

CITY OF WANNEROO

BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

TABLE OF CONTENTS

Income Statement By Nature or Type	2
Income Statement By Program	3
Cash Flow Statement	4
Rate Setting Statement	5
Notes to and Forming Part of the Budget	6 to 35

CITY OF WANNEROO

INCOME STATEMENT

BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Revenues from Ordinary Activities				
Rates	9	65,317,978	47,143,173	47,352,317
Operating Grants and Subsidies		7,166,142	7,096,744	6,445,386
Operating Contributions Reimbursements & Donations		1,337,474	1,679,391	1,220,069
Fees and Charges	12	18,887,808	27,204,487	26,213,019
Interest Earnings	2(a)(ii)	5,970,000	6,667,276	3,571,407
Other Revenue		3,842,062	2,162,115	2,819,021
		102,521,464	91,953,186	87,621,219
Expenses from Ordinary Activities				
Employee Costs		(45,090,672)	(36,937,450)	(37,304,977)
Materials and Contracts		(31,381,990)	(28,187,170)	(29,653,209)
Utilities		(3,691,829)	(3,131,328)	(3,475,144)
Depreciation	2(a)(i)	(22,201,070)	(20,159,605)	(20,401,143)
Interest Expenses		(2,461,448)	(1,391,598)	(1,642,928)
Insurance		(869,343)	(777,660)	(736,627)
		(105,696,352)	(90,584,811)	(93,214,028)
		(3,174,888)	1,368,375	(5,592,809)
Other Revenues and Expenses				
Non-Operating Grants and Subsidies		11,232,626	9,220,424	13,068,977
Non-Operating Contributions, Reimbursements & Donations		1,591,001	2,710,025	5,374,197
Profit on Asset Disposals	4	18,618,901	137,072	5,741,215
Loss on Asset Disposals	4	(679,305)	(133,786)	(2,203,390)
Town Planning Scheme Income	18(b)	29,640,876	22,936,557	15,414,030
Town Planning Scheme Expenses	18(b)	(37,789,230)	(11,022,984)	(22,924,755)
		22,614,869	23,847,308	14,470,274
Net Result (Excluding contribution of physical assets)		19,439,981	25,215,683	8,877,465
Contributions of Physical Assets		30,000,000	26,671,146	30,000,000
Net Result		49,439,981	51,886,829	38,877,465

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

CITY OF WANNEROO

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/2009 Budget	2007/2008 Actual (Est.)	2007/2008 Budget
	1, 2(b)	\$	\$	\$
Operating Revenues				
Governance		161,795	452,126	267,355
General Purpose Funding		76,053,842	58,181,148	54,911,570
Law, Order, Public Safety		647,336	636,069	662,150
Health		252,487	234,314	220,583
Education and Welfare		2,883,560	3,349,681	3,213,149
Community Amenities		12,937,799	20,412,180	19,617,621
Recreation and Culture		4,810,893	3,971,287	3,957,903
Transport		699,530	645,488	521,881
Economic Services		3,455,032	3,382,861	3,500,578
Other Property and Services		619,190	688,032	748,429
		102,521,464	91,953,186	87,621,219
Operating Expenses				
Governance		(3,316,931)	(1,104,886)	(2,902,444)
General Purpose Funding		(1,589,932)	(4,498,100)	(1,642,911)
Law, Order, Public Safety		(3,163,367)	(2,696,836)	(2,982,291)
Health		(1,917,317)	(1,572,520)	(1,852,030)
Education and Welfare		(6,498,300)	(6,145,788)	(6,026,991)
Community Amenities		(25,332,929)	(20,757,311)	(20,967,973)
Recreation & Culture		(33,204,176)	(25,113,474)	(26,885,852)
Transport		(25,655,967)	(25,015,131)	(25,514,428)
Economic Services		(2,926,022)	(2,510,624)	(3,094,960)
		(103,604,941)	(89,414,670)	(91,869,880)
Borrowing Costs Expense				
Governance	2(a)(i), 5(a)	(1,803,362)	-	(1,170,141)
General Purpose Funding		-	(1,049,823)	(10,000)
Community Amenities		(274,747)	(120,318)	(155,458)
Other Property and Services		(13,302)	-	(8,549)
		(2,091,411)	(1,170,141)	(1,344,148)
Grants/Contributions for the Development of Assets				
Governance		-	31,854	-
Recreation and Culture		16,694,409	18,933,930	8,584,656
Community Amenities		800,000	-	-
Transport		43,436,493	21,662,278	38,286,518
Law, Order, Public Safety		242,100	108,395	289,000
Economic Services		-	-	193,000
Other Property and Services		(26,497,729)	9,778,711	(6,420,725)
		34,675,273	50,515,168	40,932,449
Profit/(Loss) on Disposal of Assets				
Governance	4	-	(827)	10,000
Community Amenities		-	(1,502)	-
Recreation and Culture		-	(2,854)	3,150
Economic Services		-	(2,094)	-
Other Property and Services		17,939,596	10,563	3,524,675
		17,939,596	3,286	3,537,825
Net Result		49,439,981	51,886,829	38,877,465

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

CITY OF WANNEROO

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		65,191,605	47,271,510	47,202,317
Grants and Subsidies - operating		7,166,142	7,096,744	7,033,089
Contributions, Reimbursements & Donations		1,337,474	1,857,740	479,669
Fees and Charges		18,887,808	28,330,668	26,272,630
Interest Earnings		5,970,000	6,933,978	6,057,896
Goods and Services Tax		5,500,000	6,651,265	4,700,000
Other		3,842,062	2,715,701	278,930
		<u>107,895,091</u>	<u>100,857,606</u>	<u>92,024,531</u>
Payments				
Employee Costs		(45,090,672)	(37,312,003)	(47,469,160)
Materials and Contracts		(39,068,024)	(21,660,055)	(45,875,473)
Utilities (gas, electricity, water, etc)		(3,691,829)	(3,131,328)	(3,121,760)
Insurance		(869,343)	(1,391,598)	(685,063)
Interest		(2,461,448)	(777,660)	(1,344,148)
Goods and Services Tax		(5,000,000)	(6,553,107)	(5,100,000)
		<u>(96,181,316)</u>	<u>(70,825,751)</u>	<u>(103,595,604)</u>
Net Cash Provided By Operating Activities	16(b)	<u>11,713,775</u>	<u>30,031,855</u>	<u>(11,571,073)</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale		-	-	-
Payments for Purchase of Property, Plant & Equipment	3	(58,508,087)	(49,025,463)	(62,480,139)
Payments for Construction of Infrastructure	3	(66,055,491)	-	(35,179,915)
Grants/Contributions/Unspent Loans & Transfers		42,779,771	14,779,935	31,635,004
Proceeds from Disposal of Assets	4	19,970,926	1,803,123	5,741,215
Equity Investments		25,245	(5,246)	-
Town Planning Scheme Income	18(b)	29,640,876	22,742,445	-
Town Planning Scheme Expenses	18(b)	(37,789,230)	(12,947,062)	-
Repayment of Quinns Bridge Funding		-	-	3,000,000
Net Cash Used in Investing Activities		<u>(69,935,990)</u>	<u>(22,652,268)</u>	<u>(57,283,835)</u>
Cash Flows from Financing Activities				
Repayment of Loans		-	-	(160,000)
Proceeds from New Loans	5	12,852,000	18,450,350	20,150,350
Net Cash Provided By (Used In) Financing Activities		<u>12,852,000</u>	<u>18,450,350</u>	<u>19,990,350</u>
Net Increase (Decrease) in Cash Held		<u>(45,370,215)</u>	<u>25,829,937</u>	<u>(48,864,558)</u>
Cash at Beginning of Year		138,738,821	112,908,884	115,073,170
Cash and Cash Equivalents at the End of the Year	16(a)	<u>93,368,606</u>	<u>138,738,821</u>	<u>66,208,612</u>

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

CITY OF WANNEROO

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Revenues				
Fees and Charges	12	18,887,808	27,204,487	26,213,019
Operating Grants and Subsidies		7,166,142	7,096,744	6,445,386
Operating Contributions, Reimbursements and Donations		1,337,474	1,679,391	1,220,069
Interest Earnings	2(a)(iii)	5,970,000	6,667,276	3,571,407
Other Revenue		3,842,062	2,162,115	2,819,021
Total Revenues		37,203,486	44,810,013	40,268,902
Expenses				
Employee Costs		(45,090,672)	(36,937,450)	(37,304,977)
Materials and Contracts		(31,381,990)	(28,187,170)	(29,653,209)
Utilities (Gas, Electricity, Water etc)		(3,691,829)	(3,131,328)	(3,475,144)
Insurance		(869,343)	(777,660)	(736,627)
Interest Expenses		(2,461,448)	(1,391,598)	(1,642,928)
Depreciation on Non-Current Assets	2(a)(i)	(22,201,070)	(20,159,605)	(20,401,143)
Total Expenses		(105,696,352)	(90,584,811)	(93,214,028)
Other Revenue and Expenses				
Non-Operating Grants and Subsidies		11,232,626	9,220,424	13,068,977
Non Operating Contributions, Reimbursements & Donations		1,591,001	2,710,025	5,374,197
Town Planning Scheme Income (including Interest)		29,640,876	22,936,557	15,414,030
Profit on Asset Disposal	4	18,618,901	137,072	5,741,215
Physical Assets Received from Developers		30,000,000	26,671,146	30,000,000
Town Planning Scheme Expenses	18(b)	(37,789,230)	(11,022,984)	(22,924,755)
Loss on Asset Disposal	4	(679,305)	(133,786)	(2,203,390)
Total Other Revenue and Expenses		52,614,869	50,518,454	44,470,274
Adjustments for Cash Budget Requirements				
(Profit)/Loss on Asset Disposals	4	(17,939,596)	(3,286)	(3,537,825)
Depreciation on Assets	2(a)(i)	22,201,070	20,159,605	20,401,143
Physical Assets Received from Developers		(30,000,000)	(26,671,146)	(30,000,000)
Total Adjustments for Cash Budget Requirements		(25,738,526)	(6,514,827)	(13,136,682)
Adjustments for Non-Operating Expenditure and Income				
Capital Acquisitions		(94,563,578)	(49,025,460)	(97,660,054)
Proceeds from Disposal of Assets	4	19,970,926	1,803,123	5,741,215
Movement in Non-current Leave Provisions		-	(155,461)	-
Movement in other Non-current Assets		-	172,603	-
Repayment of Quinns Bridge Funding		-	-	3,000,000
Proceeds from Loan Borrowings	5(a)	12,852,000	18,450,350	20,150,350
Repayment of Loan Principal		-	-	(160,000)
Total Adjustments for Non-Operating Expenditure & Income		(61,740,652)	(28,754,845)	(68,928,489)
Transfers				
Transfers to Restricted Grants, Contributions and Loans		(25,675,627)	(30,380,799)	-
Transfers from Restricted Grants, Contributions and loans		43,025,780	20,860,933	2,700,000
Transfers to Reserves	6	(31,061,750)	(11,193,209)	(12,928,354)
Transfers from Reserves	6	18,855,286	15,009,534	26,346,825
Transfers to Schemes	18(b)	(29,640,876)	(22,895,884)	(15,190,030)
Transfers from Schemes	18(b)	56,438,605	13,511,064	22,933,204
Total Transfers		31,941,418	(15,088,361)	23,861,645
Surplus/(Deficit)				
Estimated Surplus/(Deficit) July 1 Brought Forward	8	6,154,103	4,625,307	15,280,445
Estimated Surplus/(Deficit) June 30 Carried Forward	8	56,324	6,154,103	(4,045,616)
Movement in Surplus/(Deficit)		6,097,779	(1,528,796)	19,326,061
Amount Required to be Raised from Rates	9	(65,317,978)	(47,143,173)	(47,352,317)

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), other mandatory professional reporting requirements, the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

(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) 2007/2008 Actual Balances

Balances shown in this budget as 2007/2008 Actual are as 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 comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

(h) Trade and Other Receivables

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

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.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

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

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding 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

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 includes the cost of all materials, direct labour and 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.

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

Land under roads is excluded from infrastructure in accordance with the transitional arrangements available under AASB 1045 and in accordance with legislative requirements.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

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)
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

(l) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (Continued)

Classification (Continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council 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. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

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 balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council 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 Council for similar financial instruments.

(n) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

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

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

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2009.

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 and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality 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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(ii) Annual Leave and 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 Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(q) Interest-bearing Loans and Borrowings

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

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

Borrowing Costs

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

(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; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

(s) Superannuation

The City of Wanneroo contributes to various superannuation funds based on employee's choice and their eligibility.

(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 Council's operational cycle. In the case of liabilities where Council 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 Council'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 financial year.

Town Planning Schemes' income and expenses are reclassified as Other Revenue and Expenses for the financial year 2007/2008 and annual budget 2008/2009. To provide meaningful comparative figures, the 2007/2008 budget for the income statement by nature and type and income statement by program is correspondingly adjusted.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

2. OPERATING REVENUES AND EXPENSES

(a) Net Result from Ordinary Activities was arrived at after:

	Note	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
(i) Charging as Expenses:				
Depreciation				
<u>By Program</u>				
Governance		1,608,293	1,425,177	1,317,499
Law, Order, Public Safety		2,930	2,664	2,764
Health		7,971	7,246	7,517
Education and Welfare		21,492	20,275	16,567
Community Amenities		168,399	151,075	140,230
Recreation and Culture		2,248,442	2,045,181	1,694,761
Transport		15,285,333	13,896,005	14,664,210
Economic Services		9,928	9,041	7,107
Other Property and Services		2,848,282	2,602,941	2,550,488
		22,201,070	20,159,605	20,401,143
<u>By Class</u>				
Land and Buildings		1,644,679	1,630,088	1,551,010
Furniture and Equipment		1,617,523	1,032,546	901,744
Plant and Equipment		2,843,896	2,731,336	2,545,846
Other Infrastructure Assets		16,094,972	14,765,635	15,402,543
		22,201,070	20,159,605	20,401,143
Borrowing Costs (Interest)				
- Loan Interest	5(a)	2,091,411	1,170,138	1,344,188
		2,091,411	1,170,138	1,344,188
(ii) Crediting as Revenues:				
Interest Earnings				
Investments				
- Reserve Funds		2,800,000	1,125,524	904,129
- Municipal Funds		2,800,000	5,033,722	2,430,000
- Sinking Funds		-	-	4,627
Other Interest Revenue	14	370,000	508,030	232,651
Sub-Total		5,970,000	6,667,276	3,571,407
- Town Planning Schemes		3,155,926	2,823,971	1,998,200
Total		9,125,926	9,491,247	5,569,607

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

2. OPERATING 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 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 the City's 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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

2. OPERATING 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 ENDED 30TH JUNE 2009

3. ACQUISITION OF ASSETS

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

By Program

Governance

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Land and Buildings	295,636	236,168	35,000
Plant and Equipment	89,801	12,773	364,175
Furniture and Equipment	1,246,918	1,524,559	1,431,949
	1,632,355	1,773,500	1,831,124

Law, Order, Public Safety

Land and Buildings	290,915	46,559	378,100
	290,915	46,559	378,100

Education and Welfare

Land and Buildings	-	-	50,000
Plant and Equipment	96,200	-	-
Furniture and Equipment	-	32,635	-
	96,200	32,635	50,000

Community Amenities

Land and Buildings	2,100,149	98,684	4,537,114
Plant and Equipment	2,078,817	115,353	8,105,818
Furniture and Equipment	-	21,966	-
	4,178,966	236,003	12,642,932

Recreation and Culture

Land and Buildings	29,378,553	17,692,496	28,881,502
Infrastructure Assets - Parks and Ovals	13,661,181	11,571,407	10,412,570
Infrastructure Assets - Pathways	63,916	15,155	62,500
Infrastructure Assets - Drainage	20,000	-	95,389
Infrastructure Assets - Roads	4,000	-	202,000
Plant and Equipment	2,074,889	570,695	881,357
Furniture and Equipment	106,500	269,766	1,028,220
	45,309,039	30,119,519	41,563,538

Transport

Land and Buildings	206,587	-	-
Infrastructure Assets - Pathways	1,948,802	2,160,788	3,531,200
Infrastructure Assets - Roads	46,554,808	26,680,884	45,911,256
Infrastructure Assets - Drainage	3,802,784	3,731,599	4,715,000
Plant and Equipment	695,000	-	-
Furniture and Equipment	170,000	-	-
	53,377,981	32,573,271	54,157,456

Economic Services

Land and Buildings	30,000	40,648	576,600
Furniture and Equipment	-	1,300	-
	30,000	41,948	576,600

Other Property and Services

Land and Buildings	9,921,698	779,634	13,033,350
Infrastructure Assets - Drainage	-	-	250,000
Plant and Equipment	9,726,424	10,093,538	3,091,954
Furniture and Equipment	-	-	85,000
	19,648,122	10,873,172	16,460,304
	124,563,578	75,696,607	127,660,054

By Class

Land and Buildings	42,223,538	18,894,189	47,491,666
Infrastructure Assets - Roads	46,558,808	26,680,884	46,113,256
Infrastructure Assets - Parks and Ovals	13,661,181	11,571,407	10,412,570
Infrastructure Assets - Pathways	2,012,718	2,175,943	3,593,700
Infrastructure Assets - Drainage	3,822,784	3,731,599	5,060,389
Plant and Equipment	14,761,131	10,792,359	12,443,304
Furniture and Equipment	1,523,418	1,850,226	2,545,169
	124,563,578	75,696,607	127,660,054

A detailed breakdown of acquisitions on an individual asset basis can be found in Attachment 3.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

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>
	<u>2008/2009</u>	<u>2008/2009</u>	<u>2008/2009</u>
	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>By Program</u>			
Other Property and Services	2,031,330	19,970,926	17,939,596
	<u>2,031,330</u>	<u>19,970,926</u>	<u>17,939,596</u>
<u>By Class</u>			
Plant and Equipment	2,031,330	1,370,926	(660,404)
Land and Buildings	-	18,600,000	18,600,000
	<u>2,031,330</u>	<u>19,970,926</u>	<u>17,939,596</u>
<u>Summary</u>			
Profit on Asset Disposals			18,618,901
Loss on Asset Disposals			(679,305)
			<u>17,939,596</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

5. INFORMATION ON BORROWINGS

(a) Loan Repayments

Details	Principal	New Drawdown	Principal Repayments		Principal Outstanding		Interest Repayments	
	01-Jul-08 \$	2008/2009 \$	2008/2009 Budget \$	2007/2008 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$	2008/2009 Budget \$	2007/2008 Actual \$
Western Australian Treasury Corporation	27,006,188	12,852,000	-	-	39,858,188	27,006,188	2,091,411	1,170,138
Total	27,006,188	12,852,000	-	-	39,858,188	27,006,188	2,091,411	1,170,138

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

(b) Unspent Loans

The City had \$17,276,130 unspent loans as at 30th June 2008. The purpose of the unspent loans is to provide funding to the City's capital works program. According to the budget of 2008/2009 the total unspent loan of \$17,276,130 will be fully expended and the City is not expected to have unspent loan funds as at 30th June 2009.

(d) 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 2008 was NIL.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
(a) Asset Preservation Reserve			
Opening Balance	13,613	6,709	9,089
Amount Set Aside / Transfer to Reserve	6,089	6,904	5,271
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	19,702	13,613	14,360
(b) Asset Rehabilitation Reserve			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	-	-
(c) Asset Replacement Reserve			
Opening Balance	2,412,996	6,859,448	6,859,448
Amount Set Aside / Transfer to Reserve	21,220,631	267,819	4,404,353
Amount Used / Transfer from Reserve	(6,431,965)	(4,714,271)	(10,264,821)
Closing Balance	17,201,662	2,412,996	998,980
(d) Badgerup/Ocean Reef Road Construction Reserve			
Opening Balance	4,505	3,590	3,589
Amount Set Aside / Transfer to Reserve	360	915	107
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	4,865	4,505	3,696
(e) Butler Collaborative Planning Agreement Reserve			
Opening Balance	1,801,410	1,618,077	1,618,077
Amount Set Aside / Transfer to Reserve	254,113	183,333	158,205
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	2,055,523	1,801,410	1,776,282
(f) City of Wanneroo Establishment Reserve			
Opening Balance	-	92,934	92,934
Amount Set Aside / Transfer to Reserve	-	4,386	2,769
Amount Used / Transfer from Reserve	-	(97,320)	(95,703)
Closing Balance	-	-	-
(g) City of Wanneroo Townsite Reserve			
Opening Balance	231,326	127,947	127,947
Amount Set Aside / Transfer to Reserve	18,506	103,379	99,515
Amount Used / Transfer from Reserve	(218,000)	-	(218,000)
Closing Balance	31,832	231,326	9,462
(h) Commercial Refuse Reserve			
Opening Balance	696,406	417,435	562,520
Amount Set Aside / Transfer to Reserve	405,712	278,971	866,758
Amount Used / Transfer from Reserve	(40,000)	-	(664,283)
Closing Balance	1,062,118	696,406	764,995
(i) Commercial Refuse - Plant Replacement Reserve			
Opening Balance	353,719	485,305	485,305
Amount Set Aside / Transfer to Reserve	298,298	199,074	239,458
Amount Used / Transfer from Reserve	(340,000)	(330,660)	(801,543)
Closing Balance	312,017	353,719	(76,780)

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES (Continued)

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
(j) Domestic Refuse Reserve			
Opening Balance	3,939,749	1,051,631	552,864
Amount Set Aside / Transfer to Reserve	1,315,180	2,969,301	3,152,220
Amount Used / Transfer from Reserve	(3,543,817)	(81,183)	(3,550,000)
Closing Balance	1,711,112	3,939,749	155,084
(k) Domestic Refuse - Plant Replacement Reserve			
Opening Balance	2,850,326	3,128,977	3,128,976
Amount Set Aside / Transfer to Reserve	2,474,026	2,414,729	1,093,217
Amount Used / Transfer from Reserve	(3,445,545)	(2,693,380)	(2,498,240)
Closing Balance	1,878,807	2,850,326	1,723,953
(l) Golf Courses Reserve			
Opening Balance	413,315	51,830	68,704
Amount Set Aside / Transfer to Reserve	133,065	406,960	122,047
Amount Used / Transfer from Reserve	(184,525)	(45,475)	(120,000)
Closing Balance	361,855	413,315	70,751
(m) Heavy Vehicle Replacement Reserve			
Opening Balance	1,627,924	1,120,308	1,120,308
Amount Set Aside / Transfer to Reserve	732,684	534,905	463,376
Amount Used / Transfer from Reserve	(1,025,000)	(27,289)	(400,050)
Closing Balance	1,335,608	1,627,924	1,183,634
(n) Land Acquisition Reserve			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	500,000	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	500,000	-	-
(o) Light Vehicle Replacement Reserve			
Opening Balance	522,633	149,717	149,717
Amount Set Aside / Transfer to Reserve	1,763,491	875,400	504,460
Amount Used / Transfer from Reserve	(2,231,079)	(502,484)	(618,016)
Closing Balance	55,045	522,633	36,161
(p) Marmion Avenue - Tokyu Contribution Reserve			
Opening Balance	-	1,120,152	1,120,152
Amount Set Aside / Transfer to Reserve	-	82,957	33,371
Amount Used / Transfer from Reserve	-	(1,203,109)	(1,153,523)
Closing Balance	-	-	-
(q) Material Recoveries Facility Upgrade Reserve **			
Opening Balance	241,719	2,975,349	4,001,949
Amount Set Aside / Transfer to Reserve	119,338	278,515	119,224
Amount Used / Transfer from Reserve	(737,255)	(3,012,145)	(4,075,000)
Closing Balance	(376,198)	241,719	46,173
(r) New Asset Works Reserve			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	-	-	-

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES (Continued)

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
(s) Plant Replacement Reserve			
Opening Balance	631,524	1,104,013	1,104,014
Amount Set Aside / Transfer to Reserve	531,318	498,325	582,890
Amount Used / Transfer from Reserve	(628,100)	(970,814)	(657,646)
Closing Balance	534,742	631,524	1,029,258
(t) Quinns Rock Caravan Park Reserve			
Opening Balance	73,222	196,777	201,163
Amount Set Aside / Transfer to Reserve	55,858	7,849	55,993
Amount Used / Transfer from Reserve	(30,000)	(131,404)	(30,000)
Closing Balance	99,080	73,222	227,156
(u) Resource Recovery Domestic Refuse Reserve			
Opening Balance	1,920,393	1,176,331	1,176,331
Amount Set Aside / Transfer to Reserve	853,631	744,062	885,045
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	2,774,024	1,920,393	2,061,376
(v) Road Maintenance - Northern Quarry Area Reserve			
Opening Balance	1,855	1,766	1,767
Amount Set Aside / Transfer to Reserve	148	89	53
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	2,003	1,855	1,820
(w) Road Maintenance Southern Quarry Area Reserve			
Opening Balance	177,278	170,150	170,150
Amount Set Aside / Transfer to Reserve	14,182	7,128	5,069
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	191,460	177,278	175,219
(x) Section 20A Land Reserve			
Opening Balance	118,247	1,271,548	1,271,548
Amount Set Aside / Transfer to Reserve	9,460	46,699	37,881
Amount Used / Transfer from Reserve	-	(1,200,000)	(1,200,000)
Closing Balance	127,707	118,247	109,429
(y) TPS 20 - District Distributor Headworks Reserve			
Opening Balance	4,445,754	3,164,245	3,164,246
Amount Set Aside / Transfer to Reserve	355,660	1,281,509	97,072
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	4,801,414	4,445,754	3,261,318
Total Reserves	34,684,378	22,477,914	13,572,327

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 Wanneroo, Joondalup and Swan. The deficiency of funding will be contributed by equal share by the three Cities, should budgeted capital projects proceed.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES (Continued)

Summary of Reserve Transfers	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Transfers to Reserves			
Asset Preservation Reserve	6,089	6,904	5,271
Asset Rehabilitation Reserve	-	-	-
Asset Replacement Reserve	21,220,631	267,819	4,404,353
Badgerup/Ocean Reef Road Construction Reserve	360	915	107
Butler Collaborative Planning Agreement Reserve	254,113	183,333	158,205
City of Wanneroo Establishment Reserve	-	4,386	2,769
City of Wanneroo Townsite Reserve	18,506	103,379	99,515
Commercial Refuse Reserve	405,712	278,971	866,758
Commercial Refuse - Plant Replacement Reserve	298,298	199,074	239,458
Domestic Refuse Reserve	1,315,180	2,969,301	3,152,220
Domestic Refuse - Plant Replacement Reserve	2,474,026	2,414,729	1,093,217
Golf Courses Reserve	133,065	406,960	122,047
Heavy Vehicle Replacement Reserve	732,684	534,905	463,376
Land Acquisition Reserve	500,000	-	-
Light Vehicle Replacement Reserve	1,763,491	875,400	504,460
Marmion Avenue - Tokyu Contribution Reserve	-	82,957	33,371
Material Recoveries Facility Upgrade Reserve	119,338	278,515	119,224
New Asset Works Reserve	-	-	-
Plant Replacement Reserve	531,318	498,325	582,890
Quinns Rock Caravan Park Reserve	55,858	7,849	55,993
Resource Recovery Domestic Refuse Reserve	853,631	744,062	885,045
Road Maintenance - Northern Quarry Area Reserve	148	89	53
Road Maintenance Southern Quarry Area Reserve	14,182	7,128	5,069
Section 20A Land Reserve	9,460	46,699	37,881
TPS 20 - District Distributor Headworks Reserve	355,660	1,281,509	97,072
	31,061,750	11,193,209	12,928,354
Transfers from Reserves			
Asset Preservation Reserve	-	-	-
Asset Rehabilitation Reserve	-	-	-
Asset Replacement Reserve	(6,431,965)	(4,714,271)	(10,264,821)
Badgerup/Ocean Reef Road Construction Reserve	-	-	-
Butler Collaborative Planning Agreement Reserve	-	-	-
City of Wanneroo Establishment Reserve	-	(97,320)	(95,703)
City of Wanneroo Townsite Reserve	(218,000)	-	(218,000)
Commercial Refuse Reserve	(40,000)	-	(664,283)
Commercial Refuse - Plant Replacement Reserve	(340,000)	(330,660)	(801,543)
Domestic Refuse Reserve	(3,543,817)	(81,183)	(3,550,000)
Domestic Refuse - Plant Replacement Reserve	(3,445,545)	(2,693,380)	(2,498,240)
Golf Courses Reserve	(184,525)	(45,475)	(120,000)
Heavy Vehicle Replacement Reserve	(1,025,000)	(27,289)	(400,050)
Land Acquisition Reserve	-	-	-
Light Vehicle Replacement Reserve	(2,231,079)	(502,484)	(618,016)
Marmion Avenue - Tokyu Contribution Reserve	-	(1,203,109)	(1,153,523)
Material Recoveries Facility Upgrade Reserve	(737,255)	(3,012,145)	(4,075,000)
New Asset Works Reserve	-	-	-
Plant Replacement Reserve	(628,100)	(970,814)	(657,646)
Quinns Rock Caravan Park Reserve	(30,000)	(131,404)	(30,000)
Resource Recovery Domestic Refuse Reserve	-	-	-
Road Maintenance - Northern Quarry Area Reserve	-	-	-
Road Maintenance Southern Quarry Area Reserve	-	-	-
Section 20A Land Reserve	-	(1,200,000)	(1,200,000)
TPS 20 - District Distributor Headworks Reserve	-	-	-
	(18,855,286)	(15,009,534)	(26,346,825)
Net Transfer to/(from) Reserves	12,206,464	(3,816,325)	(13,418,471)

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES (Continued)

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

Asset Preservation Reserve

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

Asset Rehabilitation Reserve

- For the purpose of capital expenditure outlay to be undertaken in relation to all "renew/rehabilitation" works and replacement of depreciated equipment.

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.

Badgerup/Ocean Reef Road Construction Reserve

- Represents developer contributions towards future roadworks.

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 Establishment Reserve

- To be used for the establishment of the new City of Wanneroo. Establishment included the fit out of the new Civic Building together with all associated furniture and fixtures, IT equipment, office equipment and stationery.

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

Commercial Refuse - Plant Replacement Reserve

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

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.

Golf Course Reserve

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

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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

6. RESERVES (Continued)

Light Vehicle Replacement Reserve

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

Marmion Avenue - Tokyu Contribution Reserve

- To be used for the future construction of Marmion Avenue to Yancheep.

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.

New Asset Works Reserve

- For the purpose of capital expenditure outlay to be undertaken in relation to all new works - buildings, roads etc

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.

Road Maintenance - Northern Quarry Area Reserve

- To be used for repairing and maintaining roads in the immediate area of quarries.

Road Maintenance - Southern Quarry Area Reserve

- To be used for repairing and maintaining roads in the immediate area of quarries.

Section 20A Land Reserve

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

Town Planning Scheme 20 - District Headworks Reserve

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

7. RESERVES

Asset Revaluation Reserve

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

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Furniture and Equipment (Artworks and Artifacts)			
Opening Balance	246,092	246,092	246,092
Revaluation Increment	-	-	-
Total Asset Revaluation Reserves	246,092	246,092	246,092

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

8. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

	Note	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Current Assets				
Cash - Unrestricted	16(a)	13,374,064	27,296,038	(2,329,861)
Cash - Restricted	16(a)	79,994,542	111,442,783	68,538,473
Receivables		5,152,374	5,026,001	6,819,449
Inventories		296,454	271,268	150,000
		98,817,434	144,036,090	73,178,061
Less: Current Liabilities				
Payables and Provisions		(18,766,568)	(26,439,203)	(13,729,220)
Net Current Asset Position		80,050,866	117,596,886	59,448,841
Plus: Leave Provisions Not Cash Backed		-	-	5,044,016
Less: Cash - Restricted		(79,994,542)	(111,442,783)	(68,538,473)
Estimated Surplus/(Deficiency) Carried Forward		56,324	6,154,103	(4,045,616)

The estimated surplus/(deficiency) carried forward in the 2007/2008 actual column represents the surplus (deficit) brought forward as at 1 July 2008.

The estimated surplus/(deficiency) carried forward in the 2008/2009 budget column represents the surplus (deficit) carried forward as at 30 June 2009.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

9. RATING INFORMATION

Details	Rate in Dollar cents	Number of Properties	Rateable Value \$	2008/2009 Budgeted Rate Revenue \$	2008/2009 Budgeted Interim Rates \$	2008/2009 Budgeted Total Revenue \$	2007/2008 Actual (Est.) \$
Differential General Rate							
GRV Residential Improved	7.3300	24,610	354,186,421	25,961,867	1,592,772	27,554,639	25,239,675
GRV Residential Vacant	5.4000	4,757	88,299,410	4,768,168		4,768,168	1,666,966
GRV Commercial	6.4500	419	61,404,235	3,960,574	212,500	4,173,074	3,554,639
GRV Industrial	6.4500	1,023	49,603,847	3,199,449	25,000	3,224,449	2,970,621
GRV Rural Improved	7.3300	791	13,859,300	1,015,887	6,250	1,022,137	823,704
GRV Rural Vacant	5.4000	59	2,148,750	116,033		116,033	88,463
GRV Caravan Park and Park Homes	7.3353	96	1,013,324	74,330		74,330	569,551
UV Residential Improved	0.2374	2	7,260,000	17,235		17,235	13,445
UV Residential Vacant	0.2373	31	113,660,000	269,715		269,715	385,445
UV Commercial Improved	0.2102	4	16,390,000	34,452		34,452	8,788
UV Industrial	0.2102	6	11,820,000	24,846		24,846	-
UV Rural and Mining Improved	0.2374	812	1,269,701,153	3,014,271	6,250	3,020,521	2,805,296
UV Rural and Mining Vacant	0.2373	261	1,435,930,000	3,407,462		3,407,462	2,313,218
Sub-Totals		32,871	3,425,276,440	45,864,289	1,842,772	47,707,061	40,439,811
	Minimum \$						
Minimum Rates							
GRV Residential Improved	835	18,670	180,869,914	15,589,450		15,589,450	2,859,862
GRV Residential Vacant	615	2,304	21,386,471	1,416,960		1,416,960	3,341,303
GRV Commercial	950	54	555,382	51,300		51,300	60,137
GRV Industrial	950	507	5,485,024	481,650		481,650	401,478
GRV Rural Improved	835	47	490,044	39,245		39,245	5,260
GRV Rural Vacant	615					-	6,312
GRV Caravan Park and Park Homes	272	1	3,536	272		272	-
UV Residential Improved	835					-	-
UV Residential Vacant	615					-	-
UV Rural and Mining Improved	835	18	4,844,973	15,030		15,030	1,578
UV Rural and Mining Vacant	615	24	533,705	14,760		14,760	12,098
Sub-Totals		21,625	214,169,049	17,608,667	-	17,608,667	6,688,028
Totals						65,315,728	47,127,839
Ex Gratia Rates						2,250	15,334
Grand Totals						65,317,978	47,143,173

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.

The general rates detailed above for the 2008/2009 financial year have been determined by the City on the basis of raising the revenue required

The City has resolved to incorporate the domestic rubbish collection charge with the general rates for the financial year 2008/2009. The reason

Description	As Advertised		Revised	
	Rate in Dollar cents	Minimum Rate \$	Rate in Dollar cents	Minimum Rate \$
Gross Rental Value (GRV) Categories				
Residential Improved	5.4521	615.00	7.3300	835.00
Residential Vacant	5.4521	615.00	5.4000	615.00
Commercial	6.3410	950.00	6.4500	950.00
Industrial	6.3410	950.00	6.4500	950.00
Rural Improved	5.4521	615.00	7.3300	835.00
Rural Vacant	5.4521	615.00	5.4000	615.00
Caravan Park and Park Homes	7.3353	272.00	7.3353	272.00
Unimproved Value (UV) Categories				
Residential Improved	0.2383	615.00	0.2374	835.00
Residential Vacant	0.2383	615.00	0.2373	615.00
Commercial Improved	0.2324	950.00	0.2102	950.00
Industrial	0.2324	950.00	0.2102	950.00
Rural and Mining Improved	0.2383	615.00	0.2374	835.00
Rural and Mining Vacant	0.2383	615.00	0.2373	615.00
Description	Service Fee \$		Service Fee \$	
Domestic Rubbish Charge	230.00		Within Rates	

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 ENDED 30TH JUNE 2009

10. SPECIFIED AREA RATE

No special area rates have been budgeted for the 2008/2009 Financial Year.

11. SERVICE CHARGES

The City did not charge any service charges for the 2007/2008 Financial Year, nor did it budget any service charge for the 2008/2009 Financial Year.

12. FEES & CHARGES REVENUE

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Governance	29,685	418,252	115,123
General Purpose Funding	417,460	126,750	635,749
Law, Order, Public Safety	347,336	329,183	359,550
Health	107,787	90,135	107,272
Education and Welfare	222,743	328,324	297,749
Community Amenities	9,442,009	18,495,488	16,999,588
Recreation & Culture	4,214,416	3,365,633	3,479,604
Transport	520,000	410,655	380,250
Economic Services	3,186,182	3,229,631	3,358,372
Other Property & Services	400,190	410,436	479,762
	18,887,808	27,204,487	26,213,019

The City has resolved to incorporate the domestic rubbish collection charge with the general rates for the 2008/2009 financial year and as a consequence the fees and charges revenue has decreased by the amount which would have been raised by this collection charge.

13. RATES DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS

No rates discounts have been budgeted for the 2008/2009 Financial Year.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

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 \$110,000. 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 notice.

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 \$20.00 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 2008/2009 financial year is estimated at \$640,000. This is dissected as follows:

	Note	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Instalment Interest Charges	2a(ii)	260,000	222,774	163,484
Late Payment Penalty Interest	2a(ii)	110,000	285,256	69,167
		370,000	508,030	232,651
Administration Charges		270,000	300,732	488,289
		640,000	808,762	720,940

15. COUNCILLORS' REMUNERATION

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

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Meeting Fees	112,000	109,083	112,000
Mayor's Allowance	60,000	60,000	60,000
Deputy Mayor's Allowance	15,000	8,750	15,000
Information Technology Allowance	15,000	15,000	15,000
Telecommunications Allowance	36,000	36,000	36,000
Other Expense Recoupments	49,000	21,192	29,000
Conference Expenses	62,000	12,637	62,000
	349,000	262,662	329,000

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

16. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Cash - Unrestricted	13,374,064	27,296,038	(2,329,861)
Cash - Restricted	79,994,542	111,442,783	68,538,473
	93,368,606	138,738,821	66,208,612

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

Asset Preservation Reserve	19,702	13,613	14,360
Asset Rehabilitation Reserve	-	-	-
Asset Replacement Reserve	17,201,662	2,412,996	998,980
Badgerup/Ocean Reef Road Construction Reserve	4,865	4,505	3,696
Butler Collaborative Planning Agreement Reserve	2,055,523	1,801,410	1,776,282
Cash in Lieu of Public Open Space Reserve	-	-	1,640,085
City of Wanneroo Townsite Reserve	31,832	231,326	9,462
City of Wanneroo Establishment Reserve	-	-	-
Commercial Refuse Reserve	1,062,118	696,406	764,995
Commercial Refuse - Plant Replacement Reserve	312,017	353,719	(76,780)
Domestic Refuse Reserve	1,711,112	3,939,749	155,084
Domestic Refuse - Plant Replacement Reserve	1,878,807	2,850,326	1,723,953
Golf Courses Reserve	361,855	413,315	70,751
Heavy Vehicle Replacement Reserve	1,335,608	1,627,924	1,183,634
Land Acquisition Reserve	500,000	-	-
Light Vehicle Replacement Reserve	55,045	522,633	36,161
Marmion Avenue - Tokyu Contribution Reserve	-	-	-
Material Recoveries Facility Upgrade Reserve	(376,198)	241,719	46,173
New Asset Works Reserve	-	-	-
Plant Replacement Reserve	534,742	631,524	1,029,258
Quinns Rock Caravan Park Reserve	99,080	73,222	227,156
Resource Recovery Domestic Refuse Reserve	2,774,024	1,920,393	2,061,376
Road Maintenance - Northern Quarry Area Reserve	2,003	1,855	1,820
Road Maintenance Southern Quarry Area Reserve	191,460	177,278	175,219
Section 20A Land Reserve	127,707	118,247	109,429
TPS 20 - District Distributor Headworks Reserve	4,801,414	4,445,754	3,261,318
Town Planning Schemes	36,525,410	63,323,139	45,635,317
Unspent Loans	-	17,276,130	-
Unspent Grants and Contributions	8,784,754	8,365,600	7,690,744
	79,994,542	111,442,783	68,538,473

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

Net Result	49,439,981	51,886,829	38,877,465
Depreciation	22,201,070	20,159,605	20,401,143
(Profit)/Loss on Sale of Asset	(17,939,596)	(3,286)	(3,537,825)
(Increase)/Decrease in Receivables	(126,373)	1,286,874	(1,060,063)
(Increase)/Decrease in Inventories	(25,186)	(103,733)	13,958
Increase/(Decrease) in Payables	(7,672,635)	6,946,632	(6,416,067)
Increase/(Decrease) in Employee Provisions	486,542	368,856	1,785,320
Equity Investments	25,245	5,246	-
Town Planning Scheme Income	(29,640,876)	(22,936,557)	-
Town Planning Scheme Expenses	37,789,230	11,022,984	-
Grants/Contributions for the Development of Assets	(42,823,627)	(38,601,595)	(61,635,004)
Net Cash from Operating Activities	11,713,775	30,031,855	(11,571,073)

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

16. NOTES TO THE CASH FLOW STATEMENT

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Bank Overdraft limit	1,000,000	1,000,000	1,000,000
Bank Overdraft at Balance Date	-	-	-
Credit Card limit	48,000	43,000	48,000
Credit Card Balance at Balance Date	-	4,714	-
Total Amount of Credit Unused	1,048,000	1,047,714	1,048,000
Loan Facilities			
Loan Facilities in use at Balance Date	39,858,188	27,006,185	29,326,188
Unused Loan Facilities at Balance Date	-	-	-

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

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:

	Balance 01-Jul-08	Amounts Received	Amounts Paid	Balance 30-Jun-09
	\$	\$	\$	\$
Yanchep Bus Replacement	169,387	5,000		174,387
Unclaimed Money	5,489	1,500		6,989
Misc/Appeals	30,491	-		30,491
Trust Fund -Mayor's Christmas Appeal	1,624	500	(2,124)	-
Cash in Lieu of Public Open Space	1,800,648	20,000	(200,000)	1,620,648
	<u>2,007,639</u>	<u>27,000</u>	<u>(202,124)</u>	<u>1,832,515</u>

18. MAJOR LAND TRANSACTIONS

Land and Buildings

Subdivision of Lot 600 Wattle Avenue, Neerabup

Council adopted a business plan addressing a proposal for the subdivision of Lot 2692 (now Lot 600) Wattle Avenue, Neerabup. A management plan and rezoning is currently being progressed to create an Energy Precinct over part of Lot 600 to provide land for sale for construction of powerstations. The City is in negotiation with a potential purchaser of one of the sites and the expected proceeds have been included in the 2008/2009 budget.

Joint Venture Subdivision of Lot 4 Flynn Drive, Neerabup

Council has endorsed a proposal for a joint venture subdivision development with Landcorp of each organisation's land in Neerabup. This will be a long-term project, with the 2008/2009 budget providing for expenditure on the first stage of development. The joint venture agreement has not been finalised and development is delayed because the City's land contribution (Lot 4) is uncertain due to environmental approval constraints. As a result no income has been provided in the 2008/2009 budget.

A small portion of Lot 4 has subdivision approval and Council has agreed to sell part of this to Western Power for a substation site to service the future needs of the Neerabup Industrial Area. Due to subdivision conditions related to provision of services it is unlikely that the land will be transferred and income received by the City prior to 2010.

Sale of Pt Lot 257 Motivation Drive, Wangara

Council adopted a business plan addressing a proposal to subdivide the rear section of Lot 257 for the development of nine industrial lots and subsequent sale. Two of the lots will not be available for subdivision until an adjoining road design issue has been resolved. Two lots have been sold by public tender. Five lots are for sale by private treaty. Funds to complete the subdivision works and the proceeds from the sale of seven lots have been provided for in the 2008/2009 budget.

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 one Town Planning Scheme and two "Development Areas" in operation:-

- Town Planning Scheme 5 - Landsdale
- East Wanneroo Development Area Cells 1 - 8
- Berkley Road Local Structure Plan

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions

	Balance 1-July-08 \$	Transfers To \$	Transfers From - Operating From - Capital \$	Balance 30-Jun-09 \$
Operating				
Town Planning Scheme 5 (Landsdale)	555,644	22,552	300,000	278,196
Berkley Road Structure Plan Area	1,384,118	483,750	500	1,867,368
Sub Total	1,939,762	506,302	300,500	2,145,564
East Wanneroo Development Area (Cell 1)	17,894,073	5,038,508	5,661,730	14,287,620
East Wanneroo Development Area (Cell 2)	878,360	976,045	3,379,000	(4,471,375)
East Wanneroo Development Area (Cell 3)	1,104,818	75,789	201,800	978,807
East Wanneroo Development Area (Cell 4)	8,936,984	9,630,317	12,616,800	5,650,501
East Wanneroo Development Area (Cell 5)	9,404,155	3,397,318	1,937,700	8,186,881
East Wanneroo Development Area (Cell 6)	15,764,905	5,611,422	8,541,400	5,692,455
East Wanneroo Development Area (Cell 7)	890,553	1,197,407	745,400	1,342,560
East Wanneroo Development Area (Cell 8)	6,509,529	3,207,768	4,404,900	2,712,397
Sub Total	61,383,377	29,134,574	37,488,730	34,379,846
Total	63,323,139	29,640,876	37,789,230	36,525,410

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

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Town Planning Scheme 5 (Landsdale)			
Income			
Contributions	-	110,416	-
Interest on Investments	22,552	-	15,000
	22,552	110,416	15,000
Expenditure			
Administration Charges	199	221	-
Compensation Payments/Construction Costs	300,000	-	237
	300,000	221	237
Net Result	(277,448)	110,195	14,763
Surplus/(Deficit) brought forward	555,644	445,449	
Net Result	(277,448)	110,195	14,763
Surplus/(Deficit) carried forward	278,196	555,644	14,763
Berkley Road Structure Plan Area			
Income			
Contributions	483,750	112,854	-
Interest on Investments	-	60,626	50,000
	483,750	173,480	50,000
Expenditure			
Administration Charges	461	18,921	588
Legal Fees	500	-	2,000
Materials	-	-	55
Bank Fees	-	-	50
Advertising	-	-	261
	500	18,921	2,366
Net Result	483,250	154,559	47,634
Surplus/(Deficit) brought forward	1,384,118	1,229,559	460,328
Net Result	483,250	154,559	47,634
Surplus/(Deficit) carried forward	1,867,368	1,384,118	507,962

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

18. MAJOR LAND TRANSACTIONS (Continued)
Town Planning Schemes (Continued)
(b) Current year transactions (Continued)

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
East Wanneroo Development Area (Cell 1)			
Income			
Contributions	3,899,000	6,761,439	3,672,044
Interest on Investments	1,139,508	574,968	508,900
	5,038,508	7,336,407	4,180,944
Expenditure			
Administration Charges	946	111,182	1,041
Compensation Payments/Construction Costs	5,659,830	4,407,289	4,085,670
Audit Fee Expenses	500	-	500
Consulting Fees	700	-	-
Materials	-	-	55
Bank Fees	400	-	50
Advertising	300	183	261
	5,661,730	4,518,654	4,086,536
Net Result	(623,222)	2,817,753	94,408
Surplus/(Deficit) brought forward	17,894,073	15,076,320	15,179,933
Net Result	(623,222)	2,817,753	94,408
Surplus/(Deficit) carried forward	17,270,851	17,894,073	15,274,341
East Wanneroo Development Area (Cell 2)			
Income			
Contributions	992,200	3,218,331	2,102,915
Interest on Investments	(16,155)	66,873	108,900
	976,045	3,285,204	2,211,815
EXPENDITURE			
Administration Charges	-	65,032	795
Compensation Payments/Construction Costs	3,377,800	2,105,523	1,693,531
Audit Fee Expenses	500	-	500
Materials	-	-	55
Bank Fees	400	-	50
Advertising	300	183	261
	3,379,000	2,170,738	1,695,192
Net Result	(2,402,955)	1,114,466	516,623
Surplus/(Deficit) brought forward	878,360	(236,106)	286,528
Net Result	(2,402,955)	1,114,466	516,623
Surplus/(Deficit) carried forward	(1,524,595)	878,360	803,151

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions (Continued)

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
East Wanneroo Development Area (Cell 3)			
Income			
Contributions	-	56,144	-
Interest on Investments	75,789	65,455	53,000
	<u>75,789</u>	<u>121,599</u>	<u>53,000</u>
Expenditure			
Administration Charges	-	27,984	-
Compensation Payments/Construction Costs	200,600	-	135,550
Audit Fee Expenses	500	-	500
Materials	-	-	55
Bank Fees	400	-	50
Advertising	300	183	261
	<u>201,800</u>	<u>28,167</u>	<u>136,416</u>
Net Result	<u>(126,011)</u>	<u>93,432</u>	<u>(83,416)</u>
Surplus/(Deficit) brought forward	1,104,818	1,011,386	930,115
Net Result	<u>(126,011)</u>	<u>93,432</u>	<u>(83,416)</u>
Surplus/(Deficit) carried forward	<u>978,807</u>	<u>1,104,818</u>	<u>846,699</u>
East Wanneroo Development Area (Cell 4)			
Income			
Contributions	9,193,000	3,195,874	(335,794)
Interest on Investments	437,317	455,667	301,250
	<u>9,630,317</u>	<u>3,651,541</u>	<u>(34,544)</u>
Expenditure			
Administration Charges	-	129,110	-
Compensation Payments/Construction Costs	12,615,600	276,833	5,447,537
Audit Fee Expenses	500	-	500
Materials	-	-	55
Bank Fees	400	-	50
Advertising	300	183	261
	<u>12,616,800</u>	<u>406,126</u>	<u>5,448,403</u>
Net Result	<u>(2,986,483)</u>	<u>3,245,415</u>	<u>(5,482,947)</u>
Surplus/(Deficit) brought forward	8,936,984	5,691,569	1,883,908
Net Result	<u>(2,986,483)</u>	<u>3,245,415</u>	<u>(5,482,947)</u>
Surplus/(Deficit) carried forward	<u>5,950,501</u>	<u>8,936,984</u>	<u>(3,599,039)</u>
East Wanneroo Development Area (Cell 5)			
Income			
Contributions	2,900,000	946,053	2,539,210
Interest on Investments	497,318	203,307	199,750
	<u>3,397,318</u>	<u>1,149,360</u>	<u>2,738,960</u>
Expenditure			
Administration Charges	-	138,413	-
Compensation Payments/Construction Costs	1,934,000	1,861,051	2,233,733
Audit Fee Expenses	500	-	500
Legal Fees	2,500	3,542	-
Materials	-	-	1,576
Bank Fees	400	-	50
Advertising	300	183	261
	<u>1,937,700</u>	<u>2,003,189</u>	<u>2,236,120</u>
Net Result	<u>1,459,618</u>	<u>(853,829)</u>	<u>502,840</u>
Surplus/(Deficit) brought forward	9,404,155	10,257,984	9,919,401
Net Result	<u>1,459,618</u>	<u>(853,829)</u>	<u>502,840</u>
Surplus/(Deficit) carried forward	<u>10,863,773</u>	<u>9,404,155</u>	<u>10,422,241</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions (Continued)

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
East Wanneroo Development Area (Cell 6)			
Income			
Contributions	4,917,000	4,195,868	592,205
Interest on Investments	694,422	526,886	713,000
	5,611,422	4,722,754	1,305,205
Expenditure			
Administration Charges	-	138,529	-
Compensation Payments/Construction Costs	8,537,000	1,132,059	4,595,381
Audit Fee Expenses	500	-	500
Consulting Fees	700	-	-
Legal Fees	2,500	3,543	-
Materials	-	-	1,630
Bank Fees	400	-	100
Advertising	300	183	261
	8,541,400	1,274,314	4,597,872
Net Result	(2,929,978)	3,448,440	(3,292,667)
Surplus/(Deficit) brought forward	15,764,905	12,316,465	8,873,749
Net Result	(2,929,978)	3,448,440	(3,292,667)
Surplus/(Deficit) carried forward	12,834,927	15,764,905	5,581,082
East Wanneroo Development Area (Cell 7)			
Income			
Contributions	1,100,000	866,199	577,500
Interest on Investments	97,407	90,282	20,000
	1,197,407	956,481	597,500
Expenditure			
Administration Charges	-	74,226	-
Compensation Payments/Construction Costs	740,700	61,437	91,113
Audit Fee Expenses	500	1,629	500
Legal Fees	3,500	-	-
Materials	-	-	55
Bank Fees	400	-	50
Interest Expenses	-	-	8,549
Advertising	300	183	261
	745,400	137,475	100,528
Net Result	452,007	819,006	496,972
Surplus/(Deficit) brought forward	890,553	71,547	574,532
Net Result	452,007	819,006	496,972
Surplus/(Deficit) carried forward	1,342,560	890,553	1,071,504

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2009

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions (Continued)

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
East Wanneroo Development Area (Cell 8)			
Income			
Contributions	3,000,000	1,105,714	4,043,750
Interest on Investments	207,768	282,928	28,400
	3,207,768	1,388,642	4,072,150
EXPENDITURE			
Administration Charges	-	83,476	-
Compensation Payments/Construction Costs	4,400,000	1,168,614	4,629,700
Audit Fee Expenses	500	-	500
Consulting Fees	700	-	-
Legal Fees	3,000	-	-
Materials	-	-	55
Bank Fees	400	-	50
Advertising	300	183	261
	4,404,900	1,252,273	4,630,566
Net Result	(1,197,132)	136,369	(558,416)
Surplus/(Deficit) brought forward	6,509,529	6,373,160	5,821,525
Net Result	(1,197,132)	136,369	(558,416)
Surplus/(Deficit) carried forward	5,312,397	6,509,529	5,263,109

19. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

A commercial refuse collection service is undertaken by the City on a regular basis. The operating income and expenditure for the 2008/2009 Financial Year for this undertaking are as follows:

	2008/2009 Budget \$	2007/2008 Actual (Est.) \$	2007/2008 Budget \$
Commercial Refuse Collection			
Operating Income			
Fees and Charges	2,820,000	2,093,611	2,865,600
Total Income	2,820,000	2,093,611	2,865,600
Operating Expenditure			
Employee Costs	(709,651)	(421,535)	(703,728)
Materials and Contracts	(1,940,281)	(1,661,103)	(1,676,836)
Other Expenditure incl. Depn	(342,431)	(288,816)	(478,884)
Total Expenditure	(2,992,363)	(2,371,454)	(2,859,448)
Net Operating Profit/(Loss)	(172,363)	(277,843)	6,152