



# ANNUAL BUDGET

2009/10



A vibrant community enjoying a rich mix of lifestyles

# SHIRE OF MUNDARING

## ANNUAL BUDGET 2009/10

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## SHIRE OF MUNDARING

### ANNUAL BUDGET 2009/10

#### LOCAL GOVERNMENT ACT (SECTIONS 6.2, 6.32 AND 6.33)

We hereby certify that the Annual Budget was adopted by an absolute majority of the Council of the Shire of Mundaring at a Meeting of Council, held at the Council Chambers, 7000 Great Eastern Highway Mundaring, on Tuesday 23 June 2009.

Having estimated the deficiency under Section 6.2 (2) (c) of the *Local Government Act*, the Shire of Mundaring now imposes General Rates for Gross Rental Value and Unimproved Value properties.



**H Dullard**  
**SHIRE PRESIDENT**



**J P Throssell**  
**CHIEF EXECUTIVE OFFICER**

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

**INCOME STATEMENT (BY PROGRAM)**

	Note	2008/2009 BUDGET \$	2008/2009 FORECAST \$	2009/2010 BUDGET \$
<b>OPERATING REVENUE</b>				
General Purpose Funding		20,405,637	20,437,591	21,575,544
Governance		67,800	77,700	99,400
Law, Order & Public Safety		317,570	317,570	346,742
Health		29,819	29,819	35,857
Education & Welfare		2,466,272	2,406,867	2,403,294
Community Amenities		2,559,981	2,975,702	2,948,543
Recreation and Culture		932,032	789,256	854,550
Transport		260,360	139,744	183,000
Economic Services		312,663	440,063	295,600
Other Property and Services		279,168	1,199,341	802,434
<b>TOTAL OPERATING REVENUE</b>		<u>27,631,302</u>	<u>28,813,653</u>	<u>29,544,964</u>
<b>OPERATING EXPENSES</b> (Excluding borrowing costs)				
General Purpose Funding		(720,830)	(736,829)	(740,272)
Governance		(3,547,588)	(3,889,899)	(3,800,318)
Law, Order & Public Safety		(1,366,135)	(1,363,277)	(1,461,180)
Health		(503,111)	(502,196)	(554,611)
Education & Welfare		(4,999,578)	(4,832,469)	(3,965,874)
Community Amenities		(5,103,689)	(5,264,266)	(5,951,581)
Recreation and Culture		(6,010,962)	(5,260,835)	(5,722,968)
Transport		(9,178,089)	(8,278,291)	(11,115,088)
Economic Services		(595,548)	(583,548)	(736,157)
Other Property and Services		(438,461)	(1,107,829)	(1,263,741)
<b>TOTAL OPERATING EXPENSES</b>		<u>(32,463,991)</u>	<u>(31,819,439)</u>	<u>(35,311,790)</u>
Increase/(Decrease)		(4,832,689)	(3,005,786)	(5,766,826)
<b>BORROWING COSTS</b>				
Governance		(385,000)	-	-
Education & Welfare		(4,400)	(1,595)	(327)
Recreation and Culture		(7,050)	(380,765)	(371,339)
		<u>(396,450)</u>	<u>(382,360)</u>	<u>(371,666)</u>
<b>GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS</b>				
Law, Order & Public Safety		220,000	220,000	220,000
Recreation and Culture		176,806	211,472	1,158,923
Governance		50,000		40,000
Transport		2,196,042	2,504,340	607,000
	19	<u>2,642,848</u>	<u>2,935,812</u>	<u>2,025,923</u>
<b>DISPOSAL OF ASSETS</b>				
Proceeds of Sale		600,630	1,016,630	415,000
Book Value		600,630	(564,630)	(403,000)
Profit (Loss) on Disposal	7	-	452,000	12,000
		<u>-</u>	<u>452,000</u>	<u>12,000</u>
<b>NET RESULTS</b>		<u>(2,586,291)</u>	<u>(334)</u>	<u>(4,100,569)</u>

*The Income Statement should be read in conjunction with the accompanying notes*

SHIRE OF MUNDARING  
Annual Budget for the Year Ending 30 June 2010

**INCOME STATEMENT (BY NATURE OR TYPE)**

	Note	2008/2009 BUDGET \$	2008/2009 FORECAST \$	2009/2010 BUDGET \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>				
Rates	22	16,183,587	16,253,589	17,528,550
Grants and Subsidies - Operating	19	4,578,804	4,594,987	4,316,468
Contributions , Reimbursements & Donations		851,819	837,872	568,268
Fees and Charges	20	4,143,987	4,344,551	5,196,150
Interest Earnings	4	1,179,000	1,150,345	995,000
Other Revenue		694,105	713,673	383,156
		<u>27,631,302</u>	<u>27,895,017</u>	<u>28,987,592</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(11,159,888)	(9,499,637)	(10,266,392)
Materials and Contracts		(12,259,511)	(12,425,939)	(12,844,754)
Utility Charges		(288,616)	(292,964)	(771,475)
Depreciation on Non Current Assets	6	(6,671,480)	(6,671,480)	(9,167,755)
Interest Expenses		(396,450)	(386,595)	(387,000)
Insurance Expenses		(683,634)	(672,537)	(759,383)
Other Expenses		(1,400,862)	(1,334,011)	(929,325)
		<u>(32,860,441)</u>	<u>(31,283,163)</u>	<u>(35,126,084)</u>
Increase/(Decrease)		(5,229,139)	(3,388,146)	(6,138,492)
Non Operating Grants and Contributions	19	2,642,848	2,935,812	2,025,923
<b>DISPOSAL OF ASSETS</b>				
Proceeds of Sale		600,630	1,016,630	415,000
Book Value		(600,630)	(564,630)	(403,000)
Profit (Loss) on Disposal	7	<u>-</u>	<u>452,000</u>	<u>12,000</u>
<b>NET RESULTS</b>		<u><b>(2,586,291)</b></u>	<u><b>(334)</b></u>	<u><b>(4,100,569)</b></u>

*The Income Statement should be read in conjunction with the accompanying notes*

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

**RATE SETTING STATEMENT**

	Note	2008/2009 BUDGET \$	2008/2009 FORECAST \$	2009/2010 BUDGET \$
<b>Operating Expenses</b>				
General Purpose Funding		(720,830)	(736,829)	(740,272)
Governance		(3,547,588)	(3,889,899)	(3,800,318)
Law, Order & Public Safety		(1,366,135)	(1,363,277)	(1,461,180)
Health		(503,111)	(502,196)	(554,611)
Education & Welfare		(4,999,578)	(4,832,469)	(3,965,874)
Community Amenities		(5,103,689)	(5,264,266)	(5,951,581)
Recreation and Culture		(6,010,962)	(5,260,835)	(5,722,968)
Transport		(9,178,089)	(8,278,291)	(11,115,088)
Economic Services		(595,548)	(583,548)	(736,157)
Other Property and Services		(438,461)	(1,107,829)	(1,263,741)
		<u>(32,463,991)</u>	<u>(31,819,439)</u>	<u>(35,311,790)</u>
Borrowing Costs		(396,450)	(382,360)	(371,666)
		<u>(32,860,441)</u>	<u>(32,201,799)</u>	<u>(35,683,456)</u>
<b>Operating Revenue (Excluding Rates)</b>				
General Purpose Funding (Exc Rates)		4,222,050	4,182,002	4,044,994
Governance		67,800	77,700	99,400
Law, Order & Public Safety		317,570	317,570	346,742
Health		29,819	29,819	35,857
Education & Welfare		2,466,272	2,406,867	2,403,294
Community Amenities		2,559,981	2,975,702	2,948,543
Recreation and Culture		932,032	789,256	854,550
Transport		260,360	139,744	183,000
Economic Services		312,663	440,063	295,600
Other Property and Services		279,168	1,199,341	802,434
		<u>11,447,715</u>	<u>12,558,064</u>	<u>12,014,414</u>
<b>NET</b>		(21,412,726)	(19,643,735)	(23,669,042)
Write Back Non-Cash Items - Depreciation	6	6,671,480	6,671,479	9,167,756
Grants/Contributions - for the Development of Assets	19	2,642,848	2,935,812	2,025,923
<b>Funds Demand from Operations</b>		<u>(12,098,398)</u>	<u>(10,036,444)</u>	<u>(12,475,363)</u>
<b>Acquisition of Non-Current Assets</b>				
Land		(15,000)	(65,157)	(10,000)
Buildings		(1,660,710)	(1,714,100)	(2,129,069)
Plant & Equipment		(2,222,980)	(2,575,379)	(1,369,150)
Furniture & Equipment		(53,550)	(190,033)	(75,300)
Infrastructure Assets - Roads, Streets		(5,407,018)	(4,585,845)	(4,932,073)
Infrastructure Assets - Other Structures		(350,542)	(868,722)	(344,456)
Infrastructure Assets - Parks Plant & Equipment		(566,167)	(652,917)	(472,298)
Infrastructure Assets - Drainage		-	(32,000)	(254,000)
Infrastructure Assets - Gardens		(104,897)	-	(140,000)
	8	<u>(10,380,864)</u>	<u>(10,684,153)</u>	<u>(9,726,346)</u>

*The Rate Setting statement should be read in conjunction with the accompanying notes*

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

RATE SETTING STATEMENT (continued)	Note	2008/2009 BUDGET \$	2008/2009 FORECAST \$	2009/2010 BUDGET \$
Proceeds from Sale of Assets	7	600,630	1,016,629	415,000
Self-Supporting Loan Repayments	10	-	19,075	12,289
Funding to Reserves	13	(2,545,000)	(2,903,163)	(1,960,000)
Restricted Assets Movements	15	(282,815)	-	(120,000)
Prov for Employee Benefits (Non current) adj		-	109,152	40,000
Debt Redemption	11	(272,150)	(132,151)	(312,289)
Closing Funds - Surplus	3	(549,474)	(3,515,991)	31,668
		<u>(3,048,809)</u>	<u>(5,406,449)</u>	<u>(1,893,332)</u>
<b>Demand from Resources</b>		<u>(25,528,071)</u>	<u>(26,127,046)</u>	<u>(24,095,041)</u>
<b>Funding Sources</b>				
Opening Funds - Surplus	3	6,490,274	6,332,953	3,515,991
Loan Funds	11	-	-	1,000,000
Reserves	13	2,854,210	3,538,504	2,048,500
		<u>9,344,484</u>	<u>9,871,457</u>	<u>6,564,491</u>
<b>AMOUNT MADE UP FROM RATES</b>		<u><u>(16,183,587)</u></u>	<u><u>(16,255,589)</u></u>	<u><u>(17,530,550)</u></u>

*The Rate Setting statement should be read in conjunction with the accompanying notes*

**CASH FLOW STATEMENT**

	Note	2008/2009 BUDGET \$	2008/2009 FORECAST \$	2009/2010 BUDGET \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		16,142,942	15,870,586	17,361,892
Fees & Charges		4,877,119	4,991,884	5,096,150
Contributions, Reimbursements & Donations		990,819	837,872	707,268
Interest Received		1,194,000	1,150,345	995,000
Other Income		694,105	713,673	383,156
Grants - Operating		4,778,804	4,944,987	4,516,468
GST Refund		1,338,815	1,613,339	1,436,000
<b>Total Receipts</b>		<u>30,016,604</u>	<u>30,122,686</u>	<u>30,495,934</u>
<b>Payments</b>				
Employee Costs		(11,238,555)	(9,262,910)	(10,041,546)
Utilities (Gas, Electricity, Water etc)		(348,616)	(320,964)	(831,475)
Interest Paid		(386,450)	(386,595)	(387,000)
Materials & Contracts		(13,539,226)	(13,848,003)	(14,367,912)
Insurance Expenses		(683,635)	(732,537)	(759,383)
Subsidy Payments		(470,419)	(600,000)	(470,418)
Other Payments		(1,105,442)	(799,016)	(633,906)
<b>Total Payments</b>		<u>(27,772,343)</u>	<u>(25,950,025)</u>	<u>(27,491,640)</u>
<b>Net Cash Inflows/(Outflows) from Operating Activities</b>	14	<u>2,244,262</u>	<u>4,172,661</u>	<u>3,004,294</u>
<b>Cash Flows from Investing Activities</b>				
Proceeds from the Sale of Non-Current Assets	7	600,630	1,016,630	415,000
Grants/Contrib. for the development of assets	19	2,642,848	2,935,812	2,025,923
Repayment by Clubs & Institutions	10	-	19,076	12,289
Purchase of Non-Current Assets	8	(10,380,864)	(10,684,151)	(9,726,346)
<b>Net Cash Inflows/(Outflows) from Investing Activities</b>		<u>(7,137,386)</u>	<u>(6,712,633)</u>	<u>(7,273,134)</u>
<b>Cash flows from Financing Activities</b>				
Borrowings	11	-	-	1,000,000
Repayment of Borrowings	11	(272,150)	(132,150)	(312,289)
<b>Net Cash Inflows/(Outflows) from Financing Activities</b>		<u>(272,150)</u>	<u>(132,150)</u>	<u>687,711</u>
<b>Net Increase (Decrease) in Cash Held</b>		(5,165,275)	(2,672,122)	(3,581,129)
<b>Net Cash at the Beginning of the Year</b>		18,343,166	18,503,954	15,831,832
<b>Cash and Cash Equivalents at the end of the Year</b>	14	<u>13,177,892</u>	<u>15,831,832</u>	<u>12,250,703</u>

*The Cash Flow Statement should be read in conjunction with the accompanying notes*



NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

1 ) SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of Accounting*

This statutory budget is a general purpose statutory budget and has been prepared to comply with applicable Australian Accounting Standards, other mandatory professional reporting requirements, the *Local Government Act 1995* (as amended) and the Local Government Regulations.

It has been prepared on the accrual basis under the convention of historical cost accounting except where otherwise stated.

**Critical Accounting Estimates**

The preparation of a statutory budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

(b) *The Local Government Reporting Entity*

All Funds through which the Council controls resources to carry on its functions have been included in the budget.

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

Trust Funds

The Shire acts as a collection agency for the Building Industry Authority, the Builder's Registration Board of WA, and other bodies. As the Shire performs only a custodial role in respect of those monies, they are excluded from the budget.

(c) *Classification and Capitalisation of Non-Current Assets*

Each class of property, plant and equipment and infrastructure assets can be valued at either cost or fair value. Non-Current Assets are classified into the following categories:

- Land
- Buildings
- Furniture and Equipment (internal)
- Plant and Equipment (external)
- Infrastructure Assets - Roads and Streets
- Infrastructure Assets - Other structures
- Infrastructure Assets - Parks, Plant and Machinery
- Infrastructure Assets - Drainage
- Infrastructure Assets - Gardens

For the purpose of practicality, the following materiality thresholds have been applied, below which any expenditure on assets need not be capitalised.

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

1 ) SIGNIFICANT ACCOUNTING POLICIES

**Land**

All purchases are capitalised, but land resumed for public works need not be capitalised if the resumption cost is less than \$1,000.

**Buildings**

Expenses totalling less than \$3,000 on any one building in any year need not be capitalised.

**Furniture and Equipment (Internal)**

Expenses totalling less than \$3000 on any item in any year need not be capitalised.

**Plant and Equipment (external)**

Expenses totalling less than \$3,000 on any one item in any year need not be capitalised.

**Infrastructure Assets – Roads and Streets**

Expenses totalling less than \$5,000 on any one item in any year need not be capitalised.

**Infrastructure Assets - Other Categories**

Expenses totalling less than \$3000 on any one item in any year need not be capitalised

**Tools**

Expenses totalling less than \$3000 on any one item in any year need not be capitalised.

Council has resolved that each class of property, plant, equipment and infrastructure assets are carried at cost less any accumulated depreciation with the exception of road assets. Road assets are carried at Management valuation.

**Land under Roads**

Acquired on or before 30 June 2008 -

Council has elected not to recognise the value of lands under roads acquired on or before 30 June 2008 in accordance with AASB 1051.

Acquired on or after 1 July 2008 -

Land under roads acquired after 30 June 2008 is accounted for in accordance with AASB 116 - Property, Plant & Equipment. However, Local Government (Financial Management) Regulation 16 prohibits the recognition of land under roads as asset that is crown land, but is vested under the control or management of the local government.

Local Government (Financial Management) Regulation 4 states that where the Accounting Standard is inconsistent with the provisions of the regulations, the provisions of the regulations prevail to the extent of that inconsistency.

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

**Revaluation**

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

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

Other non-current assets are measured on the cost basis. The carrying amount of non-current assets are reviewed annually by management to ensure that they are not in excess of the recoverable amount.

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

1 ) SIGNIFICANT ACCOUNTING POLICIES

*(d) Depreciation of Non-Current Assets*

All non-current assets having a limited useful life are systematically depreciated over their useful lives to the entity in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Property, plant, furniture and equipment are brought to account at cost, and will be carried at net written down values.

	Residual Value	Depreciation Rate
<b>Buildings</b>		
Buildings	10%	3%
Stationary Plant & Equipment	5%	10%
Fixtures & Fittings	10%	9.5%
<b>Furniture and Equipment (Internal)</b>		
Office Furniture	10%	6.2%
Computer Hardware & Communications	0%	33.3%
Computer Software	0%	33.3%
Other Office Equipment	5%	9.5%
<b>Plant and Equipment (external)</b>		
Sedans & Wagons – Base Models	40%	25%
Sedans & Wagons – Executive Models	35%	30%
Utilities and 4WDs	25%	30%
Construction Plant	10%	9%
Construction Vehicles and Equipment	40%	9%
<b>Infrastructure Assets - Roads, Streets</b>		2% - 5%
<b>Infrastructure Assets - Other Structures</b>		1% - 5%
<b>Infrastructure Assets - Drainage</b>		1% - 2%
<b>Infrastructure Assets - Gardens</b>		Nil
<b>Infrastructure Assets - Parks, Plant &amp; Equipment</b>		1.5% to 33.3%

Assets are depreciated on the straight-line method from the date of acquisition or, in respect of Internally constructed assets, from the time an asset is completed and held ready for use.

*(e) Goods and Services Tax*

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

*(f) Cash and Cash Equivalents*

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

*(g) Inventories*

**General**

Inventories are valued at the lower of cost and net realisable value.

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

1 ) SIGNIFICANT ACCOUNTING POLICIES

**Land Held for Resale**

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

Revenue arising from the sale of property is recognised in the Income Statement as at the time of signing a binding contract of sale.

**(h) Employee Benefits**

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**Superannuation**

The Superannuation expense for the reporting period is the contribution the Shire makes to the WA Local Government Superannuation Plan which provides benefits to its employees. The plan is a cash accumulation scheme and therefore the Shire bears no liabilities in relation to the plan that might arise if it was a defined benefits scheme.

**(i) Investments and Other Financial Assets  
Classification**

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

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

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

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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

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

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

1 ) SIGNIFICANT ACCOUNTING POLICIES

**Recognition and derecognition**

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

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

**Subsequent measurement**

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

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

**Impairment**

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

**(j) Estimation of Fair Value**

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

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

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

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

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

**(k) Impairment**

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

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

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

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

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

1 ) SIGNIFICANT ACCOUNTING POLICIES

*(l) Rates, Grants, Donations and Other*

Rates, grants, donations and other contributions are recognised as revenues when the Shire 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 the receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon notification that a grant has been secured and the timing of commencement of control depends on the arrangements that exist between the grantor and the Shire.

Unreceived contributions over which the Shire has control are recognised as receivables.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature and amounts pertaining to those undischarged conditions are disclosed where applicable. Where applicable, the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the Shire's operations for the current reporting period are disclosed.

*(m) Trade and Other Receivables*

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

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

*(n) Provisions*

Provisions are recognised when: The Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

*(o) Trade and Other Payables*

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Local Government prior to the end of the financial year that are unpaid and arise when the Local Government becomes obligated 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) Interest-bearing Loans and Borrowings*

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

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

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

**Borrowing Costs**

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

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

1 ) SIGNIFICANT ACCOUNTING POLICIES

*(q) Leases*

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

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

*(r) 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 twelve months, being the Councils operational cycle. In the case of liabilities, where the Council does not have the unconditional right to defer settlement beyond twelve months, such as vested long service leave, the liability is classified as current even if not expected to be settled the next twelve months. Inventories held for trading are classified as current even if not expected to be realised in the next twelve months except for land held for resale where it is held as non current based on Councils intentions to release for sale.

*(s) Rounding Off Figures*

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

*(t) Comparative figures*

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

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

**2. COMPONENTS OF THE INCOME STATEMENT BY FUNCION AND ACTIVITY**

The activities relating to the Shire's components reported in the Income Statement are as follows. (The schedule number in the supporting schedules is shown in brackets):

**GENERAL PURPOSE FUNDING**

Rates Income & Expenditure, Grants Commission and Pensioners Deferred Rates, Interest, Grants and Interest on Investments.

**Objectives**

Provision of an efficient and cost effective rates collection service.

Minimising the rates arrears balance by utilising effective debt collection techniques.

Obtaining the highest level of General Purpose Grants possible by ensuring the Shire's position is presented effectively.

Effective management of Council's investment portfolio to obtain the best interest rates possible while protecting the principal invested.

**GOVERNANCE**

Members of Council & Governance (Includes Audit and other costs associated with reporting to Council).

**Objectives:**

The provision of effective representation for the population of the Shire by:

Providing a voice for the people.

Setting the strategic direction of the Shire.

Enacting Local Laws for the good governance of the Shire.

Ensuring services are provided which meet the needs of the population.

Ensuring sound financial management of Council's resources.

Providing timely, professional advice and services to facilitate strategic planning, responsible decision making and efficient service to the public.

**LAW, ORDER AND PUBLIC SAFETY**

Supervision of various bylaws, fire prevention and animal control.

**Objectives:**

To provide an effective Community Ranger Service in accordance with the expectations of Council and the community.

To administer and control an effective fire fighting service within the Shire of Mundaring.

To provide an educational and support system for animal control and management.

**HEALTH**

Prevention and treatment of human illnesses, including inspection of premises/food control, immunisation and child health services.

**Objectives:**

To achieve a safe and healthy environment by prevention and treatment of human illnesses, including inspection of premises and food control, immunisation and child health service.



NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

**2. COMPONENTS OF THE INCOME STATEMENT BY FUNCION AND ACTIVITY**

The activities relating to the Shire's components reported in the Income Statement are as follows. (The schedule number in the supporting schedules is shown in brackets):

**EDUCATION & WELFARE**

Provision, management and support of services for families, children and the aged and disabled within the community; including pre-school playgroups, day care, assistance to schools, senior citizens support groups and meals on wheels. Principal and interest repayments on Council and self-supporting loans.

**Objectives:**

**Family and Children's Services**

To provide affordable quality child care services for the benefit of people who live or work in the designated area

To support Federally funded children's services with the inclusion of children who have special needs

To support families with issues pertaining to parenting

**Youth Services**

To develop processes which encourage the empowerment and involvement of young people in a positive way.

To encourage young people to help shape the services that they require

To provide greater availability of facilities and services to meet the needs of young people, including a focus on places to meet and unstructured activities

To create positive community perceptions of the young people of the Shire

To develop community and Council awareness of youth issues and culture

**Playgroups**

To assist community based family playgroups with the operation of the family playgroups and programs

To assist in the formation of new playgroups where appropriate

To link playgroups to Shire services

To facilitate the linking of playgroups to form a support group

**Toy Libraries**

To support the development of Toy Libraries

To supervise the part-time Toy Library Coordinator

To link playgroups to Shire services

To assist with resolution of issues as they arise from the community management committees

**Aged Services**

To promote and support services and activities for seniors to ensure responsiveness to identified needs.

**COMMUNITY AMENITIES**

Town planning and development, rubbish collection services, stormwater drainage, the provision of public conveniences, cemeteries, bus shelters and roadside furniture, sewerage disposal and litter control.

**Objectives:**

**Developmental Services**

To set a direction for management of the environment

To encourage community involvement in environmental protection and land and water care

To promote and ensure ecologically sustainable development

To maintain the identity of the localities in the Shire

To promote environmental management as an integral part of the education system, personal and working life, and all of Council's activities

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

**2. COMPONENTS OF THE INCOME STATEMENT BY FUNCION AND ACTIVITY**

The activities relating to the Shire's components reported in the Income Statement are as follows. (The schedule number in the supporting schedules is shown in brackets):

To enable the community to lead a quality lifestyle, without inconveniencing others

To ensure Council and the community comply with relevant legislation

To achieve a safe, health and attractive environment

Protection of natural resources while respecting the rights of Individuals

To provide economic, safe and environmentally acceptable waste management services

A sensible and socially responsible waste minimisation strategy

Strengthening of community waste management education, school recycling programmes, and transfer station recycling

An extension of the kerbside collection of putrescible, recycling and household waste service to all Shire areas where it is economical to do so

Development of local and regional best waste management practice in association with the East Metropolitan Regional Council

Continued improvements to the Coppin Road and Mathieson Road transfer stations to meet higher safety and environmental standards being continually reviewed and upgraded by State Government Agencies

**RECREATION AND CULTURE**

**Objectives:**

To provide and maintain the aesthetic and functional amenity of a range of recreational facilities;  
to enhance the quality of life of the community; and  
as viable economic units for the benefit and enjoyment of the community

Ensure the functional aesthetic and environmental amenity of parks, reserves and other open space facilities are preserved for the enjoyment of the community at an economic price and which provides for a minimisation of water and power consumption on grass area reticulation

**TRANSPORT**

Construction, maintenance and cleaning of streets, roads, bridges, drainage works, footpaths, parking facilities, traffic signs and Shire depots, including plant purchase and maintenance. Principal and interest repayments on borrowed funds.

**Objectives:**

To maintain or improve the existing level of service provided by the road system and to extend its useful life to its optimum level in the most efficient manner possible

Maintain roads in accordance with defined standard objectives

Gradually seal all gravel roads in the Shire

Improve road and associated stormwater drainage in a socially responsible manner to reduce erosion and improve water quality and water run-off control.

NOTES TO AND FORMING PART OF THE ANNUAL BUDGET

**2. COMPONENTS OF THE INCOME STATEMENT BY FUNCION AND ACTIVITY**

The activities relating to the Shire's components reported in the Income Statement are as follows. (The schedule number in the supporting schedules is shown in brackets):

**ECONOMIC SERVICES**

Approval of building construction and implementation of building controls.

**Objectives:**

Provision of an effective Building Management service

Ensuring that building construction is undertaken in conformity with standards and local laws.

**OTHER PROPERTY AND SERVICES**

Private works, public works overheads, Council plant operation, materials, salaries and wages. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all works and services undertaken by Council.

**Objectives:**

Provision of engineering services to the Shire to ensure infrastructure assets are maintained and upgraded in a professional and cost effective manner.

Ensuring Council's road plant is managed in a cost effective manner by both maintenance practices and programmed capital replacement.

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

**3 DETERMINATION OF ESTIMATED SURPLUS / (DEFICIENCY) C/FWD**  
**FM Regulation 31**

	<b>2007/2008 ACTUAL \$</b>	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	18,503,954	15,831,832	12,250,703
Trade and Other Receivables	-		
- Rates Debtors	-	415,000	500,000
- Sanitation Debtors	27,299	29,342	31,000
- Trade Debtors	1,520,455	850,000	720,000
- Provision for Doubtful Debts	-	-	-
- Long service leave Contributions - other councils	74,878	74,878	74,878
- Scheme Costs	205	205	205
- Pool Inspection	39	39	39
- Inventories	239,556	186,842	200,000
	<u>20,366,386</u>	<u>17,388,138</u>	<u>13,776,825</u>
<b>Current Liabilities</b>			
Trade and Other payables			
- Creditors	(587,561)	(970,297)	(770,297)
- Deposits and Bonds	(1,102,097)	(1,102,097)	(1,102,097)
Provision Employee Benefits	(979,303)	(1,036,579)	(1,221,425)
	<u>(2,668,961)</u>	<u>(3,108,973)</u>	<u>(3,093,819)</u>
<b>Net Current assets</b>	<u>17,697,425</u>	<u>14,279,165</u>	<u>10,683,006</u>
<b>Non Current Assets</b>			
Rates Debtors - deferred	454,040	420,000	500,000
	<u>454,040</u>	<u>420,000</u>	<u>500,000</u>
	<u>18,151,465</u>	<u>14,699,165</u>	<u>11,183,006</u>
<b>Less Restricted Assets</b>			
Reserves	(8,567,059)	(7,938,902)	(7,671,314)
Reserves LSL	(30,548)	(23,367)	(202,454)
Other Restricted Assets	(3,220,905)	(3,220,905)	(3,340,905)
<b>Surplus / (Deficiency)</b>	<u><u>6,332,953</u></u>	<u><u>3,515,991</u></u>	<u><u>(31,668)</u></u>

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

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

	<b>2008/2009 FORECAST</b>	<b>2009/2010 BUDGET</b>
	\$	\$
<b>4 OPERATING REVENUES AND EXPENSES</b>		
The results from ordinary activities was arrived at after charging / crediting the following items:		
<b>(i) After Charging</b>		
Depreciation -		
Buildings	663,700	680,293
Plant & Equipment	733,710	757,053
Furniture & Equipment	374,070	270,159
Infrastructure Assets - Roads, Streets	4,198,819	6,392,702
Infrastructure Assets - Other Structures	63,157	96,157
Infrastructure Assets - Parks, Plant & Machinery	390,464	594,481
Infrastructure Assets - Drainage	247,560	376,910
	6,671,480	9,167,755
 Borrowing costs	 386,595	 387,000
<b>(ii) After Crediting</b>		
Interest earnings - investments		
Interest earned from Reserves	290,000	300,000
Interest earned from other funds	860,345	695,000
	1,150,345	995,000

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

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

<b>5 FEES, EXPENSES AND ALLOWANCES TO COUNCIL MEMBERS.</b>	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
The following disclosure is made to comply with the requirements of Finance Regulation 27 (l)		
Meeting Attendance Fees - (President & Councillors)	98,000	98,000
Presidential Allowance	12,000	12,000
Deputy Presidents Allowance	3,000	3,000
Members' Expenses -		
Travel Costs & Associated Expenses	15,000	10,000
Telecommunications	46,000	57,500
Miscellaneous	28,800	44,575
	<u>202,800</u>	<u>225,075</u>

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

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

<b>6 DEPRECIATION ON NON-CURRENT ASSETS</b>	<b>2008/2009 BUDGET</b>	<b>2008/2009 FORECAST</b>	<b>2009/2010 BUDGET</b>
	\$	\$	\$
Assets, including Infrastructure Assets, have been depreciated in accordance with the Significant Accounting Policies described in Note 1(d).			
<b>DEPRECIATION EXPENSES</b>			
General Purpose Funding	800	800	820
Governance	564,000	564,000	464,838
Law, Order & Public Safety	255,800	255,800	262,195
Health	7,900	7,900	8,098
Education & Welfare	90,050	90,050	97,301
Community Amenities	37,400	37,400	38,335
Recreation & Culture	718,830	718,830	787,051
Transport	4,862,200	4,862,200	7,371,255
Economic Services	6,700	6,700	6,868
Other Property & Services	127,800	127,800	130,995
	<u>6,671,480</u>	<u>6,671,480</u>	<u>9,167,756</u>
<b>7 DISPOSAL OF ASSETS</b>	<b>2008/2009 BUDGET</b>	<b>2008/2009 FORECAST</b>	<b>2009/2010 BUDGET</b>
	\$	\$	\$
<b>Proceeds from the Disposal of Assets</b>			
Land	-	-	-
Buildings	-	400,000	-
Plant & Equipment	600,630	616,630	415,000
Furniture & Equipment	-	-	-
	<u>600,630</u>	<u>1,016,630</u>	<u>415,000</u>
<b>Book Value on Disposal</b>			
Land	-	-	-
Buildings	-	-	-
Plant & Equipment	600,630	564,630	403,000
Furniture & Equipment	-	-	-
	<u>600,630</u>	<u>564,630</u>	<u>403,000</u>
 Profit / (Loss) on Disposal	 <u>-</u>	 <u>452,000</u>	 <u>12,000</u>
<b>Represented by:</b>			
Profit on Disposal	-	452,000	12,000
Loss on Disposal	-	-	-
	<u>-</u>	<u>452,000</u>	<u>12,000</u>

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

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

<b>8 NON-CURRENT ASSETS</b>	<b>2008/2009 BUDGET</b>	<b>2008/2009 FORECAST</b>	<b>2009/2010 BUDGET</b>
	\$	\$	\$
Acquisition of Assets, including Infrastructure Assets, have been capitalised in accordance with Australian Accounting Standards.			
<b>CAPITAL ACQUISITIONS BY PROGRAM</b>			
Governance	689,450	1,023,850	220,100
Law, Order & Public Safety	361,400	432,838	253,000
Health	29,500	29,500	24,500
Education & Welfare	227,500	836,502	418,500
Community Amenities	599,400	869,432	86,000
Recreation & Culture	2,070,506	1,723,666	2,645,122
Transport	5,972,498	5,297,598	5,903,123
Economic Services	29,000	29,000	1,500
Other Property & Services	401,610	441,766	174,500
	<u>10,380,864</u>	<u>10,684,152</u>	<u>9,726,345</u>
<b>SCHEDULE OF CAPITAL OUTLAYS BY NATURE / TYPE</b>			
Land	15,000	65,156	10,000
Buildings	1,660,710	1,714,100	2,129,068
Plant & Equipment	53,550	190,033	75,300
Furniture & Equipment	2,222,980	2,575,379	1,369,150
Infrastructure Assets - Roads, Streets	5,407,018	4,585,845	4,932,073
Infrastructure Assets - Other Structures	350,542	868,722	344,456
Infrastructure Assets - Parks Plant & Equipment	566,167	652,917	472,298
Infrastructure Assets - Drainage	-	32,000	254,000
Infrastructure Assets - Gardens	104,897	-	140,000
	<u>10,380,864</u>	<u>10,684,152</u>	<u>9,726,345</u>



**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

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

<b>9 PROPERTY, PLANT &amp; EQUIPMENT, INFRASTRUCTURE ASSETS</b>	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
Land at Cost	1,222,865	1,232,865
Buildings at Cost	25,181,180	27,310,248
Less: Accumulated Depreciation	(7,289,345)	(7,969,638)
	<u>17,891,835</u>	<u>19,340,610</u>
Plant & Equipment (external) at Cost	9,475,918	10,145,068
Less: Accumulated Depreciation	(3,407,330)	(3,867,383)
	<u>6,068,587</u>	<u>6,277,684</u>
Furniture & Equipment (internal) at Cost	3,908,831	3,984,131
Less: Accumulated Depreciation	(2,730,256)	(3,000,415)
	<u>1,178,575</u>	<u>983,716</u>
Infrastructure Assets: Roads, Streets At Management Valuation	129,117,668	<b>127,657,038</b>
Infrastructure Assets : Other Structures At Cost	5,558,271	5,902,727
Less : Accumulated Depreciation	(1,269,598)	(1,365,755)
	<u>4,288,673</u>	<u>4,536,972</u>
Infrastructure Assets : Drainage At Cost	16,768,796	17,022,796
Less : Accumulated Depreciation	(3,340,216)	(3,717,126)
	<u>13,428,580</u>	<u>13,305,670</u>
Infrastructure Assets: Parks, Plant & Machinery At Cost	12,584,838	13,057,136
Less : Accumulated Depreciation	(4,752,161)	(5,346,642)
	<u>7,832,677</u>	<u>7,710,494</u>
Infrastructure Assets : Gardens At Cost	1,836,855	1,976,855
Less : Accumulated Depreciation	-	-
	<u>1,836,855</u>	<u>1,976,855</u>
Total Property, Plant & Equipment, Infrastructure Assets Net Book Value	<u><b>182,866,316</b></u>	<u><b>183,021,906</b></u>

(#) **Other Structures** includes footpaths and other structures controlled by the Shire.

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

<b>10 ADVANCES TO CLUBS / INSTITUTIONS</b>	<b>2008/2009 FORECAST</b>	<b>2009/2010 BUDGET</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	31,935	12,859
Add: New Loans	-	-
	<u>31,935</u>	<u>12,859</u>
Less: Repayments	(19,076)	(12,289)
Closing Balance	<u><b>12,859</b></u>	<u><b>570</b></u>
<b>11 BORROWINGS - DEBENTURE LOANS</b>		
Opening Balance	5,518,544	5,386,394
Add: New Loan	-	1,000,000
	<u>5,518,544</u>	<u>6,386,394</u>
Less: Repayments	(132,150)	(312,289)
	<u>5,386,394</u>	<u>6,074,105</u>
Less: Principal on Self Supporting Loans to Clubs/Institutions	(10,009)	-
Net Principal Outstanding Requiring Servicing	<u><b>5,376,385</b></u>	<u><b>6,074,105</b></u>
<b>Represents :</b>		
Current Liability	312,289	683,955
Non-Current Liability	5,074,105	5,390,150
	<u><b>5,386,394</b></u>	<u><b>6,074,105</b></u>
<b>DEBENTURE LOANS RAISED DURING THE YEAR</b>	<b>2008/2009 FORECAST</b>	<b>2009/2010 BUDGET</b>
Infrastructure Services Development	-	1,000,000
WA Treasury Corp -10 years at monthly intervals Interest rate 5.95%		
Balance of unspent loan monies at reporting date	-	-

**Budget Loan Schedule for the Year Ending  
30 June 2010**

Note 11

Loan Purpose	Loan No.	Lender	Date Advanced or renegotiated	Duration (Years)	Maturity Date	Principal (or balance at last renege.)	Interest Rate	Instalments \$ (Periods/Year)	Balance as at 1 July 2009	Loans Taken Out During Year Ending 30 June 2010	Principal Repayments During Year Ending 30 June 2010	Interest repayments During Year Ending 30 June 2010	Total Repayments Year Ending 30 June 2010	BALANCE AS AT 30 June 2010
Education and Welfare - Hills Community Support Group	**168	W. A Treasury Corp	3 Jul 99	10	Jul 09	\$150,000	6.54%	\$10,282	\$10,009	\$0	\$10,009	\$327	\$10,336	\$0
Governance - Administration Building redevelopment	170	W. A Treasury Corp	31 Aug 08	20	Jul 28	\$5,500,000	6.95%	\$42,395	\$5,376,385		\$302,280	\$371,339	\$673,619	\$5,074,105
Governance - Infrastructure Development	171	W. A Treasury Corp	1 Jun 10	10	May 20	\$1,000,000	5.95%	\$7,708	\$0	\$1,000,000	\$0	\$0	\$0	\$1,000,000
<b>Loan Liability</b>									\$5,386,394	\$1,000,000	\$312,289	\$371,868	\$683,955	\$6,074,105
Less Loans Repayable by Third Party Clubs & Institutions (Self Supporting Loans)									\$10,009	\$0	\$10,009	\$327	\$10,336	\$0
<b>** Self Supporting Loans</b>														<b>\$6,074,105</b>

**SHIRE OF MUNDARING**  
Annual Budget for the Year Ending 30 June 2010

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

**12 CASH AND CASH EQUIVALENTS**

	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
a) Cash on Hand and at bank	331,832	250,703
Term Deposits	15,500,000	12,000,000
	<u>15,831,832</u>	<u>12,250,703</u>
b) Restricted	12,124,572	12,143,180
Unrestricted	3,707,260	107,523
	<u>15,831,832</u>	<u>12,250,703</u>

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

Loan Funds unspent at 30 June	-	-
Gravel Pit Reserve	103,483	106,082
Insurance Reserve	432,683	413,552
Plant Replacement Reserve	481,940	404,046
Civic Facilities Reserve	1,455,812	1,195,380
Information Technology Reserve	285,262	342,427
Aged Persons Facilities Reserve	0	0
Long Service Leave Reserve	23,367	202,454
Childrens Services Reserve	685,326	702,541
Capital Investment Reserve	4,333,696	4,333,696
Deposits and Bonds	1,102,097	1,102,097
Fire Suppression Facilities	3,930	3,930
Public Open Space Deposits	1,710,057	1,760,057
Public Open Space Deposits TPS #6,7	50,481	50,481
Public Open Space Special Rural Zone	46,207	46,207
Subdivision Road Construction Deposits	1,384,333	1,454,333
Parking Space Deposits	25,897	25,897
	<u>12,124,572</u>	<u>12,143,180</u>

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

	2008/2009 FORECAST \$	2009/2010 BUDGET \$
<b>13 RESERVES - CASH BACKED</b>		
<b>a) Insurance Reserve</b>		
Opening Balance	350,849	432,683
Transfer from Accumulated Surplus	100,000	-
Interest applied to Reserve from Accumulated Surplus	11,834	10,868
Transfer to Accumulated Surplus	(30,000)	(30,000)
<b>Closing Balance</b>	<b>432,683</b>	<b>413,552</b>
<b>Purpose:</b> To fund a potential premium liability under a workers compensation "burning cost" insurance policy. The balance will fluctuate yearly in accordance with unfinalised insurance year claims		
<b>b) Works Plant Replacement Reserve</b>		
Opening Balance	627,833	481,940
Transfer from Accumulated Surplus	820,000	410,000
Interest applied to Reserve from Accumulated Surplus	21,177	12,106
Transfer to Accumulated Surplus	(987,070)	(500,000)
<b>Closing Balance</b>	<b>481,940</b>	<b>404,046</b>
<b>Purpose:</b> To fund the replacement of works plant and light vehicles. The balance will fluctuate yearly in accordance with plant replacement policy.		
<b>c) Civic Facilities Reserve</b>		
Opening Balance	1,357,381	1,455,812
Transfer from Accumulated Surplus	1,518,163	1,100,000
Interest applied to Reserve from Accumulated Surplus	45,785	36,568
Transfer to Accumulated Surplus	(1,480,460)	(1,397,000)
Transfer from Aged persons Reserve	14,943	-
<b>Closing Balance</b>	<b>1,455,812</b>	<b>1,195,380</b>
<b>Purpose:</b> To fund the construction and/or purchase of Public Buildings. Expenditure will reflect budgeted outgoings recorded in the Long Term Financial Plan.		
<b>d) Information Technology Reserve</b>		
Opening Balance	275,954	285,262
Transfer from Accumulated Surplus	-	50,000
Interest applied to Reserve from Accumulated Surplus	9,308	7,165
Transfer to Accumulated Surplus	-	-
<b>Closing Balance</b>	<b>285,262</b>	<b>342,427</b>
<b>Purpose:</b> To provide for the cost of updating the Shire's Information Technology		
<b>f) Aged Persons Facilities Reserve</b>		
Opening Balance	689,451	0
Transfer from Accumulated Surplus	-	-
Interest applied to Reserve from Accumulated Surplus	23,255	-
Transfer to Accumulated Surplus	(697,763)	-
Transfer to Civic facilities Reserve	(14,943)	-
<b>Closing Balance</b>	<b>0</b>	<b>0</b>
<b>Purpose:</b> To provide for capital costs associated with the provision of accommodation for aged people. Funds to be used in accordance with annual budgeted capital expenditure.		
<b>g) Long Service Leave Reserve</b>		
Opening Balance	30,548	23,367
Transfer from Accumulated Surplus	75,000	200,000
Interest applied to Reserve from Accumulated Surplus	1,030	587
Transfer to Accumulated Surplus	(83,211)	(21,500)

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

	<b>2008/2009 FORECAST</b>	<b>2009/2010 BUDGET</b>
	<b>\$</b>	<b>\$</b>
<b>Closing Balance</b>	<u>23,367</u>	<u>202,454</u>
<b>Purpose:</b> To provide a cash backing to cover Council's Long Service Leave liability. Funds to be used in accordance with annual budgeted capital expenditure.		
<b>h) Childrens Services Reserve</b>		
Opening Balance	740,354	685,326
Transfer from Accumulated Surplus	-	-
Interest applied to Reserve from Accumulated Surplus	24,972	17,214
Transfer to Accumulated Surplus	(80,000)	-
Transfer from various reserves (above).	-	-
<b>Closing Balance</b>	<u>685,326</u>	<u>702,541</u>
<b>Purpose:</b> To provide a cash backing for the purchase of capital equipment, to provide a cash backing for preventative maintenance of buildings used by Childrens Services and to cash back employee entitlements. To allow cash surpluses to be carried forward to fund expenditure in future years.		
<b>i) Gravel Pit Rehabilitation Reserve</b>		
Opening Balance	100,106	103,483
Transfer from Accumulated Surplus	100,000	-
Interest applied to Reserve from Accumulated Surplus	3,377	2,599
Transfer to Accumulated Surplus	(100,000)	-
<b>Closing Balance</b>	<u>103,483</u>	<u>106,082</u>
<b>Purpose:</b> To provide a cash backing for the rehabilitation of the Gravel Pit.		
<b>j) Capital Investment Reserve</b>		
Opening Balance	4,333,696	4,333,696
Transfer from Accumulated Surplus	-	-
Interest applied to Reserve from Accumulated Surplus	146,177	108,856
Transfer to Accumulated Surplus	-	-
Transfer to Capital Income Reserve	(146,177)	(108,856)
<b>Closing Balance</b>	<u>4,333,696</u>	<u>4,333,696</u>
<b>Purpose:</b> To provide a cash backing for the advancement of the Shire Property Strategy.		
<b>k) Capital Income Reserve</b>		
Opening Balance	91,438	160,699
Transfer from Accumulated Surplus	-	-
Interest applied to Reserve from Accumulated Surplus	3,084	4,037
Transfer to Accumulated Surplus	(80,000)	(100,000)
Transfer from Capital Investment Reserve	146,177	108,856
<b>Closing Balance</b>	<u>160,699</u>	<u>173,591</u>
<b>Purpose:</b> To provide a cash backing for the advancement of the Shire Property Strategy.		
<b>Total of Reserves</b>		
Opening Balance	8,597,610	7,962,269
Transfer from Accumulated Surplus	2,613,163	1,760,000
Interest applied to Reserve from Accumulated Surplus	290,000	200,000
Transfer to Accumulated Surplus	(3,538,504)	(2,048,500)
<b>Closing Balance</b>	<u><u>7,962,269</u></u>	<u><u>7,873,769</u></u>

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

**14 NOTES TO CASH FLOW STATEMENT**

	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
<b>(a) Reconciliation of Cash and Cash Equivalents</b>		
For the purpose of Cash Flow Statement, the entity considers cash and cash Equivalents to include Cash on Hand and in Banks and in Money Market Instruments.		
Cash on Hand and at Bank	331,832	250,703
Term Deposits	15,500,000	12,000,000
	<u>16,831,832</u>	<u>12,250,703</u>
<b>(b) Reconciliation of Net Cash used in Operating Activities to Net Results</b>		
Net Results from Operating Activities	(334)	(4,100,569)
(Increase)/Decrease in Rates Debtors and Deferred Rates	(380,960)	(165,000)
(Increase)/Decrease in Sanitation Debtors	(2,043)	(1,658)
(Increase)/Decrease in Stock On Hand	52,715	(13,158)
(Increase)/Decrease in Accrued Interest Income	-	-
(Increase)/Decrease in Other Receivables	620,859	(100,000)
Depreciation and Amortisation	6,671,480	9,167,755
(Profit)/Loss on disposal of Non-current Assets	(452,000)	(12,000)
Increase/(Decrease) in Employee Entitlements	236,727	224,847
Increase/(Decrease) in Accrued Interest Expense	-	-
Increase/(Decrease) in Other Operating Creditors	312,433	(200,000)
GST Movements	49,596	230,000
Grants/Contributions for the development of assets	(2,935,812)	(2,025,923)
<b>Net Cash Used In Operating Activities</b>	<u><b>4,172,661</b></u>	<u><b>3,004,294</b></u>

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

<b>15 RESTRICTED ASSETS</b>	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
<b>a) Fire Suppression Facilities</b>		
Opening Balance	3,930	3,930
Deposits	0	0
Interest Earned	0	0
Expenditure	0	0
<b>Closing Balance</b>	<u>3,930</u>	<u>3,930</u>
<b>b) Public Open Space Deposits</b>		
Opening Balance	1,710,057	1,710,057
Deposits	0	50,000
Interest Earned	0	0
Expenditure	0	0
<b>Closing Balance</b>	<u>1,710,057</u>	<u>1,760,057</u>
<b>c) Public Open Space Deposits Scheme No 6, 7</b>		
Opening Balance	50,481	50,481
Deposits	0	0
Interest Earned	0	0
Expenditure	0	0
<b>Closing Balance</b>	<u>50,481</u>	<u>50,481</u>
<b>d) Public Open Space Deposits Special Rural Zone</b>		
Opening Balance	46,207	46,207
Deposits	0	0
Interest Earned	0	0
Expenditure	0	0
<b>Closing Balance</b>	<u>46,207</u>	<u>46,207</u>
<b>e) Subdivision Road Construction Deposits</b>		
Opening Balance	1,384,333	1,384,333
Deposits	0	70,000
Interest Earned	0	0
Expenditure	0	0
<b>Closing Balance</b>	<u>1,384,333</u>	<u>1,454,333</u>
<b>f) Parking Space Deposits</b>		
Opening Balance	25,897	25,897
Deposits	0	0
Interest Earned	0	0
Expenditure	0	0
<b>Closing Balance</b>	<u>25,897</u>	<u>25,897</u>
<b>TOTAL RESTRICTED ASSETS</b>		
Opening Balance	3,220,905	3,220,905
Deposits	0	120,000
Interest Earned	0	0
Expenditure	0	0
<b>Closing Balance</b>	<u>3,220,905</u>	<u>3,340,905</u>



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

**16 CREDIT STANDBY ARRANGEMENTS**

	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
<p>Council established an overdraft facility with Westpac Banking Corporation in 1998. Council has resolved in each succeeding year to maintain the overdraft facility.</p>		
Bank Overdraft Limit	1,000,000	1,000,000
Bank Overdraft at Reporting Period	-	-
The Amount of Credit Unused	<u>1,000,000</u>	<u>1,000,000</u>
<p>The above Overdraft Facility is for the 'Municipal Fund' for its normal course of operation</p>		
	1,000,000	1,000,000

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

17 FINANCIAL PERFORMANCE INDICATORS	2008/2009 FORECAST	2009/2010 BUDGET
Rate Coverage Ratio	50.79%	55.83%
Outstanding Rates Ratio	5.13%	5.57%
Debt Service Ratio	1.76%	2.31%

**Formulae for Calculation of Ratios:**

(a) Rate Coverage Ratio

Purpose: To assess the degree of dependence upon revenues from rates.

$\frac{\text{Net Rate Revenue}}{\text{Operating Revenue}}$  Expressed as a percentage

(b) Outstanding Rates Ratio

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

$\frac{\text{Rates Outstanding}}{\text{Rates collectable}}$  Expressed as a percentage

(c) Debt Service Ratio

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

$\frac{\text{Debt Service Costs}}{\text{Available Operating Revenue}}$  Expressed as a percentage

18 STATISTICAL COMPARISONS	2008/2009 FORECAST \$	2009/2010 BUDGET \$	% Increase/ (Decrease)
Rate Revenue	16,353,589	17,633,550	7.83%
General Purpose Grants	2,942,002	2,950,000	0.27%
Interest Earnings	1,150,345	995,000	-13.50%
Loan Repayments:			
Interest	382,360	371,666	-2.80%
Principal	132,150	312,289	136.31%
TOTAL	514,510	683,955	
Loan Principal Outstanding	5,386,394	6,074,105	12.77%

**SHIRE OF MUNDARING**  
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**Note 19 GRANTS and SUBSIDIES**

Government grants and contributions paid to the Shire for various works and services.

Description	2008/2009 BUDGET	2008/2009 FORECAST	2009/2010 BUDGET
	\$	\$	\$
<b>Grants, Contributions &amp; Subsidies</b>			
<b>Capital Grants</b>			
015215 GRANT - SEDO SOLAR PANELS ADMIN CENTRE	50,000	0	40,000
018119 GRANT - WOOROLOO BMX TRACK	0		
018120 GRANT - MUNDARING BMX TRACK	0		
018121 BLACK SPOT FUNDING 06/07 - PHILLIPS RD	0		
018122 GRANT - MOUNTAIN BIKE TRAIL	75,000	63,575	22,000
018125 BLACK SPOT FUNDING 05/06 - MADDOCK ST	0		
018126 BLACK SPOT FUNDING 05/06 - STONEVILLE / RILEY	73,333	73,333	
018127 CONTRIBUTION RECIEVED - ESL CAPITAL GRANTS	220,000	220,000	220,000
018128 GRANT - MDG STATION MASTERS HOUSE CONSERVATION	71,808	71,808	
018129 GRANT - SHARED PATH WORKS	0		
018130 GRANT - ROADS TO RECOVERY	1,278,948	858,248	482,000
018132 GRANT - HERITAGE WALK TRAIL	30,000	26,091	
018135 GRANT - STATE ROADS	133,080	133,080	135,000
018136 GRANT - METRO ROAD	504,681	504,681	
018156 BLACK SPOT FUNDING (07/08) - MORRISON RD	73,800	73,800	
018157 BLACK SPOT FUNDING (07/08) - COULSTON RD	132,400	132,400	
018159 GRANT - LIONEL ROAD - TOURIST/TRUCK EMBAYMENT	0	13,000	10,000
018160 GRANT - REGIONAL LOCAL COMMUNITY PROGRAM (RLCIP)	0	718,000	0
018184 GRANT - BROWN PARK YOUTH CTR LOTTERYWEST	0		750,000
018185 GRANT - BROWN PARK YOUTH CTR OMCF	0		160,000
018188 GRANT - BROWN PARK YOUTH CTR CCAFF	0		195,923
018189 GRANT - LAKE LESCHENAUULTIA DAM WALL OMCF	0	50,000	
018170 GRANT - LAKE LESCHENAUULTIA DAM WALL LOTTERYWEST	0		100,000
<b>Total Capital Grants</b>	<b>2,642,848</b>	<b>2,935,812</b>	<b>2,025,923</b>
<b>Capital Grants by Function</b>			
RECREATION AND CULTURE	178,808	211,472	1,158,923
TRANSPORT	2,198,042	2,504,340	607,000
LAW,ORDER,PUBLIC SAFETY	220,000	220,000	220,000
GOVERNANCE	50,000	0	40,000
<b>Total Capital Grants by Function</b>	<b>2,642,848</b>	<b>2,935,812</b>	<b>2,025,923</b>
<b>Operating Grants</b>			
010005 GENERAL PURPOSE GRANT	2,134,509	2,134,509	2,140,000
010006 FORMULA LOCAL ROAD GRANT	800,538	807,483	810,000
010062 GRANT - OPERATIONAL	68,807	68,807	74,000
010063 GRANT - CHILD CARE BENEFIT	470,418	470,418	600,000
010064 GRANT - DAY CARE OPERATING	193,455	193,455	184,000
010071 GRANT - CHILD CARE BENEFIT	513,428	513,428	0
010122 GOVERNMENT GRANT POOLS	0	3,000	3,000
010239 STREET LIGHTING GRANT	18,000	18,000	18,000
010318 SPECIAL BRIDGE GRANT	0	0	66,000
010334 GRANT - OMCF / LOTTERYWEST	0	0	60,826
010346 SUNDRY - BILGOMAN POOL	0	5,000	4,000
010434 GRANT - SPECIAL NEEDS SUBSIDY	45,800	45,800	10,000
010442 GRANT OPERATIONAL	5,900	5,900	2,000
010522 ESL GRANT	235,370	235,370	266,542
010528 SENIORS WEEK GRANT	500	500	500
010550 ENVIRONMENTAL GRANTS	33,030	33,030	0
010553 GRANT CRIME PREVENTION PLANNING	0	1,200	1,200
010562 GRANT - TREK THE TRAIL	38,000	20,000	36,000
010563 GRANT - CONSTABLE CARE	0	0	4,400
010589 GRANT ENGINEERING TRAINEE	0	2,500	0
010592 GRANT FUNDING - HUB OF THE HILLS	2,000	0	0
010813 CONTRIBUTION FROM MIDVALE PARENTING PROGRAM	850	0	0
010825 GRANT FUNDS RECIEVED FOR FRIENDS GROUPS	0	24,379	0
010829 GRANT - YOUR WELCOME PROJECT	0	7,800	0
010837 GRANT - TRUFFLE FESTIVAL	12,000	1,000	22,000
010841 GRANT - GENERAL PURPOSE INCOME	0	0	14,000
010842 GRANT - CELEBRATE WA WEEK	500	0	0
010843 GRANT - CELEBRATE WA WEEK	0	500	0
010847 GRANT ACTIVELY ENGAGING MEN	7,000	0	0
018148 GRANT - TRAIL MARKETING AND PROMOTION	0	2,000	0
<b>Total Operating Grants</b>	<b>4,578,804</b>	<b>4,594,987</b>	<b>4,316,466</b>
<b>Total Grants</b>	<b>7,221,652</b>	<b>7,530,799</b>	<b>6,342,389</b>

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

20 SUMMARY OF FEES AND CHARGES	2008/2009 FORECAST \$	2009/2010 BUDGET \$
<b>General Purpose Funding</b>		
Instalment Charge	100,000	105,000
<b>Law, Order &amp; Public Safety</b>		
Bushfire Fines & Infringements	9,000	3,000
Dog Fines	2,500	3,500
Dog Licences	60,000	62,000
Impoundment Fees	8,000	8,500
Vehicle By-Law Infringements	2,300	2,000
Litter Infringements	200	500
<b>Health</b>		
Fees & Charges	5,250	6,000
Licences	3,169	4,307
Inspection Fees	25,000	30,000
<b>Welfare &amp; Education</b>		
Childcare Fees	276,514	873,000
Leases	7,000	8,000
<b>Community Amenities</b>		
Fines	5,000	5,000
Town Planning Fees	148,974	134,000
Refuse Disposal	2,399,181	2,783,343
Cemetery Charges	25,021	26,200
<b>Recreation &amp; Culture</b>		
Hire of Halls and Ovals	145,657	178,650
Swimming Facility Fees	270,910	279,200
Entry to Lake Leschenaultia	129,000	120,000
Childrens Holiday Program	33,500	36,400
Leases	2,600	2,400
Sale of Water	35,000	35,000
Other	30,200	31,300
<b>Economic Services</b>		
Building Licences & Fees	612,075	450,350
Building Fines & Costs	8,500	8,500
<b>Total</b>	<b>4,344,551</b>	<b>5,196,150</b>

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

<b>21 TRUST FUNDS</b>	<b>2008/2009 FORECAST \$</b>	<b>2009/2010 BUDGET \$</b>
Funds over which the Shire has no control and which are not included in the Annual Budget are as follows:		
Scheme Costs # 6 & # 7	31,808	33,173
	<u>31,808</u>	<u>33,173</u>
Movements:-		
Opening Balance – Scheme Costs #6, 7	30,293	31,808
Opening Balance – Building Construction Industry Training Levy	-	-
Opening Balance – Builders Registration Board Levy	-	-
Receipts:-		
Scheme Costs # 6, 7 (Interest)	1,515	1,365
Building Construction Industry Training Levy	90,000	90,000
Builders Registration Board - Levy	38,000	38,000
Payments:-		
Building Construction Industry Training Levy	(90,000)	(90,000)
Builders Registration Board - Levy	(38,000)	(38,000)
Scheme Costs #6, 7	-	-
	<u>31,808</u>	<u>33,173</u>

**Purpose:-**

- a) Building Construction Industry Training Levy – a BCITF Levy is paid on approval of a building application, it is collected by the Shire and paid monthly to the Building Industry Authority.
- b) Builders Registration Board Levy - this levy is collected in accordance with the Builders' Registration Act and is charged on all building licences and forwarded to the Builders' Registration Board of WA monthly.
- c) Scheme Costs – are contributions paid by present developers of property within specific scheme areas to cover the costs previously borne by the original developers for infrastructure, road upgrading, legal fees, survey costs and drainage during the development of those areas.

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

**22 RATING INFORMATION**  
**(a) GENERAL PURPOSE FUNDING INCOME**

2008/2009 Budgeted Yield	Particulars	Rate Count	Class.	Cents in \$	Rateable Land Value	2008/2009 Forecast Yield	2009/2010 Budgeted Yield
\$					\$	\$	\$
	<b>Rate Revenue</b>						
	<b>General Rate GRV</b>						
1,221,488	Commercial	254	GRV	8.92000	15,182,319	1,251,488	1,354,263
805,139	Light Industrial	268	GRV	8.92000	10,261,971	814,139	915,368
9,641,442	Residential	9,884	GRV	8.92000	116,140,912	9,645,443	10,359,769
3,109,422	R.L. Residential	2,796	GRV	8.92000	37,474,085	3,124,422	3,342,688
180,505	Rural & SP Residential	132	GRV	8.92000	2,164,892	180,505	193,108
	<b>General Rate UV</b>						
575,692	Rural	209	UV	0.35400	173,320,000	575,692	613,553
0	Mining Lease	0	UV	0.35400	0	0	0
	<b>Minimum Rate GRV</b>						
7,205	Commercial	13	GRV	\$700	73,478	7,205	9,100
14,410	Light Industrial	21	GRV	\$700	140,017	14,410	14,700
483,390	Residential	759	GRV	\$700	5,396,870	483,390	531,300
66,155	R.L. Residential	103	GRV	\$700	743,514	66,155	72,100
3,930	Rural & SP Residential	6	GRV	\$700	37,292	3,930	4,200
	<b>Minimum Rate UV</b>						
0	Rural	0	UV	\$700	0	0	0
1,310	Mining Lease	2	UV	\$700	17,165	1,310	1,400
<b>16,110,087</b>	<b>RATES</b>	<b>14,447</b>			<b>287,709,556</b>	<b>16,168,089</b>	<b>17,411,550</b>
73,500	INTERIMS					87,500	119,000
0	RATES PREVIOUS YEARS					0	0
<b>16,183,587</b>	<b>Total Rates Levied</b>					<b>16,255,589</b>	<b>17,530,550</b>
0	Less Rates (Written Off)/Recovered					(2,000)	(2,000)
<b>16,183,587</b>	<b>Total Rates Income</b>					<b>16,253,589</b>	<b>17,528,550</b>
0	RATES SUSPENSE					0	0
0	CASH RECEIPTS ROUNDING					0	0
98,002	INSTALMENT CHARGE					100,000	105,000
<b>16,281,589</b>	<b>Total Amount Made Up From Rates</b>					<b>16,353,589</b>	<b>17,633,550</b>
	<b>General Purpose Income</b>						
2,935,048	GENERAL PURPOSE GRANTS					2,942,002	2,950,000
	<b>Other General Purpose Income</b>						
725,000	INTEREST MUNICIPAL					730,000	450,000
454,000	INTEREST OTHER					402,000	531,994
10,000	RATES COLLECTION					10,000	10,000
<b>20,405,637</b>	<b>Total General Purpose Income</b>					<b>20,437,591</b>	<b>21,575,544</b>

22 RATING INFORMATION  
(b) OTHER INCOME

The following Incentives are offered to ratepayers during the financial year:-  
1st First prize - a Shire cheque for \$2000.  
2nd - 10th Second to tenth prize - Shire cheque of \$1,000 each.  
11th Eleventh prize - a Bonus Saver Account worth \$1,000.

One of the following prizes in order of draw:

WASO double pass tickets to Classics Concert "Don Juan (2 prizes)  
Brook Restaurant \$100 Meal Voucher (1 Prize)  
Aspen Parks - one nights free accommodation in a Standard Family Cabin ( 1 prize)  
Groove Music Voucher \$50 (2 prizes)  
Club Sierra Health and Fitness Centre - Three Month Membership (3 Prizes)  
Annual Membership to Mundaring Arts Centre including a voucher of \$50 (1 Prize)  
Mundaring Weir Hotel - accommodation(Sat Night) for two adults valued a \$135 - excludes concert season (1 Prize)  
Eagle Boys Pizza - two pizzas, garlic bread and drink (10 prizes)  
Mackies of Mundaring - voucher \$50 (2 Prizes)  
Hills Sparkling Pool Care - pool or spa service to the value of \$150 (1 Prize)  
Season tickets to Shire of Mundarings swimming pools (3 Prizes)

Ratepayers other than Councilors, Government organisations and staff who pay their rates in full by 14 August 2009 will be automatically entered into the draw. The computer will randomly select winners for the above prizes.

The cost to Council in relation to the rates incentive competition is \$11,000 being \$2,000 towards the first prize and nine cash prizes of \$1,000. In addition \$300 in income foregone for pool entry and \$350 for printing.

There are two options offered for the payment of rates:-

- a) In full by 14 August 2009
- b) Payment by four instalments being due on
  - 14 Aug 2009 1st Instalment
  - 16 Oct 2009 2nd Instalment
  - 18 Dec 2009 3rd Instalment
  - 19 Feb 2010 4th Instalment

- c) A payment arrangement agreed under section 6.49 of the *Local Government Act 1995*.

An administrative charge of \$20.00 is levied  
No interest is levied for payment by instalment.

Ratepayers who enter an agreement to pay rates as provided in Section 6.49 of the Act are not levied an administrative charge but interest is paid on the rates balance outstanding until it is paid in full.

Overdue interest charges of 10% per annum will be applied on a daily basis for any rate payment outstanding after it is due and payable.

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

<b>23 TRADING UNDERTAKINGS</b> (Finance Regulation 27(i)) There were no trading undertakings in the Budget	Nil	Nil
<b>24 MAJOR LAND TRANSACTIONS</b> (Finance Regulation 27(k))  There were no major land transactions in the Budget		
<b>25 CONTINGENT LIABILITY</b>	Nil	Nil
<b>26 COMMITMENTS</b>	Nil	Nil
<b>27 UNUSED LOAN FACILITIES</b>	Nil	Nil



## NOTES TO AND FORMING PART OF THE BUDGET

### 28 FINANCIAL INSTRUMENTS

#### (a) Interest Rate Risk

Council's exposure to interest rate risk is considered minimal. The only financial instrument subject to fluctuations in interest rates is the cash balance. All other balances are governed by fixed rates of interest.

Council's accounting policies including the terms and conditions of each class of financial asset and liability recognised at balance date are:

##### (1) Receivables

Trade receivables are carried at nominal amounts due less any provision for doubtful debts. The provision is raised based upon identified receivables whose collection is no longer considered probable. Credit terms offered are 30 days net.

##### (2) Rates Debtors

The credit terms relating to rates debtors are in accordance with the legislative requirements of the Local Government Act 1995 and are detailed separately under "Rating Information".

##### (3) Trade Creditors

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

Trade creditors are normally settled on 30 day terms. Remittances to the Australian Taxation Office are made in accordance with current legislative requirements.

#### (b) Net Fair Value

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

#### (c) Credit Risk Exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Council. The Council does not have significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The carrying amount of financial assets recorded, net of any provisions or losses, represent the Council's maximum exposure to credit risk with the exception of rates debtors.

The credit risk exposure in relation to rates debtors is zero because of the powers granted by the Local Government Act 1995 giving Council the capacity to seize rateable land upon which payment of rates is more than 3 years in arrears.

Council is not exposed to any significant industry concentration of credit risk in respect to receivables. Whilst the majority of rates debtors are geographically concentrated within the local government, this government, this is not considered to represent any credit risk.