

**CITY OF WANNEROO**

**ANNUAL BUDGET**

**FOR THE FINANCIAL YEAR ENDING 30 JUNE 2014**

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**CITY OF WANNEROO**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDING 30TH JUNE 2014**

	NOTE	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
	1			
<b>Revenues</b>				
Rates	9	99,191,645	100,125,504	109,500,000
Operating Grants, Subsidies and Contributions		8,479,465	11,565,708	8,801,083
Fees and Charges	12	19,889,042	20,676,340	20,242,849
Interest Earnings	2(a)(ii)	6,674,836	9,110,903	7,700,000
Other Revenue		4,051,003	3,600,252	3,561,275
		<b>138,285,991</b>	<b>145,078,707</b>	<b>149,805,207</b>
<b>Expenses</b>				
Employee Costs		(60,088,329)	(58,687,254)	(64,536,954)
Materials and Contracts		(40,719,105)	(41,343,991)	(43,911,356)
Utility Charges		(7,398,962)	(7,477,288)	(7,910,465)
Depreciation on Non-Current Assets	2(a)(i)	(27,000,000)	(28,342,216)	(29,628,925)
Interest Expenses	2(a)(i),5(a)	(3,689,236)	(3,689,236)	(3,689,236)
Insurance Expenses		(1,699,658)	(1,676,010)	(1,706,655)
		<b>(140,595,290)</b>	<b>(141,215,995)</b>	<b>(151,383,591)</b>
		<b>(2,309,299)</b>	<b>3,862,712</b>	<b>(1,578,384)</b>
<b>Other Revenues and Expenses (excl. Contr. of Physical Assets)</b>				
Non-Operating Grants, Subsidies and Contributions		8,736,508	4,903,249	13,232,516
Profit on Asset Disposals	4	2,970,000	3,240,000	1,833,333
Loss on Asset Disposals	4	(500,000)	(500,000)	(500,000)
Financial Asset Value Movement		-	521,862	-
Town Planning Scheme Income	18(b)	12,370,000	13,608,256	12,480,250
Town Planning Scheme Expenses	18(b)	(9,224,430)	(5,560,395)	(12,361,000)
		<b>14,352,078</b>	<b>16,212,972</b>	<b>14,685,099</b>
<b>Net Result (excl. Contr. of Physical Assets)</b>		<b>12,042,779</b>	<b>20,075,684</b>	<b>13,106,715</b>
Contributions of Physical Assets		30,000,000	30,000,000	30,000,000
<b>Net Result</b>		<b>42,042,779</b>	<b>50,075,684</b>	<b>43,106,715</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income</b>		<b>42,042,779</b>	<b>50,075,684</b>	<b>43,106,715</b>

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

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

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

## CITY OF WANNEROO

## STATEMENT OF COMPREHENSIVE INCOME

## BY PROGRAM

FOR THE YEAR ENDING 30TH JUNE 2014

	NOTE	2012/2013 Budget	2012/2013 Actual (Est.)	2013/2014 Budget
	1, 2(b)	\$	\$	\$
<b>Revenues</b>				
Governance		329,725	353,409	331,797
General Purpose Funding		109,339,555	115,458,482	120,665,053
Law, Order and Public Safety		660,580	689,685	744,525
Health		407,860	358,060	432,371
Education and Welfare		4,425,412	4,417,408	4,331,497
Community Amenities		12,948,064	12,209,223	11,828,044
Recreation and Culture		7,207,829	7,479,514	7,819,553
Transport		790,860	1,188,613	1,195,838
Economic Services		1,905,106	2,651,718	2,182,906
Other Property and Services		271,000	272,595	273,623
		<b>138,285,991</b>	<b>145,078,707</b>	<b>149,805,207</b>
<b>Expenses (excluding Finance Costs)</b>				
Governance		(6,479,997)	(7,586,297)	(7,517,749)
General Purpose Funding		(1,335,210)	(1,320,554)	(1,523,315)
Law, Order and Public Safety		(4,810,108)	(4,801,409)	(4,835,103)
Health		(2,116,302)	(2,002,333)	(2,133,669)
Education and Welfare		(8,281,675)	(8,447,653)	(8,678,876)
Community Amenities		(38,891,712)	(36,185,717)	(39,400,451)
Recreation and Culture		(37,768,103)	(36,685,725)	(41,501,251)
Transport		(23,130,349)	(24,344,065)	(31,846,914)
Economic Services		(3,282,304)	(3,125,268)	(3,503,782)
Other Property and Services		(20,034,724)	(18,588,133)	(19,114,245)
		<b>(146,130,484)</b>	<b>(143,087,154)</b>	<b>(160,055,355)</b>
<b>Finance Costs</b>				
	2(a)(i),5(a)			
General Purpose Funding		(388,590)	(1,432,747)	(1,432,897)
Governance		(22,991)	(150)	-
Recreation and Culture		(2,545,623)	(1,882,292)	(1,882,292)
Transport		(252,697)	(153,078)	(153,078)
Other Property and Services		(479,335)	(220,969)	(220,969)
		<b>(3,689,236)</b>	<b>(3,689,236)</b>	<b>(3,689,236)</b>
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Governance		1,207,230	1,228,195	1,207,230
Law, Order and Public Safety		-	154,292	-
Education and Welfare		37,394	37,394	-
Community Amenities		7,775,686	7,783,761	7,929,020
Recreation and Culture		17,430,313	18,529,172	19,059,704
Transport		10,624,885	10,947,005	7,268,714
Other Property and Services		14,031,000	9,831,686	20,248,098
		<b>51,106,508</b>	<b>48,511,505</b>	<b>55,712,766</b>
<b>Profit/(Loss) on Disposal of Assets</b>				
	4			
General Purpose Funding		0	521,862	0
Other Property and Services		2,470,000	2,740,000	1,333,333
		<b>2,470,000</b>	<b>3,261,862</b>	<b>1,333,333</b>
<b>Net Result</b>		<b>42,042,779</b>	<b>50,075,684</b>	<b>43,106,715</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income</b>		<b>42,042,779</b>	<b>50,075,684</b>	<b>43,106,715</b>

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

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

## CITY OF WANNEROO

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING 30TH JUNE 2014

	NOTE	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		99,191,645	100,125,504	109,500,000
Operating Grants, Subsidies and Contributions		8,479,465	11,565,708	8,801,083
Fees and Charges		19,889,042	20,676,340	20,242,849
Interest Earnings		6,674,836	9,110,903	7,700,000
Goods and Services Tax		4,950,000	3,500,000	4,950,000
Other Revenue		4,051,003	3,600,252	3,561,275
		<b>143,235,991</b>	<b>148,578,707</b>	<b>154,755,207</b>
<b>Payments</b>				
Employee Costs		(60,088,329)	(58,687,254)	(64,536,954)
Materials and Contracts		(40,719,105)	(41,343,991)	(43,911,356)
Utility Charges		(7,398,962)	(7,477,288)	(7,910,465)
Interest Expenses		(3,689,236)	(3,689,236)	(3,689,236)
Insurance Expenses		(1,699,658)	(1,676,010)	(1,706,655)
Goods and Services Tax		(5,100,000)	(6,950,000)	(5,100,000)
		<b>(118,695,290)</b>	<b>(119,823,779)</b>	<b>(126,854,666)</b>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>16(b)</b>	<b>24,540,701</b>	<b>28,754,928</b>	<b>27,900,541</b>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(35,928,917)	(11,435,844)	(29,513,373)
Payments for Construction of Infrastructure		(39,602,630)	(12,889,028)	(42,797,403)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		8,736,508	4,903,249	13,232,516
Proceeds from Sale of Plant & Equipment	4	4,270,000	4,480,000	2,783,368
Financial Asset Value Movement		-	521,862	-
Town Planning Scheme Income	18(b)	12,370,000	13,608,256	12,480,250
Town Planning Scheme Expenses	18(b)	(9,224,430)	(5,560,395)	(12,361,000)
<b>Net Cash Provided By (Used In) Investing Activities</b>		<b>(59,379,469)</b>	<b>(6,371,900)</b>	<b>(56,175,642)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from New Loans	5	-	-	-
<b>Net Cash Provided By (Used In) Financing Activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(34,838,768)</b>	<b>22,383,028</b>	<b>(28,275,101)</b>
Cash at Beginning of Year		133,547,993	150,961,681	173,344,709
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>16(a)</b>	<b>98,709,225</b>	<b>173,344,709</b>	<b>145,069,608</b>

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

## CITY OF WANNEROO

## RATE SETTING STATEMENT

FOR THE YEAR ENDING 30TH JUNE 2014

	NOTE	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>Revenues</b>				
Fees and Charges	12	19,889,042	20,676,340	20,242,849
Operating Grants, Subsidies and Contributions		8,479,465	11,565,708	8,801,083
Interest Earnings	2(a)(ii)	6,674,836	9,110,903	7,700,000
Other Revenue		4,051,003	3,600,252	3,561,275
		<b>39,094,346</b>	<b>44,953,203</b>	<b>40,305,207</b>
<b>Expenses</b>				
Employee Costs		(60,088,329)	(58,687,254)	(64,536,954)
Materials and Contracts		(40,719,105)	(41,343,991)	(43,911,356)
Utilities (Gas, Electricity, Water etc)		(7,398,962)	(7,477,288)	(7,910,465)
Insurance		(1,699,658)	(1,676,010)	(1,706,655)
Interest Expenses	2(a)(i), 5(a)	(3,689,236)	(3,689,236)	(3,689,236)
Depreciation on Non-Current Assets	2(a)(i)	(27,000,000)	(28,342,216)	(29,628,925)
		<b>(140,595,290)</b>	<b>(141,215,995)</b>	<b>(151,383,591)</b>
<b>Other Revenues and Expenses</b>				
Non-Operating Grants, Subsidies and Contributions		8,736,508	4,903,249	13,232,516
Town Planning Scheme Income (including Interest)	18(b)	12,370,000	13,608,256	12,480,250
Profit on Asset Disposal	4	2,970,000	3,240,000	1,833,333
Physical Assets Received from Developers		30,000,000	30,000,000	30,000,000
Town Planning Scheme Expenses	18(b)	(9,224,430)	(5,560,395)	(12,361,000)
Financial Asset Value Movement		-	521,862	-
Loss on Asset Disposal	4	(500,000)	(500,000)	(500,000)
		<b>44,352,078</b>	<b>46,212,972</b>	<b>44,685,099</b>
		<b>(57,148,866)</b>	<b>(50,049,820)</b>	<b>(66,393,285)</b>
<b>Net Operating Result Excluding Rates</b>				
<b>Adjustments for Cash Budget Requirements</b>				
(Profit)/Loss on Asset Disposals	4	(2,470,000)	(2,740,000)	(1,333,333)
Depreciation on Assets	2(a)(i)	27,000,000	28,342,216	29,628,925
Physical Assets Received from Developers		(30,000,000)	(30,000,000)	(30,000,000)
		<b>(5,470,000)</b>	<b>(4,397,784)</b>	<b>(1,704,408)</b>
<b>Adjustments for Non-Operating Expenditure and Income</b>				
Capital Acquisitions		(75,531,547)	(24,324,872)	(72,310,776)
Proceeds from Disposal of Assets	4	4,270,000	4,480,000	2,783,368
Movement in Leave Provisions To Reserve		50,000	50,000	50,000
		<b>(71,211,547)</b>	<b>(19,794,872)</b>	<b>(69,477,408)</b>
<b>Transfers</b>				
Transfers to Restricted Grants, Contributions and Loans		-	-	-
Transfers from Restricted Grants, Contributions and Loans		18,257,502	2,294,622	7,746,255
Transfers to Reserves	6	(25,597,187)	(31,019,421)	(15,162,050)
Transfers from Reserves	6	25,718,562	9,704,642	16,954,159
Transfers to Schemes	18(b)	(12,370,000)	(13,608,256)	(12,480,250)
Transfers from Schemes	18(b)	20,455,695	6,417,850	23,171,326
		<b>26,464,572</b>	<b>(26,210,563)</b>	<b>20,229,440</b>
<b>Surplus/(Deficit)</b>				
Estimated Surplus/(Deficit) July 1 Brought Forward		8,174,196	8,174,196	7,845,661
Estimated Surplus/(Deficit) June 30 Carried Forward	8	-	7,845,661	-
<b>Movement in Surplus/(Deficit)</b>		<b>8,174,196</b>	<b>328,535</b>	<b>7,845,661</b>
<b>Amount Required to be Raised from Rates</b>	9	<b>(99,191,645)</b>	<b>(100,124,504)</b>	<b>(109,500,000)</b>

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

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Preparation**

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

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

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

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

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

**(c) 2012/2013 Actual Balances**

Balances shown in this budget as 2012/2013 Actual are forecast at the time of budget preparation and are subject to final adjustments.

**(d) Rounding Off Figures**

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

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

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

**(f) Goods and Services Tax**

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

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on bank, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

**(h) Trade and Other Receivables**

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

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Inventories

**General**

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

**Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is complete are recognised as expenses.

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

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

(j) Fixed Assets

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

**Initial Recognition**

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

**Revaluation**

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

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

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

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

**Land Under Roads**

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

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

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

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

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



## CITY OF WANNEROO

### NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

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

##### (k) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

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

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

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

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

##### **Capitalisation Threshold**

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

##### (l) Financial Instruments

###### **Initial Recognition and Measurement**

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

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

###### **Classification and Subsequent Measurement**

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

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

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

Amortised cost is calculated as:

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

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

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

If the City were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale

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

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

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

*(v) Financial liabilities*

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

**Impairment**

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

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

**(m) Estimation of Fair Value**

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

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

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

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

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

**(n) Impairment**

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

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

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

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

At the time of adopting the budget, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

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

**(o) Trade and Other Payables**

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

**(p) Employee Benefits**

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

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

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

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

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

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

**(q) Borrowing Costs**

Borrowing costs are recognised as an expense when incurred.

**(r) Provisions**

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

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

**(s) Superannuation**

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

**(t) Current and Non-Current Classification**

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

**(u) Comparative Figures**

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

**(v) Budget Comparative Figures**

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

2. REVENUES AND EXPENSES

(a) Net Result	Note	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>(i) Charging as Expenses:</b>				
<b>Auditors Remuneration</b>				
Audit		42,210	42,210	42,710
		<b>42,210</b>	<b>42,210</b>	<b>42,710</b>
<b>Depreciation of Non-Current Assets</b>				
<b><u>By Program</u></b>				
Governance		2,192,801	2,192,801	1,622,580
Law, Order and Public Safety		3,258	3,258	11,474
Health		15,820	15,820	8,466
Education and Welfare		36,784	36,784	35,705
Community Amenities		457,912	457,912	447,529
Recreation and Culture		3,971,395	3,971,395	4,634,793
Transport		15,978,743	17,320,959	18,569,294
Economic Services		30,056	30,056	20,148
Other Property and Services		4,313,231	4,313,231	4,278,936
		<b>27,000,000</b>	<b>28,342,216</b>	<b>29,628,925</b>
<b><u>By Class</u></b>				
Land and Buildings		2,527,300	2,527,300	2,561,341
Furniture and Equipment		3,562,647	3,562,647	3,256,305
Plant and Equipment		4,309,208	4,309,208	4,263,601
Other Infrastructure Assets		16,600,845	17,943,061	19,547,678
		<b>27,000,000</b>	<b>28,342,216</b>	<b>29,628,925</b>
<b>Interest Expenses (Finance Costs)</b>				
- Loan Interest	5(a)	3,689,236	3,689,236	3,689,236
		<b>3,689,236</b>	<b>3,689,236</b>	<b>3,689,236</b>
<b>(ii) Crediting as Revenues:</b>				
<b>Interest Earnings</b>				
Investments				
- Reserve Funds		2,638,610	2,866,194	3,459,880
- Municipal Funds		2,936,226	4,988,081	2,940,120
- Other Interest Revenue	14	1,100,000	1,256,628	1,300,000
<b>Sub-Total</b>		<b>6,674,836</b>	<b>9,110,903</b>	<b>7,700,000</b>
- Town Planning Schemes	19	3,000,000	3,606,006	3,000,000
<b>Total</b>		<b>9,674,836</b>	<b>12,716,909</b>	<b>10,700,000</b>

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

2. REVENUES AND EXPENSES (Continued)

**(b) Statement of Objective**

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

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

**Vision**

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

**Mission**

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

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

**Community Aspirations**

The aspirations and objectives consistent with the community views are articulated through the four strategic pillars of:

1) *Civic Leadership*

- We aim to work with others to ensure the best use of our resources.

2) *Economy*

- We aspire to provide and promote progressive, connected communities that enable economic growth and employment.

3) *Environment*

- We aspire to provide a sustainable natural, built and healthy environment for now and into the future.

4) *Society*

- We aspire to provide and promote healthy, safe, vibrant and active communities.

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 2014**

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

**(b) Statement of Objective (Continued)**

**Recreation and Culture**

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

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

**Transport**

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

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

**Economic Services**

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

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

**Other Property and Services**

Objectives: To accommodate otherwise unclassified activities of the City.

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

3. ACQUISITION OF ASSETS

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

**By Program**

**Governance**

Land and Buildings  
Infrastructure Assets - Land and Buildings  
Furniture and Equipment

**Education and Welfare**

Furniture and Equipment

**Community Amenities**

Land and Buildings  
Infrastructure Assets - Land and Buildings  
Infrastructure Assets - Parks & Ovals  
Infrastructure Assets - Drainage  
Infrastructure Assets - Pathways  
Furniture and Equipment

**Recreation and Culture**

Land and Buildings  
Infrastructure Assets - Land and Buildings  
Infrastructure Assets - Parks and Ovals  
Furniture and Equipment

**Transport**

Infrastructure Assets - Pathways  
Infrastructure Assets - Roads  
Infrastructure Assets - Drainage  
Furniture and Equipment

**Economic Services**

Land and Buildings

**Other Property and Services**

Land and Buildings  
Infrastructure Assets - Land and Buildings  
Plant and Equipment

**Other Law, Order, Public Safety**

Land and Buildings  
Furniture and Equipment

**Total**

**By Class**

Land and Buildings  
Infrastructure Assets - Land and Buildings  
Infrastructure Assets - Roads  
Infrastructure Assets - Parks and Ovals  
Infrastructure Assets - Pathways  
Infrastructure Assets - Drainage  
Plant and Equipment  
Furniture and Equipment

**Total**

	2012/2013 Budget \$	2013/2014 Budget \$
	867,717	2,286,100
	1,457,230	1,502,230
	2,628,487	1,941,550
	<b>4,953,434</b>	<b>5,729,880</b>
	67,394	260,233
	<b>67,394</b>	<b>260,233</b>
	1,752,922	1,400,454
	7,749,020	7,549,020
	1,279,600	483,000
	178,000	370,911
	29,000	49,000
	490,000	116,700
	<b>11,478,542</b>	<b>9,969,085</b>
	9,558,115	6,703,656
	2,387,170	2,305,170
	19,200,035	23,670,276
	3,087,842	3,728,462
	<b>34,233,162</b>	<b>36,407,564</b>
	1,189,110	1,075,546
	34,343,439	33,662,552
	1,790,026	1,129,698
	105,000	354,000
	<b>37,427,575</b>	<b>36,221,796</b>
	289,713	1,265,430
	<b>289,713</b>	<b>1,265,430</b>
	5,413,757	2,776,688
		1,000,000
	11,667,970	8,570,100
	<b>17,081,727</b>	<b>12,346,788</b>
		60,000
	-	50,000
	-	110,000
	<b>105,531,547</b>	<b>102,310,776</b>
	17,882,224	14,492,328
	11,593,420	12,356,420
	34,343,439	33,662,552
	20,479,635	24,153,276
	1,218,110	1,124,546
	1,968,026	1,500,609
	11,667,970	8,570,100
	6,378,723	6,450,945
	<b>105,531,547</b>	<b>102,310,776</b>

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



CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

4. DISPOSALS OF ASSETS

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

	<u>Net Book Value</u> 2013/2014 Budget \$	<u>Sale Proceeds</u> 2013/2014 Budget \$	<u>Profit/(Loss)</u> 2013/2014 Budget \$
<b><u>By Program</u></b>			
Other Property and Services	1,450,035	2,783,368	1,333,333
	<b>1,450,035</b>	<b>2,783,368</b>	<b>1,333,333</b>
<b><u>By Class</u></b>			
Plant and Equipment	1,450,035	1,450,035	-
Land and Buildings	-	1,333,333	1,333,333
	<b>1,450,035</b>	<b>2,783,368</b>	<b>1,333,333</b>
<b><u>Summary</u></b>			
Profit on Asset Disposals			1,833,333
Loss on Asset Disposals			(500,000)
			<b>1,333,333</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

5. INFORMATION ON BORROWINGS

(a) Loan Repayments

Details	Principal	New Drawdown	Principal Repayments		Principal Outstanding		Interest Repayments	
	01-Jul-13	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Western Australian Treasury Corporation	60,778,188	-	-	-	60,778,188	60,778,188	3,689,236	3,689,236
<b>Total</b>	<b>60,778,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>3,689,236</b>	<b>3,689,236</b>

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

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

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

(b) Unspent Loans

The City is estimated to have \$23,316,407 unspent loans as at 30th June 2013. The purpose of the unspent loans is to provide funding to the City's capital works program. As at 30 June 2014 there will be budgeted loan funds of \$15,570,152 to be available to projects scheduled for completion in future years.

(c) Overdraft

The City established an overdraft facility of \$1,000,000 in 2002 to assist with short term liquidity requirements. The balance of the bank overdraft as at 30 June 2013 is estimated to be NIL.

(d) Purpose of Total Loan Funding

Under Section 6.20(4)(a) of the Local Government Act 1995, a change in purpose of the use of borrowings can be disclosed in the annual budget. As such, the table outlined below indicates the budgeted purpose of borrowings to be adopted in the annual budget for 2013/2014.

Project Description	Annual Adopted Application of Total Loan Funding								Required
	2006/2007 Budget	2007/2008 Budget	2008/2009 Budget	2009/2010 Budget	2010/2011 Budget	2011/2012 Budget	2012/2013 Budget	2013/2014 Budget	13/14-15/16 Budgets
Develop Industrial Estate - Neerabup	13,000,000	5,200,000	6,091,762	8,959,000	4,618,088	218,088	218,088	317,887	-
Wanneroo Regional Museum and Library	10,000,000	13,100,000	11,616,112	11,905,262	11,060,362	11,060,362	11,060,362	10,416,178	-
Construct Community Centre - Butler	278,000	278,000	278,000	278,000	278,000	278,000	278,000	278,000	-
Redevelop Wanneroo Townsite	6,814,000	5,164,000	164,000	164,000	73,510	73,510	73,510	1,214,615	-
Redevelop Koondoola Precinct	2,586,150	3,586,150	291,150	2,000	2,000	2,000	2,000	2,000	-
Pearsall Hocking Community Centre	1,620,000	1,480,000	57,776	-	-	-	-	-	-
Gumblossom Reserve	1,140,000	-	-	-	-	-	-	-	-
Develop Accessible and Inclusive Playground	1,127,000	222,000	222,000	222,000	222,001	222,001	222,001	222,000	-
Kingsway Regional Sporting Complex	22,213,038	23,913,038	23,911,388	27,065,230	23,737,890	23,837,890	23,837,890	19,551,752	4,064,187
Upgrade Aquamation	2,000,000	5,625,000	7,926,000	7,926,000	7,926,000	7,926,000	7,926,000	7,926,000	-
Develop Wangara Industrial Area (Lot 257)	-	2,270,000	1,500,000	1,171,725	722,832	907,832	907,832	-	-
Develop Wangara Industrial Area (Lot 15)	-	-	6,170,000	170,000	2,170,000	2,170,000	2,170,000	3,074,023	2,576,688
Pinjar Road - Wanneroo and Carosa Road	-	850,000	850,000	914,963	914,963	914,963	914,963	728,849	-
Ocean Reef Road - Dual Carriageway	-	1,000,000	1,000,000	850,008	1,076,142	1,076,142	1,076,142	-	-
Upgrade Rocca Way Dundobar Road	-	-	200,000	200,000	196,400	196,400	196,400	196,400	188,000
Flynn Drive Neerabup - Construct Road	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Lot 12 Fowey Loop	-	-	-	300,000	300,000	300,000	300,000	1,800	-
Hartman Drive Wangara - Dual Carriageway	-	-	-	150,000	-	-	-	-	-
Kingsway Shopfront Library	-	-	-	-	-	2,600,000	-	-	-
Yanchep District Playing Fields	-	-	-	-	2,230,000	2,230,000	2,230,000	56,460	-
Yanchep District Sports Amenities	-	-	-	-	-	619,250	619,250	-	-
Yanchep Lagoon	-	-	-	-	2,000,000	2,000,000	1,727,427	3,877,072	3,684,970
Yanchep SLSC	-	-	-	-	2,750,000	3,645,750	3,645,750	6,200,000	6,087,410
Southern Suburbs Library	-	-	-	-	-	-	2,872,573	6,215,152	6,215,252
<b>Totals</b>	<b>60,778,188</b>	<b>62,688,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>	<b>23,316,407</b>

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

Note: 2) Amounts required in 2013/2014 - 2015/2016 include carry forward loan funding requirements (from 2012/2013).

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

6. RESERVES	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>(a) Alkimos/Eglinton Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	-	-	856,000
Transfer to Reserve	856,000	856,000	1,483,880
Transfer from Reserve	-	-	-
	<b>856,000</b>	<b>856,000</b>	<b>2,339,880</b>
<b>(b) Asset Preservation Reserve</b>			
Opening Balance	-	-	-
Transfer to Reserve	-	-	-
Transfer from Reserve	-	-	-
	-	-	-
<b>(c) Asset Replacement Reserve</b>			
Opening Balance	3,677,156	3,395,136	6,190,941
Transfer to Reserve	2,617,087	2,795,805	232,160
Transfer from Reserve	(2,500,000)	-	(900,000)
	<b>3,794,243</b>	<b>6,190,941</b>	<b>5,523,102</b>
<b>(d) Butler Collaborative Planning Agreement Reserve</b>			
Opening Balance	2,543,084	2,565,784	2,568,415
Transfer to Reserve	101,723	102,631	96,316
Transfer from Reserve	(161,800)	(100,000)	(12,000)
	<b>2,483,007</b>	<b>2,568,415</b>	<b>2,652,731</b>
<b>(e) City of Wanneroo Townsite Reserve</b>			
Opening Balance	239,850	225,529	30,006
Transfer to Reserve	9,594	9,021	-
Transfer from Reserve	(249,444)	(204,544)	(30,006)
	-	<b>30,006</b>	-
<b>(f) Commercial Refuse Reserve</b>			
Opening Balance	1,744,475	1,824,426	1,897,403
Transfer to Reserve	69,779	72,977	71,153
Transfer from Reserve	-	-	-
	<b>1,814,254</b>	<b>1,897,403</b>	<b>1,968,556</b>
<b>(g) Commercial Refuse - Plant Replacement Reserve</b>			
Opening Balance	2,363,523	1,913,927	2,024,068
Transfer to Reserve	641,575	623,591	506,266
Transfer from Reserve	(933,550)	(513,450)	(299,921)
	<b>2,071,548</b>	<b>2,024,068</b>	<b>2,230,413</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

6. RESERVES (Continued)	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>(h) Domestic Refuse Reserve</b>			
Opening Balance	5,257,949	5,317,141	5,365,292
Transfer to Reserve	210,318	212,686	201,198
Transfer from Reserve	(1,227,387)	(164,535)	(879,000)
	<b>4,240,880</b>	<b>5,365,292</b>	<b>4,687,490</b>
<b>(i) Domestic Refuse - Plant Replacement Reserve</b>			
Opening Balance	12,617,134	11,890,894	10,207,744
Transfer to Reserve	3,550,399	3,521,350	3,195,870
Transfer from Reserve	(10,424,500)	(5,204,500)	(3,184,185)
	<b>5,743,033</b>	<b>10,207,744</b>	<b>10,219,429</b>
<b>(j) Environmental Initiatives Reserve</b>			
Opening Balance	52,500	52,958	40,256
Transfer to Reserve	52,100	52,118	51,510
Transfer from Reserve	(50,000)	(64,820)	(50,000)
	<b>54,600</b>	<b>40,256</b>	<b>41,766</b>
<b>(k) Fleming Park Lake Reserve</b>			
Opening Balance	180,964	182,656	189,962
Transfer to Reserve	7,239	7,306	7,124
Transfer from Reserve	(13,390)	-	-
	<b>174,813</b>	<b>189,962</b>	<b>197,086</b>
<b>(l) Golf Courses Reserve</b>			
Opening Balance	553,501	66,900	672,575
Transfer to Reserve	272,140	810,775	275,222
Transfer from Reserve	(373,960)	(205,100)	(447,139)
	<b>451,681</b>	<b>672,575</b>	<b>500,658</b>
<b>(m) HACC Asset Replacement Reserve</b>			
Opening Balance	278,166	339,764	383,355
Transfer to Reserve	41,127	43,591	44,375
Transfer from Reserve	-	-	-
	<b>319,293</b>	<b>383,355</b>	<b>427,730</b>
<b>(n) Heavy Vehicle Replacement Reserve</b>			
Opening Balance	2,773,260	2,508,864	3,683,068
Transfer to Reserve	1,184,779	1,174,204	1,187,986
Transfer from Reserve	(1,023,900)	-	(1,120,852)
	<b>2,934,139</b>	<b>3,683,068</b>	<b>3,750,202</b>
<b>(o) Land Acquisition Reserve</b>			
Opening Balance	594,381	574,678	1,072,665
Transfer to Reserve	523,775	522,987	540,225
Transfer from Reserve	(419,700)	(25,000)	-
	<b>698,456</b>	<b>1,072,665</b>	<b>1,612,890</b>
<b>(p) Leave Liability Reserve</b>			
Opening Balance	1,629,725	1,643,500	1,759,240
Transfer to Reserve	115,189	115,740	115,972
Transfer from Reserve	-	-	-
	<b>1,744,914</b>	<b>1,759,240</b>	<b>1,875,212</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

6. RESERVES (Continued)	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>(q) Light Vehicle Replacement Reserve</b>			
Opening Balance	2,119,024	1,831,005	2,064,326
Transfer to Reserve	2,505,642	2,494,121	2,011,612
Transfer from Reserve	(3,132,788)	(2,260,800)	(2,326,480)
	<b>1,491,878</b>	<b>2,064,326</b>	<b>1,749,458</b>
<b>(r) Loan Repayment Reserve</b>			
Opening Balance	7,584,568	7,629,778	7,934,969
Transfer to Reserve	303,383	305,191	1,630,894
Transfer from Reserve	-	-	-
	<b>7,887,951</b>	<b>7,934,969</b>	<b>9,565,863</b>
<b>(s) Material Recoveries Facility Upgrade Reserve**</b>			
Opening Balance	16,666	85,144	71,884
Transfer to Reserve	-	3,406	2,695
Transfer from Reserve	(16,666)	(16,666)	(50,000)
	<b>-</b>	<b>71,884</b>	<b>24,579</b>
<b>(t) Neerabup Development Reserve</b>			
Opening Balance	2,297,112	2,425,488	2,422,508
Transfer to Reserve	2,291,884	97,020	90,844
Transfer from Reserve	(3,408,600)	(100,000)	(2,200,000)
	<b>1,180,396</b>	<b>2,422,508</b>	<b>313,352</b>
<b>(u) Plant Replacement Reserve</b>			
Opening Balance	1,001,261	304,408	737,715
Transfer to Reserve	809,341	781,467	894,043
Transfer from Reserve	(619,362)	(348,160)	(786,661)
	<b>1,191,240</b>	<b>737,715</b>	<b>845,097</b>
<b>(v) Quinns Rock Caravan Park Reserve</b>			
Opening Balance	154,263	134,148	139,514
Transfer to Reserve	27,171	5,366	-
Transfer from Reserve	(179,713)	-	(139,514)
	<b>1,721</b>	<b>139,514</b>	<b>-</b>
<b>(w) Resource Recovery Domestic Refuse Reserve</b>			
Opening Balance	1,531,395	1,544,748	1,606,538
Transfer to Reserve	61,256	61,790	60,245
Transfer from Reserve	-	-	-
	<b>1,592,651</b>	<b>1,606,538</b>	<b>1,666,783</b>
<b>(x) Section 20A Land Reserve</b>			
Opening Balance	249,609	98,421	102,358
Transfer to Reserve	9,984	3,937	3,838
Transfer from Reserve	-	-	-
	<b>259,593</b>	<b>102,358</b>	<b>106,196</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

6. RESERVES (Continued)	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>(y) Strategic Projects/Initiatives Reserve</b>			
Opening Balance	10,970,115	18,805,046	<b>33,670,005</b>
Transfer to Reserve	8,303,613	15,362,026	<b>1,262,625</b>
Transfer from Reserve	(983,802)	(497,067)	<b>(4,528,401)</b>
	<b>18,289,926</b>	<b>33,670,005</b>	<b>30,404,229</b>
<b>(z) TPS 20 - District Distributor Headworks Reserve</b>			
Opening Balance	5,420,830	5,621,465	<b>5,846,324</b>
Transfer to Reserve	216,833	224,859	<b>219,237</b>
Transfer from Reserve	-	-	-
	<b>5,637,663</b>	<b>5,846,324</b>	<b>6,065,561</b>
<b>(aa) Yanchep Bus Reserve</b>			
Opening Balance	131,402	136,413	<b>146,869</b>
Transfer to Reserve	10,256	10,456	<b>35,508</b>
Transfer from Reserve	-	-	-
	<b>141,658</b>	<b>146,869</b>	<b>182,377</b>
<b>(ab) Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	-	-	<b>749,000</b>
Transfer to Reserve	805,000	749,000	<b>941,252</b>
Transfer from Reserve	-	-	-
	<b>805,000</b>	<b>749,000</b>	<b>1,690,252</b>
<b>Total Reserves</b>	<b>65,860,538</b>	<b>92,433,000</b>	<b>90,640,892</b>

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

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

6. RESERVES (Continued)	2012/2013	2012/2013	2013/2014
Summary of Reserve Transfers	Budget	Actual (Est.)	Budget
	\$	\$	\$
<b>Transfers to Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	856,000	856,000	1,483,880
Asset Preservation Reserve	-	-	-
Asset Replacement Reserve	2,617,087	2,795,805	232,160
Butler Collaborative Planning Agreement Reserve	101,723	102,631	96,316
City of Wanneroo Townsite Reserve	9,594	9,021	-
Commercial Refuse Reserve	69,779	72,977	71,153
Commercial Refuse - Plant Replacement Reserve	641,575	623,591	506,266
Domestic Refuse Reserve	210,318	212,686	201,198
Domestic Refuse - Plant Replacement Reserve	3,550,399	3,521,350	3,195,870
Environmental Initiatives Reserve	52,100	52,118	51,510
Fleming Park Lake Reserve	7,239	7,306	7,124
Golf Courses Reserve	272,140	810,775	275,222
HACC Asset Replacement Reserve	41,127	43,591	44,375
Heavy Vehicle Replacement Reserve	1,184,779	1,174,204	1,187,986
Land Acquisition Reserve	523,775	522,987	540,225
Leave Liability Reserve	115,189	115,740	115,972
Light Vehicle Replacement Reserve	2,505,642	2,494,121	2,011,612
Loan Repayment Reserve	303,383	305,191	1,630,894
Material Recoveries Facility Upgrade Reserve**	-	3,406	2,695
Neerabup Development Reserve	2,291,884	97,020	90,844
Plant Replacement Reserve	809,341	781,467	894,043
Quinns Rock Caravan Park Reserve	27,171	5,366	-
Resource Recovery Domestic Refuse Reserve	61,256	61,790	60,245
Section 20A Land Reserve	9,984	3,937	3,838
Strategic Projects/Initiatives Reserve	8,303,613	15,362,026	1,262,625
TPS 20 - District Distributor Headworks Reserve	216,833	224,859	219,237
Yanchep Bus Reserve	10,256	10,456	35,508
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserv	805,000	749,000	941,252
	<b>25,597,187</b>	<b>31,019,421</b>	<b>15,162,050</b>
<b>Transfers from Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	-	-	-
Asset Preservation Reserve	-	-	-
Asset Replacement Reserve	(2,500,000)	-	(900,000)
Butler Collaborative Planning Agreement Reserve	(161,800)	(100,000)	(12,000)
City of Wanneroo Townsite Reserve	(249,444)	(204,544)	(30,006)
Commercial Refuse Reserve	-	-	-
Commercial Refuse - Plant Replacement Reserve	(933,550)	(513,450)	(299,921)
Domestic Refuse Reserve	(1,227,387)	(164,535)	(879,000)
Domestic Refuse - Plant Replacement Reserve	(10,424,500)	(5,204,500)	(3,184,185)
Environmental Initiatives Reserve	(50,000)	(64,820)	(50,000)
Fleming Park Lake Reserve	(13,390)	-	-
Golf Courses Reserve	(373,960)	(205,100)	(447,139)
HACC Asset Replacement Reserve	-	-	-
Heavy Vehicle Replacement Reserve	(1,023,900)	-	(1,120,852)
Land Acquisition Reserve	(419,700)	(25,000)	-
Leave Liability Reserve	-	-	-
Light Vehicle Replacement Reserve	(3,132,788)	(2,260,800)	(2,326,480)
Loan Repayment Reserve	-	-	-
Material Recoveries Facility Upgrade Reserve**	(16,666)	(16,666)	(50,000)
Neerabup Development Reserve	(3,408,600)	(100,000)	(2,200,000)
Plant Replacement Reserve	(619,362)	(348,160)	(786,661)
Quinns Rock Caravan Park Reserve	(179,713)	-	(139,514)
Resource Recovery Domestic Refuse Reserve	-	-	-
Section 20A Land Reserve	-	-	-
Strategic Projects/Initiatives Reserve	(983,802)	(497,067)	(4,528,401)
TPS 20 - District Distributor Headworks Reserve	-	-	-
Yanchep Bus Reserve	-	-	-
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserv	-	-	-
	<b>(25,718,562)</b>	<b>(9,704,642)</b>	<b>(16,954,159)</b>
<b>Net Transfer to/(from) Reserves</b>	<b>(121,375)</b>	<b>21,314,779</b>	<b>(1,792,109)</b>

## CITY OF WANNEROO

### NOTES TO AND FORMING PART OF THE BUDGET

#### FOR THE YEAR ENDING 30TH JUNE 2014

#### 6. RESERVES (Continued)

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

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

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

##### **Asset Preservation Reserve**

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

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

##### **Asset Replacement Reserve**

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

##### **Butler Collaborative Planning Agreement Reserve**

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

##### **City of Wanneroo Townsite Reserve**

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

##### **Commercial Refuse Reserve**

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

##### **Commercial Refuse - Plant Replacement Reserve**

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

##### **Domestic Refuse Reserve**

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

##### **Domestic Refuse - Plant Replacement Reserve**

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

##### **Environmental Initiatives Reserve**

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

##### **Fleming Park Lake Reserve**

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

##### **Golf Course Reserve**

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

##### **HACC Asset Replacement Reserve**

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

##### **Heavy Vehicle Replacement Reserve**

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

##### **Land Acquisition Reserve**

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

##### **Leave Liability Reserve**

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



**CITY OF WANNEROO**

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

**FOR THE YEAR ENDING 30TH JUNE 2014**

**6. RESERVES (Continued)**

**Light Vehicle Replacement Reserve**

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

**Loan Repayment Reserve**

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

**Materials Recovery Facility Upgrade Reserve**

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

**Neerabup Development Reserve**

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

**Plant Replacement Reserve**

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

**Quinns Rocks Caravan Park Reserve**

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

**Resource Recovery Domestic Refuse Reserve**

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

**Section 20A Land Reserve**

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

**Strategic Projects/Initiatives Reserve**

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

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

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

**Yanchep Bus Reserve**

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

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

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

7. NON-CASH RESERVES

**Asset Revaluation Reserve**

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

	Note	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>Furniture and Equipment (Artworks and Artefacts)</b>				
Opening Balance		246,090	246,090	246,090
Revaluation Increment		-	-	-
<b>Total Asset Revaluation Reserves</b>		<b>246,090</b>	<b>246,090</b>	<b>246,090</b>

8. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position

**Current Assets**

Cash - Unrestricted	16(a)	26,302,937	13,640,420	5,594,758
Cash - Restricted	16(a)	120,528,101	159,704,289	139,474,850
Receivables		4,224,338	19,672,434	19,822,434
Non-Cash Investments		-	1,314,423	1,314,423
Inventories		400,000	328,829	328,829
		<b>151,455,376</b>	<b>194,660,395</b>	<b>166,535,294</b>
<b>Less: Current Liabilities</b>				
Payables and Provisions		(32,672,189)	(29,401,954)	(29,401,954)
<b>Net Current Asset Position</b>		<b>118,783,187</b>	<b>165,258,441</b>	<b>137,133,340</b>
Plus: Leave Provisions Cash Backed		1,744,914	2,291,509	2,341,510
Less: Cash / Investments - Restricted	16(a)	(120,528,101)	(159,704,289)	(139,474,850)
<b>Estimated Surplus/(Deficiency) Carried Forward</b>		<b>0</b>	<b>7,845,661</b>	<b>-</b>

The estimated surplus/(deficiency) carried forward in the 2012/2013 actual column represents the surplus/(deficit) brought forward as at 1 July 2013. This figure primarily represents unspent municipal requirements in relation to the 2012/2013 carried forward capital works.

The estimated surplus/(deficiency) carried forward in the 2013/2014 budget column represents the surplus/(deficit) carried forward as at 30 June 2014.

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

9. RATING INFORMATION

General Rate Category	2012/2013	2013/2014					
	Actual (Est.) Total Revenue \$	Rate in Dollar (Cents)	Number of Properties	Rateable Value \$	Budgeted Rate Revenue \$	Budgeted Interim Rates \$	Budgeted Total Revenue \$
<b>Gross Rental Value - Improved</b>							
Caravan Park and Park Homes	114,809	7.7564	97	1,561,612	121,125	-	121,125
Commercial	6,150,752	7.5144	462	86,354,221	6,489,002	-	6,489,002
Community Groups - Major **	21,894	8.3111	5	277,925	23,099	-	23,099
Community Groups - Surf Clubs	1,986	2.0505	2	102,200	2,096	-	2,096
Community Groups - General	14,690	3.9269	9	394,650	15,498	-	15,498
Industrial	6,441,894	6.3257	1,557	107,438,324	6,796,226	-	6,796,226
Residential	57,268,524	7.7574	42,191	793,853,094	61,582,360	2,757,779	64,340,139
Rural and Mining	-	8.4819	0	-	-	-	-
<b>Gross Rental Value - Vacant</b>							
Commercial	155,468	6.4213	33	2,554,306	164,020	-	164,020
Industrial	362,673	4.1348	156	9,253,756	382,624	-	382,624
Residential	3,844,136	10.8424	2,184	38,002,109	4,120,341	-	4,120,341
Rural and Mining	-	7.9262	0	-	-	-	-
<b>Unimproved Value - Improved</b>							
Commercial	442,541	0.2597	14	179,760,000	466,881	-	466,881
Community Groups - Major **	4,665	0.2550	1	1,930,000	4,922	-	4,922
Community Groups - Surf Clubs	-	0.0594	-	-	-	-	-
Community Groups - General	4,372	0.1237	5	3,730,000	4,612	-	4,612
Industrial	79,626	0.2420	12	34,720,000	84,005	-	84,005
Residential	926,319	0.3304	278	297,446,787	982,705	-	982,705
Rural and Mining	2,102,968	0.3211	532	690,637,672	2,217,569	-	2,217,569
<b>Unimproved Value - Vacant</b>							
Commercial	2,613	0.2757	1	1,000,000	2,757	-	2,757
Industrial	71,228	0.2719	8	27,640,000	75,146	-	75,146
Residential	3,710,896	0.4296	1,043	926,350,000	3,979,229	-	3,979,229
Rural and Mining	926,420	0.3410	125	286,625,000	977,374	-	977,374
<b>Sub-Totals</b>	<b>82,648,474</b>	<b>n/a</b>	<b>48,715</b>	<b>3,489,631,656</b>	<b>88,491,586</b>	<b>2,757,779</b>	<b>91,249,365</b>
<b>Minimum Rate Category</b>		<b>General Minimum \$</b>					
<b>Gross Rental Value - Improved</b>							
Caravan Park and Park Homes	344	362	1	4,056	362	-	362
Commercial	96,840	1,135	90	1,031,070	102,150	-	102,150
Community Groups - Major **	-	240	0	-	-	-	-
Community Groups - Surf Clubs	-	240	0	-	-	-	-
Community Groups - General	228	240	1	20	240	-	240
Industrial	512,176	1,135	476	6,425,106	540,260	-	540,260
Industrial Storage Units - Lesser Mini	25,824	567	48	169,050	27,216	-	27,216
Residential	15,075,960	1,155	13,768	184,240,916	15,902,040	-	15,902,040
Rural and Mining	-	1,145	0	-	-	-	-
<b>Gross Rental Value - Vacant</b>							
Commercial	8,608	1,135	8	85,050	9,080	-	9,080
Industrial	38,736	1,135	36	815,531	40,860	-	40,860
Residential	1,511,545	668	2,180	11,286,455	1,456,240	-	1,456,240
Rural and Mining	-	770	0	-	-	-	-
<b>Unimproved Value - Improved</b>							
Commercial	2,152	1,135	2	224,000	2,270	-	2,270
Community Groups - Major **	-	240	0	-	-	-	-
Community Groups - Surf Clubs	-	240	0	-	-	-	-
Community Groups - General	-	240	0	-	-	-	-
Industrial	-	1,135	0	-	-	-	-
Residential	70,080	1,155	62	13,309,255	71,610	-	71,610
Rural and Mining	13,032	1,145	11	3,275,286	12,595	-	12,595
<b>Unimproved Value - Vacant</b>							
Commercial	-	1,135	0	-	-	-	-
Industrial	-	1,135	0	-	-	-	-
Residential	93,765	701	52	7,668,000	36,452	-	36,452
Rural and Mining	27,740	770	38	214,350	29,260	-	29,260
<b>Sub-Totals</b>	<b>17,477,030</b>	<b>n/a</b>	<b>16,773</b>	<b>228,748,145</b>	<b>18,230,635</b>	<b>-</b>	<b>18,230,635</b>
<b>Totals</b>	<b>100,125,504</b>	<b>n/a</b>	<b>65,488</b>	<b>3,718,379,801</b>	<b>106,722,221</b>	<b>2,757,779</b>	<b>109,480,000</b>
Ex Gratia Rates	-	-	-	-	-	-	20,000
<b>Grand Totals</b>	<b>100,125,504</b>						<b>109,500,000</b>

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

\*\* = Sporting Clubs & Major Event Providers

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

## 9. RATING INFORMATION (Continued)

The general rates detailed above for the 2013/2014 financial year have been determined by the City on the basis of raising the revenue required to meet the efficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

For the 2008/2009 Financial year the City resolved to incorporate the domestic rubbish collection charge within the general rates. The reason for this is to enable eligible pensioners to claim a higher rebate from State Government. This will continue to be in place for the 2013/2014 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 - 21 May 2013		Final - 25 June 2013	
	Rate in the Dollar (Cents)	General Minimum Rate \$	Rate in the Dollar (Cents)	General Minimum Rate \$
<b>Gross Rental Value - Improved</b>				
Caravan Park and Park Homes	7.7564	362	<b>7.7564</b>	<b>362</b>
Commercial	7.5144	1,135	<b>7.5144</b>	<b>1,135</b>
Community Groups - Major (Sporting Clubs & Major Event Providers)	8.3111	240	<b>8.3111</b>	<b>240</b>
Community Groups - Surf Clubs	2.0505	240	<b>2.0505</b>	<b>240</b>
Community Groups - General	3.9269	240	<b>3.9269</b>	<b>240</b>
Industrial	6.3257	1,135	<b>6.3257</b>	<b>1,135</b>
Industrial Storage Units - Lesser Minimum	n/a	567	n/a	<b>567</b>
Residential	7.7574	1,155	<b>7.7574</b>	<b>1,155</b>
Rural and Mining	8.4819	1,145	<b>8.4819</b>	<b>1,145</b>
<b>Gross Rental Value - Vacant</b>				
Commercial	6.4213	1,135	<b>6.4213</b>	<b>1,135</b>
Industrial	4.1348	1,135	<b>4.1348</b>	<b>1,135</b>
Residential	10.8424	701	<b>10.8424</b>	<b>668</b>
Rural and Mining	7.9262	770	<b>7.9262</b>	<b>770</b>
<b>Unimproved Value - Improved</b>				
Commercial	0.25972	1,135	<b>0.2597</b>	<b>1,135</b>
Community Groups - Major (Sporting Clubs & Major Event Providers)	0.25500	240	<b>0.2550</b>	<b>240</b>
Community Groups - General	0.12366	240	<b>0.1237</b>	<b>240</b>
Industrial	0.24195	1,135	<b>0.2420</b>	<b>1,135</b>
Residential	0.33038	1,155	<b>0.3304</b>	<b>1,155</b>
Rural and Mining	0.32109	1,145	<b>0.3211</b>	<b>1,145</b>
<b>Unimproved Value - Vacant</b>				
Commercial	0.27567	1,135	<b>0.2757</b>	<b>1,135</b>
Industrial	0.27187	1,135	<b>0.2719</b>	<b>1,135</b>
Residential	0.42956	701	<b>0.4296</b>	<b>701</b>
Rural and Mining	0.34099	770	<b>0.3410</b>	<b>770</b>
<b>Description</b>	<b>Service Fee \$</b>		<b>Service Fee \$</b>	
Domestic Refuse Service Charge per year (for additional service or non-rated properties)	<b>360.50</b>		<b>360.50</b>	
Establishment Fee (per new or additional domestic refuse service)	<b>98.90</b>		<b>98.90</b>	

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.

*Note: An adjustment was made to the figures advertised to the Gross Rental Value - Vacant category for Residential properties. The reason for this adjustment was to comply with the LG Act requirement that each category should not have more than 50% of its properties charged at the Minimum Rate.*

**CITY OF WANNEROO**

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

**FOR THE YEAR ENDING 30TH JUNE 2014**

**10. SPECIFIED AREA RATES**

No specified area rates have been budgeted for the 2013/2014 Financial Year.

**11. SERVICE CHARGES**

No service charges have been budgeted for the 2013/2014 Financial Year.

**12. FEES & CHARGES REVENUE**

	<b>2012/2013 Budget \$</b>	<b>2012/2013 Actual (Est.) \$</b>	<b>2013/2014 Budget \$</b>
Governance	35,743	38,243	<b>39,213</b>
General Purpose Funding	429,930	460,820	<b>460,000</b>
Law, Order and Public Safety	311,610	337,380	<b>357,700</b>
Health	225,420	225,420	<b>248,533</b>
Education and Welfare	430,764	448,731	<b>462,091</b>
Community Amenities	9,260,454	9,006,124	<b>8,642,204</b>
Recreation and Culture	6,705,410	6,735,607	<b>7,062,330</b>
Transport	650,000	850,000	<b>850,000</b>
Economic Services	1,828,606	2,562,910	<b>2,109,506</b>
Other Property and Services	11,105	11,105	<b>11,272</b>
	<b><u>19,889,042</u></b>	<b><u>20,676,340</u></b>	<b><u>20,242,849</u></b>

**13. RATE PAYMENT DISCOUNTS, WAIVERS & CONCESSIONS**

No rates discounts have been budgeted for the 2013/2014 Financial Year.

With regard to waivers, Council has agreed, in accordance with Section 6.47 of the Local Government Act 1995, to waive the 2013/2014 Council Rates (excluding Emergency Services Levy) for land leased by the City to the following community groups:

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

**CITY OF WANNEROO**

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

**FOR THE YEAR ENDING 30TH JUNE 2014**

**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 \$900,000. 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 2013/2014 financial year is estimated at \$1,615,000. This is dissected as follows:

**Commercial Waste Debtors**

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

	<b>2012/2013 Budget \$</b>	<b>2012/2013 Actual (Est.) \$</b>	<b>2013/2014 Budget \$</b>
<b>Note</b>			
Late Payment Interest - Commercial Debtors	-	-	-
Instalment Interest Charges - Rates	400,000	456,628	<b>400,000</b>
Late Payment Penalty Interest - Rates	700,000	800,000	<b>900,000</b>
	<b>1,100,000</b>	<b>1,256,628</b>	<b>1,300,000</b>
<b>2a(ii)</b>			
Administration Charges - Rates	309,770	315,335	<b>315,000</b>
	<b>1,409,770</b>	<b>1,571,963</b>	<b>1,615,000</b>

**15. ELECTED MEMBERS REMUNERATION**

The following fees, expenses and allowances relate to Elected Members.

Meeting Fees	102,000	102,000	<b>420,000</b>
Mayor's Allowance	60,000	60,000	<b>120,000</b>
Deputy Mayor's Allowance	15,000	15,000	<b>30,000</b>
Information Technology Allowance	15,000	15,000	<b>15,000</b>
Telecommunications Allowance	36,000	36,000	<b>36,000</b>
Other Expense Recoups	75,750	75,750	<b>75,750</b>
Conference Expenses	60,000	60,000	<b>76,000</b>
	<b>363,750</b>	<b>363,750</b>	<b>772,750</b>

*Note: A particularly prudent approach has been applied in establishing the Budget figures above for 2013/2014, in that increases have been allowed for in anticipation of the likely amendments to the LG Act, to raise allowable payments to Elected Members. Notwithstanding this assumption, the City will only pay up to a maximum of what is determined under the Act, which may be less than that budgeted. If necessary, subsequent adjustments may be made to these budget items through the 2013/2014 Mid-Year Budget Review.*

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
Cash - Unrestricted		26,302,937	13,640,420	5,594,758
Cash - Restricted		72,406,288	159,704,289	139,474,850
<b>Total Cash</b>		<b>98,709,225</b>	<b>173,344,709</b>	<b>145,069,608</b>
Non-Current Financial Instruments - Restricted (TPS)		48,121,813	46,241,648	46,241,648
<b>Total Restricted Monies</b>		<b>120,528,101</b>	<b>205,945,937</b>	<b>185,716,498</b>

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

Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	856,000	856,000	2,339,880
Asset Preservation Reserve	-	-	-
Asset Replacement Reserve	3,794,243	6,190,941	5,523,102
Butler Collaborative Planning Agreement Reserve	2,483,007	2,568,415	2,652,731
City of Wanneroo Townsite Reserve	-	30,006	-
Commercial Refuse Reserve	1,814,254	1,897,403	1,968,556
Commercial Refuse - Plant Replacement Reserve	2,071,548	2,024,068	2,230,413
Domestic Refuse Reserve	4,240,880	5,365,292	4,687,490
Domestic Refuse - Plant Replacement Reserve	5,743,033	10,207,744	10,219,429
Environmental Initiatives Reserve	54,600	40,256	41,766
Fleming Park Lake Reserve	174,813	189,962	197,086
Golf Courses Reserve	451,681	672,575	500,658
HACC Asset Replacement Reserve	319,293	383,355	427,730
Heavy Vehicle Replacement Reserve	2,934,139	3,683,068	3,750,202
Land Acquisition Reserve	698,456	1,072,665	1,612,890
Leave Liability Reserve	1,744,914	1,759,240	1,875,212
Light Vehicle Replacement Reserve	1,491,878	2,064,326	1,749,458
Loan Repayment Reserve	7,887,951	7,934,969	9,565,863
Material Recoveries Facility Upgrade Reserve**	-	71,884	24,579
Neerabup Development Reserve	1,180,396	2,422,508	313,352
Plant Replacement Reserve	1,191,240	737,715	845,097
Quinns Rock Caravan Park Reserve	1,721	139,514	-
Resource Recovery Domestic Refuse Reserve	1,592,651	1,606,538	1,666,783
Section 20A Land Reserve	259,593	102,358	106,196
Strategic Projects/Initiatives Reserve	18,289,926	33,670,005	30,404,229
TPS 20 - District Distributor Headworks Reserve	5,637,663	5,846,324	6,065,561
Yanchep Bus Reserve	141,658	146,869	182,377
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	805,000	749,000	1,690,252
Town Planning Schemes	48,121,813	30,833,666	20,142,590
Unspent Grants, Contributions and Loans	6,545,750	36,437,623	28,691,368
	<b>120,528,101</b>	<b>159,704,289</b>	<b>139,474,850</b>

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

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

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

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

		2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>Net Result</b>		<b>42,042,779</b>	<b>50,075,684</b>	<b>43,106,715</b>
Depreciation	2(a)(1)	27,000,000	28,342,216	29,628,925
(Profit)/Loss on Sale of Asset	4	(2,470,000)	(3,261,862)	(1,333,333)
(Increase)/Decrease in Receivables		(150,000)	(3,450,000)	(150,000)
(Increase)/Decrease in Inventories		50,000	(71,171)	-
Increase/(Decrease) in Payables		(100,000)	-	(50,000)
Increase/(Decrease) in Employee Provisions		50,000	50,000	50,000
Town Planning Scheme Income	18(b)	(12,370,000)	(13,608,256)	(12,480,250)
Town Planning Scheme Expenses	18(b)	9,224,430	5,560,395	12,361,000
Grants/Contributions for the Development of Assets		(38,736,508)	(34,903,249)	(43,232,516)
<b>Net Cash from Operating Activities</b>		<b>24,540,701</b>	<b>28,733,757</b>	<b>27,900,541</b>

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

Bank Overdraft Limit		1,000,000	1,000,000	1,000,000
Bank Overdraft at Balance Date		-	-	-
<b>Bank Overdraft Available</b>		<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
Credit Card Limit		52,000	52,000	52,000
Credit Card Balance at Balance Date		-	15,000	-
<b>Credit Card Balance at Balance Date</b>		<b>52,000</b>	<b>37,000</b>	<b>52,000</b>
<b>Total Amount of Credit Unused</b>		<b>1,052,000</b>	<b>1,037,000</b>	<b>1,052,000</b>
<b>Loan Facilities</b>				
Loan Facilities in use at Balance Date		<b>60,778,188</b>	<b>60,778,188</b>	<b>60,778,188</b>
Unused Loan Facilities at Balance Date		-	-	-



**CITY OF WANNEROO**

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

**FOR THE YEAR ENDING 30TH JUNE 2014**

**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:

	<b>Actual (Est.) 01-Jul-13 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid \$</b>	<b>Balance 30-Jun-14 \$</b>
Unclaimed Money	4,275	-	-	4,275
Trust Fund - Mayor's Christmas Appeal	-	2,000	2,000	-
Cash in Lieu of Public Open Space	124,000	50,000	-	174,000
	<b>128,275</b>	<b>52,000</b>	<b>2,000</b>	<b>178,275</b>

**18. MAJOR LAND TRANSACTIONS**

The City of Wanneroo, along with the City of Perth, City of Joondalup, City of Stirling, Town of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. The establishment of the Tamala Park Regional Council was pursuant to Section 3.61 of the Local Government Act. The Tamala Park Regional Council formally came into existence on the 3 February 2006. The Tamala Park Regional Council's activities will centre around the development of Mindarie lot 9504 on Deposit Plan 52070. Lot 9504 (subdivided from Lot 118) was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council, this lot is now being developed with a purpose of creating a new urban land development and a new urban community. The City of Wanneroo will contribute one sixth of any funding required for capital or operating costs.

The City has received advice from the Tamala Park Regional Council, that some income distributions are likely during the 2013/2014 financial year resulting from the first stages of land sales. The initial estimates of the City's portion of the income is forecast at \$1,333,333.

**Town Planning Schemes**

**(a) Details**

The City's major land transactions relate to its role in Town Planning and Regional Development and has the following Town Planning Schemes and "Development Areas" in operation:-

- Town Planning Scheme 5 (Landsdale)
- Berkley Road Structure Plan Area
- Neerabup Structure Plan
- East Wanneroo Development Area (Cells 1 - 9)

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions

	Balance 1-July-13 \$	Transfers To \$	Transfers From - Operating \$	Transfers From - Capital \$	Balance 30-Jun-14 \$
<b>Operating Accounts</b>					
Town Planning Scheme 5 (Landsdale)	608,627	23,506	5,000	-	627,133
Berkley Road Structure Plan Area	2,716,562	136,578	55,000	-	2,798,140
Neerabup Structure Plan	2,319,373	42,748	23,993	4,965,349	(2,627,221)
<b>Sub Total</b>	<b>5,644,562</b>	<b>202,832</b>	<b>83,993</b>	<b>4,965,349</b>	<b>798,052</b>
<b>Scheme Accounts</b>					
East Wanneroo Development Area (Cell 1)	23,962,101	2,858,723	605,057	-	26,215,767
East Wanneroo Development Area (Cell 2)	3,903,160	631,405	8,033	-	4,526,532
East Wanneroo Development Area (Cell 3)	1,257,451	79,472	132,033	-	1,204,890
East Wanneroo Development Area (Cell 4)	14,863,162	2,605,162	3,814,704	5,336,432	8,317,188
East Wanneroo Development Area (Cell 5)	7,554,232	1,213,924	2,562,660	-	6,205,496
East Wanneroo Development Area (Cell 6)	20,752,937	1,215,813	209,033	-	21,759,717
East Wanneroo Development Area (Cell 7)	2,864,905	1,100,047	1,008,036	-	2,956,916
East Wanneroo Development Area (Cell 8)	(3,009,557)	511,454	1,527,451	137,545	(4,163,099)
East Wanneroo Development Area (Cell 9)	(717,639)	2,061,418	2,410,000	371,000	(1,437,221)
<b>Sub Total</b>	<b>71,430,752</b>	<b>12,277,418</b>	<b>12,277,007</b>	<b>5,844,977</b>	<b>65,586,186</b>
<b>Total</b>	<b>77,075,314</b>	<b>12,480,250</b>	<b>12,361,000</b>	<b>10,810,326</b>	<b>66,384,238</b>

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

	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>Town Planning Scheme 5 (Landsdale)</b>			
<b>Income</b>			
Interest on Investments	-	30,000	23,506
	-	30,000	23,506
<b>Expenditure</b>			
Administration Charges	63	63	-
Bank Fees	80	80	-
Legal Fees	-	-	5,000
Construction Costs - Municipal Transfer	-	-	-
	143	143	5,000
<b>Net Result</b>	<b>(143)</b>	<b>29,857</b>	<b>18,506</b>
<b>Surplus/(Deficit) brought forward</b>	<b>486,036</b>	<b>578,770</b>	<b>608,627</b>
Net Result	(143)	29,857	18,506
<b>Surplus/(Deficit) carried forward</b>	<b>485,893</b>	<b>608,627</b>	<b>627,133</b>
<b>Berkley Road Structure Plan Area</b>			
<b>Income</b>			
Contributions	-	32,250	32,250
Interest on Investments	134,528	134,528	104,328
	134,528	166,778	136,578
<b>Expenditure</b>			
Administration Charges	71	71	-
Bank Fees	270	270	-
Audit Fee	560	560	-
Consulting Fees	-	-	5,000
Compensation Payments	-	-	50,000
Construction Costs - Municipal Transfer	-	-	-
	901	901	55,000
<b>Net Result</b>	<b>133,627</b>	<b>165,877</b>	<b>81,578</b>
<b>Surplus/(Deficit) brought forward</b>	<b>2,624,754</b>	<b>2,550,685</b>	<b>2,716,562</b>
Net Result	133,627	165,877	81,578
<b>Surplus/(Deficit) carried forward</b>	<b>2,758,381</b>	<b>2,716,562</b>	<b>2,798,140</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions (Continued)

	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>Neerabup Structure Plan (Proposed Cell 10)</b>			
<b>Income</b>			
Interest on Investments	0	100,000	42,748
	<u>-</u>	<u>100,000</u>	<u>42,748</u>
<b>Expenditure</b>			
Administration Charges	159	159	23,993
Construction Costs - Municipal Transfer	4,990,000	24,651	4,965,349
	<u>4,990,159</u>	<u>24,810</u>	<u>4,989,342</u>
<b>Net Result</b>	<u>(4,990,159)</u>	<u>75,190</u>	<u>(4,946,594)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>(1,765,976)</b>	<b>2,244,183</b>	<b>2,319,373</b>
Net Result	(4,990,159)	75,190	(4,946,594)
<b>Surplus/(Deficit) carried forward</b>	<u><b>(6,756,135)</b></u>	<u><b>2,319,373</b></u>	<u><b>(2,627,221)</b></u>
<b>East Wanneroo Development Area (Cell 1)</b>			
<b>Income</b>			
Contributions	2,000,000	2,000,000	2,000,000
Interest on Investments	1,270,980	1,270,980	858,723
	<u>3,270,980</u>	<u>3,270,980</u>	<u>2,858,723</u>
<b>Expenditure</b>			
Administration Charges	14,642	14,642	57
Audit Fee Expenses	540	540	-
Consulting Fees	1,500	1,500	1,000
Legal Fees	-	-	2,000
Bank Fees	3,220	3,220	-
Advertising	330	330	-
Compensation Payments	752,000	2,000	602,000
Construction Costs - Municipal Transfer	-	-	-
	<u>772,232</u>	<u>22,232</u>	<u>605,057</u>
<b>Net Result</b>	<u><b>2,498,748</b></u>	<u><b>3,248,748</b></u>	<u><b>2,253,666</b></u>
<b>Surplus/(Deficit) brought forward</b>	<b>23,561,613</b>	<b>20,713,353</b>	<b>23,962,101</b>
Net Result	2,498,748	3,248,748	2,253,666
<b>Surplus/(Deficit) carried forward</b>	<u><b>26,060,361</b></u>	<u><b>23,962,101</b></u>	<u><b>26,215,767</b></u>
<b>East Wanneroo Development Area (Cell 2)</b>			
<b>Income</b>			
Contributions	1,000,000	1,200,000	490,000
Interest on Investments	116,348	116,348	141,405
	<u>1,116,348</u>	<u>1,316,348</u>	<u>631,405</u>
<b>Expenditure</b>			
Administration Charges	549	549	33
Audit Fee Expenses	540	540	-
Legal Fees	-	-	1,000
Consulting Fees	1,500	1,500	2,000
Bank Fees	220	220	-
Advertising	330	330	-
Compensation Payments	2,000	5,000	5,000
	<u>5,139</u>	<u>8,139</u>	<u>8,033</u>
<b>Net Result</b>	<u><b>1,111,209</b></u>	<u><b>1,308,209</b></u>	<u><b>623,372</b></u>
<b>Surplus/(Deficit) brought forward</b>	<b>1,274,418</b>	<b>2,594,951</b>	<b>3,903,160</b>
Net Result	1,111,209	1,308,209	623,372
<b>Surplus/(Deficit) carried forward</b>	<u><b>2,385,627</b></u>	<u><b>3,903,160</b></u>	<u><b>4,526,532</b></u>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions (Continued)

	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>East Wanneroo Development Area (Cell 3)</b>			
<b>Income</b>			
Contributions	70,000	70,000	28,000
Interest on Investments	50,046	50,046	51,472
	<b>120,046</b>	<b>120,046</b>	<b>79,472</b>
<b>Expenditure</b>			
Administration Charges	138	138	33
Audit Fee Expenses	540	540	-
Consulting	-	-	2,000
Bank Fees	190	190	-
Advertising	330	330	-
Compensation Payments	126,000	130,000	130,000
Construction Costs - Municipal Transfer	-	-	-
	<b>127,198</b>	<b>131,198</b>	<b>132,033</b>
<b>Net Result</b>	<b>(7,152)</b>	<b>(11,152)</b>	<b>(52,561)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>1,173,659</b>	<b>1,268,603</b>	<b>1,257,451</b>
Net Result	(7,152)	(11,152)	(52,561)
<b>Surplus/(Deficit) carried forward</b>	<b>1,166,507</b>	<b>1,257,451</b>	<b>1,204,890</b>
<b>East Wanneroo Development Area (Cell 4)</b>			
<b>Income</b>			
Contributions	2,400,000	3,500,000	2,000,000
Interest on Investments	310,138	500,000	605,162
	<b>2,710,138</b>	<b>4,000,000</b>	<b>2,605,162</b>
<b>Expenditure</b>			
Administration Charges	2,432	2,432	57,704
Audit Fee Expenses	540	540	-
Legal Fees	-	30,000	50,000
Consulting Fees	15,000	15,000	2,000
Bank Fees	2,040	2,040	-
Advertising	330	330	-
Compensation Payments	3,503,000	3,505,000	3,705,000
Construction Costs - Municipal Transfer	3,950,000	113,568	5,336,432
	<b>7,473,342</b>	<b>3,668,910</b>	<b>9,151,136</b>
<b>Net Result</b>	<b>(4,763,204)</b>	<b>331,090</b>	<b>(6,545,974)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>11,122,313</b>	<b>14,532,072</b>	<b>14,863,162</b>
Net Result	(4,763,204)	331,090	(6,545,974)
<b>Surplus/(Deficit) carried forward</b>	<b>6,359,109</b>	<b>14,863,162</b>	<b>8,317,188</b>

## CITY OF WANNEROO

## NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

## 18. MAJOR LAND TRANSACTIONS (Continued)

## Town Planning Schemes (Continued)

## (b) Current Year Transactions (Continued)

	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>East Wanneroo Development Area (Cell 5)</b>			
<b>Income</b>			
Contributions	1,000,000	300,000	930,000
Interest on Investments	148,856	400,000	283,924
	<b>1,148,856</b>	<b>700,000</b>	<b>1,213,924</b>
<b>Expenditure</b>			
Administration Charges	34,442	34,442	5,660
Audit Fee Expenses	540	540	-
Legal Fees	30,000	30,000	50,000
Consulting Fees	2,000	2,000	2,000
Bank Fees	1,940	1,940	-
Advertising	330	330	-
Compensation Payments	2,751,000	305,000	2,505,000
Construction Costs - Municipal Transfer	595,729	50,000	-
	<b>3,415,981</b>	<b>424,252</b>	<b>2,562,660</b>
<b>Net Result</b>	<b>(2,267,125)</b>	<b>275,748</b>	<b>(1,348,736)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>5,319,291</b>	<b>7,278,484</b>	<b>7,554,232</b>
Net Result	(2,267,125)	275,748	(1,348,736)
<b>Surplus/(Deficit) carried forward</b>	<b>3,052,166</b>	<b>7,554,232</b>	<b>6,205,496</b>
<b>East Wanneroo Development Area (Cell 6)</b>			
<b>Income</b>			
Contributions	1,500,000	2,200,000	500,000
Interest on Investments	856,715	856,715	715,813
	<b>2,356,715</b>	<b>3,056,715</b>	<b>1,215,813</b>
<b>Expenditure</b>			
Administration Charges	18,378	18,378	33
Audit Fee Expenses	540	540	-
Consulting Fees	-	-	2,000
Legal Fees	30,000	-	2,000
Bank Fees	3,170	3,170	-
Advertising	330	330	-
Compensation Payments	1,002,000	205,000	205,000
Construction Costs - Municipal Transfer	-	-	-
	<b>1,054,418</b>	<b>227,418</b>	<b>209,033</b>
<b>Net Result</b>	<b>1,302,297</b>	<b>2,829,297</b>	<b>1,006,780</b>
<b>Surplus/(Deficit) brought forward</b>	<b>16,263,905</b>	<b>17,923,640</b>	<b>20,752,937</b>
Net Result	1,302,297	2,829,297	1,006,780
<b>Surplus/(Deficit) carried forward</b>	<b>17,566,202</b>	<b>20,752,937</b>	<b>21,759,717</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions (Continued)

	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>East Wanneroo Development Area (Cell 7)</b>			
<b>Income</b>			
Contributions	400,000	800,000	1,000,000
Interest on Investments	112,389	112,389	100,047
	<b>512,389</b>	<b>912,389</b>	<b>1,100,047</b>
<b>Expenditure</b>			
Administration Charges	215	215	36
Audit Fee Expenses	540	540	-
Legal Fees	-	-	1,000
Consulting	-	-	2,000
Bank Fees	210	210	-
Advertising	330	330	-
Compensation Payments	103,000	5,000	1,005,000
Construction Costs - Municipal Transfer	-	-	-
	<b>104,295</b>	<b>6,295</b>	<b>1,008,036</b>
<b>Net Result</b>	<b>408,094</b>	<b>906,094</b>	<b>92,011</b>
<b>Surplus/(Deficit) brought forward</b>	<b>1,896,353</b>	<b>1,958,811</b>	<b>2,864,905</b>
Net Result	408,094	906,094	92,011
<b>Surplus/(Deficit) carried forward</b>	<b>2,304,447</b>	<b>2,864,905</b>	<b>2,956,916</b>
<b>East Wanneroo Development Area (Cell 8)</b>			
<b>Income</b>			
Contributions	1,000,000	1,000,000	500,000
Interest on Investments	-	35,000	11,454
	<b>1,000,000</b>	<b>1,035,000</b>	<b>511,454</b>
<b>Expenditure</b>			
Administration Charges	29,597	29,597	12,451
Audit Fee Expenses	540	540	-
Consulting Fees	5,000	10,000	10,000
Legal Fees	5,000	35,000	100,000
Bank Fees	900	900	-
Advertising	330	330	-
Compensation Payments	752,000	753,000	1,405,000
Construction Costs - Municipal Transfer	1,695,536	162,455	137,545
	<b>2,488,903</b>	<b>991,822</b>	<b>1,664,996</b>
<b>Net Result</b>	<b>(1,488,903)</b>	<b>43,178</b>	<b>(1,153,542)</b>
<b>Surplus/(Deficit) brought forward</b>	<b>(5,479,812)</b>	<b>(3,052,735)</b>	<b>(3,009,557)</b>
Net Result	(1,488,903)	43,178	(1,153,542)
<b>Surplus/(Deficit) carried forward</b>	<b>(6,968,715)</b>	<b>(3,009,557)</b>	<b>(4,163,099)</b>

CITY OF WANNEROO

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDING 30TH JUNE 2014

18. MAJOR LAND TRANSACTIONS (Continued)

Town Planning Schemes (Continued)

(b) Current Year Transactions (Continued)

	2012/2013 Budget \$	2012/2013 Actual (Est.) \$	2013/2014 Budget \$
<b>East Wanneroo Development Area (Cell 9)</b>			
<b>Income</b>			
Contributions	-	500,000	2,000,000
Interest on Investments		70,000	61,418
	<u>-</u>	<u>570,000</u>	<u>2,061,418</u>
<b>Expenditure</b>			
Administration Charges	654	654	-
Consulting Fees	20,000	10,000	-
Legal Fees	-	-	5,000
Advertising	330	330	-
Compensation Payments	2,000	5,000	2,405,000
Construction Costs - Municipal Transfer	-	1,264,109	371,000
	<u>22,984</u>	<u>1,280,093</u>	<u>2,781,000</u>
<b>Net Result</b>	<u>(22,984)</u>	<u>(710,093)</u>	<u>(719,582)</u>
<b>Surplus/(Deficit) brought forward</b>	<b>(269,046)</b>	<b>(7,546)</b>	<b>(717,639)</b>
Net Result	(22,984)	(710,093)	(719,582)
<b>Surplus/(Deficit) carried forward</b>	<u><b>(292,030)</b></u>	<u><b>(717,639)</b></u>	<u><b>(1,437,221)</b></u>

19. TRADING UNDERTAKINGS & MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2013/2014.