adjusted for cash reserves) carried forward from the previous financial year for the purpose of the 2000/01 budget was \$ 9,147,650.

The net current asset position balance (adjusted for cash reserves) shown in the audited financial report as at 30 June 2000 was \$ 8,385,122.

23. Trust Funds

Funds over which the city has no control and which are not included in the Financial Statements are as follows

| Actual 2000/01 | Actual 1999/00 |
|-------------------|-------------------|
| Nil | Nil |

24. Credit Standby Arrangements

| Actual 2000/01 | Actual 1999/00 |
|-------------------|-------------------|
| Nil | Nil |

25. Contingent Liabilities

REGIONAL RESOURCE RECOVERY CENTRE- LENDING FACILITY

Council resolved at its meeting on 20 April 1999 to participate as a project participant in the Regional Resource Recovery Centre. The project was established through the Southern Metropolitan regional Council (SMRC) and involves the cities of Canning, Cockburn, Fremantle, Melville and the town of East Fremantle in the development of a waste processing plant and a recyclable and green waste facility at Canning Vale.

The capital construction of the facility will be funded from borrowings as indicated in the project business plan. A \$40 million lending facility has been set up for this purpose, repayable over a term of 20 years. The SMRC will receive and administer the borrowings and the project participants will make quarterly contributions towards repayment of these borrowings.

The Council's estimated share of the project funding is based on population percentages (census figures each 5 years) over the of the loan, currently at 23.44%. For the period ended 30 June 2001, \$4 million had been drawn against the lending facility, with the Council's share of this liability being \$937,616.

It is estimated that once fully drawn, Councils annual contribution towards the repayment of interest and principal on the lending facility will be in the region of \$800k to \$850k over the 20 year loan period (\$32 - \$34 per household). Council, as a member of the South West Group is a guarantor to this loan facility.

BANK GUARANTEE - WATER CORPORATION

Council has provided a bank guarantee to the Water Corporation for \$80,000 expiring in May 2002. This relates to the provision of a sewer line to service Lot 14 Progress Drive, Bibra Lake (required for the clearance of a sub-division condition). The funds may be called upon in the event that a private sewer line needs to be constructed (in lieu of the water corporation providing it through its normal works program).

26. Unused Loan Facilities

| Actual 2000/01 | Actual 1999/00 |
|-------------------|-------------------|
| Nil | Nil |

27. Major Land Transactions

| Actual 2000/01 | Actual 1999/00 |
|-------------------|-------------------|
| Nil | Nil |

28. Trading Undertakings

| Actual 2000/01 | Actual 1999/00 |
|-------------------|-------------------|
| Nil | Nil |

29. Financial Instruments

(A) SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied, in respect to each class of financial asset and liability are disclosed in Note 1 to the accounts in conjunction with the following:

I. Receivables

Trade receivables are carried at nominal amounts. Due to the materially insignificant value of bad debts, no provision for doubtful debts is made.

Credit terms offered to the City's non-rates debtors are 30 days net. Interest is not payable on overdue amounts.

The credit terms relating to rates debtors are in accordance with the legislative requirements of the Local Government Act 1995 and are detailed separately at note 19.

II. Trade Creditors

Liabilities are recognised for amounts to be paid in the future for goods and services supplied to Council irrespective of whether or not the amounts have yet been billed.

Trade creditors are normally settled on 30-day terms

(B) INTEREST RATE RISK EXPOSURE

The City is exposed to interest rate risk through primary financial assets & liabilities. The following table summarises interest rate risk for the City, together with effective interest rates as at 30th June 2001.

| | Average Interest Rate | Fixed Interest Rate Maturity | | | | Non Interest Bearing | Total |
|------------------------------|-----------------------------|------------------------------|---------------------|-----------------|-------------------------|----------------------------|-------------------|
| | | Floating Interest Rate | Less than 1 Year | 1 to 5 Years | More than 5 Years | | |
| | % | \$ | \$ | \$ | \$ | \$ | \$ |
| FINANCIAL ASSETS | | | | | | | |
| Cash | 3.50 | 1,143,052 | - | - | - | - | 1,143,052 |
| Bank Bills/Deposits | 5.04 | - | 16,349,844 | - | - | - | 16,349,844 |
| Managed Cash Funds | 4.95 | 11,926,727 | - | - | - | - | 11,926,727 |
| Receivables | 5.79 | 312,904 | - | - | - | 1,653,645 | 1,966,549 |
| Total | | 13,382,683 | 16,349,844 | - | - | 1,653,645 | 31,386,172 |
| FINANCIAL LIABILITIES | | | | | | | |
| Accounts Payable | - | - | - | - | - | 2,187,840 | 2,187,840 |
| Deposits | 4.94 | - | 513,038 | - | - | 1,559,281 | 2,072,319 |
| Employee Entitlements | - | - | - | - | - | 2,396,230 | 2,396,230 |
| Total | | - | - | - | - | 6,143,351 | 6,656,389 |

The following table provides comparatives as at 30th June 2000:

| | Average Interest Rate | Fixed Interest Rate Maturity | | | | Non Interest Bearing | Total |
|------------------------------|-----------------------------|------------------------------|---------------------|-------------------|-------------------------|----------------------------|-------------------|
| | | Floating Interest Rate | Less than 1 Year | 1 to 5 Years | More than 5 Years | | |
| | % | \$ | \$ | \$ | \$ | \$ | \$ |
| FINANCIAL ASSETS | | | | | | | |
| Cash | 4.75 | 472,569 | - | - | - | - | 472,569 |
| Bank Bills/Deposits | 6.12 | - | 16,367,549 | - | - | - | 16,367,549 |
| Managed Cash Funds | 6.00 | 10,544,195 | - | - | - | - | 10,544,195 |
| Receivables | 5.74 | 327,528 | - | - | - | 1,863,923 | 2,191,451 |
| Loans | 5.63 | - | 14,383 | 137,549 | - | - | 151,932 |
| Total | | - | 11,344,292 | 16,381,932 | 137,549 | - | 29,727,696 |
| FINANCIAL LIABILITIES | | | | | | | |
| Accounts Payable | - | - | - | - | - | 3,225,979 | 3,225,979 |
| Deposits | 6.10 | - | 484,974 | - | - | 1,435,929 | 1,920,903 |
| Borrowings | 8.75 | - | 31,811 | - | - | - | 31,811 |
| Employee Entitlements | - | - | - | - | - | 2,202,854 | 2,202,854 |
| Total | | - | - | 516,785 | - | 6,864,762 | 7,381,547 |

FINANCIAL statements

notes to and forming part of the financial statements
for the year ended 30 June 2001

(C) CREDIT RISK EXPOSURE

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in financial loss to the City. The City does not have significant credit risk exposure to any single debtor or any group of debtors having similar characteristics. Policies and procedures are in place limiting credit risk exposure to only creditworthy debtors. Sufficient collateral or other security (where appropriate), is obtained as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements represents the City's maximum exposure to credit risk with the exception of rates debtors.

The credit risk exposure in relation to rates debtors is zero because of the provisions of the Local Government Act 1995 giving the City the power to seize rateable land upon which payment of rates is more than 3 years in arrears.

The City is not exposed to any significant industry concentration of credit risk in respect to receivables. Whilst rates debtors are geographically concentrated the City, this is not considered to represent any credit risk.

(D) NET FAIR VALUE

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