

**CITY OF WANNEROO**

**ANNUAL BUDGET**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2013**

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## CITY OF WANNEROO

## STATEMENT OF COMPREHENSIVE INCOME

## BY NATURE OR TYPE

FOR THE YEAR ENDING 30TH JUNE 2013

	NOTE	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
	1			
<b>Revenues</b>				
Rates	9	89,889,666	90,418,595	99,191,645
Operating Grants, Subsidies and Contributions		10,407,206	12,357,774	8,479,465
Fees and Charges	12	22,110,792	19,895,864	19,889,042
Interest Earnings	2(a)(ii)	7,122,950	9,133,000	6,674,836
Other Revenue		4,045,228	4,798,015	4,051,003
Service Charges	11	230,000	230,000	-
		<b>133,805,842</b>	<b>136,833,248</b>	<b>138,285,991</b>
<b>Expenses</b>				
Employee Costs		(56,610,764)	(54,197,169)	(60,088,329)
Materials and Contracts		(38,792,469)	(38,728,290)	(40,719,105)
Utility Charges		(6,076,202)	(6,951,098)	(7,398,962)
Depreciation on Non-Current Assets	2(a)(i)	(26,001,505)	(25,001,505)	(27,000,000)
Interest Expenses	2(a)(i),5(a)	(3,689,236)	(3,689,236)	(3,689,236)
Insurance Expenses		(1,515,890)	(1,510,227)	(1,699,658)
		<b>(132,686,066)</b>	<b>(130,077,525)</b>	<b>(140,595,290)</b>
		<b>1,119,776</b>	<b>6,755,723</b>	<b>(2,309,299)</b>
<b>Other Revenues and Expenses (excl. Contr. of Physical Assets)</b>				
Non-Operating Grants, Subsidies and Contributions		9,324,271	9,827,856	8,736,508
Profit on Asset Disposals	4	5,473,160	3,583,160	2,970,000
Loss on Asset Disposals	4	(745,552)	(745,552)	(500,000)
Loss on Financial Asset Disposals		-	-	-
Town Planning Scheme Income	18(b)	14,688,921	14,688,921	12,370,000
Town Planning Scheme Expenses	18(b)	(21,164,091)	(21,157,122)	(9,224,430)
		<b>7,576,709</b>	<b>6,197,263</b>	<b>14,352,078</b>
<b>Net Result (excl. Contr. of Physical Assets)</b>		<b>8,696,485</b>	<b>12,952,986</b>	<b>12,042,779</b>
Contributions of Physical Assets		30,000,000	30,000,000	30,000,000
<b>Net Result</b>		<b>38,696,485</b>	<b>42,952,986</b>	<b>42,042,779</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income</b>		<b>38,696,485</b>	<b>42,952,986</b>	<b>42,042,779</b>

Please note, Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated.

It is anticipated in all instances, any Other Comprehensive Income will relate to non-cash transactions and as such, have no impact on this budget document.

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

## CITY OF WANNEROO

## STATEMENT OF COMPREHENSIVE INCOME

## BY PROGRAM

FOR THE YEAR ENDING 30TH JUNE 2013

	NOTE	2011/2012	2011/2012	2012/2013
	1, 2(b)	Budget	Actual (Est.)	Budget
		\$	\$	\$
<b>Revenues</b>				
Governance		189,384	315,488	329,725
General Purpose Funding		102,656,281	106,945,435	109,339,555
Law, Order and Public Safety		639,690	659,400	660,580
Health		685,233	402,703	407,860
Education and Welfare		3,890,211	4,153,231	4,425,412
Community Amenities		14,023,343	13,425,674	12,948,064
Recreation and Culture		6,997,588	6,994,580	7,207,829
Transport		959,180	740,770	790,860
Economic Services		3,221,494	2,706,529	1,905,106
Other Property and Services		543,438	489,438	271,000
		<b>133,805,842</b>	<b>136,833,248</b>	<b>138,285,991</b>
<b>Expenses (excluding Finance Costs)</b>				
Governance		(5,816,277)	(5,490,472)	(6,479,997)
General Purpose Funding		(1,285,966)	(1,336,962)	(1,335,210)
Law, Order and Public Safety		(4,379,128)	(4,432,994)	(4,810,108)
Health		(2,016,303)	(2,016,401)	(2,116,302)
Education and Welfare		(7,669,565)	(7,631,613)	(8,281,675)
Community Amenities		(35,236,220)	(34,496,357)	(38,891,712)
Recreation and Culture		(35,850,050)	(34,877,727)	(37,768,103)
Transport		(33,077,749)	(17,221,373)	(23,130,349)
Economic Services		(3,344,966)	(3,265,490)	(3,282,304)
Other Property and Services		(21,484,697)	(36,776,022)	(20,034,724)
		<b>(150,160,921)</b>	<b>(147,545,411)</b>	<b>(146,130,484)</b>
<b>Finance Costs</b>				
	2(a)(i),5(a)			
General Purpose Funding		(388,590)	(388,590)	(388,590)
Governance		(22,991)	(22,991)	(22,991)
Recreation and Culture		(2,545,623)	(2,545,623)	(2,545,623)
Transport		(252,697)	(252,697)	(252,697)
Other Property and Services		(479,335)	(479,335)	(479,335)
		<b>(3,689,236)</b>	<b>(3,689,236)</b>	<b>(3,689,236)</b>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Governance		-	1,236,160	1,207,230
Education and Welfare		-	-	37,394
Community Amenities		455,913	8,074,554	7,775,686
Recreation and Culture		907,488	17,718,002	17,430,313
Transport		37,821,536	12,659,806	10,624,885
Other Property and Services		14,828,255	14,828,255	14,031,000
		<b>54,013,192</b>	<b>54,516,777</b>	<b>51,106,508</b>
<b>Profit/(Loss) on Disposal of Assets</b>				
	4			
Other Property and Services		4,727,608	2,837,608	2,470,000
		<b>4,727,608</b>	<b>2,837,608</b>	<b>2,470,000</b>
<b>Net Result</b>				
		<b>38,696,485</b>	<b>42,952,986</b>	<b>42,042,779</b>
<b>Other Comprehensive Income</b>				
		-	-	-
<b>Total Comprehensive Income</b>				
		<b>38,696,485</b>	<b>42,952,986</b>	<b>42,042,779</b>

Please note, Other Comprehensive Income (if any) is impacted upon by external forces and is not able to be reliably estimated. It is anticipated in all instances, any Other Comprehensive Income will relate to non-cash transactions and as such, have no impact on this budget document.

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

## CITY OF WANNEROO

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 30TH JUNE 2013

	NOTE	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		89,889,666	90,418,595	99,191,645
Operating Grants, Subsidies and Contributions		10,407,206	12,357,774	8,479,465
Fees and Charges		22,110,792	19,895,864	19,889,042
Interest Earnings		7,122,950	9,133,000	6,674,836
Goods and Services Tax		5,000,000	3,500,000	4,950,000
Service Charges		230,000	230,000	-
Other Revenue		4,045,228	4,798,015	4,051,003
		<u>138,805,842</u>	<u>140,333,248</u>	<u>143,235,991</u>
<b>Payments</b>				
Employee Costs		(56,610,764)	(54,197,169)	(60,088,329)
Materials and Contracts		(38,792,469)	(38,728,290)	(40,719,105)
Utility Charges		(6,076,202)	(6,951,098)	(7,398,962)
Interest Expenses		(3,689,236)	(3,689,236)	(3,689,236)
Insurance Expenses		(1,515,890)	(1,510,227)	(1,699,658)
Goods and Services Tax		(5,950,000)	(6,950,000)	(5,100,000)
		<u>(112,634,561)</u>	<u>(112,026,020)</u>	<u>(118,695,290)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>16(b)</b>	<u>26,171,281</u>	<u>28,307,228</u>	<u>24,540,701</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(21,534,423)	(10,111,594)	(35,928,917)
Payments for Construction of Infrastructure		(49,476,907)	(29,666,555)	(39,602,630)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		9,324,271	9,827,856	8,736,508
Proceeds from Sale of Plant & Equipment	4	6,233,055	2,543,055	4,270,000
Net movement in Financial Investments		34,555,256	-	-
Town Planning Scheme Income	18(b)	14,688,921	14,688,921	12,370,000
Town Planning Scheme Expenses	18(b)	(21,164,091)	(21,157,122)	(9,224,430)
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(27,373,918)</u>	<u>(33,875,439)</u>	<u>(59,379,469)</u>
<b>Cash Flows from Financing Activities</b>				
Proceeds from New Loans	5	-	-	-
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(1,202,637)</u>	<u>(5,568,211)</u>	<u>(34,838,768)</u>
Cash at Beginning of Year		104,987,489	139,116,204	133,547,993
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>16(a)</b>	<u>103,784,852</u>	<u>133,547,993</u>	<u>98,709,225</u>

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

## CITY OF WANNEROO

## RATE SETTING STATEMENT

FOR THE YEAR ENDING 30TH JUNE 2013

	NOTE	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>Revenues</b>				
Fees and Charges	12	22,110,792	19,895,864	19,889,042
Operating Grants, Subsidies and Contributions		10,407,206	12,357,774	8,479,465
Service Charges	11	230,000	230,000	-
Interest Earnings	2(a)(ii)	7,122,950	9,133,000	6,674,836
Other Revenue		4,045,228	4,798,015	4,051,003
		<b>43,916,176</b>	<b>46,414,653</b>	<b>39,094,346</b>
<b>Expenses</b>				
Employee Costs		(56,610,764)	(54,197,169)	(60,088,329)
Materials and Contracts		(38,792,469)	(38,728,290)	(40,719,105)
Utilities (Gas, Electricity, Water etc)		(6,076,202)	(6,951,098)	(7,398,962)
Insurance		(1,515,890)	(1,510,227)	(1,699,658)
Interest Expenses	2(a)(i), 5(a)	(3,689,236)	(3,689,236)	(3,689,236)
Depreciation on Non-Current Assets	2(a)(i)	(26,001,505)	(25,001,505)	(27,000,000)
		<b>(132,686,066)</b>	<b>(130,077,525)</b>	<b>(140,595,290)</b>
<b>Other Revenues and Expenses</b>				
Non-Operating Grants, Subsidies and Contributions		9,324,271	9,827,856	8,736,508
Town Planning Scheme Income (including Interest)	18(b)	14,688,921	14,688,921	12,370,000
Profit on Asset Disposal	4	5,473,160	3,583,160	2,970,000
Physical Assets Received from Developers		30,000,000	30,000,000	30,000,000
Town Planning Scheme Expenses	18(b)	(21,164,091)	(21,157,122)	(9,224,430)
Loss on Financial Asset Disposals		-	-	-
Loss on Asset Disposal	4	(745,552)	(745,552)	(500,000)
		<b>37,576,709</b>	<b>36,197,263</b>	<b>44,352,078</b>
		<b>(51,193,181)</b>	<b>(47,465,609)</b>	<b>(57,148,866)</b>
<b>Net Operating Result Excluding Rates</b>				
<b>Adjustments for Cash Budget Requirements</b>				
(Profit)/Loss on Asset Disposals	4	(4,727,608)	(2,837,608)	(2,470,000)
Depreciation on Assets	2(a)(i)	26,001,505	25,001,505	27,000,000
Physical Assets Received from Developers		(30,000,000)	(30,000,000)	(30,000,000)
		<b>(8,726,103)</b>	<b>(7,836,103)</b>	<b>(5,470,000)</b>
<b>Adjustments for Non-Operating Expenditure and Income</b>				
Capital Acquisitions		(71,011,330)	(39,778,149)	(75,531,547)
Proceeds from Disposal of Assets	4	6,233,055	2,543,055	4,270,000
Movement in Leave Provisions To Reserve		50,000	50,000	50,000
Movement in other Non-current Assets		-	-	-
Proceeds from Loan Borrowings	5(a)	-	-	-
		<b>(64,728,275)</b>	<b>(37,185,094)</b>	<b>(71,211,547)</b>
<b>Transfers</b>				
Transfers to Restricted Grants, Contributions and Loans		-	(2,949,292)	-
Transfers from Restricted Grants, Contributions and Loans		12,518,882	3,769,922	18,257,502
Transfers to Reserves	6	(18,557,498)	(19,274,645)	(25,597,187)
Transfers from Reserves	6	12,160,825	8,298,975	25,718,562
Transfers to Schemes	18(b)	(14,688,921)	(14,688,921)	(12,370,000)
Transfers from Schemes	18(b)	36,908,898	28,670,664	20,455,695
		<b>28,342,186</b>	<b>3,826,703</b>	<b>26,464,572</b>
<b>Surplus/(Deficit)</b>				
Estimated Surplus/(Deficit) July 1 Brought Forward	8	6,415,704	6,415,704	8,174,196
Estimated Surplus/(Deficit) June 30 Carried Forward	8	-	8,174,196	-
<b>Movement in Surplus/(Deficit)</b>		<b>6,415,704</b>	<b>(1,758,492)</b>	<b>8,174,196</b>
<b>Amount Required to be Raised from Rates</b>	9	<b>(89,889,669)</b>	<b>(90,418,595)</b>	<b>(99,191,645)</b>

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

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. The budget has also been prepared on the accrual basis under the convention of historical cost accounting modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 17 to this budget document.

**(c) 2011/2012 Actual Balances**

Balances shown in this budget as 2011/2012 Actual are forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

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

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

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

**(f) Goods and Services Tax**

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

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on bank, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities 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 and bank overdrafts.

Bank overdrafts are shown as short-term borrowings in current liabilities on the statement of financial position.

**(h) Trade and Other Receivables**

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

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(i) Inventories****General**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**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, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

**(j) Fixed Assets**

Each class of fixed assets is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation or impairment losses.

**Initial Recognition**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

**Revaluation**

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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 materially from that determined using fair value at reporting date.

**Land Under Roads**

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

Whilst this treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.



CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	40 years
Bus Shelters	50 years
Car Parks - sealed	40 years
Information Technology Hardware	3 years
Information Technology Software	2 years
Footpaths	40 years
Furniture and Equipment	10 years
Heavy Vehicles - 1,201 kg to 4,000 kg	6 years/100,000 km's (45% residual)
Heavy Vehicles - 4,001 kg to 9,000 kg	6 years/200,000 km's (40% residual)
Heavy Vehicles - 9,001 kg to 12,000 kg	8 years/500,000 km's (48% residual)
Heavy Vehicles - refuse	5 years (20% residual)
Irrigation	30 years
Light Vehicles	3 years (60% residual)
Other Plant and Equipment	10 years
Parks and Reserves	50 years
Plant	10 years (50% residual)
Public Accessways	40 years
Reserve/Playground Equipment	10 years
Sealed roads and streets - major re-surfacing	15 years
Sealed roads and streets - original surfacing	40 years
Street Lighting	25 years
Tennis/Basketball Courts	40 years
Underpasses	80 years
Water supply piping & drainage systems	80 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Capitalisation Threshold**

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is expensed.

(l) Financial Instruments

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or at cost.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## (I) Financial Instruments (Continued)

## Classification and Subsequent Measurement (Continued)

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- (d) less any reduction for impairment.

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit and loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which are classified as current assets.

If the City were 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

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months of the end of the reporting period (classified as current assets).

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Impairment**

At the end of each reporting period, the City assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

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

**(m) Estimation of Fair Value**

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The City uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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.

**(n) 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 Statement of Comprehensive Income.

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.

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2013.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

**(o) Trade and Other Payables**

Trade payables and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**(p) 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 City has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the City expects to pay and includes related on-costs.

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

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the City does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as current liability.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

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

**(q) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred.

**(r) Provisions**

Provisions are recognised when: The council 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; that outflow can be reliably measured. Provisions are not recognised for future operating losses.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(s) Superannuation**

The City of Wanneroo contributes to a number of Superannuation Funds on behalf of employees.

**(t) 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.

**(u) Comparative Figures**

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

**(v) Budget Comparative Figures**

Unless otherwise stated, the budget comparative figures shown in this budget document relate to the original budget estimate for the relevant item of disclosure.

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

## 2. REVENUES AND EXPENSES

(a) Net Result	Note	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>(i) Charging as Expenses:</b>				
<b>Auditors Remuneration</b>				
Audit		40,780	40,780	42,210
		<b>40,780</b>	<b>40,780</b>	<b>42,210</b>
<b>Depreciation of Non-Current Assets</b>				
<b>By Program</b>				
Governance		2,137,442	2,137,442	2,192,801
Law, Order and Public Safety		3,063	3,063	3,258
Health		8,166	8,166	15,820
Education and Welfare		35,022	35,022	36,784
Community Amenities		411,265	411,265	457,912
Recreation and Culture		2,974,710	2,974,710	3,971,395
Transport		16,503,281	15,503,281	15,978,743
Economic Services		27,679	27,679	30,056
Other Property and Services		3,900,877	3,900,877	4,313,231
		<b>26,001,505</b>	<b>25,001,505</b>	<b>27,000,000</b>
<b>By Class</b>				
Land and Buildings		2,112,812	2,112,812	2,527,300
Furniture and Equipment		2,791,614	2,791,614	3,562,647
Plant and Equipment		3,897,073	3,897,073	4,309,208
Other Infrastructure Assets		17,200,006	16,200,006	16,600,845
		<b>26,001,505</b>	<b>25,001,505</b>	<b>27,000,000</b>
<b>Interest Expenses (Finance Costs)</b>				
- Loan Interest	5(a)	3,689,236	3,689,236	3,689,236
		<b>3,689,236</b>	<b>3,689,236</b>	<b>3,689,236</b>
<b>(ii) Crediting as Revenues:</b>				
<b>Interest Earnings</b>				
<b>Investments</b>				
- Reserve Funds		2,002,500	2,730,469	2,638,610
- Municipal Funds		4,200,000	5,212,031	2,936,226
- Other Interest Revenue	14	920,450	1,190,500	1,100,000
<b>Sub-Total</b>		<b>7,122,950</b>	<b>9,133,000</b>	<b>6,674,836</b>
- Town Planning Schemes	19	3,500,000	3,500,000	3,000,000
<b>Total</b>		<b>10,622,950</b>	<b>12,633,000</b>	<b>9,674,836</b>

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

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, the City has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

With reference to the City of Wanneroo Strategic Plan 2006-2021:-

**Vision**

The centre for creative and sustainable growth, delivering strong, vibrant and connected communities.

**Mission**

Through strategic partnerships and effective leadership is to provide spaces, places and services that:

- build on our natural resources and cultural heritage;
- create distinct and vibrant village communities;
- enhance lifestyle choices;
- foster economic prosperity;
- encourage citizen and stakeholder participation in governance and development decisions.

**Quadruple Bottom Line**

Within the strategic plan, four pillars are referred to, being:

- Environment - a sustainable natural, built and healthy environment.
- Social - healthy, safe, vibrant and connected communities.
- Economic - a prosperous region achieved through economic growth and employment.
- Governance - leadership and community engagement ensures the best use of our physical, financial and human resources.

The City operations as disclosed in this budget encompass the following service orientated activities/programs:

**Governance**

Objectives: To provide a decision making process for the efficient allocation of scarce resources.

Activities: Administration and operation of facilities and services to members of the City: other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific City services.

**General Purpose Funding**

Objectives: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants and interest revenue.

**Law, Order and Public Safety**

Objectives: To provide services to help ensure a safer community.

Activities: Supervision of various local-laws, fire prevention, emergency services, animal control, and property and surveillance services.

**Health**

Objectives: To provide an operational framework for good community health.

Activities: Food quality and pest control, immunisation services and operation of child health clinics.

**Education and Welfare**

Objectives: To meet the needs of the community in these areas.

Activities: Operation of senior citizens centres, day care centres and pre-school facilities, assistance to playgroups, retirement villages and other voluntary services.

**Community Amenities**

Objectives: Provide services required by the community.

Activities: Rubbish collection services, noise control, administration of the town planning and regional development and community amenities.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

**Recreation and Culture**

Objectives: To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

Activities: Maintenance of halls, the aquatic centre, recreation centres, golf courses, various reserves and operation of libraries.

**Transport**

Objectives: To provide effective and efficient transport services to the community.

Activities: Construction and maintenance of streets, roads, bridges, the cleaning and lighting of streets and traffic lights, and depot maintenance.

**Economic Services**

Objectives: To help promote the City and improve its economic well being.

Activities: Economic development, the promotion of tourism, area promotion and building control.

**Other Property and Services**

Objectives: To accommodate otherwise unclassified activities of the City.

Activities: Private works, plant repairs and operation costs, Town Planning Schemes and other unclassified activities.

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

## 3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:

**By Program****Governance**

Land and Buildings

Infrastructure Assets - Land and Buildings

Furniture and Equipment

**Education and Welfare**

Furniture and Equipment

**Community Amenities**

Land and Buildings

Infrastructure Assets - Land and Buildings

Infrastructure Assets - Parks &amp; Ovals

Infrastructure Assets - Drainage

Infrastructure Assets - Pathways

Furniture and Equipment

**Recreation and Culture**

Land and Buildings

Infrastructure Assets - Land and Buildings

Infrastructure Assets - Parks and Ovals

Furniture and Equipment

**Transport**

Infrastructure Assets - Pathways

Infrastructure Assets - Roads

Infrastructure Assets - Drainage

Furniture and Equipment

**Economic Services**

Land and Buildings

**Other Property and Services**

Land and Buildings

Plant and Equipment

**Total****By Class**

Land and Buildings

Infrastructure Assets - Land and Buildings

Infrastructure Assets - Roads

Infrastructure Assets - Parks and Ovals

Infrastructure Assets - Pathways

Infrastructure Assets - Drainage

Plant and Equipment

Furniture and Equipment

**Total**

	2011/2012 Budget \$	2012/2013 Budget \$
	387,094	867,717
	1,537,230	1,457,230
	1,810,575	2,628,487
	<b>3,734,899</b>	<b>4,953,434</b>
	15,000	67,394
	<b>15,000</b>	<b>67,394</b>
	1,048,095	1,752,922
	7,758,020	7,749,020
	1,376,133	1,279,600
	200,000	178,000
	79,000	29,000
	208,920	490,000
	<b>10,670,168</b>	<b>11,478,542</b>
	3,671,639	9,558,115
	2,475,170	2,387,170
	25,035,855	19,200,035
	2,068,500	3,087,842
	<b>33,251,164</b>	<b>34,233,162</b>
	997,482	1,189,110
	39,326,142	34,343,439
	691,875	1,790,026
	783,567	105,000
	<b>41,799,066</b>	<b>37,427,575</b>
	79,713	289,713
	<b>79,713</b>	<b>289,713</b>
	4,313,493	5,413,757
	7,147,827	11,667,970
	<b>11,461,320</b>	<b>17,081,727</b>
	<b>101,011,330</b>	<b>105,531,547</b>
	9,500,034	17,882,224
	11,770,420	11,593,420
	39,326,142	34,343,439
	26,411,988	20,479,635
	1,076,482	1,218,110
	891,875	1,968,026
	7,147,827	11,667,970
	4,886,562	6,378,723
	<b>101,011,330</b>	<b>105,531,547</b>

A detailed breakdown of the Capital Works Program can be found in Attachment 3.



CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2012

4. DISPOSALS OF ASSETS

The following assets are budgeted to be disposed of during the year:

	<u>Net Book Value</u>	<u>Sale Proceeds</u>	<u>Profit/(Loss)</u>
	2012/2013	2012/2013	2012/2013
	Budget	Budget	Budget
	\$	\$	\$
<b>By Program</b>			
Other Property and Services	1,800,000	4,270,000	2,470,000
	<b>1,800,000</b>	<b>4,270,000</b>	<b>2,470,000</b>
<b>By Class</b>			
Plant and Equipment	1,800,000	1,800,000	-
Land and Buildings	-	2,470,000	2,470,000
	<b>1,800,000</b>	<b>4,270,000</b>	<b>2,470,000</b>
<b>Summary</b>			
Profit on Asset Disposals			2,970,000
Loss on Asset Disposals			(500,000)
			<b>2,470,000</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

5. INFORMATION ON BORROWINGS

(a) Loan Repayments

Details	Principal	New	Principal		Principal		Interest	
	01-Jul-12	Drawdown	Repayments	Repayments	Outstanding	Outstanding	Repayments	Repayments
	\$	\$	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013
	\$	\$	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Western Australian Treasury Corporation	60,778,188	-	-	-	60,778,188	60,778,188	3,689,236	3,689,236
<b>Total</b>	<b>60,778,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>3,689,236</b>	<b>3,689,236</b>

Note 1) All loan repayments are to be financed by general purpose revenue.

Note 2) The interest rate for our loan to Western Australian Treasury Corporation for the duration of this period is 6.07%.

Note 3) The maturity date of this loan is 1st December 2026.

(b) Unspent Loans

The City is estimated to have \$13,105,000 unspent loans as at 30th June 2012. The purpose of the unspent loans is to provide funding to the City's capital works program. As at 30 June 2013 there will be budgeted loan funds of \$6,545,750 to be available to projects scheduled for completion in future years.

(c) Overdraft

The City established an overdraft facility of \$1,000,000 in 2002 to assist with short term liquidity requirements. The balance of the bank overdraft as at 30 June 2012 is estimated to be NIL.

(d) Purpose of Total Loan Funding

Under Section 6.20(4)(a) of the Local Government Act 1995, a change in purpose of the use of borrowings can be disclosed in the annual budget. As such, the table outlined below indicates the budgeted purpose of borrowings to be adopted in the annual budget for 2012/2013.

Project Description	Annual Adopted Application of Total Loan Funding							Required
	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	12/13-15/16
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Develop Industrial Estate - Neerabup	13,000,000	5,200,000	6,091,762	8,959,000	4,618,088	218,088	218,088	-
Wanneroo Regional Museum and Library	10,000,000	13,100,000	11,616,112	11,905,262	11,060,362	11,060,362	11,060,362	-
Construct Community Centre - Butler	278,000	278,000	278,000	278,000	278,000	278,000	278,000	-
Redevelop Wanneroo Townsite	6,814,000	5,164,000	164,000	164,000	73,510	73,510	73,510	-
Redevelop Koondoola Precinct	2,586,150	3,586,150	291,150	2,000	2,000	2,000	2,000	-
Pearsall Hocking Community Centre	1,620,000	1,480,000	57,776	-	-	-	-	-
Gumblossom Reserve	1,140,000	-	-	-	-	-	-	-
Develop Accessible and Inclusive Playground	1,127,000	222,000	222,000	222,000	222,001	222,001	222,001	-
Kingsway Regional Sporting Complex	22,213,038	23,913,038	23,911,388	27,065,230	23,737,890	23,837,890	23,837,890	4,773,254
Upgrade Aquamotion	2,000,000	5,625,000	7,926,000	7,926,000	7,926,000	7,926,000	7,926,000	-
Develop Wangara Industrial Area (Lot 257)	-	2,270,000	1,500,000	1,171,725	722,832	907,832	907,832	530,000
Develop Wangara Industrial Area (Lot 15)	-	-	6,170,000	170,000	2,170,000	2,170,000	2,170,000	2,089,538
Pinjar Road - Wanneroo and Carosa Road	-	850,000	850,000	914,963	914,963	914,963	914,963	-
Ocean Reef Road - Dual Carriageway	-	1,000,000	1,000,000	850,008	1,076,142	1,076,142	1,076,142	-
Upgrade Rocca Way Dundobar Road	-	-	200,000	200,000	196,400	196,400	196,400	188,000
Flynn Drive Neerabup - Construct Road	-	-	500,000	500,000	500,000	500,000	500,000	500,000
Lot 12 Fowey Loop	-	-	-	300,000	300,000	300,000	300,000	273,741
Hartman Drive Wangara - Dual Carriageway	-	-	-	150,000	-	-	-	-
Kingsway Shopfront Library	-	-	-	-	-	2,600,000	-	-
Yanchep District Playing Fields	-	-	-	-	2,230,000	2,230,000	2,230,000	2,149,274
Yanchep District Sports Amenities	-	-	-	-	-	619,250	619,250	619,250
Yanchep Lagoon	-	-	-	-	2,000,000	2,000,000	1,727,427	1,632,427
Yanchep SLSC	-	-	-	-	2,750,000	3,645,750	3,645,750	3,485,750
Southern Suburbs Library	-	-	-	-	-	-	2,872,573	2,872,573
<b>Totals</b>	<b>60,778,188</b>	<b>62,688,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>19,113,807</b>

Note: 1) In 2007/2008 the total identified as required for these projects was in excess of available loan funding, with Council approving to borrow the balance from TPS to be repaid with interest upon sale of Lots at Motivation Drive. Due to subsequent adjustments this action was however not required.

Note: 2) Amounts required in 2012/2013 - 2015/2016 include carry forward loan funding requirements (from 2011/2012).

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

6. RESERVES

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>(a) Alkimos/Eglinton Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	-	-	-
Transfer to Reserve	-	-	856,000
Transfer from Reserve	-	-	-
	-	-	856,000
<b>(b) Asset Preservation Reserve</b>			
Opening Balance	-	-	-
Transfer to Reserve	-	-	-
Transfer from Reserve	-	-	-
	-	-	-
<b>(c) Asset Replacement Reserve</b>			
Opening Balance	1,230,091	1,235,385	3,677,156
Transfer to Reserve	4,761,505	2,761,771	2,617,087
Transfer from Reserve	(420,000)	(320,000)	(2,500,000)
	5,571,596	3,677,156	3,794,243
<b>(d) Butler Collaborative Planning Agreement Reserve</b>			
Opening Balance	2,483,619	2,479,128	2,543,084
Transfer to Reserve	124,181	123,956	101,723
Transfer from Reserve	(60,000)	(60,000)	(161,800)
	2,547,800	2,543,084	2,483,007
<b>(e) City of Wanneroo Townsite Reserve</b>			
Opening Balance	351,636	292,885	239,850
Transfer to Reserve	17,582	14,644	9,594
Transfer from Reserve	(256,246)	(67,679)	(249,444)
	112,972	239,850	-
<b>(f) Commercial Refuse Reserve</b>			
Opening Balance	1,885,782	1,731,024	1,744,475
Transfer to Reserve	94,289	86,551	69,779
Transfer from Reserve	(120,000)	(73,100)	-
	1,860,071	1,744,475	1,814,254
<b>(g) Commercial Refuse - Plant Replacement Reserve</b>			
Opening Balance	1,726,097	1,803,052	2,363,523
Transfer to Reserve	585,113	588,961	641,575
Transfer from Reserve	(267,250)	(28,490)	(933,550)
	2,043,960	2,363,523	2,071,548

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

6. RESERVES (Continued)	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>(h) Domestic Refuse Reserve</b>			
Opening Balance	6,337,131	5,448,834	5,257,949
Transfer to Reserve	316,857	272,442	210,318
Transfer from Reserve	(1,222,627)	(463,327)	(1,227,387)
	<b>5,431,361</b>	<b>5,257,949</b>	<b>4,240,880</b>
<b>(i) Domestic Refuse - Plant Replacement Reserve</b>			
Opening Balance	9,726,475	10,443,401	12,617,134
Transfer to Reserve	3,184,487	3,220,333	3,550,399
Transfer from Reserve	(2,179,978)	(1,046,600)	(10,424,500)
	<b>10,730,984</b>	<b>12,617,134</b>	<b>5,743,033</b>
<b>(j) Environmental Initiatives Reserve</b>			
Opening Balance	1,005	50,000	52,500
Transfer to Reserve	50,050	52,500	52,100
Transfer from Reserve	(50,000)	(50,000)	(50,000)
	<b>1,055</b>	<b>52,500</b>	<b>54,600</b>
<b>(k) Fleming Park Lake Reserve</b>			
Opening Balance	185,100	184,728	180,964
Transfer to Reserve	9,255	9,236	7,239
Transfer from Reserve	(13,000)	(13,000)	(13,390)
	<b>181,355</b>	<b>180,964</b>	<b>174,813</b>
<b>(l) Golf Courses Reserve</b>			
Opening Balance	804,795	555,715	553,501
Transfer to Reserve	490,240	277,786	272,140
Transfer from Reserve	(378,893)	(280,000)	(373,960)
	<b>916,142</b>	<b>553,501</b>	<b>451,681</b>
<b>(m) HACC Asset Replacement Reserve</b>			
Opening Balance	105,000	236,349	278,166
Transfer to Reserve	35,250	41,817	41,127
Transfer from Reserve	-	-	-
	<b>140,250</b>	<b>278,166</b>	<b>319,293</b>
<b>(n) Heavy Vehicle Replacement Reserve</b>			
Opening Balance	2,133,739	2,224,823	2,773,260
Transfer to Reserve	783,883	788,437	1,184,779
Transfer from Reserve	(240,000)	(240,000)	(1,023,900)
	<b>2,677,622</b>	<b>2,773,260</b>	<b>2,934,139</b>
<b>(o) Land Acquisition Reserve</b>			
Opening Balance	422,659	404,172	594,381
Transfer to Reserve	521,133	520,209	523,775
Transfer from Reserve	(750,000)	(330,000)	(419,700)
	<b>193,792</b>	<b>594,381</b>	<b>698,456</b>
<b>(p) Leave Liability Reserve</b>			
Opening Balance	1,506,400	1,504,500	1,629,725
Transfer to Reserve	125,320	125,225	115,189
Transfer from Reserve	-	-	-
	<b>1,631,720</b>	<b>1,629,725</b>	<b>1,744,914</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

6. RESERVES (Continued)	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>(q) Light Vehicle Replacement Reserve</b>			
Opening Balance	178,330	1,040,749	2,119,024
Transfer to Reserve	2,031,644	2,074,764	2,505,642
Transfer from Reserve	(2,083,390)	(996,489)	(3,132,788)
	<b>126,584</b>	<b>2,119,024</b>	<b>1,491,878</b>
<b>(r) Loan Repayment Reserve</b>			
Opening Balance	4,942,500	4,937,684	7,584,568
Transfer to Reserve	2,647,125	2,646,884	303,383
Transfer from Reserve	-	-	-
	<b>7,589,625</b>	<b>7,584,568</b>	<b>7,887,951</b>
<b>(s) Material Recoveries Facility Upgrade Reserve**</b>			
Opening Balance	397,985	396,873	16,666
Transfer to Reserve	109,899	-	-
Transfer from Reserve	(69,666)	(380,207)	(16,666)
	<b>438,218</b>	<b>16,666</b>	<b>-</b>
<b>(t) Neerabup Development Reserve</b>			
Opening Balance	8,351,935	4,884,869	2,297,112
Transfer to Reserve	417,597	244,243	2,291,884
Transfer from Reserve	(2,500,000)	(2,832,000)	(3,408,600)
	<b>6,269,532</b>	<b>2,297,112</b>	<b>1,180,396</b>
<b>(u) Plant Replacement Reserve</b>			
Opening Balance	597,910	775,134	1,001,261
Transfer to Reserve	905,349	914,210	809,341
Transfer from Reserve	(1,062,038)	(688,083)	(619,362)
	<b>441,221</b>	<b>1,001,261</b>	<b>1,191,240</b>
<b>(v) Quinns Rock Caravan Park Reserve</b>			
Opening Balance	144,972	126,917	154,263
Transfer to Reserve	27,249	27,346	27,171
Transfer from Reserve	(79,713)	-	(179,713)
	<b>92,508</b>	<b>154,263</b>	<b>1,721</b>
<b>(w) Resource Recovery Domestic Refuse Reserve</b>			
Opening Balance	1,461,240	1,458,471	1,531,395
Transfer to Reserve	73,062	72,924	61,256
Transfer from Reserve	-	-	-
	<b>1,534,302</b>	<b>1,531,395</b>	<b>1,592,651</b>
<b>(x) Section 20A Land Reserve</b>			
Opening Balance	236,067	237,723	249,609
Transfer to Reserve	11,803	11,886	9,984
Transfer from Reserve	-	-	-
	<b>247,870</b>	<b>249,609</b>	<b>259,593</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

6. RESERVES (Continued)	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>(y) Strategic Projects/Initiatives Reserve</b>			
Opening Balance	13,170,862	7,316,463	10,970,115
Transfer to Reserve	973,543	4,083,652	8,303,613
Transfer from Reserve	(408,024)	(430,000)	(983,802)
	<u>13,736,381</u>	<u>10,970,115</u>	<u>18,289,926</u>
<b>(z) TPS 20 - District Distributor Headworks Reserve</b>			
Opening Balance	5,045,424	5,162,695	5,420,830
Transfer to Reserve	252,271	258,135	216,833
Transfer from Reserve	-	-	-
	<u>5,297,695</u>	<u>5,420,830</u>	<u>5,637,663</u>
<b>(aa) Yanchep Bus Reserve</b>			
Opening Balance	76,214	74,669	131,402
Transfer to Reserve	8,811	56,733	10,256
Transfer from Reserve	-	-	-
	<u>85,025</u>	<u>131,402</u>	<u>141,658</u>
<b>(ab) Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	-	-	-
Transfer to Reserve	-	-	805,000
Transfer from Reserve	-	-	-
	<u>-</u>	<u>-</u>	<u>805,000</u>
<b>Total Reserves</b>	<u>69,899,641</u>	<u>65,981,913</u>	<u>65,860,538</u>

All of the above reserve accounts are to be supported by money held in financial institutions. Each reserve receives interest on funds held in investments.

\*\* This reserve operates under a service agreement between the Cities of Joondalup, Swan and Wanneroo.

It should be noted that as part of the Budget Council authorises the following change of purpose of reserves:

- 1) Reallocate \$2.2 million from Asset Replacement Reserve to Neerabup Development Reserve to cover early expenditure until land sales can fund further development.
- 2) Reallocate \$5 million from Domestic Refuse - Plant Replacement Reserve to Strategic Projects/Initiatives to assist in financing the estimated cost of expansion to the City's Civic Centre Administration building.

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

6. RESERVES (Continued)	2011/2012	2011/2012	2012/2013
Summary of Reserve Transfers	Budget	Actual (Est.)	Budget
	\$	\$	\$
<b>Transfers to Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	-	-	856,000
Asset Preservation Reserve	-	-	-
Asset Replacement Reserve	4,761,505	2,761,771	2,617,087
Butler Collaborative Planning Agreement Reserve	124,181	123,956	101,723
City of Wanneroo Townsite Reserve	17,582	14,644	9,594
Commercial Refuse Reserve	94,289	86,551	69,779
Commercial Refuse - Plant Replacement Reserve	585,113	588,961	641,575
Domestic Refuse Reserve	316,857	272,442	210,318
Domestic Refuse - Plant Replacement Reserve	3,184,487	3,220,333	3,550,399
Environmental Initiatives Reserve	50,050	52,500	52,100
Fleming Park Lake Reserve	9,255	9,236	7,239
Golf Courses Reserve	490,240	277,786	272,140
HACC Asset Replacement Reserve	35,250	41,817	41,127
Heavy Vehicle Replacement Reserve	783,883	788,437	1,184,779
Land Acquisition Reserve	521,133	520,209	523,775
Leave Liability Reserve	125,320	125,225	115,189
Light Vehicle Replacement Reserve	2,031,644	2,074,764	2,505,642
Loan Repayment Reserve	2,647,125	2,646,884	303,383
Material Recoveries Facility Upgrade Reserve**	109,899	-	-
Neerabup Development Reserve	417,597	244,243	2,291,884
Plant Replacement Reserve	905,349	914,210	809,341
Quinns Rock Caravan Park Reserve	27,249	27,346	27,171
Resource Recovery Domestic Refuse Reserve	73,062	72,924	61,256
Section 20A Land Reserve	11,803	11,886	9,984
Strategic Projects/Initiatives Reserve	973,543	4,083,652	8,303,613
TPS 20 - District Distributor Headworks Reserve	252,271	258,135	216,833
Yanchep Bus Reserve	8,811	56,733	10,256
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserv	-	-	805,000
	<b>18,557,498</b>	<b>19,274,645</b>	<b>25,597,187</b>
<b>Transfers from Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	-	-	-
Asset Preservation Reserve	-	-	-
Asset Replacement Reserve	(420,000)	(320,000)	(2,500,000)
Butler Collaborative Planning Agreement Reserve	(60,000)	(60,000)	(161,800)
City of Wanneroo Townsite Reserve	(256,246)	(67,679)	(249,444)
Commercial Refuse Reserve	(120,000)	(73,100)	-
Commercial Refuse - Plant Replacement Reserve	(267,250)	(28,490)	(933,550)
Domestic Refuse Reserve	(1,222,627)	(463,327)	(1,227,387)
Domestic Refuse - Plant Replacement Reserve	(2,179,978)	(1,046,600)	(10,424,500)
Environmental Initiatives Reserve	(50,000)	(50,000)	(50,000)
Fleming Park Lake Reserve	(13,000)	(13,000)	(13,390)
Golf Courses Reserve	(378,893)	(280,000)	(373,960)
HACC Asset Replacement Reserve	-	-	-
Heavy Vehicle Replacement Reserve	(240,000)	(240,000)	(1,023,900)
Land Acquisition Reserve	(750,000)	(330,000)	(419,700)
Leave Liability Reserve	-	-	-
Light Vehicle Replacement Reserve	(2,083,390)	(996,489)	(3,132,788)
Loan Repayment Reserve	-	-	-
Material Recoveries Facility Upgrade Reserve**	(69,666)	(380,207)	(16,666)
Neerabup Development Reserve	(2,500,000)	(2,832,000)	(3,408,600)
Plant Replacement Reserve	(1,062,038)	(688,083)	(619,362)
Quinns Rock Caravan Park Reserve	(79,713)	-	(179,713)
Resource Recovery Domestic Refuse Reserve	-	-	-
Section 20A Land Reserve	-	-	-
Strategic Projects/Initiatives Reserve	(408,024)	(430,000)	(983,802)
TPS 20 - District Distributor Headworks Reserve	-	-	-
Yanchep Bus Reserve	-	-	-
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserv	-	-	-
	<b>(12,160,825)</b>	<b>(8,298,975)</b>	<b>(25,718,562)</b>
<b>Net Transfer to/(from) Reserves</b>	<b>6,396,673</b>	<b>10,975,670</b>	<b>(121,375)</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

**6. RESERVES (Continued)**

The purpose for which the reserves are set aside are as follows:

**Alkimos/Eglinton Coastal Corridor Community Facilities Reserve**

To be used for the purpose of accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Alkimos/Eglinton Development Contribution Area.

**Asset Preservation Reserve**

- To be used for the purpose of structural maintenance or other enhancements to the leased building portfolio on a needs basis.

- As at 1 July 2011 this reserve had a NIL balance and is no longer required.

**Asset Replacement Reserve**

- To be used for the purpose of receiving the proceeds of the sale of significant property assets. Funds held are to be used in acquiring new or replacement assets for the City.

**Butler Collaborative Planning Agreement Reserve**

- For the purpose of meeting future maintenance costs of infrastructure in Stage 1, Brighton Estate, Butler as established in the Butler Collaborative Planning Agreement and any such other related expenditure as from time to time be approved by an absolute majority of council provided such expenditure shall be within the Brighton Estate.

**City of Wanneroo Townsite Reserve**

- To be used for the redevelopment of the new townsite. Purpose included the building of the new Civic Building for the City of Wanneroo as well as landscape works associated with the new Civic Building. In addition the reserve was used to re-construct Dundobar Road, by reducing the height some 5 metres.

**Commercial Refuse Reserve**

- To be used for additional requirements specifically needed for the provision of the commercial refuse collection service.

**Commercial Refuse - Plant Replacement Reserve**

- To be used to provide vehicles, plant and equipment used specifically for the provision of the commercial refuse collection service.

**Domestic Refuse Reserve**

- To be used for additional requirements specifically needed for the provision of the domestic collection service.

**Domestic Refuse - Plant Replacement Reserve**

- To be used to provide vehicles, plant and equipment used specifically for the provision of the domestic refuse collection service.

**Environmental Initiatives Reserve**

- To be used for the provision of funding future costs associated with environmental needs and initiatives.

**Fleming Park Lake Reserve**

- For the purpose of holding funds provided by developer for the upkeep and maintenance of the Fleming Park Lake.

**Golf Course Reserve**

- To be used for the capital improvement of the Carramar and Marangaroo Golf Courses.

**HACC Asset Replacement Reserve**

- To be used to replace Council's assets where the funding of the original asset was from Home and Community Care program (HACC). This is a requirement of the operating funding agreement with HACC.

**Heavy Vehicle Replacement Reserve**

- To be used to replace Council's fleet of heavy vehicles.

**Land Acquisition Reserve**

- For the purpose of purchasing municipal land for roads and drainage purposes.

**Leave Liability Reserve**

- The purpose of this reserve is to cash back the liability of the City for long service leave and annual leave.



CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

**6. RESERVES (Continued)**

**Light Vehicle Replacement Reserve**

- To be used to replace Council's fleet of light vehicles.

**Loan Repayment Reserve**

- To set aside adequate funds over time to repay loan commitments per the City's 10 Year Strategic Financial Management Plans debt management policy.

**Materials Recovery Facility Upgrade Reserve**

- For the purpose of capital expenditure outlay required to be undertaken, on behalf of the owners, for the Materials Recovery Facility.

**Neerabup Development Reserve**

- For the purpose of meeting the associated cost of developing the City's investment land in Neerabup.

**Plant Replacement Reserve**

- To be used to replace Council's plant and equipment.

**Quinns Rocks Caravan Park Reserve**

- To be used to provide improvements to the Quinns Rocks Caravan Park.

**Resource Recovery Domestic Refuse Reserve**

- For the purpose of off-setting expected increases in domestic refuse charges when the Resource Recovery Facility comes on stream.

**Section 20A Land Reserve**

- To be used for capital improvements on recreation reserves in the general locality from what funds were sourced.

**Strategic Projects/Initiatives Reserve**

- For the purpose of accumulating funds to be used for the introduction of new or upgrade of existing services, maintenance, renewal, upgrade of existing assets and purchase of new assets or project works of the City over an expected period of 10 years. The annual funds transfer is derived from the rate setting surplus less municipal funding of capital works carried forward.

**Town Planning Scheme 20 - District Headworks Reserve**

- To be used for the construction of District Distribution Roads associated with Town Planning Scheme 20.

**Yanchep Bus Reserve**

- For the accumulation of funds from the Yanchep community for the costs associated with the replacement of the community bus.

**Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve**

To be used for the purpose of accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Yanchep/Two Rocks Development Contribution Area.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

7. NON-CASH RESERVES

**Asset Revaluation Reserve**

Asset revaluation reserves have arisen on revaluation of the following class of non-current assets:

	Note	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>Furniture and Equipment (Artworks and Artefacts)</b>				
Opening Balance		246,090	246,090	246,090
Revaluation Increment		-	-	-
<b>Total Asset Revaluation Reserves</b>		<b>246,090</b>	<b>246,090</b>	<b>246,090</b>

8. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

**Current Assets**

Cash - Unrestricted	16(a)	13,203,981	42,762,828	26,302,937
Cash - Restricted	16(a)	90,580,871	90,785,165	72,406,288
Receivables		9,121,554	3,126,790	4,224,338
Financial Investments - Restricted	16(a)	30,521,337	56,207,508	48,121,813
Inventories		450,000	350,000	400,000
		<b>143,877,743</b>	<b>193,232,291</b>	<b>151,455,376</b>
<b>Less: Current Liabilities</b>				
Payables and Provisions		(24,407,255)	(39,695,147)	(32,672,189)
<b>Net Current Asset Position</b>		<b>119,470,488</b>	<b>153,537,144</b>	<b>118,783,187</b>
Plus: Leave Provisions Cash Backed		1,631,720	1,629,725	1,744,914
Less: Cash / Investments - Restricted		(121,102,208)	(146,992,673)	(120,528,101)
<b>Estimated Surplus/(Deficiency) Carried Forward</b>		<b>0</b>	<b>8,174,196</b>	<b>0</b>

The estimated surplus/(deficiency) carried forward in the 2011/2012 actual column represents the surplus/(deficit) brought forward as at 1 July 2012. This figure primarily represents unspent municipal requirements in relation to the 2011/2012 carried forward capital works.

The estimated surplus/(deficiency) carried forward in the 2012/2013 budget column represents the surplus/(deficit) carried forward as at 30 June 2013.

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

## 9. RATING INFORMATION

General Rate Category	2011/2012	2012/2013					
	Actual (Est.) Total Revenue \$	Rate in Dollar (Cents)	Number of Properties	Rateable Value \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Total Revenue \$
<b>Gross Rental Value - Improved</b>							
Caravan Park and Park Homes	133,959	7.3520	97	1,561,612	114,809	-	114,809
Commercial	5,875,100	7.1227	447	84,575,580	6,024,065	-	6,024,065
Community Groups - Major **	20,558	7.8778	5	277,925	21,894	-	21,894
Community Groups - Surf Clubs	1,865	1.9436	2	102,200	1,986	-	1,986
Community Groups - General	13,693	3.7222	10	405,050	15,077	-	15,077
Industrial	5,760,939	5.9959	1,505	101,920,982	6,111,080	-	6,111,080
Residential	52,125,608	7.3530	40,916	763,072,354	56,180,607	2,200,000	58,380,607
Rural and Mining	1,298,372	8.0397	824	17,155,460	1,379,248	-	1,379,248
<b>Gross Rental Value - Vacant</b>							
Commercial	116,492	6.0865	35	2,253,702	137,172	-	137,172
Industrial	303,666	3.9192	153	8,771,727	343,782	-	343,782
Residential	3,392,555	10.2772	2,539	37,912,630	3,896,357	-	3,896,357
Rural and Mining	100,185	7.5130	49	1,587,900	119,299	-	119,299
<b>Unimproved Value - Improved</b>							
Commercial	38,394	0.2465	5	73,100,000	180,192	-	180,192
Community Groups - Major **	4,381	0.2417	1	1,930,000	4,665	-	4,665
Community Groups - Surf Clubs	-	-	-	-	-	-	-
Community Groups - General	4,103	0.1172	5	3,730,000	4,372	-	4,372
Industrial	63,938	0.2304	8	29,560,000	68,106	-	68,106
Residential	12,983	0.3135	1	4,410,000	13,825	-	13,825
Rural and Mining	2,871,167	0.3130	795	978,314,298	3,062,124	-	3,062,124
<b>Unimproved Value - Vacant</b>							
Commercial	-	0.2613	-	-	-	-	-
Industrial	70,241	0.2577	34	38,790,000	99,962	-	99,962
Residential	564,414	0.3618	340	200,070,000	723,853	-	723,853
Rural and Mining	2,837,048	0.3280	228	910,240,000	2,985,587	-	2,985,587
<b>Sub-Totals</b>	<b>75,609,661</b>		<b>47,999</b>	<b>3,259,741,420</b>	<b>81,488,060</b>	<b>2,200,000</b>	<b>83,688,060</b>
<b>Minimum Rate Category</b>		<b>General Minimum \$</b>					
<b>Gross Rental Value - Improved</b>							
Caravan Park and Park Homes	-	344	1	344	344	-	344
Commercial	86,859	1,076	85	976,405	91,460	-	91,460
Community Groups - Major **	-	228	0	-	-	-	-
Community Groups - Surf Clubs	-	228	0	-	-	-	-
Community Groups - General	214	228	1	20	228	-	228
Industrial	484,279	1,076	485	6,276,391	521,860	-	521,860
Residential	12,067,025	1,095	11,944	157,480,276	13,078,680	-	13,078,680
Rural and Mining	8,080	1,086	9	117,520	9,855	-	9,855
<b>Gross Rental Value - Vacant</b>							
Commercial	6,317	1,076	6	54,550	6,456	-	6,456
Industrial	34,324	1,076	38	851,531	40,888	-	40,888
Residential	1,937,776	665	2,331	11,899,055	1,550,115	-	1,550,115
Rural and Mining	-	730	0	-	-	-	-
<b>Unimproved Value - Improved</b>							
Commercial	337	1,076	1	214,000	1,076	-	1,076
Community Groups - Major **	-	228	0	-	-	-	-
Community Groups - Surf Clubs	-	228	0	-	-	-	-
Community Groups - General	-	228	0	-	-	-	-
Industrial	-	1,076	0	-	-	-	-
Residential	-	1,095	0	-	-	-	-
Rural and Mining	18,180	1,086	18	5,626,702	19,548	-	19,548
<b>Unimproved Value - Vacant</b>							
Commercial	-	1,076	0	-	-	-	-
Industrial	-	1,076	0	-	-	-	-
Residential	122,608	665	209	32,648,000	138,985	-	138,985
Rural and Mining	22,935	730	33	390,253	24,090	-	24,090
<b>Sub-Totals</b>	<b>14,788,934</b>		<b>15,161</b>	<b>216,535,047</b>	<b>15,483,585</b>	<b>-</b>	<b>15,483,585</b>
<b>Totals</b>	<b>90,398,595</b>		<b>63,160</b>	<b>3,476,276,467</b>	<b>96,971,645</b>	<b>2,200,000</b>	<b>99,171,645</b>
Ex Gratia Rates	20,000						20,000
<b>Grand Totals</b>	<b>90,418,595</b>						<b>99,191,645</b>

All land except exempt land in the City of Wanneroo is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the City.

\*\* = Sporting Clubs & Major Event Providers

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

## 9. RATING INFORMATION (Continued)

The general rates detailed above for the 2012/2013 financial year have been determined by the City on the basis of raising the revenue required to meet the efficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

For the 2008/2009 Financial year the City resolved to incorporate the domestic rubbish collection charge within the general rates. The reason for this is to enable eligible pensioners to claim a higher rebate from State Government. This will continue to be in place for the 2012/2013 financial year. In accordance with Section 6.36 of the Local Government Act 1995 the differential general rates and the minimum rates intended to be levied were advertised as follows:

Rate Category	As Advertised - 22 May 2012		Final - 26 June 2012	
	Rate in the Dollar (Cents)	General Minimum Rate \$	Rate in the Dollar (Cents)	General Minimum Rate \$
<b>Gross Rental Value - Improved</b>				
Caravan Park and Park Homes	7.3520	344	7.3520	344
Commercial	7.1227	1,076	7.1227	1,076
Community Groups - Major (Sporting Clubs & Major Event Providers)	7.8778	228	7.8778	228
Community Groups - Surf Clubs	1.9436	228	1.9436	228
Community Groups - General	3.7222	228	3.7222	228
Industrial	5.9959	1,076	5.9959	1,076
Residential	7.3530	1,095	7.3530	1,095
Rural and Mining	8.0397	1,086	8.0397	1,086
<b>Gross Rental Value - Vacant</b>				
Commercial	6.0865	1,076	6.0865	1,076
Industrial	3.9192	1,076	3.9192	1,076
Residential	10.2772	665	10.2772	665
Rural and Mining	7.5130	730	7.5130	730
<b>Unimproved Value - Improved</b>				
Commercial	0.2465	1,076	0.2465	1,076
Community Groups - Major (Sporting Clubs & Major Event Providers)	0.2417	228	0.2417	228
Community Groups - General	0.1172	228	0.1172	228
Industrial	0.2304	1,076	0.2304	1,076
Residential	0.3135	1,095	0.3135	1,095
Rural and Mining	0.3130	1,086	0.3130	1,086
<b>Unimproved Value - Vacant</b>				
Commercial	0.2613	1,076	0.2613	1,076
Industrial	0.2577	1,076	0.2577	1,076
Residential	0.3618	665	0.3618	665
Rural and Mining	0.3280	730	0.3280	730
<b>Description</b>	<b>Service Fee</b>		<b>Service Fee</b>	
	<b>\$</b>		<b>\$</b>	
Domestic Refuse Service Charge per year (for additional service or non-rated properties)	350		350	
Establishment Fee (per new or additional domestic refuse service)	96.25		96.00	

The minimum rates have been determined by the City on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

10. SPECIFIED AREA RATES

No specified area rates have been budgeted for the 2012/2013 Financial Year.

11. SERVICE CHARGES

Description	2011/2012	2012/2013		
	Actual (Est.) \$	Amount of Charge Per Property \$	Budgeted Revenue \$	Budget Applied to Costs \$
Ocean Drive Quinns Undergrounding of Power	230,000	-	-	-
<b>Total</b>	<b>230,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Service charge is for the provision of underground power services. The charge is applicable to all owners and occupiers within a designated area surrounding the location of the facility. The proceeds of the service charge are applied in full as a contribution to replacing the existing overhead power supply cables with underground power. As such no transfer to or from reserve is required. No interest will be charged on overdue service.

12. FEES & CHARGES REVENUE

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
Governance	35,149	36,104	35,743
General Purpose Funding	438,240	405,650	429,930
Law, Order and Public Safety	281,090	313,200	311,610
Health	226,330	226,430	225,420
Education and Welfare	340,020	358,735	430,764
Community Amenities	10,367,750	8,981,479	9,260,454
Recreation and Culture	6,439,026	6,338,269	6,705,410
Transport	835,400	600,000	650,000
Economic Services	3,136,814	2,625,024	1,828,606
Other Property and Services	10,973	10,973	11,105
	<b>22,110,792</b>	<b>19,895,864</b>	<b>19,889,042</b>

13. RATE PAYMENT DISCOUNTS, WAIVERS & CONCESSIONS

No rates discounts have been budgeted for the 2012/2013 Financial Year.

With regard to waivers, Council has agreed, in accordance with Section 6.47 of the Local Government Act 1995, to waive the 2012/2013 Council rates (excluding Emergency Services Levy) for land occupied by the following community groups:

- AJS Motorcycle Club of WA Inc
- BMX Club Wanneroo
- Kingsway Football & Sporting Club Inc
- Olympic Kingsway Sports Club
- Quinns Mindarie Surf Lifesaving Club Inc
- Quinns Rocks Sports Club
- Tiger Kart Club Inc
- Wanneroo Aeromodellers Inc
- Wanneroo Agricultural Society
- Wanneroo City Soccer Club Inc
- Wanneroo Districts Cricket Club Inc
- Wanneroo Districts Cricket Club Inc & Wanneroo Districts Hockey Association Inc
- Wanneroo Districts Netball Association
- Wanneroo Districts Rugby Union Football Club Inc
- Wanneroo Horse & Pony Club
- Wanneroo Junior Motocross Club Inc
- Wanneroo Racing Pigeon Club
- Wanneroo Shooting Complex Inc
- Wanneroo Sports & Social Club
- Wanneroo Trotting & Training Club Inc
- Yanchep Golf Club
- Yanchep Sports Club Inc
- Yanchep Surf Lifesaving Club Inc

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

14. INTEREST CHARGES AND INSTALMENTS

An interest rate of 8.45% per annum will be charged on all rates, both current and arrears, that remain unpaid after 35 days from the issue date of the rate notice. It is estimated this will generate income of \$700,000. Three option plans will be available to ratepayers for payment of their rates by instalments.

**Option 1 (Full Payment)**

Full amount of rates and charges, including arrears, to be paid on or before 35 days from the issue date appearing on the rate

**Option 2 (Two Instalments)**

First instalment to be received on or before 35 days after the issue date appearing on the rate notice, including all arrears and half of the current rates and service charges. The second and final instalment will be due and payable 63 days after the due and payable 63 days after the due date of the first instalment.

**Option 3 (Four Instalments)**

First instalment to be received on or before 35 days after the issue date appearing on the rate notice, including all arrears and a quarter of the current rates and service charges. The second, third and fourth instalments are to be made at 63 day intervals, thereafter.

**Cost of Instalment Options**

The cost of the instalment options will comprise of simple interest of 5.5% per annum, calculated from the date the first instalment is due and payable, together with an administration fee of \$5.00 for each instalment.

**Special Arrangements and Late Payment Penalty**

In addition to the late payment interest of 8.45% per annum, an administration fee of \$25.00 per assessment, will be charged to any ratepayers wishing to enter into special payment agreements with the City.

The total revenue from the imposition of the interest and administration fees during the 2012/2013 financial year is estimated at \$1,409,770. This is dissected as follows:

**Commercial Waste Debtors**

An interest rate of 8.45% per annum will be charged on all rates, both current and arrears, that remain unpaid after the due date.

	2011/2012 Budget	2011/2012 Actual (Est.)	2012/2013 Budget
Note	\$	\$	\$
Late Payment Interest - Commercial Debtors	-	-	-
Instalment Interest Charges - Rates	390,000	440,500	400,000
Late Payment Penalty Interest - Rates	530,450	750,000	700,000
2a(ii)	<u>920,450</u>	<u>1,190,500</u>	<u>1,100,000</u>
Administration Charges - Rates	308,340	285,500	309,770
	<u>1,228,790</u>	<u>1,476,000</u>	<u>1,409,770</u>

15. ELECTED MEMBERS REMUNERATION

The following fees, expenses and allowances were paid to elected members.

Meeting Fees	112,000	107,000	102,000
Mayor's Allowance	60,000	60,000	60,000
Deputy Mayor's Allowance	15,000	15,000	15,000
Information Technology Allowance	15,000	15,000	15,000
Telecommunications Allowance	36,000	36,000	36,000
Other Expense Recoups	75,750	75,750	75,750
Conference Expenses	60,000	60,000	60,000
	<u>373,750</u>	<u>368,750</u>	<u>363,750</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	Note	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
Cash - Unrestricted		13,203,981	42,762,828	26,302,937
Cash - Restricted		90,580,871	90,785,165	72,406,288
		<u>103,784,852</u>	<u>133,547,993</u>	<u>98,709,225</u>
Financial Instruments - Restricted (TPS)		30,521,337	56,207,508	48,121,813
Total Restricted Cash Investments		<u>121,102,208</u>	<u>146,992,673</u>	<u>120,528,101</u>

The following restrictions have been imposed by regulation, either externally or internally imposed requirements:

Alkimos/Eglinton Coastal Corridor Community Facilities Res	-	-	-	856,000
Asset Preservation Reserve	-	-	-	-
Asset Replacement Reserve	5,571,596	3,677,156		3,794,243
Butler Collaborative Planning Agreement Reserve	2,547,800	2,543,084		2,483,007
City of Wanneroo Townsite Reserve	112,972	239,850		-
Commercial Refuse Reserve	1,860,071	1,744,475		1,814,254
Commercial Refuse - Plant Replacement Reserve	2,043,960	2,363,523		2,071,548
Domestic Refuse Reserve	5,431,361	5,257,949		4,240,880
Domestic Refuse - Plant Replacement Reserve	10,730,984	12,617,134		5,743,033
Environmental Initiatives Reserve	1,055	52,500		54,600
Fleming Park Lake Reserve	181,355	180,964		174,813
Golf Courses Reserve	916,142	553,501		451,681
HACC Asset Replacement Reserve	140,250	278,166		319,293
Heavy Vehicle Replacement Reserve	2,677,622	2,773,260		2,934,139
Land Acquisition Reserve	193,792	594,381		698,456
Leave Liability Reserve	1,631,720	1,629,725		1,744,914
Light Vehicle Replacement Reserve	126,584	2,119,024		1,491,878
Loan Repayment Reserve	7,589,625	7,584,568		7,887,951
Material Recoveries Facility Upgrade Reserve**	438,218	16,666		-
Neerabup Development Reserve	6,269,532	2,297,112		1,180,396
Plant Replacement Reserve	441,221	1,001,261		1,191,240
Quinns Rock Caravan Park Reserve	92,508	154,263		1,721
Resource Recovery Domestic Refuse Reserve	1,534,302	1,531,395		1,592,651
Section 20A Land Reserve	247,870	249,609		259,593
Strategic Projects/Initiatives Reserve	13,736,381	10,970,115		18,289,926
TPS 20 - District Distributor Headworks Reserve	5,297,695	5,420,830		5,637,663
Yanchep Bus Reserve	85,025	131,402		141,658
Yanchep/Two Rocks Coastal Corridor Community Facilities I	-	-		805,000
Town Planning Schemes	<b>18(b)</b> 30,521,337	56,207,508		48,121,813
Unspent Grants, Contributions and Loans	20,681,230	24,803,252		6,545,750
	<u>121,102,208</u>	<u>146,992,673</u>		<u>120,528,101</u>

Balances of Reserves stated above can be referred to in Note 6.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

16. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

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

		2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
Net Result		38,696,485	42,952,986	42,042,779
Depreciation	2(a)(1)	26,001,505	25,001,505	27,000,000
(Profit)/Loss on Sale of Asset	4	(4,727,608)	(2,837,608)	(2,470,000)
(Increase)/Decrease in Receivables		(950,000)	(3,450,000)	(150,000)
(Increase)/Decrease in Inventories		(100,000)	(100,000)	50,000
Increase/(Decrease) in Payables		50,000	50,000	(100,000)
Increase/(Decrease) in Employee Provisions		50,000	50,000	50,000
Town Planning Scheme Income	18(b)	(14,688,921)	(14,688,921)	(12,370,000)
Town Planning Scheme Expenses	18(b)	21,164,091	21,157,122	9,224,430
Grants/Contributions for the Development of Assets		(39,324,271)	(39,827,856)	(38,736,508)
<b>Net Cash from Operating Activities</b>		<b>26,171,281</b>	<b>28,307,228</b>	<b>24,540,701</b>

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

Bank Overdraft Limit	1,000,000	1,000,000	1,000,000
Bank Overdraft at Balance Date	-	-	-
<b>Bank Overdraft Available</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
Credit Card Limit	52,000	52,000	52,000
Credit Card Balance at Balance Date	-	4,500	-
<b>Credit Card Balance at Balance Date</b>	<b>52,000</b>	<b>47,500</b>	<b>52,000</b>
<b>Total Amount of Credit Unused</b>	<b>1,052,000</b>	<b>1,047,500</b>	<b>1,052,000</b>
<b>Loan Facilities</b>			
Loan Facilities in use at Balance Date	60,778,188	60,778,188	60,778,188
Unused Loan Facilities at Balance Date	-	-	-



CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

17. 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:

	Actual (Est.) 01-Jul-12	Amounts Received	Amounts Paid	Balance 30-Jun-13
	\$	\$	\$	\$
Unclaimed Money	13,600	-	-	13,600
Misc/Appeals	15,100	-	-	15,100
Trust Fund - Mayor's Christmas Appeal	1,625	2,000	3,625	-
Cash in Lieu of Public Open Space	2,239,000	50,000	-	2,289,000
	<u>2,269,325</u>	<u>52,000</u>	<u>3,625</u>	<u>2,317,700</u>

18. MAJOR LAND TRANSACTIONS

For the 2012/2013 Budget year, 3 land parcels are identified for disposal, being:

- Lot 12 (2) Fowey Loop,
- Lot 91 Woodvale, (part)
- Belgrade Sump.

The City will endeavour to achieve the best sale amounts possible, dependant upon the market conditions at the time the parcels are available for sale.

**Town Planning Schemes**

(a) Details

The City's major land transactions relate to its role in Town Planning and Regional Development. In addition to its involvement with the Cities of Perth, Stirling, Joondalup and the Towns of Vincent, Cambridge and Victoria Park with Lot 17 Mindarie, the City has the following Town Planning Schemes and "Development Areas" in operation:-

- Town Planning Scheme 5 (Landsdale)
- Berkley Road Structure Plan Area
- Neerabup Structure Plan
- East Wanneroo Development Area (Cells 1 - 10)

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions

	Balance 1-July-12 \$	Transfers To \$	Transfers From - Operating \$	Transfers From - Capital \$	Balance 30-Jun-13 \$
<b>Operating Accounts</b>					
Town Planning Scheme 5 (Landsdale)	486,036	-	143	-	485,893
Berkley Road Structure Plan Area	2,624,754	134,528	901	-	2,758,381
Neerabup Structure Plan	(1,765,976)	-	159	-	(1,766,135)
<b>Sub Total</b>	<b>1,344,814</b>	<b>134,528</b>	<b>1,203</b>	<b>-</b>	<b>1,478,139</b>
<b>Scheme Accounts</b>					
East Wanneroo Development Area (Cell 1)	23,561,613	3,270,980	772,232	-	26,060,361
East Wanneroo Development Area (Cell 2)	1,274,418	1,116,348	5,139	-	2,385,627
East Wanneroo Development Area (Cell 3)	1,173,659	120,046	127,198	-	1,166,507
East Wanneroo Development Area (Cell 4)	11,122,313	2,710,138	3,523,342	3,950,000	6,359,109
East Wanneroo Development Area (Cell 5)	5,319,291	1,148,856	2,820,252	595,729	3,052,166
East Wanneroo Development Area (Cell 6)	16,263,905	2,356,715	1,054,418	-	17,566,202
East Wanneroo Development Area (Cell 7)	1,896,353	512,389	104,295	-	2,304,447
East Wanneroo Development Area (Cell 8)	(5,479,812)	1,000,000	793,367	1,695,536	(6,968,715)
East Wanneroo Development Area (Cell 9)	(269,046)	-	22,984	-	(292,030)
East Wanneroo Development Area (Cell 10)	-	-	-	4,990,000	(4,990,000)
<b>Sub Total</b>	<b>54,862,694</b>	<b>12,235,472</b>	<b>9,223,227</b>	<b>11,231,265</b>	<b>46,643,674</b>
<b>Total</b>	<b>56,207,508</b>	<b>12,370,000</b>	<b>9,224,430</b>	<b>11,231,265</b>	<b>48,121,813</b>

Details of the budgeted operating transactions for each Scheme are listed below:

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>Town Planning Scheme 5 (Landsdale)</b>			
<b>Income</b>			
Interest on Investments	-	-	-
<b>Expenditure</b>			
Administration Charges	379	379	63
Bank Fees	80	80	80
Compensation Payments	60,000	60,000	-
Construction Costs - Municipal Transfer	-	-	-
	<b>60,459</b>	<b>60,459</b>	<b>143</b>
<b>Net Result</b>	<b>(60,459)</b>	<b>(60,459)</b>	<b>(143)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>456,787</b>	<b>546,495</b>	<b>486,036</b>
Net Result	(60,459)	(60,459)	(143)
<b>Surplus/(Deficit) carried forward</b>	<b>396,328</b>	<b>486,036</b>	<b>485,893</b>
<b>Berkley Road Structure Plan Area</b>			
<b>Income</b>			
Contributions	741,750	741,750	-
Interest on Investments	92,000	92,000	134,528
	<b>833,750</b>	<b>833,750</b>	<b>134,528</b>
<b>Expenditure</b>			
Administration Charges	3,464	3,464	71
Bank Fees	260	260	270
Audit Fee	540	540	560
Construction Costs - Municipal Transfer	-	-	-
	<b>4,264</b>	<b>4,264</b>	<b>901</b>
<b>Net Result</b>	<b>829,486</b>	<b>829,486</b>	<b>133,627</b>
<b>Surplus/(Deficit) brought forward</b>	<b>1,820,150</b>	<b>1,795,268</b>	<b>2,624,754</b>
Net Result	829,486	829,486	133,627
<b>Surplus/(Deficit) carried forward</b>	<b>2,649,636</b>	<b>2,624,754</b>	<b>2,758,381</b>

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

## 18. MAJOR LAND TRANSACTIONS (Continued)

## Town Planning Schemes (Continued)

## (b) Current Year Transactions (Continued)

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b><u>Neerabup Structure Plan</u></b>			
<b>Income</b>			
Contributions	0	-	0
	-	-	-
<b>Expenditure</b>			
Administration Charges	0	0	159
Legal Fees	15,000	15,000	-
Compensation Payments	1,730,000	1,730,000	-
Construction Costs - Municipal Transfer	-	-	-
	<b>1,745,000</b>	<b>1,745,000</b>	<b>159</b>
<b>Net Result</b>	<b>(1,745,000)</b>	<b>(1,745,000)</b>	<b>(159)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>(31,073)</b>	<b>(20,976)</b>	<b>(1,765,976)</b>
Net Result	(1,745,000)	(1,745,000)	(159)
<b>Surplus/(Deficit) carried forward</b>	<b>(1,776,073)</b>	<b>(1,765,976)</b>	<b>(1,766,135)</b>
<b><u>East Wanneroo Development Area (Cell 1)</u></b>			
<b>Income</b>			
Contributions	3,074,440	3,074,440	2,000,000
Interest on Investments	1,177,000	1,177,000	1,270,980
	<b>4,251,440</b>	<b>4,251,440</b>	<b>3,270,980</b>
<b>Expenditure</b>			
Administration Charges	12,027	12,027	14,642
Audit Fee Expenses	520	520	540
Legal Fees	-	-	-
Consulting Fees	-	-	1,500
Bank Fees	3,110	3,110	3,220
Advertising	300	300	330
Compensation Payments	723,450	723,450	752,000
Construction Costs - Municipal Transfer	436,011	436,011	-
	<b>1,175,418</b>	<b>1,175,418</b>	<b>772,232</b>
<b>Net Result</b>	<b>3,076,022</b>	<b>3,076,022</b>	<b>2,498,748</b>
<b>Surplus/(Deficit) brought forward</b>	<b>18,375,871</b>	<b>20,485,591</b>	<b>23,561,613</b>
Net Result	3,076,022	3,076,022	2,498,748
<b>Surplus/(Deficit) carried forward</b>	<b>21,451,893</b>	<b>23,561,613</b>	<b>26,060,361</b>
<b><u>East Wanneroo Development Area (Cell 2)</u></b>			
<b>Income</b>			
Contributions	974,480	974,480	1,000,000
Interest on Investments	169,000	169,000	116,348
	<b>1,143,480</b>	<b>1,143,480</b>	<b>1,116,348</b>
<b>Expenditure</b>			
Administration Charges	7,727	7,727	549
Audit Fee Expenses	520	520	540
Legal Fees	-	-	-
Consulting Fees	-	-	1,500
Bank Fees	210	210	220
Advertising	300	300	330
Compensation Payments	1,967,700	1,967,700	2,000
Construction Costs - Municipal Transfer	577,969	577,969	-
	<b>2,554,426</b>	<b>2,554,426</b>	<b>5,139</b>
<b>Net Result</b>	<b>(1,410,946)</b>	<b>(1,410,946)</b>	<b>1,111,209</b>
<b>Surplus/(Deficit) brought forward</b>	<b>2,711,234</b>	<b>2,685,364</b>	<b>1,274,418</b>
Net Result	(1,410,946)	(1,410,946)	1,111,209
<b>Surplus/(Deficit) carried forward</b>	<b>1,300,288</b>	<b>1,274,418</b>	<b>2,385,627</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

18. MAJOR LAND TRANSACTIONS (Continued)  
Town Planning Schemes (Continued)  
(b) Current Year Transactions (Continued)

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>East Wanneroo Development Area (Cell 3)</b>			
<b>Income</b>			
Contributions	140,360	140,360	70,000
Interest on Investments	61,000	61,000	50,046
	<b>201,360</b>	<b>201,360</b>	<b>120,046</b>
<b>Expenditure</b>			
Administration Charges	3,314	3,314	138
Audit Fee Expenses	520	520	540
Legal Fees	-	-	-
Bank Fees	180	180	190
Advertising	300	300	330
Compensation Payments	227,400	227,400	126,000
Construction Costs - Municipal Transfer	-	-	-
	<b>231,714</b>	<b>231,714</b>	<b>127,198</b>
<b>Net Result</b>	<b>(30,354)</b>	<b>(30,354)</b>	<b>(7,152)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>1,143,655</b>	<b>1,204,013</b>	<b>1,173,659</b>
Net Result	(30,354)	(30,354)	(7,152)
<b>Surplus/(Deficit) carried forward</b>	<b>1,113,301</b>	<b>1,173,659</b>	<b>1,166,507</b>
<b>East Wanneroo Development Area (Cell 4)</b>			
<b>Income</b>			
Contributions	1,632,890	1,632,890	2,400,000
Interest on Investments	681,000	681,000	310,138
	<b>2,313,890</b>	<b>2,313,890</b>	<b>2,710,138</b>
<b>Expenditure</b>			
Administration Charges	80,954	80,954	2,432
Audit Fee Expenses	520	520	540
Legal Fees	-	-	-
Consulting Fees	-	-	15,000
Bank Fees	1,970	1,970	2,040
Advertising	300	300	330
Compensation Payments	4,600,880	4,600,880	3,503,000
Construction Costs - Municipal Transfer	1,070,300	120,300	3,950,000
	<b>5,754,924</b>	<b>4,804,924</b>	<b>7,473,342</b>
<b>Net Result</b>	<b>(3,441,034)</b>	<b>(2,491,034)</b>	<b>(4,763,204)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>11,113,306</b>	<b>13,613,347</b>	<b>11,122,313</b>
Net Result	(3,441,034)	(2,491,034)	(4,763,204)
<b>Surplus/(Deficit) carried forward</b>	<b>7,672,272</b>	<b>11,122,313</b>	<b>6,359,109</b>

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

## 18. MAJOR LAND TRANSACTIONS (Continued)

## Town Planning Schemes (Continued)

## (b) Current Year Transactions (Continued)

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>East Wanneroo Development Area (Cell 5)</b>			
<b>Income</b>			
Contributions	1,545,450	1,545,450	1,000,000
Interest on Investments	499,000	499,000	148,856
	<u>2,044,450</u>	<u>2,044,450</u>	<u>1,148,856</u>
<b>Expenditure</b>			
Administration Charges	19,638	19,638	34,442
Audit Fee Expenses	520	520	540
Legal Fees	52,500	52,500	30,000
Consulting Fees	-	-	2,000
Bank Fees	1,870	1,870	1,940
Advertising	300	300	330
Compensation Payments	5,208,875	5,208,875	2,751,000
Construction Costs - Municipal Transfer	2,254,337	1,658,608	595,729
	<u>7,538,040</u>	<u>6,942,311</u>	<u>3,415,981</u>
<b>Net Result</b>	<u>(5,493,590)</u>	<u>(4,897,861)</u>	<u>(2,267,125)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>2,704,338</b>	<b>10,217,152</b>	<b>5,319,291</b>
Net Result	(5,493,590)	(4,897,861)	(2,267,125)
<b>Surplus/(Deficit) carried forward</b>	<u><u>(2,789,252)</u></u>	<u><u>5,319,291</u></u>	<u><u>3,052,166</u></u>
<b>East Wanneroo Development Area (Cell 6)</b>			
<b>Income</b>			
Contributions	1,233,933	1,233,933	1,500,000
Interest on Investments	751,000	751,000	856,715
	<u>1,984,933</u>	<u>1,984,933</u>	<u>2,356,715</u>
<b>Expenditure</b>			
Administration Charges	19,719	19,719	18,378
Audit Fee Expenses	520	520	540
Consulting Fees	-	-	-
Legal Fees	52,500	52,500	30,000
Bank Fees	3,060	3,060	3,170
Advertising	300	300	330
Compensation Payments	2,712,725	2,712,725	1,002,000
Construction Costs - Municipal Transfer	-	-	-
	<u>2,788,824</u>	<u>2,788,824</u>	<u>1,054,418</u>
<b>Net Result</b>	<u><u>(803,891)</u></u>	<u><u>(803,891)</u></u>	<u><u>1,302,297</u></u>
<b>Surplus/(Deficit) brought forward</b>	<b>14,616,056</b>	<b>17,067,796</b>	<b>16,263,905</b>
Net Result	(803,891)	(803,891)	1,302,297
<b>Surplus/(Deficit) carried forward</b>	<u><u>13,812,165</u></u>	<u><u>16,263,905</u></u>	<u><u>17,566,202</u></u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions (Continued)

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>East Wanneroo Development Area (Cell 7)</b>			
<b>Income</b>			
Contributions	359,495	359,495	400,000
Interest on Investments	68,000	68,000	112,389
	<u>427,495</u>	<u>427,495</u>	<u>512,389</u>
<b>Expenditure</b>			
Administration Charges	10,358	10,358	215
Audit Fee Expenses	520	520	540
Legal Fees	-	-	-
Bank Fees	200	200	210
Advertising	300	300	330
Compensation Payments	188,200	188,200	103,000
Construction Costs - Municipal Transfer	-	-	-
	<u>199,578</u>	<u>199,578</u>	<u>104,295</u>
<b>Net Result</b>	<u>227,917</u>	<u>227,917</u>	<u>408,094</u>
<b>Surplus/(Deficit) brought forward</b>	<b>1,653,840</b>	<b>1,668,436</b>	<b>1,896,353</b>
Net Result	227,917	227,917	408,094
<b>Surplus/(Deficit) carried forward</b>	<u>1,881,757</u>	<u>1,896,353</u>	<u>2,304,447</u>
<b>East Wanneroo Development Area (Cell 8)</b>			
<b>Income</b>			
Contributions	1,486,123	1,486,123	1,000,000
Interest on Investments	2,000	2,000	-
	<u>1,488,123</u>	<u>1,488,123</u>	<u>1,000,000</u>
<b>Expenditure</b>			
Administration Charges	171	171	29,597
Audit Fee Expenses	520	520	540
Consulting Fees	-	-	5,000
Legal Fees	-	-	5,000
Bank Fees	870	870	900
Advertising	300	300	330
Compensation Payments	3,186,700	3,186,700	752,000
Construction Costs - Municipal Transfer	6,416,190	4,720,654	1,695,536
	<u>9,604,751</u>	<u>7,909,215</u>	<u>2,488,903</u>
<b>Net Result</b>	<u>(8,116,628)</u>	<u>(6,421,092)</u>	<u>(1,488,903)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>(1,805,304)</b>	<b>941,280</b>	<b>(5,479,812)</b>
Net Result	(8,116,628)	(6,421,092)	(1,488,903)
<b>Surplus/(Deficit) carried forward</b>	<u>(9,921,932)</u>	<u>(5,479,812)</u>	<u>(6,968,715)</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2013

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions (Continued)

	2011/2012 Budget \$	2011/2012 Actual (Est.) \$	2012/2013 Budget \$
<b>East Wanneroo Development Area (Cell 9)</b>			
<b>Income</b>			
Contributions	-	-	-
<b>Expenditure</b>			
Administration Charges	-	-	654
Consulting Fees	40,000	40,000	20,000
Advertising	300	300	330
Compensation Payments	221,200	221,200	2,000
Construction Costs - Municipal Transfer	-	-	-
	<b>261,500</b>	<b>261,500</b>	<b>22,984</b>
<b>Net Result</b>	<b>(261,500)</b>	<b>(261,500)</b>	<b>(22,984)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>(7,546)</b>	<b>(7,546)</b>	<b>(269,046)</b>
<b>Net Result</b>	<b>(261,500)</b>	<b>(261,500)</b>	<b>(22,984)</b>
<b>Surplus/(Deficit) carried forward</b>	<b>(269,046)</b>	<b>(269,046)</b>	<b>(292,030)</b>
<b>East Wanneroo Development Area (Cell 10)</b>			
<b>Income</b>			
Contributions	-	-	-
<b>Expenditure</b>			
Consulting Fees	0	0	-
Advertising	0	0	-
Compensation Payments	0	0	-
Construction Costs - Municipal Transfer	4,990,000	-	4,990,000
	<b>4,990,000</b>	<b>-</b>	<b>4,990,000</b>
<b>Net Result</b>	<b>(4,990,000)</b>	<b>-</b>	<b>(4,990,000)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>
<b>Net Result</b>	<b>(4,990,000)</b>	<b>-</b>	<b>(4,990,000)</b>
<b>Surplus/(Deficit) carried forward</b>	<b>(5,000,000)</b>	<b>-</b>	<b>(4,990,000)</b>

19. TRADING UNDERTAKINGS & MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2012/2013.