

**CITY OF WANNEROO**

**ANNUAL BUDGET**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2010**

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## CITY OF WANNEROO

## INCOME STATEMENT

## BY NATURE OR TYPE

FOR THE YEAR ENDING 30TH JUNE 2010

	NOTE	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>Revenues from Ordinary Activities</b>				
Rates	9	65,317,978	64,933,954	73,447,031
Operating Grants and Subsidies		7,166,142	7,106,412	7,655,408
Operating Contributions Reimbursements & Donations		1,337,474	1,001,835	1,270,485
Fees and Charges	12	18,887,808	18,945,770	20,782,702
Interest Earnings	2(a)(ii)	5,970,000	6,121,222	4,004,092
Other Revenue		3,842,062	3,687,924	3,181,400
		<b>102,521,464</b>	<b>101,797,117</b>	<b>110,341,118</b>
<b>Expenses from Ordinary Activities</b>				
Employee Costs		(45,090,672)	(42,073,596)	(47,778,177)
Materials and Contracts		(31,381,990)	(31,317,650)	(35,066,185)
Utilities		(3,691,829)	(3,457,602)	(4,437,147)
Depreciation on Non-Current Assets	2(a)(i)	(22,201,070)	(22,201,070)	(22,701,070)
Interest Expenses	2(a)(i),5(a)	(2,461,448)	(2,091,410)	(2,660,768)
Insurance		(869,343)	(865,326)	(952,190)
		<b>(105,696,352)</b>	<b>(102,006,654)</b>	<b>(113,595,537)</b>
		<b>(3,174,888)</b>	<b>(209,537)</b>	<b>(3,254,419)</b>
<b>Other Revenues and Expenses</b>				
Non-Operating Grants and Subsidies		11,232,626	9,103,509	9,370,253
Non-Operating Contributions, Reimbursements & Donations		1,591,001	1,331,758	1,833,238
Profit on Asset Disposals	4	18,618,901	2,378,425	2,000,000
Loss on Asset Disposals	4	(679,305)	(683,251)	(1,865,969)
Town Planning Scheme Income	18(b)	29,640,876	24,952,910	19,025,795
Town Planning Scheme Expenses	18(b)	(37,789,230)	(17,440,793)	(33,778,051)
		<b>22,614,869</b>	<b>19,642,558</b>	<b>(3,414,734)</b>
<b>Net Result (excluding contribution of physical assets)</b>		<b>19,439,981</b>	<b>19,433,021</b>	<b>(6,669,153)</b>
Contributions of Physical Assets		30,000,000	30,000,000	20,000,000
<b>Net Result</b>		<b>49,439,981</b>	<b>49,433,021</b>	<b>13,330,847</b>

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

CITY OF WANNEROO

INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDING 30TH JUNE 2010

	NOTE	2008/2009 Budget	2008/2009 Actual (Est.)	2009/2010 Budget
	1, 2(b)	\$	\$	\$
<b>Operating Revenues</b>				
Governance		161,795	200,595	166,702
General Purpose Funding		76,053,842	78,451,600	82,709,681
Law, Order, Public Safety		647,336	637,268	598,600
Health		252,487	130,561	239,813
Education and Welfare		2,883,560	2,764,075	2,855,963
Community Amenities		12,937,799	11,953,463	13,177,839
Recreation and Culture		4,810,893	3,862,662	6,259,279
Transport		699,530	635,975	629,530
Economic Services		3,455,032	2,705,427	3,473,515
Other Property and Services		619,190	455,491	230,196
		<b>102,521,464</b>	<b>101,797,117</b>	<b>110,341,118</b>
<b>Operating Expenses</b>				
Governance		(3,316,931)	(3,923,896)	(5,143,155)
General Purpose Funding		(1,589,932)	(1,664,269)	(1,807,833)
Law, Order, Public Safety		(3,163,367)	(2,482,753)	(3,384,159)
Health		(1,917,317)	(1,380,135)	(1,990,065)
Education and Welfare		(6,498,300)	(4,580,550)	(6,188,178)
Community Amenities		(25,332,929)	(23,071,994)	(31,772,116)
Recreation & Culture		(33,204,176)	(29,413,446)	(30,897,129)
Transport		(25,655,967)	(23,035,671)	(27,277,142)
Economic Services		(2,926,022)	(2,288,603)	(3,092,526)
Other Property and Services		-	(8,199,742)	617,534
		<b>(103,604,941)</b>	<b>(100,041,059)</b>	<b>(110,934,769)</b>
<b>Borrowing Costs Expense</b>				
	2(a)(i),5(a)			
Governance		(1,803,362)	(18,322)	(25,011)
Community Amenities		(274,747)	-	-
Recreation & Culture		-	(1,495,709)	(2,024,578)
Transport		-	(109,663)	(148,471)
Other Property and Services		(13,302)	(341,901)	(462,708)
		<b>(2,091,411)</b>	<b>(1,965,595)</b>	<b>(2,660,768)</b>
<b>Grants/Contributions for the Development of Assets</b>				
Governance		-	1,966,664	8,298
Law, Order, Public Safety		242,100	171,909	48,154
Education & Welfare		-	96,256	-
Community Amenities		800,000	126,336	800,000
Recreation and Culture		16,694,409	5,717,242	4,843,908
Transport		43,436,493	16,398,353	42,926,381
Other Property and Services		(26,497,729)	23,470,624	(32,175,506)
		<b>34,675,273</b>	<b>47,947,384</b>	<b>16,451,235</b>
<b>Profit/(Loss) on Disposal of Assets</b>				
	4			
Governance		-	(507)	-
Recreation and Culture		-	(4,830)	-
Other Property and Services		17,939,596	1,700,511	134,031
		<b>17,939,596</b>	<b>1,695,174</b>	<b>134,031</b>
<b>Net Result</b>		<b>49,439,981</b>	<b>49,433,021</b>	<b>13,330,847</b>

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

**CITY OF WANNEROO**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDING 30TH JUNE 2010**

	NOTE	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		65,191,605	63,979,705	72,556,113
Grants and Subsidies - operating		7,166,142	7,048,739	5,655,408
Contributions, Reimbursements & Donations		1,337,474	1,236,935	823,751
Fees and Charges		18,887,808	18,645,301	17,782,702
Interest Earnings		5,970,000	6,006,843	4,004,092
Goods and Services Tax		5,500,000	5,325,554	4,500,000
Other		3,842,062	3,600,109	3,181,400
		<u>107,895,091</u>	<u>105,843,186</u>	<u>108,503,466</u>
<b>Payments</b>				
Employee Costs		(45,090,672)	(41,974,648)	(47,778,177)
Materials and Contracts		(39,068,024)	(33,757,638)	(35,066,185)
Utilities (gas, electricity, water, etc)		(3,691,829)	(3,096,160)	(4,437,147)
Insurance		(869,343)	(792,843)	(952,190)
Interest		(2,461,448)	(2,091,410)	(2,660,768)
Goods and Services Tax		(5,000,000)	(3,913,696)	(5,500,000)
		<u>(96,181,316)</u>	<u>(85,626,395)</u>	<u>(96,394,467)</u>
<b>Net Cash Provided By Operating Activities</b>	16(b)	<u>11,713,775</u>	<u>20,216,791</u>	<u>12,108,999</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(58,508,087)	(42,747,242)	(61,630,309)
Payments for Construction of Infrastructure		(66,055,491)	(14,332,107)	(31,247,455)
Grants/Contributions/Unspent Loans & Transfers		42,779,771	52,712,479	43,516,191
Proceeds from Disposal of Assets	4	19,970,926	3,091,953	3,470,305
Equity Investments		25,245	-	-
Town Planning Scheme Income		29,640,876	29,952,910	15,970,025
Town Planning Scheme Expenses		(37,789,230)	(10,440,793)	(33,778,051)
<b>Net Cash Used in Investing Activities</b>		<u>(69,935,990)</u>	<u>18,237,200</u>	<u>(63,699,294)</u>
<b>Cash Flows from Financing Activities</b>				
Proceeds from New Loans	5	12,852,000	12,852,000	6,860,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>12,852,000</u>	<u>12,852,000</u>	<u>6,860,000</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>(45,370,215)</u>	<u>51,305,991</u>	<u>(44,730,295)</u>
Cash at Beginning of Year		138,738,821	82,876,033	134,182,024
<b>Cash and Cash Equivalents at the End of the Year</b>	16(a)	<u>93,368,606</u>	<u>134,182,024</u>	<u>89,451,729</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 2010

	NOTE	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>Revenues</b>				
Fees and Charges	12	18,887,808	18,945,770	20,782,702
Operating Grants and Subsidies		7,166,142	7,106,412	7,655,408
Operating Contributions, Reimbursements and Donations		1,337,474	1,001,835	1,270,485
Interest Earnings	2(a)(ii)	5,970,000	6,121,222	4,004,092
Other Revenue		3,842,062	3,687,924	3,181,400
<b>Total Revenues</b>		<b>37,203,486</b>	<b>36,863,163</b>	<b>36,894,087</b>
<b>Expenses</b>				
Employee Costs		(45,090,672)	(42,073,596)	(47,778,177)
Materials and Contracts		(31,381,990)	(31,317,650)	(35,066,185)
Utilities (Gas, Electricity, Water etc)		(3,691,829)	(3,457,602)	(4,437,147)
Insurance		(869,343)	(865,326)	(952,190)
Interest Expenses	2(a)(i), 5(a)	(2,461,448)	(2,091,410)	(2,660,768)
Depreciation on Non-Current Assets	2(a)(i)	(22,201,070)	(22,201,070)	(22,701,070)
<b>Total Expenses</b>		<b>(105,696,352)</b>	<b>(102,006,654)</b>	<b>(113,595,537)</b>
<b>Other Revenue and Expenses</b>				
Non-Operating Grants and Subsidies		11,232,626	9,103,509	9,370,253
Non Operating Contributions, Reimbursements & Donations		1,591,001	1,331,758	1,833,238
Town Planning Scheme Income (including Interest)	18(b)	29,640,876	24,952,910	19,025,795
Profit on Asset Disposal	4	18,618,901	2,378,425	2,000,000
Physical Assets Received from Developers		30,000,000	30,000,000	20,000,000
Town Planning Scheme Expenses	18(b)	(37,789,230)	(17,440,793)	(33,778,051)
Loss on Asset Disposal	4	(679,305)	(683,251)	(1,865,969)
<b>Total Other Revenue and Expenses</b>		<b>52,614,869</b>	<b>49,642,558</b>	<b>16,585,266</b>
<b>Adjustments for Cash Budget Requirements</b>				
(Profit)/Loss on Asset Disposals	4	(17,939,596)	(1,695,174)	(134,031)
Depreciation on Assets	2(a)(i)	22,201,070	22,201,070	22,701,070
Physical Assets Received from Developers		(30,000,000)	(30,000,000)	(20,000,000)
<b>Total Adjustments for Cash Budget Requirements</b>		<b>(25,738,526)</b>	<b>(9,494,104)</b>	<b>2,567,039</b>
<b>Adjustments for Non-Operating Expenditure and Income</b>				
Capital Acquisitions		(94,563,578)	(60,247,242)	(72,877,764)
Proceeds from Disposal of Assets	4	19,970,926	3,091,953	3,470,305
Movement in Non-current Leave Provisions		-	-	-
Movement in other Non-current Assets		-	-	-
Proceeds from Loan Borrowings	5(a)	12,852,000	12,852,000	6,860,000
<b>Total Adjustments for Non-Operating Expenditure &amp; Income</b>		<b>(61,740,652)</b>	<b>(44,303,289)</b>	<b>(62,547,459)</b>
<b>Transfers</b>				
Transfers to Restricted Grants, Contributions and Loans		(25,675,627)	(31,362,608)	
Transfers from Restricted Grants, Contributions and loans		43,025,780	50,514,764	4,888,056
Transfers to Reserves	6	(31,061,750)	(20,918,535)	(23,038,269)
Transfers from Reserves	6	18,855,286	10,591,065	16,071,925
Transfers to Schemes	18(b)	(29,640,876)	(24,952,910)	(19,025,795)
Transfers from Schemes	18(b)	56,438,605	25,939,458	51,461,301
<b>Total Transfers</b>		<b>31,941,418</b>	<b>9,811,234</b>	<b>30,357,218</b>
<b>Surplus/(Deficit)</b>				
Estimated Surplus/(Deficit) July 1 Brought Forward	8	6,154,103	10,567,608	16,014,470
Estimated Surplus/(Deficit) June 30 Carried Forward	8	56,324	16,014,470	(277,885)
<b>Movement in Surplus/(Deficit)</b>		<b>6,097,779</b>	<b>(5,446,862)</b>	<b>16,292,355</b>
<b>Amount Required to be Raised from Rates</b>	9	<b>(65,317,978)</b>	<b>(64,933,954)</b>	<b>(73,447,031)</b>

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 ENDING 30TH JUNE 2010

**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) 2008/2009 Actual Balances**

Balances shown in this budget as 2008/2009 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 ENDING 30TH JUNE 2010

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.

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 2010**

**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 investment 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 ENDING 30TH JUNE 2010

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) 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 and losses arising from changes in the fair value of the financial assets at fair value at fair value 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 the 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 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 ENDING 30TH JUNE 2010

**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.

**(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 current liability.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

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

**(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.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in the future payments is available

**(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.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

2. OPERATING REVENUES AND EXPENSES

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

	Note	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>(i) Charging as Expenses:</b>				
<b>Depreciation of Non-Current Assets</b>				
<b><u>By Program</u></b>				
Governance		1,608,293	1,608,293	1,644,515
Law, Order, Public Safety		2,930	2,930	2,996
Health		7,971	7,971	8,151
Education and Welfare		21,492	21,492	21,976
Community Amenities		168,399	168,399	172,193
Recreation and Culture		2,248,442	2,248,442	2,299,078
Transport		15,285,333	15,285,333	15,629,581
Economic Services		9,928	9,928	10,151
Other Property and Services		2,848,282	2,848,282	2,912,429
		<b>22,201,070</b>	<b>22,201,070</b>	<b>22,701,070</b>
<b><u>By Class</u></b>				
Land and Buildings		1,644,679	1,644,679	1,681,720
Furniture and Equipment		1,617,523	1,617,523	1,653,955
Plant and Equipment		2,843,896	2,843,896	2,907,944
Other Infrastructure Assets		16,094,972	16,094,972	16,457,451
		<b>22,201,070</b>	<b>22,201,070</b>	<b>22,701,070</b>
<b>Borrowing Costs (Interest)</b>				
- Loan Interest	5(a)	2,461,448	2,091,411	2,660,768
		<b>2,461,448</b>	<b>2,091,411</b>	<b>2,660,768</b>
<b>(ii) Crediting as Revenues:</b>				
<b>Interest Earnings</b>				
<b>Investments</b>				
- Reserve Funds		2,800,000	2,195,766	1,745,280
- Municipal Funds		2,800,000	3,390,137	1,745,280
- Other Interest Revenue	14	370,000	535,319	513,532
<b>Sub-Total</b>		<b>5,970,000</b>	<b>6,121,222</b>	<b>4,004,092</b>
- Town Planning Schemes		3,155,926	3,630,095	2,327,040
<b>Total</b>		<b>9,125,926</b>	<b>9,751,317</b>	<b>6,331,132</b>

## CITY OF WANNEROO

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDING 30TH JUNE 2010

## 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 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 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 ENDING 30TH JUNE 2010**

**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 ENDING 30TH JUNE 2010

## 3. ACQUISITION OF ASSETS

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

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>By Program</b>			
<b>Governance</b>			
Land and Buildings	295,636	236,168	150,000
Infrastructure Assets - Land and Buildings	-	-	448,452
Plant and Equipment	89,801	12,773	-
Furniture and Equipment	1,246,918	1,524,559	812,285
	<b>1,632,355</b>	<b>1,773,500</b>	<b>1,410,737</b>
<b>Law, Order, Public Safety</b>			
Land and Buildings	290,915	46,559	32,500
	<b>290,915</b>	<b>46,559</b>	<b>32,500</b>
<b>Education and Welfare</b>			
Plant and Equipment	96,200	-	120,000
Furniture and Equipment	-	32,635	-
	<b>96,200</b>	<b>32,635</b>	<b>120,000</b>
<b>Community Amenities</b>			
Land and Buildings	2,100,149	98,684	1,138,573
Infrastructure Assets - Land and Buildings	-	-	2,804,247
Infrastructure Assets - Drainage	-	-	103,305
Plant and Equipment	2,078,817	115,353	-
Furniture and Equipment	-	21,966	11,988,091
	<b>4,178,966</b>	<b>236,003</b>	<b>16,034,216</b>
<b>Recreation and Culture</b>			
Land and Buildings	29,378,553	17,692,496	6,704,821
Infrastructure Assets - Land and Buildings	-	-	823,617
Infrastructure Assets - Parks and Ovals	13,661,181	11,571,407	11,945,209
Infrastructure Assets - Pathways	63,916	15,155	-
Infrastructure Assets - Drainage	20,000	-	-
Infrastructure Assets - Roads	4,000	-	-
Plant and Equipment	2,074,889	570,695	-
Furniture and Equipment	106,500	269,766	1,687,682
	<b>45,309,039</b>	<b>30,119,519</b>	<b>21,161,329</b>
<b>Transport</b>			
Land and Buildings	206,587	-	4,238,332
Infrastructure Assets - Pathways	1,948,802	2,160,788	172,850
Infrastructure Assets - Roads	46,554,808	41,231,519	14,889,775
Infrastructure Assets - Drainage	3,802,784	3,731,599	60,000
Plant and Equipment	695,000	-	-
Furniture and Equipment	170,000	-	564,133
	<b>53,377,981</b>	<b>47,123,906</b>	<b>19,925,090</b>
<b>Economic Services</b>			
Land and Buildings	30,000	40,648	30,149,011
Furniture and Equipment	-	1,300	-
	<b>30,000</b>	<b>41,948</b>	<b>30,149,011</b>
<b>Other Property and Services</b>			
Land and Buildings	9,921,698	779,634	2,199,544
Plant and Equipment	9,726,424	10,093,538	1,845,337
	<b>19,648,122</b>	<b>10,873,172</b>	<b>4,044,881</b>
<b>Total</b>	<b>124,563,578</b>	<b>90,247,242</b>	<b>92,877,764</b>
<b>By Class</b>			
Land and Buildings	42,223,538	18,894,189	44,612,781
Infrastructure Assets - Land and Buildings	-	-	4,076,316
Infrastructure Assets - Roads	46,558,808	41,231,519	14,889,775
Infrastructure Assets - Parks and Ovals	13,661,181	11,571,407	11,945,209
Infrastructure Assets - Pathways	2,012,718	2,175,943	172,850
Infrastructure Assets - Drainage	3,822,784	3,731,599	163,305
Plant and Equipment	14,761,131	10,792,359	1,965,337
Furniture and Equipment	1,523,418	1,850,226	15,052,191
<b>Total</b>	<b>124,563,578</b>	<b>90,247,242</b>	<b>92,877,764</b>

A detailed breakdown of the Capital Project Work Plan can be found in Attachment 3.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

4. DISPOSALS OF ASSETS

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

	<u>Net Book Value</u> 2009/2010 BUDGET \$	<u>Sale Proceeds</u> 2009/2010 BUDGET \$	<u>Profit/(Loss)</u> 2009/2010 BUDGET \$
<b><u>By Program</u></b>			
Other Property and Services	3,336,274	3,470,305	134,031
	<b>3,336,274</b>	<b>3,470,305</b>	<b>134,031</b>
<b><u>By Class</u></b>			
Plant and Equipment	3,336,274	1,470,305	(1,865,969)
Land and Buildings	-	2,000,000	2,000,000
	<b>3,336,274</b>	<b>3,470,305</b>	<b>134,031</b>
<b><u>Summary</u></b>			
Profit on Asset Disposals			2,000,000
Loss on Asset Disposals			(1,865,969)
			<b>134,031</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

5. INFORMATION ON BORROWINGS

(a) Loan Repayments

Details	Principal	New	Principal		Principal		Interest	
	01-Jul-09	Drawdown	Repayments		Outstanding		Repayments	
	\$	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
			Actual	Budget	Actual	Budget	Actual	Budget
			\$	\$	\$	\$	\$	\$
Western Australian Treasury Corporation	39,858,188	6,860,000	-	-	39,858,188	46,718,188	2,091,411	2,660,768
<b>Total</b>	<b>39,858,188</b>	<b>6,860,000</b>	<b>-</b>	<b>-</b>	<b>39,858,188</b>	<b>46,718,188</b>	<b>2,091,411</b>	<b>2,660,768</b>

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

(b) Unspent Loans

The City is estimated to have \$8,563,881 unspent loans as at 30th June 2009. The purpose of the unspent loans is to provide funding to the City's capital works program. According to the budget for 2009/2010 the estimate carried forward unspent loan of \$8,563,881 from 2008/2009 will be fully expended. Based on the 10 Year Capital Work Plan, as at 30 June 2010 there will be budgeted loan funds of \$6,733,843 to be carried forward to projects scheduled for completion in future years.

(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 2009 is estimated to be NIL.

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

## 6. RESERVES

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>(a) Asset Preservation Reserve</b>			
Opening Balance	13,613	13,613	19,702
Amount Set Aside / Transfer to Reserve	6,089	6,089	5,433
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>19,702</u>	<u>19,702</u>	<u>25,135</u>
<b>(b) Asset Replacement Reserve</b>			
Opening Balance	2,412,996	2,249,555	4,559,811
Amount Set Aside / Transfer to Reserve	21,220,631	4,077,290	2,100,316
Amount Used / Transfer from Reserve	(6,431,965)	(1,767,034)	(5,651,393)
Closing Balance	<u>17,201,662</u>	<u>4,559,811</u>	<u>1,008,734</u>
<b>(c) Badgerup/Ocean Reef Road Construction Reserve</b>			
Opening Balance	4,505	4,505	4,865
Amount Set Aside / Transfer to Reserve	360	360	107
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>4,865</u>	<u>4,865</u>	<u>4,972</u>
<b>(d) Butler Collaborative Planning Agreement Reserve</b>			
Opening Balance	1,801,410	1,801,216	2,055,313
Amount Set Aside / Transfer to Reserve	254,113	254,097	155,217
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>2,055,523</u>	<u>2,055,313</u>	<u>2,210,530</u>
<b>(e) City of Wanneroo Townsite Reserve</b>			
Opening Balance	231,326	231,326	249,832
Amount Set Aside / Transfer to Reserve	18,506	18,506	700
Amount Used / Transfer from Reserve	(218,000)	-	(218,000)
Closing Balance	<u>31,832</u>	<u>249,832</u>	<u>32,532</u>
<b>(f) Commercial Refuse Reserve</b>			
Opening Balance	696,406	662,224	1,025,202
Amount Set Aside / Transfer to Reserve	405,712	402,978	822,554
Amount Used / Transfer from Reserve	(40,000)	(40,000)	-
Closing Balance	<u>1,062,118</u>	<u>1,025,202</u>	<u>1,847,756</u>
<b>(g) Commercial Refuse - Plant Replacement Reserve</b>			
Opening Balance	353,719	353,677	311,971
Amount Set Aside / Transfer to Reserve	298,298	298,294	621,863
Amount Used / Transfer from Reserve	(340,000)	(340,000)	(111,113)
Closing Balance	<u>312,017</u>	<u>311,971</u>	<u>822,721</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

6. RESERVES (Continued)

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>(h) Domestic Refuse Reserve</b>			
Opening Balance	3,939,749	3,940,250	2,423,861
Amount Set Aside / Transfer to Reserve	1,315,180	1,315,220	3,153,325
Amount Used / Transfer from Reserve	(3,543,817)	(2,831,609)	(1,867,938)
Closing Balance	<u>1,711,112</u>	<u>2,423,861</u>	<u>3,709,248</u>
<b>(i) Domestic Refuse - Plant Replacement Reserve</b>			
Opening Balance	2,850,326	2,849,907	2,886,781
Amount Set Aside / Transfer to Reserve	2,474,026	2,473,993	2,212,509
Amount Used / Transfer from Reserve	(3,445,545)	(2,437,119)	(2,137,933)
Closing Balance	<u>1,878,807</u>	<u>2,886,781</u>	<u>2,961,357</u>
<b>(j) Fleming Park Lake Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	200,000
Amount Used / Transfer from Reserve	-	-	(13,000)
Closing Balance	<u>-</u>	<u>-</u>	<u>187,000</u>
<b>(k) Golf Courses Reserve</b>			
Opening Balance	413,315	398,862	447,084
Amount Set Aside / Transfer to Reserve	133,065	131,909	157,617
Amount Used / Transfer from Reserve	(184,525)	(83,687)	(250,838)
Closing Balance	<u>361,855</u>	<u>447,084</u>	<u>353,863</u>
<b>(l) Heavy Vehicle Replacement Reserve</b>			
Opening Balance	1,627,924	1,627,712	1,883,052
Amount Set Aside / Transfer to Reserve	732,684	732,667	652,427
Amount Used / Transfer from Reserve	(1,025,000)	(477,327)	(823,617)
Closing Balance	<u>1,335,608</u>	<u>1,883,052</u>	<u>1,711,862</u>
<b>(m) Land Acquisition Reserve</b>			
Opening Balance	-	-	500,000
Amount Set Aside / Transfer to Reserve	500,000	500,000	511,000
Amount Used / Transfer from Reserve	-	-	(300,000)
Closing Balance	<u>500,000</u>	<u>500,000</u>	<u>711,000</u>
<b>(n) Leave Liability Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	1,000,000
Amount Used / Transfer from Reserve	-	-	(50,000)
Closing Balance	<u>-</u>	<u>-</u>	<u>950,000</u>
<b>(o) Light Vehicle Replacement Reserve</b>			
Opening Balance	522,633	522,559	753,857
Amount Set Aside / Transfer to Reserve	1,763,491	1,763,485	1,925,627
Amount Used / Transfer from Reserve	(2,231,079)	(1,532,187)	(2,552,397)
Closing Balance	<u>55,045</u>	<u>753,857</u>	<u>127,087</u>
<b>(p) Loan Repayment Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	2,400,000
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>-</u>	<u>-</u>	<u>2,400,000</u>

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

## 6. RESERVES (Continued)

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>(q) Material Recoveries Facility Upgrade Reserve</b> **			
Opening Balance	241,719	241,099	(226,868)
Amount Set Aside / Transfer to Reserve	119,338	269,288	245,009
Amount Used / Transfer from Reserve	(737,255)	(737,255)	-
Closing Balance	<u>(376,198)</u>	<u>(226,868)</u>	<u>18,141</u>
<b>(r) Neerabup Development Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>
<b>(s) New Asset Works Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>
<b>(t) Plant Replacement Reserve</b>			
Opening Balance	631,524	567,211	748,537
Amount Set Aside / Transfer to Reserve	531,318	526,173	525,578
Amount Used / Transfer from Reserve	(628,100)	(344,847)	(535,696)
Closing Balance	<u>534,742</u>	<u>748,537</u>	<u>738,419</u>
<b>(u) Quinns Rock Caravan Park Reserve</b>			
Opening Balance	73,222	73,212	129,069
Amount Set Aside / Transfer to Reserve	55,858	55,857	2,180
Amount Used / Transfer from Reserve	(30,000)	-	(60,000)
Closing Balance	<u>99,080</u>	<u>129,069</u>	<u>71,249</u>
<b>(v) Resource Recovery Domestic Refuse Reserve</b>			
Opening Balance	1,920,393	1,920,147	2,773,659
Amount Set Aside / Transfer to Reserve	853,631	853,512	61,023
Amount Used / Transfer from Reserve	-	-	(1,500,000)
Closing Balance	<u>2,774,024</u>	<u>2,773,659</u>	<u>1,334,682</u>
<b>(w) Road Maintenance - Northern Quarry Area Reserve</b>			
Opening Balance	1,855	1,855	2,003
Amount Set Aside / Transfer to Reserve	148	148	44
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>2,003</u>	<u>2,003</u>	<u>2,047</u>
<b>(x) Road Maintenance Southern Quarry Area Reserve</b>			
Opening Balance	177,278	177,256	191,436
Amount Set Aside / Transfer to Reserve	14,182	14,180	4,212
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>191,460</u>	<u>191,436</u>	<u>195,648</u>
<b>(y) Section 20A Land Reserve</b>			
Opening Balance	118,247	118,050	127,494
Amount Set Aside / Transfer to Reserve	9,460	9,444	2,805
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>127,707</u>	<u>127,494</u>	<u>130,299</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

6. RESERVES (Continued)

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>(z) Strategic Projects/Initiatives Reserve</b>			
Opening Balance	-	-	6,854,613
Amount Set Aside / Transfer to Reserve	-	6,854,613	6,051,675
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>-</u>	<u>6,854,613</u>	<u>12,906,288</u>
<b>(aa) TPS 20 - District Distributor Headworks Reserve</b>			
Opening Balance	4,445,754	4,505,402	4,865,834
Amount Set Aside / Transfer to Reserve	355,660	360,432	107,048
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>4,801,414</u>	<u>4,865,834</u>	<u>4,972,882</u>
<b>(ab) Yanchep Bus Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	120,000
Amount Used / Transfer from Reserve	-	-	-
Closing Balance	<u>-</u>	<u>-</u>	<u>120,000</u>
<b>Total Reserves</b>	<u><u>34,684,378</u></u>	<u><u>32,587,108</u></u>	<u><u>39,553,452</u></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 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 ENDING 30TH JUNE 2010

6. RESERVES (Continued)	2008/2009	2008/2009	2009/2010
Summary of Reserve Transfers	Budget	Actual (Est.)	Budget
	\$	\$	\$
<b>Transfers to Reserves</b>			
Asset Preservation Reserve	6,089	6,089	5,433
Asset Replacement Reserve	21,220,631	4,077,290	2,100,316
Badgerup/Ocean Reef Road Construction Reserve	360	360	107
Butler Collaborative Planning Agreement Reserve	254,113	254,097	155,217
City of Wanneroo Townsite Reserve	18,506	18,506	700
Commercial Refuse Reserve	405,712	402,978	822,554
Commercial Refuse - Plant Replacement Reserve	298,298	298,294	621,863
Domestic Refuse Reserve	1,315,180	1,315,220	3,153,325
Domestic Refuse - Plant Replacement Reserve	2,474,026	2,473,993	2,212,509
Fleming Park Lake Reserve	-	-	200,000
Golf Courses Reserve	133,065	131,909	157,617
Heavy Vehicle Replacement Reserve	732,684	732,667	652,427
Land Acquisition Reserve	500,000	500,000	511,000
Leave Liability Reserve	-	-	1,000,000
Light Vehicle Replacement Reserve	1,763,491	1,763,485	1,925,627
Loan Repayment Reserve	-	-	2,400,000
Material Recoveries Facility Upgrade Reserve	119,338	269,288	245,009
Neerabup Development Reserve	-	-	-
New Asset Works Reserve	-	-	-
Plant Replacement Reserve	531,318	526,173	525,578
Quinns Rock Caravan Park Reserve	55,858	55,857	2,180
Resource Recovery Domestic Refuse Reserve	853,631	853,512	61,023
Road Maintenance - Northern Quarry Area Reserve	148	148	44
Road Maintenance Southern Quarry Area Reserve	14,182	14,180	4,212
Section 20A Land Reserve	9,460	9,444	2,805
Strategic Projects/Initiatives Reserve	-	6,854,613	6,051,675
TPS 20 - District Distributor Headworks Reserve	355,660	360,432	107,048
Yanchep Bus Reserve	-	-	120,000
	<b>31,061,750</b>	<b>20,918,535</b>	<b>23,038,269</b>
<b>Transfers from Reserves</b>			
Asset Preservation Reserve	-	-	-
Asset Replacement Reserve	(6,431,965)	(1,767,034)	(5,651,393)
Badgerup/Ocean Reef Road Construction Reserve	-	-	-
Butler Collaborative Planning Agreement Reserve	-	-	-
City of Wanneroo Townsite Reserve	(218,000)	-	(218,000)
Commercial Refuse Reserve	(40,000)	(40,000)	-
Commercial Refuse - Plant Replacement Reserve	(340,000)	(340,000)	(111,113)
Domestic Refuse Reserve	(3,543,817)	(2,831,609)	(1,867,938)
Domestic Refuse - Plant Replacement Reserve	(3,445,545)	(2,437,119)	(2,137,933)
Fleming Park Lake Reserve	-	-	(13,000)
Golf Courses Reserve	(184,525)	(83,687)	(250,838)
Heavy Vehicle Replacement Reserve	(1,025,000)	(477,327)	(823,617)
Land Acquisition Reserve	-	-	(300,000)
Leave Liability Reserve	-	-	(50,000)
Light Vehicle Replacement Reserve	(2,231,079)	(1,532,187)	(2,552,397)
Loan Repayment Reserve	-	-	-
Material Recoveries Facility Upgrade Reserve	(737,255)	(737,255)	-
Neerabup Development Reserve	-	-	-
New Asset Works Reserve	-	-	-
Plant Replacement Reserve	(628,100)	(344,847)	(535,696)
Quinns Rock Caravan Park Reserve	(30,000)	-	(60,000)
Resource Recovery Domestic Refuse Reserve	-	-	(1,500,000)
Road Maintenance - Northern Quarry Area Reserve	-	-	-
Road Maintenance Southern Quarry Area Reserve	-	-	-
Section 20A Land Reserve	-	-	-
Strategic Projects/Initiatives Reserve	-	-	-
TPS 20 - District Distributor Headworks Reserve	-	-	-
Yanchep Bus Reserve	-	-	-
	<b>(18,855,286)</b>	<b>(10,591,065)</b>	<b>(16,071,925)</b>
<b>Net Transfer to/(from) Reserves</b>	<b>12,206,464</b>	<b>10,327,470</b>	<b>6,966,344</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

**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 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.

**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.

**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.

**Light Vehicle Replacement Reserve**

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

**CITY OF WANNEROO**

**NOTES TO AND FORMING PART OF THE BUDGET**

**FOR THE YEAR ENDING 30TH JUNE 2010**

**6. RESERVES (Continued)**

**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.

**Marmion Avenue - Tokyu Contribution Reserve**

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

**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.

**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.

**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.

**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 on funds from the Yanchep community group for the costs associated with a community bus.

**7. NON-CASH RESERVES**

**Asset Revaluation Reserve**

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

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>Furniture and Equipment (Artworks and Artifacts)</b>			
Opening Balance	246,092	246,092	246,092
Revaluation Increment	-	-	-
<b>Total Asset Revaluation Reserves</b>	<b>246,092</b>	<b>246,092</b>	<b>246,092</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

8. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

	Note	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>Current Assets</b>				
Cash - Unrestricted	16(a)	13,374,064	29,332,210	10,071,077
Cash - Restricted	16(a)	79,994,542	104,849,814	79,380,652
Receivables		5,152,374	5,152,374	7,130,000
Inventories		296,454	296,454	326,099
		<u>98,817,434</u>	<u>139,630,852</u>	<u>96,907,828</u>
<b>Less: Current Liabilities</b>				
Payables and Provisions		(18,766,568)	(18,766,568)	(18,755,061)
<b>Net Current Asset Position</b>		<u>80,050,866</u>	<u>120,864,284</u>	<u>78,152,767</u>
Plus: Leave Provisions Cash Backed		-	-	950,000
Less: Cash - Restricted		(79,994,542)	(104,849,814)	(79,380,652)
<b>Estimated Surplus/(Deficiency) Carried Forward</b>		<u>56,324</u>	<u>16,014,470</u>	<u>(277,885)</u>

The estimated surplus/(deficiency) carried forward in the 2008/2009 actual column represents the surplus (deficit) brought forward as at 1 July 2009. This figure primarily represents unspent municipal, loan and grant funding requirements in relation to the 2008/2009 carry forward capital works of \$38,861,271.

The estimated surplus/(deficiency) carried forward in the 2009/2010 budget column represents the surplus (deficit) carried forward as at 30 June 2010.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

9. RATING INFORMATION

General Rate Category	Rate in Dollar (Cents)	Number of Properties	Rateable Value \$	2009/2010 Budgeted Rate Revenue \$	2009/2010 Budgeted Interim Rates \$	2009/2010 Budgeted Total Revenue \$	2008/2009 Actual (Est.) Total Revenue \$
<b>Gross Rental Value - Improved</b>							
Caravan Park and Park Homes	7.7900	97	1,017,380	79,254	-	79,254	74,330
Commercial	6.8500	360	62,574,958	4,286,385	212,500	4,498,885	3,931,235
Community Groups - Major **	6.4500	5	335,800	21,659	-	21,659	-
Community Groups - Surf Clubs	1.6125	2	85,125	1,373	-	1,373	-
Community Groups - General	3.2250	15	530,644	17,113	-	17,113	-
Industrial	6.8500	1,061	51,607,769	3,535,132	25,000	3,560,132	3,523,307
Residential	8.1060	25,065	367,013,627	29,750,125	1,305,390	31,055,515	32,016,449
Rural and Mining	8.1060	790	13,805,440	1,119,069	6,250	1,125,319	1,125,847
<b>Gross Rental Value - Vacant</b>							
Commercial	6.8500	60	1,914,659	131,154	-	131,154	151,303
Industrial	6.8500	169	4,770,514	326,780	-	326,780	-
Residential	5.7350	3,837	72,645,584	4,166,224	-	4,166,224	-
Rural and Mining	5.7350	56	2,024,750	116,119	-	116,119	-
<b>Unimproved Value - Improved</b>							
Commercial	0.2316	4	14,600,000	33,814	-	33,814	36,260
Community Groups - Major **	0.2102	6	5,295,000	11,130	-	11,130	-
Community Groups - Surf Clubs	0.0525	-	-	-	-	-	-
Community Groups - General	0.1501	-	-	-	-	-	-
Industrial	0.2316	4	12,460,000	28,857	-	28,857	89,156
Residential	0.2601	2	5,010,000	13,031	-	13,031	276,628
Rural and Mining	0.2601	801	1,058,002,642	2,751,865	-	2,751,865	6,088,215
<b>Unimproved Value - Vacant</b>							
Commercial	0.2316	-	-	-	-	-	-
Industrial	0.2316	2	7,700,000	17,833	-	17,833	-
Residential	0.2801	33	133,562,000	374,107	-	374,107	-
Rural and Mining	0.2801	256	1,093,180,000	3,061,997	-	3,061,997	-
<b>Sub-Totals</b>		<b>32,625</b>	<b>2,908,135,892</b>	<b>49,843,022</b>	<b>1,549,140</b>	<b>51,392,162</b>	<b>47,312,730</b>
<b>Minimum Rate Category</b>	<b>Minimum \$</b>						
<b>Gross Rental Value - Improved</b>							
Caravan Park and Park Homes	289	-	-	-	-	-	272
Commercial	1009	61	638,762	61,549	-	61,549	49,400
Community Groups - Major **	200	-	-	-	-	-	-
Community Groups - Surf Clubs	200	-	-	-	-	-	-
Community Groups - General	200	1	20	200	-	200	-
Industrial	1009	503	5,476,566	507,527	-	507,527	481,650
Residential	940	21,067	207,419,376	19,802,980	-	19,802,980	17,006,015
Rural and Mining	940	43	456,144	40,420	-	40,420	39,245
<b>Gross Rental Value - Vacant</b>							
Commercial	1009	10	92,239	10,090	-	10,090	1,900
Industrial	1009	80	875,455	80,720	-	80,720	-
Residential	653	2,307	38,336,180	1,506,471	-	1,506,471	-
Rural and Mining	653	-	-	-	-	-	-
<b>Unimproved Value - Improved</b>							
Commercial	1009	-	-	-	-	-	-
Community Groups - Major **	200	-	-	-	-	-	-
Community Groups - Surf Clubs	200	-	-	-	-	-	-
Community Groups - General	200	-	-	-	-	-	-
Industrial	1009	-	-	-	-	-	-
Residential	940	1	10,000	940	-	940	-
Rural and Mining	940	24	6,948,596	22,560	-	22,560	30,405
<b>Unimproved Value - Vacant</b>							
Commercial	1009	-	-	-	-	-	-
Industrial	1009	-	-	-	-	-	-
Residential	653	2	156,432	1,306	-	1,306	-
Rural and Mining	653	27	936,572	17,631	-	17,631	-
<b>Sub-Totals</b>		<b>24,126</b>	<b>261,346,342</b>	<b>22,052,394</b>	<b>-</b>	<b>22,052,394</b>	<b>17,608,887</b>
<b>Totals</b>		<b>56,751</b>	<b>3,169,482,234</b>	<b>71,895,416</b>	<b>1,549,140</b>	<b>73,444,556</b>	<b>64,921,617</b>
Ex Gratia Rates						2,475	12,337
<b>Grand Totals</b>						<b>73,447,031</b>	<b>64,933,954</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.

Community Groups - Major \*\* = Sporting Clubs & Major Event Providers

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

9. RATING INFORMATION (Continued)

The general rates detailed above for the 2009/2010 financial year have been determined by the City on the basis of raising the revenue required to meet the deficiency 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 2009/2010 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		Final	
	Rate in Dollar (Cents)	Minimum Rate \$	Rate in Dollar (Cents)	Minimum Rate \$
<b>Gross Rental Value - Improved</b>				
Caravan Park and Park Homes	7.7900	289	7.7900	289
Commercial	6.8500	1009	6.8500	1009
Community Groups - Major (Sporting Clubs & Major Event Providers)	7.7840	200	6.4500	200
Community Groups - Surf Clubs			1.6125	200
Community Groups - General			3.2250	200
Industrial	6.8500	1009	6.8500	1009
Residential	8.1060	940	8.1060	940
Rural and Mining	8.1060	940	8.1060	940
<b>Gross Rental Value - Vacant</b>				
Commercial	6.8500	1009	6.8500	1009
Industrial	6.8500	1009	6.8500	1009
Residential	5.7350	653	5.7350	653
Rural and Mining	5.7350	653	5.7350	653
<b>Unimproved Value - Improved</b>				
Commercial	0.2316	1009	0.2316	1009
Community Groups - Major (Sporting Clubs & Major Event Providers)	0.2521	200	0.2102	200
Community Groups - Surf Clubs			0.0525	200
Community Groups - General			0.1051	200
Industrial	0.2316	1009	0.2316	1009
Residential	0.2601	940	0.2601	940
Rural and Mining	0.2801	940	0.2601	940
<b>Unimproved Value - Vacant</b>				
Commercial	0.2316	1009	0.2316	1009
Industrial	0.2316	1009	0.2316	1009
Residential	0.2801	653	0.2801	653
Rural and Mining	0.2801	653	0.2801	653
<b>Description</b>	<b>Service Fee \$</b>		<b>Service-Fee \$</b>	
Domestic Rubbish Charge per year (for additional or non-rated properties)	300.00		290.00	
Establishment Fee (per new or additional service)	85.00		85.00	

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.

Final rate in the dollar figures were in the main unchanged from that advertised. Refinements down on the Community Groups rates were however made to acknowledge them as being quite different to a commercial enterprise.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

10. SPECIFIED AREA RATES

No specified area rates have been budgeted for the 2009/2010 Financial Year.

11. SERVICE CHARGES

No service charges have been budgeted for the 2009/2010 Financial Year.

12. FEES & CHARGES REVENUE

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
Governance	29,685	20,208	20,132
General Purpose Funding	417,460	431,017	435,900
Law, Order, Public Safety	347,336	294,314	277,000
Health	107,787	61,291	126,162
Education and Welfare	222,743	214,697	241,176
Community Amenities	9,442,009	10,995,816	10,379,438
Recreation & Culture	4,214,416	3,549,631	5,663,813
Transport	520,000	496,433	450,000
Economic Services	3,186,182	2,572,725	3,180,190
Other Property & Services	400,190	309,638	8,891
	<u>18,887,808</u>	<u>18,945,770</u>	<u>20,782,702</u>

The City has resolved to incorporate the domestic rubbish collection charge with the general rates for the 2009/2010 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 2009/2010 Financial Year.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

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 \$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 2009/2010 financial year is estimated at \$640,000. This is dissected as follows:

	2008/2009 Budget	2008/2009 Actual (Est.)	2009/2010 Budget
Note	\$	\$	\$
Instalment Interest Charges	260,000	266,166	293,532
Late Payment Penalty Interest	110,000	269,153	220,000
2a(ii)	370,000	535,319	513,532
Administration Charges	270,000	342,767	369,600
	<b>640,000</b>	<b>878,086</b>	<b>883,132</b>

15. COUNCILLORS' REMUNERATION

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

	2008/2009 Budget	2008/2009 Actual (Est.)	2009/2010 Budget
	\$	\$	\$
Meeting Fees	112,000	112,000	112,000
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 Recoupments	69,000	13,466	59,400
Conference Expenses	62,000	14,323	57,040
	<b>369,000</b>	<b>265,789</b>	<b>354,440</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

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:

	Note	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
Cash - Unrestricted		13,374,064	29,332,210	10,071,077
Cash - Restricted		79,994,542	104,849,814	79,380,652
		<u>93,368,606</u>	<u>134,182,024</u>	<u>89,451,729</u>

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

Asset Preservation Reserve		19,702	19,702	25,135
Asset Replacement Reserve		17,201,662	4,559,811	1,008,734
Badgerup/Ocean Reef Road Construction Reserve		4,865	4,865	4,972
Butler Collaborative Planning Agreement Reserve		2,055,523	2,055,313	2,210,530
Cash in Lieu of Public Open Space Reserve		-	-	-
City of Wanneroo Townsite Reserve		31,832	249,832	32,532
Commercial Refuse Reserve		1,062,118	1,025,202	1,847,756
Commercial Refuse - Plant Replacement Reserve		312,017	311,971	822,721
Domestic Refuse Reserve		1,711,112	2,423,861	3,709,248
Domestic Refuse - Plant Replacement Reserve		1,878,807	2,886,781	2,961,357
Fleming Park Lake Reserve		-	-	187,000
Golf Courses Reserve		361,855	447,084	353,863
Heavy Vehicle Replacement Reserve		1,335,608	1,883,052	1,711,862
Land Acquisition Reserve		500,000	500,000	711,000
Leave Liability Reserve		-	-	950,000
Light Vehicle Replacement Reserve		55,045	753,857	127,087
Loan Repayment Reserve		-	-	2,400,000
Material Recoveries Facility Upgrade Reserve		(376,198)	(226,868)	18,141
Neerabup Development Reserve		-	-	-
New Asset Works Reserve		-	-	-
Plant Replacement Reserve		534,742	748,537	738,419
Quinns Rock Caravan Park Reserve		99,080	129,069	71,249
Resource Recovery Domestic Refuse Reserve		2,774,024	2,773,659	1,334,682
Road Maintenance - Northern Quarry Area Reserve		2,003	2,003	2,047
Road Maintenance Southern Quarry Area Reserve		191,460	191,436	195,648
Section 20A Land Reserve		127,707	127,494	130,299
Strategic Projects/Initiatives Reserve		-	6,854,613	12,906,288
TPS 20 - District Distributor Headworks Reserve		4,801,414	4,865,834	4,972,882
Yanchep Bus Reserve		-	-	120,000
Town Planning Schemes	18(b)	36,525,410	72,262,706	39,827,200
Unspent Grants and Contributions		8,784,754	-	-
		<u>79,994,542</u>	<u>104,849,814</u>	<u>79,380,652</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

16. NOTES TO THE CASH FLOW STATEMENT (Continued)

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

Net Result	49,439,981	49,433,021	13,330,847
Depreciation	22,201,070	22,201,070	22,701,070
(Profit)/Loss on Sale of Asset	(17,939,596)	(1,695,174)	(134,031)
(Increase)/Decrease in Receivables	(126,373)	(101,874)	(126,373)
(Increase)/Decrease in Inventories	(25,186)	(53,733)	(25,186)
Increase/(Decrease) in Payables	(7,672,635)	(2,187,991)	(7,672,635)
Increase/(Decrease) in Employee Provisions	486,542	568,856	486,542
Equity Investments	25,245	-	-
Town Planning Scheme Income	(29,640,876)	(24,952,910)	(19,025,795)
Town Planning Scheme Expenses	37,789,230	17,440,793	33,778,051
Grants/Contributions for the Development of Assets	(42,823,627)	(40,435,267)	(31,203,491)
<b>Net Cash from Operating Activities</b>	<b>11,713,775</b>	<b>20,216,791</b>	<b>12,108,999</b>

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
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	48,000	52,000	52,000
Credit Card Balance at Balance Date	-	4,500	-
<b>Credit Card Balance at Balance Date</b>	<b>48,000</b>	<b>47,500</b>	<b>52,000</b>
<b>Total Amount of Credit Unused</b>	<b>1,048,000</b>	<b>1,047,500</b>	<b>1,052,000</b>
<b>Loan Facilities</b>			
Loan Facilities in use at Balance Date	39,858,188	39,858,188	46,718,188
Unused Loan Facilities at Balance Date	-	-	-

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

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-09 \$	Amounts Received \$	Amounts Paid \$	Balance 30-Jun-10 \$
Unclaimed Money	6,473	1,500	-	7,973
Misc/Appeals	30,491	-	-	30,491
Trust Fund -Mayor's Christmas Appeal	1,624	500	(2,124)	-
Cash in Lieu of Public Open Space	1,888,597	20,000	(200,000)	1,708,597
	<u>1,927,185</u>	<u>22,000</u>	<u>(202,124)</u>	<u>1,747,061</u>

18. MAJOR LAND TRANSACTIONS

Land and Buildings

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 2009/2010 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 is uncertain due to environmental constraints.

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. Income from the sale of this site is expected in early 2010/11.

Sale of Part 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. Following subdivision, two lots were sold at public auction during 2008/09. Due to the downturn in demand for industrial land, it is anticipated that only another two lots will be sold during 2009/10, leaving three lots unsold.

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 ENDING 30TH JUNE 2010

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions

Operating	Balance 1-July-09 \$	Transfers To \$	Transfers From - Operating \$	Transfers From - Capital	Balance 30-Jun-10 \$
Town Planning Scheme 5 (Landsdale)	489,288	16,331	300,305	-	205,314
Berkley Road Structure Plan Area	1,582,729	56,039	1,259	40,886	1,596,623
<b>Sub Total</b>	<b>2,072,017</b>	<b>72,370</b>	<b>301,564</b>	<b>40,886</b>	<b>1,801,937</b>
East Wanneroo Development Area (Cell 1)	19,505,340	4,361,625	1,419,266	1,500,000	20,947,699
East Wanneroo Development Area (Cell 2)	1,295,712	1,052,965	2,187,237	1,500,000	(1,338,560)
East Wanneroo Development Area (Cell 3)	1,064,914	21,927	202,398	-	884,443
East Wanneroo Development Area (Cell 4)	12,136,266	4,431,720	6,181,974	260,000	10,126,012
East Wanneroo Development Area (Cell 5)	11,219,859	3,240,737	15,550,638	2,625,392	(3,715,434)
East Wanneroo Development Area (Cell 6)	17,055,605	4,026,825	3,782,494	6,928,972	10,370,964
East Wanneroo Development Area (Cell 7)	1,163,983	594,936	746,443	-	1,012,476
East Wanneroo Development Area (Cell 8)	6,749,010	1,222,690	3,406,037	2,828,000	1,737,663
East Wanneroo Development Area (Cell 10)	-	-	-	2,000,000	(2,000,000)
<b>Sub Total</b>	<b>70,190,689</b>	<b>18,953,425</b>	<b>33,476,487</b>	<b>17,642,364</b>	<b>38,025,263</b>
<b>Total</b>	<b>72,262,706</b>	<b>19,025,795</b>	<b>33,778,051</b>	<b>17,683,250</b>	<b>39,827,200</b>

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

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>Town Planning Scheme 5 (Landsdale)</b>			
<b>Income</b>			
Contributions	-	-	-
Interest on Investments	22,552	27,006	16,331
	<b>22,552</b>	<b>27,006</b>	<b>16,331</b>
<b>Expenditure</b>			
Administration Charges	199	252	305
Bank Fees	-	757	-
Compensation Payments/Construction Costs	300,000	-	300,000
	<b>300,199</b>	<b>1,009</b>	<b>300,305</b>
<b>Net Result</b>	<b>(277,647)</b>	<b>25,997</b>	<b>(283,974)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>555,644</b>	<b>463,291</b>	<b>489,288</b>
Net Result	(277,647)	25,997	(283,974)
<b>Surplus/(Deficit) carried forward</b>	<b>277,997</b>	<b>489,288</b>	<b>205,314</b>
<b>Berkley Road Structure Plan Area</b>			
<b>Income</b>			
Contributions	483,750	(15,454)	-
Interest on Investments	-	93,914	56,039
	<b>483,750</b>	<b>78,460</b>	<b>56,039</b>
<b>Expenditure</b>			
Administration Charges	461	643	759
Bank Fees	-	2,799	-
Audit Fee	500	-	500
	<b>961</b>	<b>3,442</b>	<b>1,259</b>
<b>Net Result</b>	<b>482,789</b>	<b>75,018</b>	<b>54,780</b>
<b>Surplus/(Deficit) brought forward</b>	<b>1,384,118</b>	<b>1,507,711</b>	<b>1,582,729</b>
Net Result	482,789	75,018	54,780
<b>Surplus/(Deficit) carried forward</b>	<b>1,866,907</b>	<b>1,582,729</b>	<b>1,637,509</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions (Continued)

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>East Wanneroo Development Area (Cell 1)</b>			
<b>Income</b>			
Contributions	3,899,000	1,131,748	3,729,655
Interest on Investments	1,139,508	1,039,449	631,970
	<u>5,038,508</u>	<u>2,171,197</u>	<u>4,361,625</u>
<b>Expenditure</b>			
Administration Charges	946	1,116	1,366
Compensation Payments/Construction Costs	8,643,061	468,743	1,415,000
Audit Fee Expenses	500	-	500
Legal Fees	-	458	1,000
Consulting Fees	700	-	700
Bank Fees	400	28,428	400
Advertising	300	-	300
	<u>8,645,907</u>	<u>498,745</u>	<u>1,419,266</u>
<b>Net Result</b>	<u>(3,607,399)</u>	<u>1,672,452</u>	<u>2,942,359</u>
<b>Surplus/(Deficit) brought forward</b>	<b>17,894,073</b>	<b>17,832,888</b>	<b>19,505,340</b>
<b>Net Result</b>	<u>(3,607,399)</u>	<u>1,672,452</u>	<u>2,942,359</u>
<b>Surplus/(Deficit) carried forward</b>	<u>14,286,674</u>	<u>19,505,340</u>	<u>22,447,699</u>
<b>East Wanneroo Development Area (Cell 2)</b>			
<b>Income</b>			
Contributions	992,200	365,429	992,200
Interest on Investments	(16,155)	101,385	60,765
	<u>976,045</u>	<u>466,814</u>	<u>1,052,965</u>
<b>EXPENDITURE</b>			
Administration Charges	665	866	1,037
Compensation Payments/Construction Costs	6,324,580	175	2,185,000
Audit Fee Expenses	500	-	500
Legal Fees	-	458	-
Bank Fees	400	2,939	400
Advertising	300	-	300
	<u>6,326,445</u>	<u>4,438</u>	<u>2,187,237</u>
<b>Net Result</b>	<u>(5,350,400)</u>	<u>462,377</u>	<u>(1,134,272)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>878,360</b>	<b>833,335</b>	<b>1,295,712</b>
<b>Net Result</b>	<u>(5,350,400)</u>	<u>462,377</u>	<u>(1,134,272)</u>
<b>Surplus/(Deficit) carried forward</b>	<u>(4,472,040)</u>	<u>1,295,712</u>	<u>161,440</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions (Continued)

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>East Wanneroo Development Area (Cell 3)</b>			
<b>Income</b>			
Contributions	-	-	-
Interest on Investments	75,789	35,832	21,927
	<u>75,789</u>	<u>35,832</u>	<u>21,927</u>
<b>Expenditure</b>			
Administration Charges	365	505	598
Compensation Payments/Construction Costs	200,600	-	200,600
Audit Fee Expenses	500	-	500
Legal Fees	-	81	-
Bank Fees	400	-	400
Advertising	300	951	300
	<u>202,165</u>	<u>1,537</u>	<u>202,398</u>
<b>Net Result</b>	<u>(126,376)</u>	<u>34,295</u>	<u>(180,471)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>1,104,818</b>	<b>1,030,619</b>	<b>1,064,914</b>
<b>Net Result</b>	<u>(126,376)</u>	<u>34,295</u>	<u>(180,471)</u>
<b>Surplus/(Deficit) carried forward</b>	<u><u>978,442</u></u>	<u><u>1,064,914</u></u>	<u><u>884,443</u></u>
<b>East Wanneroo Development Area (Cell 4)</b>			
<b>Income</b>			
Contributions	9,193,000	8,934,337	4,085,000
Interest on Investments	437,317	558,427	346,720
	<u>9,630,317</u>	<u>9,492,764</u>	<u>4,431,720</u>
<b>Expenditure</b>			
Administration Charges	473	653	774
Compensation Payments/Construction Costs	12,915,600	5,993,560	6,180,000
Audit Fee Expenses	500	-	500
Legal Fees	-	458	-
Bank Fees	400	13,460	400
Advertising	300	-	300
	<u>12,917,273</u>	<u>6,008,131</u>	<u>6,181,974</u>
<b>Net Result</b>	<u>(3,286,956)</u>	<u>3,484,633</u>	<u>(1,750,254)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>8,936,984</b>	<b>8,651,633</b>	<b>12,136,266</b>
<b>Net Result</b>	<u>(3,286,956)</u>	<u>3,484,633</u>	<u>(1,750,254)</u>
<b>Surplus/(Deficit) carried forward</b>	<u><u>5,650,028</u></u>	<u><u>12,136,266</u></u>	<u><u>10,386,012</u></u>
<b>East Wanneroo Development Area (Cell 5)</b>			
<b>Income</b>			
Contributions	2,900,000	3,678,183	2,900,000
Interest on Investments	497,318	545,048	340,737
	<u>3,397,318</u>	<u>4,223,231</u>	<u>3,240,737</u>
<b>Expenditure</b>			
Administration Charges	572	793	938
Compensation Payments/Construction Costs	8,910,892	1,168,757	15,546,000
Audit Fee Expenses	500	-	500
Legal Fees	2,500	6,844	2,500
Bank Fees	400	12,583	400
Advertising	300	-	300
	<u>8,915,164</u>	<u>1,188,977</u>	<u>15,550,638</u>
<b>Net Result</b>	<u>(5,517,846)</u>	<u>3,034,254</u>	<u>(12,309,901)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>9,404,155</b>	<b>8,185,605</b>	<b>11,219,859</b>
<b>Net Result</b>	<u>(5,517,846)</u>	<u>3,034,254</u>	<u>(12,309,901)</u>
<b>Surplus/(Deficit) carried forward</b>	<u><u>3,886,309</u></u>	<u><u>11,219,859</u></u>	<u><u>(1,090,042)</u></u>

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

## 18. MAJOR LAND TRANSACTIONS (Continued)

## Town Planning Schemes (Continued)

## (b) Current year transactions (Continued)

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>East Wanneroo Development Area (Cell 6)</b>			
<b>Income</b>			
Contributions	4,917,000	3,948,585	3,441,900
Interest on Investments	694,422	954,732	584,925
	<u>5,611,422</u>	<u>4,903,317</u>	<u>4,026,825</u>
<b>Expenditure</b>			
Administration Charges	691	917	1,094
Compensation Payments/Construction Costs	11,379,472	3,308,217	3,777,000
Audit Fee Expenses	500	-	500
Consulting Fees	700	-	700
Legal Fees	2,500	6,844	2,500
Bank Fees	400	24,489	400
Advertising	300	-	300
	<u>11,384,563</u>	<u>3,340,467</u>	<u>3,782,494</u>
<b>Net Result</b>	<u>(5,773,141)</u>	<u>1,562,850</u>	<u>244,331</u>
<b>Surplus/(Deficit) brought forward</b>	<b>15,764,905</b>	<b>15,492,755</b>	<b>17,055,605</b>
<b>Net Result</b>	<u>(5,773,141)</u>	<u>1,562,850</u>	<u>244,331</u>
<b>Surplus/(Deficit) carried forward</b>	<u>9,991,764</u>	<u>17,055,605</u>	<u>17,299,936</u>
<b>East Wanneroo Development Area (Cell 7)</b>			
<b>Income</b>			
Contributions	1,100,000	282,515	550,000
Interest on Investments	97,407	62,397	44,936
	<u>1,197,407</u>	<u>344,912</u>	<u>594,936</u>
<b>Expenditure</b>			
Administration Charges	676	871	1,043
Compensation Payments/Construction Costs	740,700	-	740,700
Audit Fee Expenses	500	-	500
Legal Fees	3,500	1,435	3,500
Bank Fees	400	2,995	400
Interest Expenses	13,302	-	-
Advertising	300	-	300
	<u>759,378</u>	<u>5,301</u>	<u>746,443</u>
<b>Net Result</b>	<u>438,029</u>	<u>339,611</u>	<u>(151,507)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>890,553</b>	<b>824,372</b>	<b>1,163,983</b>
<b>Net Result</b>	<u>438,029</u>	<u>339,611</u>	<u>(151,507)</u>
<b>Surplus/(Deficit) carried forward</b>	<u>1,328,582</u>	<u>1,163,983</u>	<u>1,012,476</u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2010

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current year transactions (Continued)

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>East Wanneroo Development Area (Cell 8)</b>			
<b>Income</b>			
Contributions	3,000,000	396,857	1,000,000
Interest on Investments	207,768	358,936	222,690
	<u>3,207,768</u>	<u>755,793</u>	<u>1,222,690</u>
<b>EXPENDITURE</b>			
Administration Charges	735	949	1,137
Compensation Payments/Construction Costs	7,000,000	485,900	3,400,000
Audit Fee Expenses	500	-	500
Consulting Fees	700	-	700
Legal Fees	3,000	-	3,000
Bank Fees	400	9,576	400
Advertising	300	-	300
	<u>7,005,635</u>	<u>496,425</u>	<u>3,406,037</u>
<b>Net Result</b>	<u>(3,797,867)</u>	<u>259,368</u>	<u>(2,183,347)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>6,509,529</b>	<b>6,489,642</b>	<b>6,749,010</b>
<b>Net Result</b>	<u>(3,797,867)</u>	<u>259,368</u>	<u>(2,183,347)</u>
<b>Surplus/(Deficit) carried forward</b>	<u>2,711,662</u>	<u>6,749,010</u>	<u>4,565,663</u>

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 2009/2010 Financial Year for this undertaking is as follows:

	2008/2009 Budget \$	2008/2009 Actual (Est.) \$	2009/2010 Budget \$
<b>Commercial Refuse Collection</b>			
<b>Operating Income</b>			
Fees and Charges	2,820,000	2,514,986	3,310,060
<b>Total Income</b>	<u>2,820,000</u>	<u>2,514,986</u>	<u>3,310,060</u>
<b>Operating Expenditure</b>			
Employee Costs	(709,651)	(535,955)	(653,633)
Materials and Contracts	(1,940,281)	(789,615)	(1,409,418)
Other Expenditure incl. Depn	(342,431)	(967,277)	(1,587,376)
<b>Total Expenditure</b>	<u>(2,992,363)</u>	<u>(2,292,847)</u>	<u>(3,650,427)</u>
<b>Net Operating Profit/(Loss)</b>	<u>(172,363)</u>	<u>222,139</u>	<u>(340,367)</u>