

# Statutory Budget

For the year ended 30 June 2020



**city of  
kalamunda**



**CITY OF KALAMUNDA**  
**STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget	2018/19 Estimate	2018/19 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	37,581,411	36,931,372	36,750,247
Operating grants, subsidies and contributions	9	4,056,642	4,170,159	4,031,701
Fees and charges	8	15,832,725	15,715,058	15,759,810
Interest earnings	10(a)	1,096,639	1,206,727	1,301,727
Other revenue	10(b)	55,625	57,625	79,473
		<b>58,623,042</b>	<b>58,080,941</b>	<b>57,922,958</b>
<b>Expenses</b>				
Employee costs		(25,595,958)	(24,571,677)	(24,447,884)
Materials and contracts		(21,993,985)	(22,072,127)	(21,933,028)
Utility charges		(1,939,051)	(1,882,865)	(1,850,992)
Depreciation on non-current assets	5	(12,549,653)	(11,094,305)	(10,835,774)
Interest expenses	10(d)	(272,482)	(316,697)	(316,697)
Insurance expenses		(602,949)	(596,549)	(570,800)
Other expenditure		(456,654)	(1,652,452)	(1,698,699)
		<b>(63,410,732)</b>	<b>(62,186,672)</b>	<b>(61,653,874)</b>
<b>Subtotal</b>		<b>(4,787,690)</b>	<b>(4,105,731)</b>	<b>(3,730,916)</b>
Non-operating grants, subsidies and contributions	9	7,842,451	5,962,522	5,571,227
Profit on asset disposals	4(b)	0	36,792	0
Loss on asset disposals	4(b)	0	(10,894)	0
Capital (Developer) Contributions		729,393	5,687,858	4,759,394
		<b>8,571,844</b>	<b>11,676,278</b>	<b>10,330,621</b>
<b>Net result</b>		<b>3,784,155</b>	<b>7,570,547</b>	<b>6,599,705</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>3,784,155</b>	<b>7,570,547</b>	<b>6,599,705</b>

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

**CITY OF KALAMUNDA  
FOR THE YEAR ENDED 30TH JUNE 2020**

**BASIS OF PREPARATION**

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of *AASB 1051 Land Under Roads* paragraph 15 and *AASB 116 Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All funds through which the City Of Kalamunda 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. A separate statement of those monies appears at Note 13 to the budget.

**2018/19 ACTUAL BALANCES**

Balances shown in this budget as 2018/19 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

**CHANGE IN ACCOUNTING POLICIES**

On the 1 July 2019 the following new accounting policies are to be adopted and have impacted on the preparation of the budget:

- AASB 15 - Revenue from Contracts with Customers;
- AASB 16 - Leases; and
- AASB 1058 - Income of Not-for-Profit Entities.

Explanation of the changes arising from these standards is provided at Note 15.

**KEY TERMS AND DEFINITIONS - NATURE OR TYPE**

**REVENUES**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

**PROFIT ON ASSET DISPOSAL**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**REVENUES (CONTINUED)**

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**FEES AND CHARGES**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**INTEREST EARNINGS**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**OTHER REVENUE / INCOME**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

**EXPENSES**

**EMPLOYEE COSTS**

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation expense raised on all classes of assets.

**INTEREST EXPENSES**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**OTHER EXPENDITURE**

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**CITY OF KALAMUNDA**  
**STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget	2018/19 Estimate	2018/19 Budget
<b>Revenue</b>	1, 8, 9, 10(a),(b)	\$	\$	\$
Governance		21,837	115,777	115,453
General purpose funding		42,034,616	41,151,383	41,040,780
Law, order, public safety		425,700	574,005	572,399
Health		880,105	635,120	633,343
Education and welfare		62,530	69,713	69,517
Community amenities		12,711,869	12,479,170	12,444,246
Recreation and culture		1,802,717	1,858,871	1,853,669
Transport		30,000	30,084	30,000
Economic services		238,089	619,863	618,128
Other property and services		415,579	546,955	545,423
		<b>58,623,042</b>	<b>58,080,941</b>	<b>57,922,958</b>
<b>Expenses excluding finance costs</b>	5,10(c)(e)(f)			
Governance		(3,703,747)	(3,626,158)	(3,594,931)
General purpose funding		(796,643)	(667,397)	(661,650)
Law, order, public safety		(2,174,665)	(2,126,145)	(2,107,835)
Health		(1,579,971)	(1,904,732)	(1,888,329)
Education and welfare		(501,922)	(497,790)	(493,505)
Community amenities		(16,660,312)	(16,163,836)	(16,024,639)
Recreation and culture		(21,302,408)	(20,934,238)	(20,753,961)
Transport		(14,105,377)	(12,525,711)	(12,417,844)
Economic services		(1,436,508)	(1,233,147)	(1,222,528)
Other property and services		(876,695)	(2,190,821)	(2,171,955)
		<b>(63,138,248)</b>	<b>(61,869,975)</b>	<b>(61,337,177)</b>
<b>Finance costs</b>	6, 10(d)			
Other property and services		(272,482)	(316,697)	(316,697)
		<b>(272,482)</b>	<b>(316,697)</b>	<b>(316,697)</b>
<b>Subtotal</b>		<b>(4,787,690)</b>	<b>(4,105,731)</b>	<b>(3,730,916)</b>
Non-operating grants, subsidies and contributions	9	7,842,451	5,962,522	5,571,227
Profit on disposal of assets	4(b)	0	36,792	0
(Loss) on disposal of assets	4(b)	0	(10,894)	0
Capital (Developer) Contributions		729,393	5,687,858	4,759,394
		<b>8,571,844</b>	<b>11,676,278</b>	<b>10,330,621</b>
<b>Net result</b>		<b>3,784,155</b>	<b>7,570,547</b>	<b>6,599,705</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>3,784,155</b>	<b>7,570,547</b>	<b>6,599,705</b>

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

**CITY OF KALAMUNDA  
FOR THE YEAR ENDED 30TH JUNE 2020**

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

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

**OBJECTIVE**

**GOVERNANCE**

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

**ACTIVITIES**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

To provide services to disadvantaged persons, the elderly, children and youth.

Provision and maintenance of senior citizen and disability services, youth services and other voluntary services.

**COMMUNITY AMENITIES**

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes and public conveniences.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**TRANSPORT**

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, footpaths, bridges, lighting and cleaning of streets.

**ECONOMIC SERVICES**

To help promote the City and its economic wellbeing.

Tourism and area promotion, rural services and building control.

**OTHER PROPERTY AND SERVICES**

To monitor and control council's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

**CITY OF KALAMUNDA**  
**STATEMENT OF CASH FLOWS BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

NOTE	2019/20 Budget	2018/19 Estimate	2018/19 Budget
	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	37,706,303	37,224,515	36,726,247
Operating grants, subsidies and contributions	2,377,526	2,631,383	2,401,353
Fees and charges	15,551,917	15,448,058	15,759,810
Interest earnings	1,096,639	1,206,727	1,301,727
Goods and services tax	280,808	329,712	1,810,582
Other revenue	55,625	57,625	79,473
	<b>57,068,818</b>	<b>56,898,020</b>	<b>58,079,192</b>
<b>Payments</b>			
Employee costs	(25,595,958)	(24,628,178)	(23,609,250)
Materials and contracts	(19,001,492)	(21,289,496)	(21,927,723)
Utility charges	(1,939,051)	(1,882,865)	(1,850,992)
Interest expenses	(272,482)	(354,516)	(316,697)
Insurance expenses	(602,949)	(596,549)	(570,800)
Goods and services tax	(2,862,409)	(1,890,000)	(1,995,266)
Other expenditure	(456,654)	(1,652,452)	(1,698,700)
	<b>(50,730,995)</b>	<b>(52,294,056)</b>	<b>(51,969,428)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>3</b>	<b>6,337,823</b>	<b>4,603,964</b>
		<b>6,109,765</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	4(a)	(13,139,511)	(9,791,656)
Payments for construction of infrastructure	4(a)	(16,881,671)	(12,979,637)
Non-operating grants, subsidies and contributions used for the development of assets		7,842,451	5,962,523
Proceeds from sale of plant & equipment	4(b)	0	134,108
<b>Net cash provided by (used in) investing activities</b>		<b>(22,178,731)</b>	<b>(16,685,556)</b>
			<b>(24,408,970)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a)	(672,155)	(652,797)
Proceeds from self supporting loans		34,492	11,864
Proceeds from new borrowings	6(b)	4,307,000	0
Capital (Developer) Contributions		729,394	5,687,857
<b>Net cash provided by (used in) financing activities</b>		<b>4,398,731</b>	<b>5,046,924</b>
			<b>6,656,068</b>
<b>Net increase (decrease) in cash held</b>		<b>(10,372,908)</b>	<b>(7,034,668)</b>
Cash at beginning of year		23,124,754	30,159,422
<b>Cash and cash equivalents at the end of the year</b>		<b>12,751,846</b>	<b>23,124,754</b>
			<b>14,526,320</b>

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

**CITY OF KALAMUNDA**  
**RATES SETTING STATEMENT BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget	2018/19 Estimate	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	2,968,871	3,711,275	3,581,226
		<b>2,968,871</b>	<b>3,711,275</b>	<b>3,581,226</b>
<b>Revenue from operating activities (excluding rates)</b>				
Operating grants, subsidies and contributions	9	4,056,642	4,170,159	4,031,701
Fees and charges	8	15,832,725	15,715,058	15,759,810
Interest earnings	10(a)	1,096,639	1,206,727	1,301,727
Other revenue	10(b)	55,625	57,625	79,473
Profit on asset disposals	4(b)	0	36,792	0
		<b>21,041,631</b>	<b>21,186,361</b>	<b>21,172,711</b>
<b>Expenditure from operating activities</b>				
Employee costs		(25,595,958)	(24,571,677)	(24,447,884)
Materials and contracts		(21,993,985)	(22,072,127)	(21,933,028)
Utility charges		(1,939,051)	(1,882,865)	(1,850,992)
Depreciation on non-current assets	5	(12,549,653)	(11,094,305)	(10,835,774)
Interest expenses	10(d)	(272,482)	(316,697)	(316,697)
Insurance expenses		(602,949)	(596,549)	(570,800)
Other expenditure		(456,654)	(1,652,452)	(1,698,699)
Loss on asset disposals	4(b)	0	(10,894)	0
		<b>(63,410,732)</b>	<b>(62,197,566)</b>	<b>(61,653,874)</b>
<b>Operating activities excluded from budgeted deficiency</b>				
Non-cash amounts excluded from operating activities	2 (b)(ii)	14,349,062	11,068,407	10,835,774
Interest on Deferred Loan Repayment		0	0	(337)
Change in Equity - Joint Venture		(1,679,116)	(1,630,348)	(1,630,348)
Movement in employee benefit provisions (non-current)		(71,330)	0	773,634
Pensioners Deferred Rates movement		(16,706)	0	(33,000)
<b>Amount attributable to operating activities</b>		<b>(26,818,320)</b>	<b>(27,861,871)</b>	<b>(26,954,215)</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	7,842,451	5,962,522	5,571,227
Purchase property, plant and equipment	4(a)	(13,139,511)	(9,791,656)	(7,287,157)
Purchase and construction of infrastructure	4(a)	(16,881,671)	(12,979,637)	(22,693,040)
Proceeds from disposal of assets	4(b)	0	123,214	0
<b>Amount attributable to investing activities</b>		<b>(22,178,731)</b>	<b>(16,685,557)</b>	<b>(24,408,970)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(672,155)	(652,797)	(657,818)
Proceeds from new borrowings	6(b)	4,307,000	0	2,520,000
Proceeds from self supporting loans		34,492	11,864	34,492
Capital (Developer) Contributions		729,394	5,687,857	4,759,394
Transfers to cash backed reserves (restricted assets)	7(a)	(1,447,481)	(476,914)	(1,693,069)
Transfers from cash backed reserves (restricted assets)	7(a)	10,077,663	5,908,811	12,514,813
<b>Amount attributable to financing activities</b>		<b>13,028,913</b>	<b>10,478,821</b>	<b>17,477,813</b>
<b>Budgeted deficiency before general rates</b>		<b>(35,968,139)</b>	<b>(34,068,607)</b>	<b>(33,885,372)</b>
<b>Estimated amount to be raised from general rates</b>	1	<b>37,581,411</b>	<b>36,931,372</b>	<b>36,750,247</b>
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>1,613,272</b>	<b>2,862,765</b>	<b>2,864,875</b>

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



**CITY OF KALAMUNDA  
RATES SETTING STATEMENT BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2019/20 Budget	2018/19 Estimate	2018/19 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	2 (b)(i)	2,968,871	3,711,275	3,581,226
		<b>2,968,871</b>	<b>3,711,275</b>	<b>3,581,226</b>
<b>Revenue from operating activities (excluding rates)</b>				
Governance		21,837	115,777	115,453
General purpose funding		4,453,204	4,220,011	4,290,532
Law, order, public safety		425,700	574,005	572,399
Health		880,105	635,120	633,343
Education and welfare		62,530	69,713	69,517
Community amenities		12,711,871	12,479,170	12,444,246
Recreation and culture		1,802,717	1,858,871	1,853,669
Transport		30,000	66,876	30,000
Economic services		238,089	619,863	618,128
Other property and services		415,578	546,955	545,424
		<b>21,041,631</b>	<b>21,186,361</b>	<b>21,172,711</b>
<b>Expenditure from operating activities</b>				
Governance		(3,703,747)	(3,626,158)	(3,594,931)
General purpose funding		(796,643)	(667,397)	(661,650)
Law, order, public safety		(2,174,667)	(2,126,145)	(2,107,835)
Health		(1,579,971)	(1,904,732)	(1,888,329)
Education and welfare		(501,922)	(497,790)	(493,503)
Community amenities		(16,660,312)	(16,163,836)	(16,024,639)
Recreation and culture		(21,302,408)	(20,934,238)	(20,753,961)
Transport		(14,105,377)	(12,536,605)	(12,417,846)
Economic services		(1,436,508)	(1,233,147)	(1,222,528)
Other property and services		(1,149,177)	(2,507,518)	(2,488,652)
		<b>(63,410,732)</b>	<b>(62,197,566)</b>	<b>(61,653,874)</b>
Non-cash amounts excluded from operating activities	2 (b)(ii)	14,349,062	11,068,407	10,835,774
Interest on Deferred Loan Repayment		0	0	(337)
Change in Equity - Joint Venture		(1,679,116)	(1,630,348)	(1,630,348)
Movement in employee benefit provisions (non-current)		(71,330)	0	773,633
Pensioners Deferred Rates movement		(16,706)	0	(33,000)
<b>Amount attributable to operating activities</b>		<b>(26,818,320)</b>	<b>(27,861,871)</b>	<b>(26,954,215)</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	9	7,842,451	5,962,522	5,571,227
Purchase property, plant and equipment	4(a)	(13,139,511)	(9,791,656)	(7,287,157)
Purchase and construction of infrastructure	4(a)	(16,881,671)	(12,979,637)	(22,693,040)
Proceeds from disposal of assets	4(b)	0	123,214	0
<b>Amount attributable to investing activities</b>		<b>(22,178,731)</b>	<b>(16,685,557)</b>	<b>(24,408,970)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(672,155)	(652,797)	(657,818)
Proceeds from new borrowings	6(b)	4,307,000	0	2,520,000
Proceeds from self supporting loans	6(a)	34,492	11,864	34,492
Capital (Developer) Contributions		729,394	5,687,857	4,759,394
Transfers to cash backed reserves (restricted assets)	7(a)	(1,447,481)	(476,914)	(1,693,069)
Transfers from cash backed reserves (restricted assets)	7(a)	10,077,663	5,908,811	12,514,813
<b>Amount attributable to financing activities</b>		<b>13,028,913</b>	<b>10,478,821</b>	<b>17,477,813</b>
<b>Budgeted deficiency before general rates</b>		<b>(35,968,139)</b>	<b>(34,068,607)</b>	<b>(33,885,372)</b>
<b>Estimated amount to be raised from general rates</b>	1	<b>37,581,411</b>	<b>36,931,372</b>	<b>36,750,247</b>
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (b)(i)	<b>1,613,272</b>	<b>2,862,765</b>	<b>2,864,875</b>

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

CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

**1. RATES AND SERVICE CHARGES**

**(a) Rating Information**

RATE TYPE	Rate in	Number of properties	Rateable value	2019/20 Budgeted rate revenue	2019/20 Budgeted interim rates	2019/20 Budgeted back rates	2019/20 Budgeted total revenue	2018/19 Estimate total revenue	2018/19 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>									
<b>Gross rental valuations</b>									
General GRV	0.060255	21,578	433,671,956	26,130,904	0	0	26,130,904	25,716,629	25,410,101
Industrial/Commercial GRV	0.067952	604	128,084,271	8,703,582	0	0	8,703,582	8,449,749	8,451,437
Vacant GRV	0.085441	572	9,321,291	796,420	0	0	796,421	734,761	553,239
<b>Unimproved valuations</b>									
General UV	0.003447	275	176,515,000	608,447	0	0	608,447	551,071	159,480
Commercial UV	0.004065	60	35,010,007	142,316	0	0	142,316	183,690	808,092
<b>Sub-Totals</b>		<b>23,089</b>	<b>782,602,526</b>	<b>36,381,669</b>	<b>0</b>	<b>0</b>	<b>36,381,670</b>	<b>35,635,900</b>	<b>35,382,349</b>
<b>Minimum</b>									
<b>Minimum payment</b>									
\$									
<b>Gross rental valuations</b>									
General GRV	882	967		852,894	0	0	852,894	918,451	954,324
Industrial/Commercial GRV	1,102	50		55,100	0	0	55,100	58,781	55,100
Vacant GRV	767	210		161,070	0	0	161,069	121,235	161,837
<b>Unimproved valuations</b>									
General UV	882	0		0	0	0	0		0
Commercial UV	1,102	3		3,306	0	0	3,306	3,674	3,306
<b>Sub-Totals</b>		<b>1,230</b>	<b>0</b>	<b>1,072,370</b>	<b>0</b>	<b>0</b>	<b>1,072,369</b>	<b>1,102,141</b>	<b>1,174,567</b>
<b>Total rates</b>		<b>24,319</b>	<b>782,602,526</b>	<b>37,454,039</b>	<b>0</b>	<b>0</b>	<b>37,454,039</b>	<b>36,738,041</b>	<b>36,556,916</b>
ExGratia Rates							127,372	193,331	193,331
<b>Total rates</b>							<b>37,581,411</b>	<b>36,931,372</b>	<b>36,750,247</b>

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

The general rates detailed for the 2019/20 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

**CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**(b) Interest Charges and Instalments - Rates and Service Charges**

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Payment in Full	8/16/2019	0	0.0%	11.0%
<b>Option two</b>				
Two Instalments	8/16/2019	0	5.5%	11.0%
	12/14/2019	8	5.5%	11.0%
<b>Option three</b>				
Four Instalments	8/16/2019	0	5.5%	11.0%
	10/15/2019	8	5.5%	11.0%
	12/14/2019	8	5.5%	11.0%
	2/12/2020	8	5.5%	11.0%

	2019/20 Budget revenue	2018/19 Estimate revenue	2018/19 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	135,000	148,533	134,993
Instalment plan interest earned	205,000	171,515	204,291
Unpaid rates interest earned	350,000	288,420	326,733
	<b>690,000</b>	<b>608,468</b>	<b>666,017</b>

**(c) Objects and Reasons for Differential Rating**

The overall objective of the Rates and Charges in the 2019/2020 budget is to provide for the shortfall in income required to enable the City of Kalamunda to provide the necessary works and services in the 2019/2020 Financial Year after taking into account all non-rate sources of income. The proposed differential rates reflect a 1.80% increase in Differential Rates over all categories. This increase is the lowest possible amount while still ensuring the City maintains sound financial management practices.

A minimum rate is applied to all differential rating categories within the City of Kalamunda. The setting of the minimum rate is in recognition that every property within the City receives some minimum level of benefit from services provided. By adopting a minimum rate, Council take this benefit into consideration. Differences in minimum rates between the differential categories is due to the same factors as explained in each differential category below.

To provide equity in the rating of properties across the City the following rate categories have been determined for the implementation of differential rating.

**Differential general rate**

Differential rates are split into two distinct groupings based on the methods used by the Valuer Generals Office to determine the value provided to the City. These two groupings are Gross Rental Value (GRV) which is used on urban properties and Unimproved Value (UV) which is predominantly used on rural properties. More information on the different valuation methods can be found on the Valuer Generals website at [www.landgate.wa.gov.au](http://www.landgate.wa.gov.au)

**GRV Differential Rates:**

The valuations provided to the City for GRV properties are reviewed on a Tri-annual basis by Landgate, with the last revaluation being effective 01 July 2017. GRV values are reflective of the estimated rental yield per year of the property. Further information about the exact method of calculation and any objections to valuations will need to be directed to the Valuer Generals Office at Landgate.

**UV Differential Rates:**

The valuations provided to the City for UV properties are reviewed on an annual basis by Landgate. UV Values are reflective of the estimated market value of the land assuming no improvements have been made (Houses, Sheds, Fencing etc) as determined by the Valuer General. Further information about the exact method of calculation and any objections to valuations will need to be directed to the Valuer Generals Office at Landgate.

**CITY OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

**(e) Objects and Reasons for Differential Rating**

Description	Characteristics	Objects	Reasons
GRV General	The GRV General rate applies to all GRV valued properties in the City with a predominant land use that does not fall within the categories of Commercial, Industrial or Vacant Land.	The object of the GRV General differential in the 2019/2020 budget is provide for the shortfall in income required to enable the City of Kalamunda to provide the necessary works and services in the 2019/2020 Financial Year after taking into account all other differential categories and other non-rate sources of income.	As the GRV General differential mostly contains residential properties, the Rate in the Dollar is the lowest of all the GRV differentials. This reflects the fact that residential uses have less per-property impact on major infrastructure assets like Commercial/Industrial properties do. This also reflects that these properties are fully established and do not require incentives to develop such as the case with Vacant Land.
GRV Industrial/Commercial	The Industrial and Commercial GRV rate is levied on GRV valued properties where the predominant use of the land is for either Industrial or Commercial purposes.	The object of this differential category is to apply a differential rate to Industrial and Commercial properties in the City in order to raise additional revenue (when compared to GRV General properties) to offset the costs associated with increased maintenance and renewal of assets and infrastructure required. By applying a higher rate in the dollar to this category, Council takes these associated increased costs into consideration.	The City recognises that Industrial and Commercial properties have a greater impact on the infrastructure and environment within the City in comparison to properties that fall within the GRV General category.
GRV Vacant	The GRV Vacant rate is levied on all GRV valued land in the City where the property is considered vacant land.	The City of Kalamunda has implemented the GRV Vacant differential to promote the development of land within the City and to provide a disincentive to owners for land banking.	This differential category reflects the disincentive to owners who are not actively developing their vacant land in order for the City to maximise the per capita use of infrastructure and avoid dead spaces around the City.
UV General	The UV General rate applies to all UV valued properties in the City with a predominant land use that does not fall within the categories of Commercial or Industrial.	The object of the UV General differential in the 2019/2020 budget is to provide for the shortfall in income required to enable the City of Kalamunda to provide the necessary works and services in the 2019/2020 Financial Year after taking into account all other differentials categories and other non-rate sources of income.	This is the lowest of the City's UV differentials and this rate serves as a benchmark differential rate by which all other UV rated properties are assessed.
UV Commercial	The UV Commercial rate is levied on UV valued properties where the predominant use of the land is for either Industrial or Commercial purposes.	As with the GRV Ind/Com category, the UV Commercial differential is in place to raise additional funds against Industrial and Commercial properties which generally cause increased maintenance requirements on City assets and infrastructure due to the nature of the operations run from these properties.	As with the GRV Industrial/Commercial rate in the dollar, the UV Commercial differential rate is set higher than the UV General base in reflection of the increased costs to the City for infrastructure maintenance and renewal as well as monitoring land use and environmental impacts.

**(f) Differential Minimum Payment**

Description	Characteristics	Objects	Reasons
GRV General & UV General - \$882	The Minimum applied to these categories is in recognition that every property within the City receives some minimum level of benefit from services provided. These categories affect all properties not used as Vacant Land or for Industrial or Commercial purposes.	To raise a fair value minimum charge against each property in the City to ensure equity between all ratepayers.	The GRV & UV General minimum is reflective of the basic level of service that all (predominantly) residential properties receive.
GRV Vacant - \$767	The Minimum applied to this category is in recognition that every property within the City receives some minimum level of benefit from services provided. These categories affect all properties identified as Vacant Land.	To raise a fair value minimum charge against each property in the City to ensure equity between all ratepayers.	The GRV Vacant Land minimum is the lowest in the City. This reflects the reduced level of service/impact that these properties have on the City's resources.
GRV Ind/Com & UV Com - \$1102	The Minimum applied to this category is in recognition that every property within the City receives some minimum level of benefit from services provided. These categories affect all properties used for Industrial or Commercial purposes.	To raise a fair value minimum charge against each property in the City to ensure equity between all ratepayers.	The GRV Industrial/Commercial & UV Commercial minimum rates are the highest in the City. This recognises that Industrial and Commercial properties have a greater impact on the infrastructure and environment within the City in comparison to properties that fall within the General or Vacant categories.

CITY OF KALAMUNDA  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

**1. RATES AND SERVICE CHARGES (CONTINUED)**

**(e) Variation in Adopted Differential Rates to Local Public Notice**

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rate

<b>Differential general rate or general rate</b>	<b>Proposed Rate in</b>	<b>Adopted Rate in \$</b>	<b>Reasons for the difference</b>
General GRV	0.060374	0.060255	Recalculation of budget resulting in lower differential rates.
Industrial/Commercial GRV	0.068085	0.067952	Recalculation of budget resulting in lower differential rates.
Vacant GRV	0.085609	0.085441	Recalculation of budget resulting in lower differential rates.
General UV	0.003454	0.003447	Recalculation of budget resulting in lower differential rates.
Commercial UV	0.004073	0.004065	Recalculation of budget resulting in lower differential rates.

<b>Minimum payment</b>	<b>Proposed Minimum</b>	<b>Adopted Minimum \$</b>	<b>Reasons for the difference</b>
General GRV	882	882	no change
Industrial/Commercial GRV	1,102	1,102	no change
Vacant GRV	767	767	no change
General UV	882	882	no change
Commercial UV	1,102	1,102	no change

CITY OF KALAMUNDA  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

2 (a). NET CURRENT ASSETS

Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated 30 June 2019	2018/19 Budget 30 June 2019	
	\$	\$	\$	\$	
<b>Composition of estimated net current assets</b>					
<b>Current assets</b>					
Cash - unrestricted	3	3,958,302	5,594,922	5,701,028	7,281,286
Cash - restricted reserves	3	8,793,544	17,423,726	17,423,726	7,245,035
Unspent Grants & Contributions not held in reserves	6 (b)	0	106,106	0	0
Receivables		3,115,667	3,275,051	3,275,051	2,363,521
Inventories		121,114	127,637	127,637	207,854
		15,988,627	26,527,442	26,527,442	17,097,695
<b>Less: current liabilities</b>					
Trade and other payables		(5,581,810)	(3,658,840)	(3,764,946)	(6,987,786)
Current portion of long term borrowings		(637,072)	(672,155)	(672,155)	(1,144,824)
Provisions		(3,125,695)	(3,125,695)	(3,125,695)	(3,527,400)
		(9,344,577)	(7,456,690)	(7,562,796)	(11,660,010)
<b>Net current assets</b>		<b>6,644,050</b>	<b>19,070,752</b>	<b>18,964,646</b>	<b>5,437,685</b>

2 (b). EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

**Operating activities excluded from budgeted deficiency**

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

Note	2019/20 Budget 30 June 2020	2019/20 Budget 01 July 2019	2018/19 Estimated 30 June 2019	2018/19 Budget 30 June 2019	
	\$	\$	\$	\$	
<b>(i) Current assets and liabilities excluded from budgeted deficiency</b>					
<b>Net current assets</b>	2	6,644,050	19,070,752	18,964,646	5,437,685
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.					
<b>Adjustments to net current assets</b>					
Less: Cash - restricted reserves	3	(8,793,544)	(17,423,726)	(17,423,726)	(7,245,035)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings		637,072	672,155	672,155	1,144,824
- Employee benefit provisions		3,125,695	649,690	649,690	3,527,401
<b>Adjusted net current assets - surplus/(deficit)</b>		<b>1,613,273</b>	<b>2,968,871</b>	<b>2,862,765</b>	<b>2,864,875</b>
<b>(ii) Operating activities excluded from budgeted deficiency</b>					
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.					
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals	4(b)	0	(36,792)	(36,792)	0
Add: Loss on disposal of assets	4(b)	0	10,894	10,894	0
Add: Change in accounting policies	15	1,799,409	1,799,409	0	
Add: Depreciation on assets	5	12,549,653	11,094,305	11,094,305	10,835,774
<b>Non cash amounts excluded from operating activities</b>		<b>14,349,062</b>	<b>12,867,816</b>	<b>11,068,407</b>	<b>10,835,774</b>

**(iii) Reason for adjustment to Adjusted net current assets - surplus/(deficit) on 1 July 2019**

The City has elected to retrospectively apply the cumulative effect of applying AASB 1058 Income of Not-for-Profit Entities at the date of initial application of the standard, being 1 July 2019. The impact of applying the standard was to recognise unspent grants and contributions for construction of recognisable non-financial assets controlled by the City as a liability. The opening budgeted surplus/deficit on 1 July 2019 has been amended accordingly from the estimated actual closing surplus/deficit. Refer to note 15 for further explanation of the impact of the changes in accounting policies.

**2 (c). NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**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 the 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 sale where it is held as non-current based on the City's intentions to release for sale.

**TRADE AND OTHER PAYABLES**

Trade 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 Of Kalamunda becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**CONTRACT ASSETS**

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

**PROVISIONS**

Provisions are recognised when the City has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

**INVENTORIES**

**General**

Inventories are measured 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.

**Superannuation**

The City Of Kalamunda contributes to a number of superannuation funds on behalf of employees.

All funds to which the City Of Kalamunda contributes are defined contribution plans.

**TRADE AND OTHER RECEIVABLES**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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.

**CONTRACT LIABILITIES**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the City are recognised as a liability until such time as the City satisfies its obligations under the agreement.

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

Provision is made for the City Of Kalamunda's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City Of Kalamunda's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The City Of Kalamunda's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**LAND HELD FOR RESALE**

Land held for development and sale 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 completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

**CITY OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

**3. 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:

	<b>2019/20 Budget</b>	<b>2018/19 Estimate</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Cash - unrestricted	3,958,302	5,594,922	7,281,286
Cash - restricted	8,793,544	17,529,832	7,245,033
	<b>12,751,846</b>	<b>23,124,754</b>	<b>14,526,319</b>

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

Long Service Leave Reserve	978,594	972,788	424,926
Land and Property Enhancement and Maintenance Reserve	1,452,158	1,657,266	1,074,161
Waste Management Reserve	1,687,537	1,876,337	1,672,974
EDP IT Equipment Reserve	876,030	942,166	503,186
Local Government Elections Reserve	87,572	129,800	109,364
HACC Reserve	0	20,004	0
Forrestfield Industrial Area Reserve	123,698	122,965	124,910
Insurance Contingency Reserve	283,061	281,381	292,308
Revaluation Reserve	173,114	256,582	260,685
Nominated Employee Leave Provisions Reserve	1,934,089	1,922,613	1,081,050
Forrestfield Industrial Scheme Stage 1 Reserve	121,319	1,631,779	0
Asset Enhancement Reserve	343,308	1,253,843	1,099,168
Unexpended Capital Works and Specific Purpose Grants Reserve	33,926	5,683,903	284,553
Waste Avoidance and Resource Recovery Reserve	547,269	603,666	239,665
Environmental Reserve	101,543	68,633	78,084
Public Art Reserve	50,000	0	0
Strategic Sport and Recreation Reserve	326	0	0
Unspent grants and contributions not held in reserve	0	106,106	0
	<b>8,793,544</b>	<b>17,529,832</b>	<b>7,245,034</b>

**Reconciliation of net cash provided by operating activities to net result**

<b>Net result</b>	3,784,156	7,570,547	6,599,706
Depreciation	12,549,653	11,094,305	10,835,774
(Profit)/loss on sale of asset	0	(25,898)	0
(Increase)/decrease in receivables	124,892	447,427	(143,850)
(Increase)/decrease in inventories	6,521	(27,622)	(68,647)
Increase/(decrease) in payables	(1,463,636)	(1,107,533)	74,451
Increase/(decrease) in employee provisions	0	(66,534)	838,634
Change in accounting policies transferred to retained surplus (refer to Note 15)	1,587,197	0	0
Non cash contributions - EMRC	(1,679,116)	(1,630,348)	(1,630,348)
Grants/contributions for the development of assets	(8,571,844)	(11,650,380)	(10,395,953)
<b>Net cash from operating activities</b>	<b>6,337,823</b>	<b>4,603,964</b>	<b>6,109,765</b>

**SIGNIFICANT ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments 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 in Note 2 - Net Current Assets.



**CITY OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

**4. FIXED ASSETS**

**(a) Acquisition of Assets**

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

	Reporting program						
	Community amenities	Recreation and culture	Transport	Other property and services	2019/20 Budget total	2018/19 Estimate total	2018/19 Budget total
<b>Asset class</b>	\$	\$	\$	\$	\$	\$	\$
<i>Property, Plant and Equipment</i>							
Buildings - specialised	0	8,236,812	0	16,000	8,252,812	6,148,249	4,957,857
Furniture and equipment	105,083	0	0	896,407	1,001,490	683,139	838,300
Plant and equipment	596,209	0	3,289,000	0	3,885,209	2,960,268	1,491,000
	<b>701,292</b>	<b>8,236,812</b>	<b>3,289,000</b>	<b>912,407</b>	<b>13,139,511</b>	<b>9,791,656</b>	<b>7,287,157</b>
<i>Infrastructure</i>							
Infrastructure - Roads	0	0	10,947,992	2,580,000	13,527,992	10,247,082	15,642,025
Infrastructure - Footpaths	0	0	475,764	0	475,764	592,054	1,265,720
Infrastructure - Drainage	0	0	673,225	0	673,225	500,968	1,704,113
Infrastructure - Parks and Ovals	180,142	1,250,974	0	0	1,431,116	1,070,250	2,148,607
Infrastructure - Other	0	0	773,573	0	773,573	569,282	1,932,575
	<b>180,142</b>	<b>1,250,974</b>	<b>12,870,555</b>	<b>2,580,000</b>	<b>16,881,671</b>	<b>12,979,637</b>	<b>22,693,040</b>
<b>Total acquisitions</b>	<b>881,435</b>	<b>9,487,785</b>	<b>16,159,555</b>	<b>3,492,407</b>	<b>30,021,182</b>	<b>22,771,293</b>	<b>29,980,197</b>

CITY OF KALAMUNDA  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30TH JUNE 2020

**4. FIXED ASSETS (CONTINUED)**

**(b) Disposals of Assets**

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

	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss	2018/19 Estimate Net Book Value	2018/19 Estimate Sale Proceeds	2018/19 Estimate Profit	2018/19 Estimate Loss	2018/19 Budget Net Book Value	2018/19 Budget Sale Proceeds	2018/19 Budget Profit	2018/19 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Transport	0	0	0	0	97,316	134,108	36,792	0	0	0	0	0
Other property and services		0	0	0	0	(10,894)	0	(10,894)	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>97,316</b>	<b>123,214</b>	<b>36,792</b>	<b>(10,894)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>By Class</b>												
<u>Property, Plant and Equipment</u>												
Plant and equipment	0	0	0	0	97,316	134,108	36,792	0	0	0	0	0
Buildings	0	0	0	0	0	(10,894)	0	(10,894)	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>97,316</b>	<b>123,214</b>	<b>36,792</b>	<b>(10,894)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**5. ASSET DEPRECIATION**

**By Program**

Law, order, public safety
Education and welfare
Community amenities
Recreation and culture
Transport
Other property and services

**By Class**

Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - Roads
Infrastructure - Footpaths
Infrastructure - Drainage
Infrastructure - Parks and Ovals
Infrastructure - Other

2019/20 Budget	2018/19 Estimate	2018/19 Budget
\$	\$	\$
26,469	22,189	26,469
33,731	33,283	33,371
85,881	11,094	13,481
3,626,026	3,217,348	3,626,026
8,469,322	7,533,033	6,828,203
308,224	277,358	308,224
<b>12,549,653</b>	<b>11,094,305</b>	<b>10,835,774</b>
2,299,152	1,973,677	2,299,152
479,275	422,693	479,275
454,296	348,361	382,526
4,274,708	3,904,086	4,732,166
917,803	865,356	867,840
1,542,009	1,260,011	715,397
1,750,711	1,568,583	876,141
831,699	751,538	483,277
<b>12,549,653</b>	<b>11,094,305</b>	<b>10,835,774</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised	30 to 50 Years
Buildings - specialised	50 to 80 Years
Furniture and equipment	4 to 10 Years
Plant and equipment	5 to 15 Years
Roads formation	not depreciated
-sealed	80 years
-unsealed	15 years
Seal	not depreciated
- bituminous seals	20 years
- asphalt seals	25 years
- Surface	20 years
- Base	60 years
- Sub base	60 years
- Formation	60 years
Infrastructure - Footpaths	50 Years
Infrastructure - Drainage	80 Years
Infrastructure - Parks and Ovals	10 to 40 years

**DEPRECIATION (CONTINUED)**

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 profit or loss in the period which they arise.

**RECOGNITION OF ASSETS**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

6. INFORMATION ON BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Budget	2019/20	2019/20	2019/20	Budget	Estimate	2018/19	2018/19	2018/19	Estimate	Budget	2018/19	2018/19	2018/19	Budget
	Principal 1 July 2019	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2020	Principal 1 July 2018	Estimate New loans	Estimate Principal repayments	Estimate Interest repayments	Principal outstanding 30 June 2019	Principal 1 July 2018	Budget New loans	Budget Principal repayments	Budget Interest repayments	Principal outstanding 30 June 2019
	\$	\$	\$	\$	\$		\$	\$	\$	\$		\$	\$	\$	\$
<b>Community amenities</b>															
Loan 224 - Land acquisition - Kalamunda Road	280,815		184,623	13,129	96,192	455,552	0	174,737	23,016	280,815	455,552	0	174,737	23,016	280,815
Loan 228 - Depot Waste Trucks	858,211		48,911	47,638	809,300	904,481	0	46,270	57,368	858,211	904,481	0	46,270	57,368	858,212
Loan 229 - Waste Compactor	126,923		41,277	2,870	85,646	167,203	0	40,280	3,867	126,923	167,203	0	40,280	3,867	126,922
Loan 230 - Forrestdfield North Development Project - Loan 1	411,580		46,231	12,043	365,349	456,450	0	44,870	13,404	411,580	456,450	0	44,870	13,404	411,580
Forrestdfield North Development Project - Loan 2	0	0	0	0	0	0	0	0	0	0	450,000	0	0	0	450,000
Wattle Grove Feasibility Study	0	0	0	0	0	0	0	0	0	0	300,000	0	0	0	300,000
Disposal of Park and Recreation Reserves	0	0	0	0	0	0	0	0	0	0	170,000	0	0	0	170,000
Wattle Grove South Planning Study	0	100,000	0	0	100,000	0	0	0	0	0	0	0	0	0	0
High Wycombe Roads - testing and design	0	50,000	0	0	50,000	0	0	0	0	0	0	0	0	0	0
Forrestdfield North Structure Planning	0	240,000	0	0	240,000	0	0	0	0	0	0	0	0	0	0
MKSEA Kalamunda Wedge - Development Contribution Plan	0	40,000	0	0	40,000	0	0	0	0	0	0	0	0	0	0
MKSEA - Preliminary investigations and consultation	0	70,000	0	0	70,000	0	0	0	0	0	0	0	0	0	0
<b>Recreation and culture</b>															
Loan 222 - Wet'n'Wild	64,860	0	64,860	3,041	0	125,866	0	61,006	6,895	64,860	125,866	0	61,006	6,895	64,860
Loan 227 - Kalamunda Swimming Pool	1,380,601	0	78,683	76,636	1,301,918	1,455,035	0	74,434	80,885	1,380,601	1,455,035	0	74,434	80,885	1,380,601
Future Aquatic facility study (Needs analysis)	0	100,000	0	0	100,000	0	0	0	0	0	0	0	0	0	0
<b>Transport</b>															
Loan 221 - Operations Centre	1,481,625	0	94,447	98,734	1,387,178	1,569,988	0	88,363	104,818	1,481,625	1,569,988	0	88,363	104,818	1,481,624
Loan 226 - Newburn Road Extention	160,566	0	78,040	8,013	82,526	234,362	0	73,796	12,257	160,566	234,362	0	73,796	12,257	160,566
Fleet - Major Plant Replacement Program	0	3,000,000	0	0	3,000,000	0	0	0	0	0	0	0	0	0	0
Fleet - Light Plant Replacement Program	0	207,000	0	0	207,000	0	0	0	0	0	0	0	0	0	0
New road Project - Kalamunda Town Centre Upgrade Stage 1 Main Street (Haynes Street).	0	500,000	0	0	500,000	0	0	0	0	0	0	0	0	0	0
<b>Other property and services</b>															
Plant and Equipment	0	0	0	0	0	0	0	0	0	0	1,500,000	0	0	0	1,500,000
Forrestdfield Industrial Area Scheme Stage 1 - Road 2 - road construction	0	0	0	0	0	0	0	0	0	0	100,000	0	0	0	100,000
	<b>4,765,181</b>	<b>4,307,000</b>	<b>637,072</b>	<b>262,104</b>	<b>8,435,109</b>	<b>5,368,937</b>	<b>0</b>	<b>603,756</b>	<b>302,509</b>	<b>4,765,181</b>	<b>5,368,938</b>	<b>2,520,000</b>	<b>603,757</b>	<b>302,509</b>	<b>7,285,182</b>
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
Loan 199 - Forrestdfield Bowling Club	0	0	0	0	0	0	0	0	745	0	10,458	0	5,020	745	5,438
Loan 214 - Forrestdfield United Soccer Club	83,012	0	7,333	4,434	75,679	89,954	0	6,942	4,818	83,012	89,954	0	6,942	4,818	83,012
Loan 216 - Foothills Netball Association	63,256	0	5,004	3,951	58,252	67,951	0	4,695	4,255	63,256	67,951	0	4,695	4,255	63,256
Loan 217 - Maidavale Tennis Club	23,713	0	3,763	1,356	19,950	27,262	0	3,549	1,570	23,713	27,262	0	3,549	1,570	23,714
Loan 219 - Kalamunda Club	16,518	0	16,518	520	0	48,055	0	31,537	2,538	16,518	48,055	0	31,537	2,538	16,518
Loan 220 - Forrestdfield Junior Football Club	2,465	0	2,465	116	0	4,783	0	2,318	262	2,465	4,783	0	2,318	262	2,465
	<b>188,964</b>	<b>0</b>	<b>35,083</b>	<b>10,377</b>	<b>153,881</b>	<b>238,005</b>	<b>0</b>	<b>49,041</b>	<b>14,188</b>	<b>188,964</b>	<b>248,463</b>	<b>0</b>	<b>54,061</b>	<b>14,188</b>	<b>194,402</b>
	<b>4,954,145</b>	<b>4,307,000</b>	<b>672,155</b>	<b>272,482</b>	<b>8,588,990</b>	<b>5,606,942</b>	<b>0</b>	<b>652,797</b>	<b>316,697</b>	<b>4,954,145</b>	<b>5,617,401</b>	<b>2,520,000</b>	<b>657,818</b>	<b>316,697</b>	<b>7,479,584</b>

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.  
The self supporting loan(s) repayment will be fully reimbursed.

## 6. INFORMATION ON BORROWINGS (CONTINUED)

### (b) New borrowings - 2019/20

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed	Total interest & charges	Amount used	Balance unspent
					budget	\$	budget	\$
Wattle Grove South Planning Study	WATC	Fixed Term Loan	5	1.98%	100,000	0	100,000	0
High Wycombe Roads - Pavement testing and Design	WATC	Fixed Term Loan	5	1.98%	50,000	0	50,000	0
Forrestfield North Structure Planning	WATC	Fixed Term Loan	5	1.98%	240,000	0	240,000	0
MKSEA Kalamunda Wedge - Development Contribution Plan	WATC	Fixed Term Loan	5	1.98%	40,000	0	40,000	0
MKSEA - Preliminary investigations and consultation	WATC	Fixed Term Loan	5	1.98%	70,000	0	70,000	0
Future Aquatic facility study (Needs analysis)	WATC	Fixed Term Loan	5	1.98%	100,000	0	100,000	0
Fleet - Major Plant Replacement Program	WATC	Fixed Term Loan	8	2.33%	3,000,000	0	3,000,000	0
Fleet - Light Plant Replacement Program	WATC	Fixed Term Loan	4	1.85%	207,000	0	207,000	0
New road Project - Kalamunda Town Centre Upgrade Stage 1 Main Street (Haynes Street).	WATC	Fixed Term Loan	10	2.55%	500,000	0	500,000	0
					<b>4,307,000</b>	<b>0</b>	<b>4,307,000</b>	<b>0</b>

The City had no unspent borrowing funds as at 30th June 2019 nor is it expected to have unspent borrowing funds as at 30th June 2020.

### (c) Credit Facilities

	2019/20 Budget	2018/19 Estimate	2018/19 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities credit standby arrangements</b>			
Bank overdraft limit	1,500,000	1,500,000	1,500,000
Bank overdraft at balance date	0	0	0
Credit card limit	75,000	75,000	75,000
Credit card balance at balance date	(4,000)	(3,000)	(4,367)
<b>Total amount of credit unused</b>	<b>1,571,000</b>	<b>1,572,000</b>	<b>1,570,633</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	<b>8,588,990</b>	<b>4,954,145</b>	<b>7,479,584</b>

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2019	2019/20 Budgeted Increase/ (Decrease)	Amount as at 30th June 2020
Overdraft Facility at Corporate Overdraft Reference Rate minus 2.64%			\$	\$	\$
		2011	1,500,000	0	1,500,000
			<b>1,500,000</b>	<b>0</b>	<b>1,500,000</b>

## SIGNIFICANT ACCOUNTING POLICIES

### 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 until such time as the asset is substantially ready for its intended use or sale.

CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

**7. CASH BACKED RESERVES**

**(a) Cash Backed Reserves - Movement**

	2019/20 Budget Opening Balance	2019/20 2019/20 Budget Transfer to	2019/20 Budget Transfer (from) Closing Balance	2018/19 Estimate Opening Balance	2018/19 2018/19 Estimate Transfer to	2018/19 Estimate Transfer (from) Closing Balance	2018/19 Estimate Closing Balance	2018/19 Budget Opening Balance	2018/19 2018/19 Budget Transfer to	2018/19 Budget Transfer (from) Closing Balance	2018/19 Budget Closing Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Long Service Leave Reserve	972,788	5,806	0	978,594	972,788	0	0	972,788	943,976	180,950	(700,000)	424,926
Land and Property Enhancement and Maintenance Reserve	1,657,266	9,892	(215,000)	1,452,158	1,657,266	0	0	1,657,266	1,654,769	19,392	(600,000)	1,074,161
Waste Management Reserve	1,876,337	11,200	(200,000)	1,687,537	1,876,337	0	0	1,876,337	1,895,137	21,984	(244,146)	1,672,974
EDP IT Equipment Reserve	942,166	605,624	(671,760)	876,030	942,166	0	0	942,166	975,174	311,312	(783,300)	503,186
Local Government Elections Reserve	129,800	100,772	(143,000)	87,572	129,800	0	0	129,800	108,110	1,254		109,364
HACC Reserve	20,004	122	(20,126)	0	20,004	0	0	20,004	0	0	0	0
Forrestfield Industrial Area Reserve	122,965	734	0	123,698	122,965	0	0	122,965	123,478	1,432	0	124,910
Insurance Contingency Reserve	281,381	1,680	0	283,061	281,381	0	0	281,381	288,956	3,352	0	292,308
Revaluation Reserve	256,582	1,532	(85,000)	173,114	256,582	0	0	256,582	257,696	2,989	0	260,685
Nominated Employee Leave Provisions Reserve	1,922,613	11,476	0	1,934,089	1,922,613	0	0	1,922,613	1,562,920	218,130	(700,000)	1,081,050
Forrestfield Industrial Scheme Stage 1 Reserve	1,631,779	9,740	(1,520,200)	121,319	2,063,676	476,914	(908,811)	1,631,779	2,339,801	427,142	(2,766,943)	0
Asset Enhancement Reserve	1,253,843	164,965	(1,075,500)	343,308	1,253,843	0	0	1,253,843	1,765,392	373,776	(1,040,000)	1,099,168
Unexpended Capital Works and Specific Purpose Grants Reserve	5,683,903	33,926	(5,683,903)	33,926	10,683,903	0	(5,000,000)	5,683,903	5,459,645	63,332	(5,238,424)	284,553
Waste Avoidance and Resource Recovery Reserve	603,666	203,603	(260,000)	547,269	603,666	0	0	603,666	624,422	7,243	(392,000)	239,665
Environmental Reserve	68,633	150,410	(117,500)	101,543	68,633	0	0	68,633	67,304	60,781	(50,000)	78,085
Public Art Reserve	0	50,000	0	50,000	0	0	0	0	0	0	0	0
Strategic Sport and Recreation Reserve	0	86,000	(85,674)	326	0	0	0	0	0	0	0	0
	<b>17,423,726</b>	<b>1,447,481</b>	<b>(10,077,663)</b>	<b>8,793,544</b>	<b>22,855,623</b>	<b>476,914</b>	<b>(5,908,811)</b>	<b>17,423,726</b>	<b>18,066,778</b>	<b>1,693,069</b>	<b>(12,514,813)</b>	<b>7,245,035</b>

**(b) Cash Backed Reserves - Purposes**

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
Long Service Leave Reserve	Ongoing	To provide cash-backing for all annual and long service leave entitlements.
Land and Property Enhancement and Maintenance Reserve	Ongoing	To fund land and property purchases, upgrade and maintenance of existing properties.
Waste Management Reserve	Ongoing	To fund financing operations for the development of the City's sanitation service.
EDP IT Equipment Reserve	Ongoing	To fund the upgrade / replacement of the City's computer hardware and software requirements.
Local Government Elections Reserve	Ongoing	To fund the cost of future elections.
HACC Reserve	Discontinued	This reserve funded HACC Service programmes and asset replacements - the HACC programme was discontinued on 30.06.2017.
Forrestfield Industrial Area Reserve	Ongoing	To fund infrastructure requirements for the Forrestfield area.
Insurance Contingency Reserve	Ongoing	To fund insurance premium variations and potential call backs.
Revaluation Reserve	Ongoing	To fund triannual rating revaluations.
Nominated Employee Leave Provisions Reserve	Ongoing	To fund future nominated staff leave entitlements.
Forrestfield Industrial Scheme Stage 1 Reserve	Ongoing	The reserve is established to meet the City's reporting obligation under clause 6.5.16 of the City of Kalamunda Local Planning Scheme No. 3. The funds that were managed under the Trust for the scheme were transferred to the newly established reserve on 23rd June 2015. The reserve will be maintained to reflect all transactions related to the scheme for the benefit of the scheme members.
Asset Enhancement Reserve	Ongoing	To fund future replacement of City's Infrastructure and plant and equipment needs.
Unexpended Capital Works and Specific Purpose Grants Reserve	Ongoing	To carry forward available funding for uncompleted projects and specific purpose grants, that will be completed and expended in ensuing financial years.
Waste Avoidance and Resource Recovery Reserve	Ongoing	Any surplus raised in the year for the purpose of managing the contaminated sites will be placed in the reserve for utilisation in future years.
Environmental Reserve	Ongoing	To fund environment strategies and projects.
Public Art Reserve	Ongoing	To fund future Public Art projects.
Strategic Sport and Recreation Reserve	Ongoing	To fund future Strategic Sport and Recreation capital projects.

CITY OF KALAMUNDA  
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 FOR THE YEAR ENDED 30TH JUNE 2020

**8. FEES & CHARGES REVENUE**

	<b>2019/20 Budget</b>	<b>2018/19 Estimate</b>	<b>2018/19 Budget</b>
	\$	\$	\$
Governance	20,000	94,518	94,787
General purpose funding	304,697	236,691	237,365
Law, order, public safety	177,538	334,279	335,231
Health	675,005	617,885	619,645
Education and welfare	55,000	61,811	61,987
Community amenities	12,676,715	12,373,853	12,409,090
Recreation and culture	1,315,816	1,275,011	1,278,642
Economic services	327,710	594,060	595,751
Other property and services	280,244	126,950	127,311
	<b>15,832,725</b>	<b>15,715,058</b>	<b>15,759,810</b>

**9. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

**By Program:**

**Operating grants, subsidies and contributions**

Governance	1,836	21,375	20,666
General purpose funding	1,379,178	1,173,779	1,134,807
Law, order, public safety	210,912	203,422	196,668
Education and welfare	7,530	7,789	7,530
Community amenities	34,883	36,081	34,883
Recreation and culture	486,902	594,775	575,027
Transport	30,000	31,030	30,000
Other property and services	1,905,401	2,101,908	2,032,120
	<b>4,056,642</b>	<b>4,170,159</b>	<b>4,031,701</b>

**Non-operating grants, subsidies and contributions**

Recreation and culture	4,736,000	365,645	341,650
Transport	3,106,451	5,596,877	5,229,577
	<b>7,842,451</b>	<b>5,962,522</b>	<b>5,571,227</b>

CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020

**10. OTHER INFORMATION**

	<b>2019/20 Budget</b>	<b>2018/19 Estimate</b>	<b>2018/19 Budget</b>
<b>The net result includes as revenues</b>	\$	\$	\$
<b>(a) Interest earnings</b>			
Investments			
- Reserve funds	104,000	206,059	209,772
- Other funds	400,000	444,075	447,500
Non Investments	37,639	96,658	113,431
Other interest revenue	555,000	459,935	531,024
	<b>1,096,639</b>	<b>1,206,727</b>	<b>1,301,727</b>
<b>(b) Other revenue</b>			
Other	55,625	57,625	79,473
	<b>55,625</b>	<b>57,625</b>	<b>79,473</b>
<b>The net result includes as expenses</b>			
<b>(c) Auditors remuneration</b>			
Auditors remuneration	43,000	37,966	40,000
Internal Auditors	107,000	96,200	0
Other services	2,000	1,427	1,200
	<b>152,000</b>	<b>135,593</b>	<b>41,200</b>
<b>(d) Interest expenses (finance costs)</b>			
Borrowings (refer Note 6(a))	272,482	316,697	316,697
	<b>272,482</b>	<b>316,697</b>	<b>316,697</b>
<b>(e) Elected members remuneration</b>			
Meeting fees	286,679	284,291	283,841
Mayor allowance	63,354	62,960	62,727
Deputy Mayor allowance	15,682	15,832	15,682
Travelling expenses and accomodation allowance	600	600	600
Information, Communications and Technology allowance	50,400	42,356	42,000
	<b>416,715</b>	<b>406,039</b>	<b>404,850</b>
<b>(f) Write offs</b>			
General rate	2,334	2,334	2,334
Fees and charges	10,579	10,579	10,579
	<b>12,913</b>	<b>12,913</b>	<b>12,913</b>



**CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**11. MAJOR LAND TRANSACTIONS AND TRADING UNDERTAKINGS**

It is not anticipated the City will be party to any Major Land Transactions or Trading Undertakings during 2019/20.

**12. INTERESTS IN JOINT ARRANGEMENTS**

The City of Kalamunda's estimated share of equity is 16.30% in the Eastern Metropolitan Regional Council.

16.30% estimated share of the total Equity in the Eastern Metropolitan Regional Council.

<b>2019/20 Budget</b>
\$
1,679,116
<b>1,679,116</b>

**SIGNIFICANT ACCOUNTING POLICIES  
INTERESTS IN JOINT ARRANGEMENTS**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

**CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**13. TRUST FUNDS**

Funds held at balance date over which the local government has no control and which are not included in the financial statements are as follows:

Detail	Balance 1 July 2019	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2020
	\$	\$	\$	\$
Unclaimed Monies	21,014	4,176	(4,063)	21,127
Wattlegrove - Cell9	13,636,993	892,593	(49,320)	14,480,266
B.C.I.T.F Levies	28,978	121,401	(111,940)	38,439
B.S.L Levies	49,005	132,494	(108,115)	73,384
Bonds	1,916,485	299,619	(1,020,837)	1,195,267
Cash in Lieu of Public Open Space	2,442,942	219,418	0	2,662,360
	<b>18,095,417</b>	<b>1,669,701</b>	<b>(1,294,275)</b>	<b>18,470,843</b>

**CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**14. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION**

**GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of a 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 which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**ROUNDING OFF FIGURES**

All figures shown in this statement are rounded to the nearest dollar.

**COMPARATIVE FIGURES**

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

**BUDGET COMPARATIVE FIGURES**

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

**REVENUE RECOGNITION**

Accounting Policies for the recognition of income and revenue from contracts with customers is described in Note 15.

**CITY OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE  
IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income for Not-for-Profit Entities.

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

The City Of Kalamunda adopted AASB 15 on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City Of Kalamunda has adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount 30 June 19	Reclassification	AASB 15 carrying amount 01 July 19
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	106,106	106,106
Adjustment to retained surplus from adoption of AASB 15	0	(106,106)	(106,106)

**LEASES**

On adoption of AASB 16, for leases which had previously been classified as an 'operating lease' when applying AASB 117, the City Of Kalamunda is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

**CITY OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30TH JUNE 2020**

**15. SIGNIFICANT ACCOUNTING POLICIES - CHANGE  
 IN ACCOUNTING POLICIES (Continued)**

**INCOME FOR NOT-FOR-PROFIT ENTITIES**

The City Of Kalamunda has adopted AASB 1058 from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions AASB 1058, the City Of Kalamunda has adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount 30 June 19	Reclassification	AASB 1058 carrying amount 01 July 19
	\$	\$	\$
Trade and other payables	4,088,044	1,693,303	5,781,347
Adjustment to retained surplus from adoption of AASB 1058	4,088,044	(1,693,303)	2,394,741

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised by the City Of Kalamunda. When the taxable event occurs the financial liability is extinguished and the City Of Kalamunda recognises income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration that was significantly less than fair value principally to enable the City Of Kalamunda to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services have been recognised in budgeted revenue and budgeted expenditure as the fair value of the services can be reliably estimated and the services would have been purchased if they had not been donated.

The impact on the City Of Kalamunda of the changes as at 1 July 2019 is as follows:

	2019
	\$
Retained surplus - 30/06/2019	217,893,008
Adjustment to retained surplus from adoption of AASB 15	(106,106)
Adjustment to retained surplus from adoption of AASB 1058	(1,799,409)
Retained surplus - 01/07/2019	216,093,599



# Capital Budget

For the year ended 30 June 2020



**city of  
kalamunda**





<b>ROADS NEW CAPITAL EXPENDITURE</b>	<b>2019/20</b>
	<b>\$</b>
Sanderson Rd Streetscape Enhancement - Shopping Centre	80,833
Kalamunda Rd streetscape / entry statement	92,381
Canning Road / Masonmill Road - Intersection widening & right turn pocket	46,190
Mundaring Weir Road, Widen and Seal Shoulders	1,847,615
Maida Vale Road / Roe Highway Off Ramp , MV, Install New Roundabout	396,082
Tanner Road - Construct cul-de-sac	97,000
Canning Road / Lesmurdie Road Intersection - Traffic Calming measures	43,881
Canning Road / Pickering Brook Road Intersection - Shoulder widening	42,212
Holmes Road - New crash barriers & localised shoulder widening	146,654
Gooseberry Hill Primary School Parking Improvements	35,798
Reid Road One Way Treatment	32,333
Lewis Road (south of Donovan Village) - Traffic Calming	42,726
Kalamunda Town Centre Upgrade Stage 1 Main Street (Haynes Street)	577,380
Pickering Brook Road - off road parking for new information bay (by others)	40,417
Bonser Rd Crossover Alignments	69,286
Milner Rd / Maida Vale Road	28,869
Raven St Extension to Maida Vale Rd	28,869
<b>TOTAL EXPENDITURE ON ROADS-NEW</b>	<b>3,648,526</b>

<b>ROADS RENEWALS CAPITAL EXPENDITURE</b>	<b>2019/20</b>
	<b>\$</b>
Gravel Shouldering and Gravel Road resheeting	40,417
Minor Asphalt Surface Rehabilitation Program	115,476
Kalamunda Road- (Faye Cres to Gray Rd) - selected areas of road resurfacing	1,027,736
Welshpool Road East/Canning Road - intersection rehabilitation	289,153
Hummerston Rd - Kerb & road renewal	11,548
Palmateer Drive - Carmel Road East to Broadway Road - reseal	225,178
Canning Mills Road / Canning Road - Reconstruction and widening pavement	57,738
Patterson Road - road widening	548,511
Zig Zag Scenic Drive - Road resurfacing for 3.72km	11,548
Alexander Close- Road resurfacing for 1.6km	51,964
Margaret Terrace - Road resurfacing	63,512
Dawn Road - Road resurfacing	51,964
Abernethy Road- Road resurfacing (partial)	1,247,140
Welshpool Road East (Adjacent to Pomeroy Road) - Road resurfacing 170m	113,166
Welshpool Road East (East of Albert Road) - Road resurfacing for 340m	357,052
Welshpool Road East (Adjacent to Crystal Brook Road), East Bound Lanes, Stabilise 300mm Foamed Bitumen and Asphalt DGA 30mm	236,726
Hale Road, At Strelitzia Road Intersection - road resurfacing	193,422
Stirling Crescent - Road resurfacing for 210m	131,296
Lesmurdie Road Before Welshpool Road - Road resurfacing for 190m	170,212
Hale Road / Woolworths Drive Intersection Upgrade	1,097,021
Canning Road - Road resurfacing	392,618
Hawkevale Road - repairs	230,952
Zamia Road - Colas Micro Surfacing Trail	23,095
Welshpool Road East - Pavement Rehabilitation, east and west carriageways	225,178
Welshpool Road East - Pavement Rehabilitation, east bound carriageway	346,428
Television Road - road resurfacing	40,417
<b>TOTAL EXPENDITURE ON ROADS- RENEWAL</b>	<b>7,299,467</b>

<b>SPECIAL PROJECTS CAPITAL EXPENDITURE</b>	2019/20
	\$
Road 2 - road construction - Forrestfield Industrial Area Scheme Stage 1	500,000
Nardine/ Milner Intersection Design & Construction - Forrestfield Industrial Area Reserve Stage 1	350,000
Ashby/ Berkshire Intersection Design & Construction - Forrestfield Industrial Area Reserve Stage 1	150,000
Berkshire/ Milner Intersection Design & Construction - Forrestfield Industrial Area Reserve Stage 1	450,000
Hale Road Widening	1,000,000
Woodlupine Brook - environmental upgrade	130,000
<b>TOTAL EXPENDITURE ON SPECIAL PROJECTS</b>	<b>2,580,000</b>

<b>FOOTPATHS NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Sadler Drive - Ridgehill Rd to Midland Rd, Southern Verge	28,869
Falls Road - Kimbarlee Way to New School Carpark, Northern Verge	40,417
Grove Road - Chislehurst Road to House No.240, Northern Verge, 262m x 2m Concrete	57,738
Chislehurst Road - Madera Place to Cul-De-Sac end, eastern verge, 544m x 1.8m Concrete	11,548
Ollie Worrell Reserve - Installation of extension to footpath, 355m x 2m wide Concrete	23,095
Woodlupine Stream Reserve Upgrade - Lenahan Cnr to Wimbridge Road - upgrade width for bicycles	36,956
Larwood Crescent -Bowden Drive to House No. 52, 165m x 2m concrete	46,190
<b>TOTAL EXPENDITURE ON FOOTPATHS NEW</b>	<b>244,812</b>

<b>FOOTPATHS RENEWALS CAPITAL EXPENDITURE</b>	2019/20
	\$
Footpath Renewal - Minor Renewals	230,952
<b>TOTAL EXPENDITURE ON FOOTPATHS RENEWAL</b>	<b>230,952</b>

<b>CYCLING NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Welshpool Road East - Hale Road to East Abutment of Rail Bridge	311,785
Walker Crescent (High Wycombe Local Cycling Route) McLarty Way to Newburn Road, PAW Upgrades	11,548
Mack Place - Shared Path, Palmer Crescent to Maida Vale Road	17,321
Palmer Crescent and Butcher Road - Safe Active Streets	317,559
<b>TOTAL EXPENDITURE ON CYCLING INFRASTRUCTURE NEW</b>	<b>658,213</b>

<b>CARPARKS NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Kostera Oval - Construct new sealed and drained carpark at the rear of the AG Hall, including surface drainage management.	11,548
Ray Owen Carpark - Expansion and Upgrades	69,170
<b>TOTAL EXPENDITURE ON CAR PARKS NEW</b>	<b>80,718</b>

<b>CARPARKS RENEWALS CAPITAL EXPENDITURE</b>	2019/20
	\$
ACROD Parking Bay upgrades to current standard	23,095
Newburn Road Shopping Centre, Asphalt overlay, including pavement repairs, kerbing and line marking and ACROD bays	11,548
<b>TOTAL EXPENDITURE ON CAR PARKS RENEWALS</b>	<b>34,643</b>

<b>BUS SHELTERS NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Hawtin Road - Bus Stop No. 14108, Before Kalamunda Road, Install New Shelter	24,250
<b>TOTAL EXPENDITURE ON BUS SHELTERS NEW</b>	<b>24,250</b>

<b>BUS SHELTERS RENEWAL CAPITAL EXPENDITURE</b>	2019/20
	\$
Lesmurdie Road - Bus Stop No.13754, After Milne Street	24,250
Bus Shelter Renewals as required based on the PTA Disability Access Works Program	16,167
Installation of concrete pads for new seating at Bus Stops through the new Digital Bus Shelters / Seating Tender	16,167
Refurbishment of existing Tin Shelters	24,250
<b>TOTAL EXPENDITURE ON BUS SHELTERS RENEWAL</b>	<b>80,833</b>

<b>FENCES, BRIDGES &amp; LIGHTING NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Alan Fernie Pavilion - security fencing	23,095
Petunia Street Reserve - pine bollards to prevent vehicle access	3,464
Huntly Street Reserve - pine bollards to prevent vehicle access.	9,238
Maida Vale Road / Newburn Road - Intersection Lighting Upgrade to V Category Standard under AS 1158	17,321
SES and BFB Depot Fencing - increased extent of fencing	9,238
195 Dundas Road - safety handrailing to culvert headwalls	9,238
New LED lighting to BBQ's and shade shelter / tables at Bill Shaw Reserve	16,167
<b>TOTAL EXPENDITURE ON FENCES, BRIDGES AND LIGHTING NEW</b>	<b>87,762</b>

<b>FENCES, BRIDGES &amp; LIGHTING RENEWAL CAPITAL EXPENDITURE</b>	2019/20
	\$
Strelitzia Avenue - Fence Renewal	11,548
Woodlupine Brook Reserve - Pedestrian Bridge, Full Replacement	11,548
Salix Way (Lot 104) - Remove 84m old pine post and rail fencing and replace with new pine post bollards	9,238
Upgrade of sports floodlighting at Scott Reserve	476,114
<b>TOTAL EXPENDITURE ON FENCES, BRIDGES AND LIGHTING RENEWAL</b>	<b>508,448</b>

<b>DRAINAGE NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Hicks Street - new compensation basin within landfill reserve	23,095
Stirling Crescent - Install piped drainage in existing open drain from Benson Way Basin to the eastern corner of Lot 51.	11,548
Berberis Way (adjacent to No.23 ) - localised flooding mitigation	34,643
Sultana Road East (No. 302) - New kerbing	23,095
Hummerston Road, Mundaring Weir Rd to Croxton Rd - Extend piped drainage system and install additional manholes	28,869
Seaton Park Reserve - Construct new compensation basin	51,964
Ridge Hill Road, Zig Zag Scenic Drive to John Farrant Drive - Install new kerbing and drainage	11,548
Dawson Avenue Reserve (Woodlupine Creek) -Install energy dissipating structures within existing creek line	12,702
Hartfield Road and Waterfall Road - extension of piped culvert	11,548
Implementation of the automated flow monitoring for the City's main drainage system	28,869
<b>TOTAL EXPENDITURE ON DRAINAGE NEW</b>	<b>237,880</b>

<b>DRAINAGE RENEWALS CAPITAL EXPENDITURE</b>	2019/20
	\$
Drainage Emergency Works	28,869
Courtney Place, Coldwell Road to Cul-De-Sac - drainage improvements	80,833
Drainage Sump Renewal Works	28,869
Stirk Park: Drainage System	239,035
Renewal of old or damaged Side Entry Pit pit covers and kerbs	57,738
<b>TOTAL EXPENDITURE ON DRAINAGE RENEWALS</b>	<b>435,344</b>

<b>BUILDINGS NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Ray Owen Reserve - Master Plan Implementation	151,161
Kalamunda Community Centre Building	5,518,582
Ray Owen Stadium - New Grease Trap	29,992
Operations Centre, WA - Emergency Warning & Evacuation System	59,985
Future Aquatic facility study (Needs analysis)	119,969
Hartfield Park Master Plan - Stage 2 - Facility Colocation Strategy	83,978
Lawnbrook Road N-Com Telecommunication Tower, WA - Install access ladder and cable way	29,992
Operations Centre Transportable Office Replacement	155,960
Walliston Transfer Station - Sound Walls	239,938
Review and revision of Woodlupine Hub facility	47,988
Kalamunda and Districts Rugby Union Club - New unisex changerooms	318,727
<b>TOTAL EXPENDITURE ON BUILDINGS-NEW</b>	<b>6,756,272</b>

<b>BUILDINGS RENEWAL CAPITAL EXPENDITURE</b>	2019/20
	\$
Program of works - Emergency Building Capital Repairs	60,014
Program of works - LED Lighting Replacement Program -City Buildings	36,008
Program of works - Disability Access	36,008
Kalamunda Library -Roof replacement, metal fascia and guttering and install new electronic controlled ridge vents	582,134
Hartfield Park Recreation Centre-replacement with carpet tiles in front foyer/entrance hall and upper floor area	60,014
Hartfield Park Recreation Centre- Replace glass panels on squash courts	36,008
Kalamunda Waterpark Refurbishments	60,014
Scott Reserve Pavilion - Replace ceiling tiles, replace BBQ Patio roof sheeting, replace roof sheeting	30,007
Ray Owen Recreation Centre - Toilet refurbishments	90,021
Kalamunda Hockey Club (Old Building) - refurbish to allow Rugby League to move in	18,004
Edinburgh Road Centre (FIRS) 35 Edinburgh Road - floor finish renewal	20,405
Admin Office Telecommunication Tower: Maintenance Works	48,011
Forrestfield Bowling Club - Refurb Male, Female and Universal Access toilets	114,026
Kalamunda Mens Shed - Reclad western end of shed and repaint external and internal walls	24,006
Palm Terrace - Replacement of existing water main in Palm Terrace	204,047
Hartfield Park Recreation Centre - Renewal existing main court curtain divider	10,202
Forrestfield Library - Misc renewals including vinyl, carpets, internal paint, rafters and sunken brick pavers	42,010
KPAC Lighting Replacement	6,001
Ray Owen Sports Centre - Walk way repaint	3,600
<b>TOTAL EXPENDITURE ON BUILDING RENEWALS</b>	<b>1,480,539</b>

<b>DECOMMISSIONING CAPITAL EXPENDITURE</b>	2019/20
	\$
Forrestfield BMX Dirt Jumps - Hale Road, Dispose of dirt / concrete jumps	10,000
Lesmurdie Hall Playground - Dispose of all playground equipment including perimeter fencing	6,000
<b>TOTAL DECOMMISSIONING CAPITAL EXPENDITURE</b>	<b>16,000</b>

<b>PARKS NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Shade Sail Installation Program	17,321
Street Tree Planting Program	173,214
Stirk Park - Implement Master Plan	202,083
Trails Loop Implementation	122,405
Federation Gardens - Park Upgrade	11,548
Ollie Worrell Reserve -Install 3 x bench seats	11,548
Hartfield Park Managed Aquifer Recharge - 2nd Stage	57,738
Friends of Groups - Install 5 x Interpretive signage shelters	17,321
Fleming Reserve - Install new drinking fountain	11,548
<b>TOTAL PARKS NEW CAPITAL EXPENDITURE</b>	<b>624,725</b>

<b>PARKS RENEWAL CAPITAL EXPENDITURE</b>	2019/20
	\$
Rangeview Reserve - Neighbourhood Park Upgrade	57,738
Ollie Worrell Reserve - Reticulation Renewal	57,738
Rangeview Reserve - Reticulation Renewal, including mainline replacement from Progress Reserve to Rangeview Reserve	127,024
Akebia Way Reserve - Reticulation Renewal	86,607
Flora Terrace Reserve - Renew Irrigation Bore headworks	10,393
Flora Terrace Reserve - Replace existing tank pump with larger pump including electrical upgrades as required	11,548
Kalamunda Skate Park - Refurbishment of ramps and surrounds	5,774
Hartfield Park Skate Park - completion of design intent	98,155
Lesmurdie Tennis Courts - Acrylic Resurfacing of 4 courts	40,417
Pickering Brook Reserve (George Spriggs Reserve) - Renew irrigation mainlines from tanks to oval	34,643
Glen Road - Modify concrete drainage pipe and upgrade pond serving irrigation	40,417
Maida Vale reserve Netball Courts - Acrylic Resurfacing 4 x courts	54,274
Woodlupine Living Stream Stage 2	144,345
Flora Terrace Reserve - Design and documentation of energy dissipating structures	17,321
<b>TOTAL PARKS RENEWAL CAPITAL EXPENDITURE</b>	<b>786,391</b>

<b>ENV RESERVES NEW CAPITAL EXPENDITURE</b>	2019/20
	\$
Woodlupine Brook - Strelitzia Ave to Dawson Ave, erosion control partnership	20,000
<b>TOTAL ENV RESERVES NEW CAPITAL EXPENDITURE</b>	<b>20,000</b>

<b>PLANT AND EQUIPMENT CAPITAL EXPENDITURE</b>	2019/20
	\$
Minor Plant Purchase and Replacement	82,000
Fleet - Major Plant Replacement Program	3,000,000
Fleet - Light Plant Replacement Program	207,000
<b>TOTAL PLANT AND EQUIPMENT CAPITAL EXPENDITURE</b>	<b>3,289,000</b>

<b>FURNITURE AND EQUIPMENT CAPITAL EXPENDITURE</b>	<b>2019/20</b>
	\$
Purchase of various Furniture and Equipment Items	79,800
Information Technology Software purchases	816,607
<b>TOTAL FURNITURE AND EQUIPMENT CAPITAL EXPENDITURE</b>	<b>896,407</b>
<b>TOTAL CAPITAL EXPENDITURE 2019/20</b>	<b>30,021,182</b>