



**2014/15 BUDGET
FOR ADOPTION**

**CITY OF GREATER GERALDTON
BUDGET
FOR THE YEAR ENDING 30 JUNE 2015**

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CITY OF GREATER GERALDTON
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDING 30TH JUNE 2015

	NOTE	2014/15 Budget \$	2013/14 Estimate/Actual \$	2013/14 Budget \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	8 & 9	39,553,622	37,847,428	37,847,428
Operating Grants, Subsidies & Contributions		8,962,804	6,319,894	9,369,894
Fees and Charges	11	18,415,235	17,417,497	17,417,497
Interest Earnings	2(a)	1,458,533	1,758,513	1,758,513
Other Revenue		1,680,200	1,233,163	2,029,625
		70,070,394	64,576,495	68,422,957
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		(29,510,760)	(28,595,045)	(28,595,045)
Materials and Contracts		(22,598,421)	(22,425,369)	(20,813,074)
Utility Charges		(3,300,700)	(3,185,325)	(3,185,325)
Depreciation on Non-Current Assets	2(a)	(17,939,427)	(18,042,064)	(18,042,064)
Interest Expenses	2(a)	(871,709)	(691,313)	(842,202)
Insurance Expenses		(945,410)	(971,360)	(971,360)
Other Expenditure		(2,355,612)	(1,944,805)	(1,944,805)
		(77,522,039)	(75,855,281)	(74,393,875)
		(7,451,645)	(11,278,786)	(5,970,918)
Non-Operating Grants, Subsidies & Contributions		15,941,333	15,700,376	26,300,376
Profit on Asset Disposals	4	59,786	595,115	578,807
Loss on Asset Disposals	4	(1,221,291)	(209,720)	(209,720)
Land Held For Resale - Proceeds of Sale		-	245,000	700,000
Land Held For Resale (Acquisition/Development Costs)		(4,000,000)	(4,645,243)	(14,891,646)
FV Adjustments on Financial Assets		90,000	-	-
		10,869,828	11,685,528	12,477,817
NET RESULT				
Other Comprehensive Income				
TOTAL COMPREHENSIVE INCOME		3,418,183	406,742	6,506,899

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

Please note, other comprehensive income (if any) is impacted upon by external forces and is not able to be reliably estimated.

Any other comprehensive income which relates to non-cash transactions and as such, has no impact on this budget document.

It is anticipated in all instances; any other comprehensive income will relate to non-cash transactions and as such, have no impact on this budget document.

CITY OF GREATER GERALDTON
STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM
FOR THE YEAR ENDING 30TH JUNE 2015

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
OPERATING REVENUES (Refer Notes 1,2,8 to 13)			
General Purpose Funding	47,097,820	42,814,057	46,660,519
Governance	108,500	418,550	418,550
Law , Order, Public Safety	576,630	486,670	486,670
Health	50,500	343,885	343,885
Education and Welfare	1,322,648	914,506	914,506
Housing	-	17,100	17,100
Community Amenities	8,639,148	8,704,366	8,704,366
Recreation and Culture	2,451,484	2,249,308	2,249,308
Transport	7,012,300	5,788,300	5,788,300
Economic Services	1,141,900	1,540,875	1,540,875
Other Property and Services	1,579,464	1,298,878	1,998,878
	69,980,394	64,576,495	69,122,957
OPERATING EXPENSES (Refer Notes 1,2 & 14)			
General Purpose Funding	(887,141)	(567,909)	(767,909)
Governance	(12,310,674)	(13,222,956)	(13,222,956)
Law , Order, Public Safety	(772,583)	(1,240,540)	(1,240,540)
Health	(135,534)	(537,675)	(537,675)
Education and Welfare	(2,619,766)	(2,004,005)	(2,004,005)
Housing	(72,000)	(112,204)	(112,204)
Community Amenities	(8,090,287)	(7,417,650)	(8,417,650)
Recreation & Culture	(14,069,836)	(11,816,619)	(11,816,619)
Transport	(21,621,837)	(22,116,814)	(22,116,814)
Economic Services	(3,666,338)	(3,832,518)	(3,832,518)
Other Property and Services	(16,314,334)	(16,695,321)	(24,374,429)
	(80,560,330)	(79,564,211)	(88,443,319)
BORROWING COSTS EXPENSE (Refer Notes 2 & 5)			
Governance	(34,097)	(37,424)	(37,424)
Law , Order, Public Safety	-	-	-
Community Amenities	-	-	-
Recreation & Culture	(422,689)	(241,239)	(361,016)
Transport	(324,550)	(409,289)	(430,410)
Economic Services	(2,516)	(3,361)	(3,361)
Other Property & Services	(87,857)	-	(9,991)
	(871,709)	(691,313)	(842,202)
GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS			
General Purpose Funding	-	2,500,000	2,500,000
Governance	440,000	-	-
Community Amenities	-	45,000	45,000
Recreation & Culture	5,258,333	3,795,822	3,795,822
Transport	5,543,000	7,651,954	17,454,954
Economic Services	-	-	-
Other Property & Services	4,700,000	1,707,600	2,504,600
	15,941,333	15,700,376	26,300,376
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)			
Other Property & Services	(1,161,505)	385,395	369,087
FV Adjustments to Financial Assets thru P&L	90,000	-	-
	(1,071,505)	385,395	369,087
NET RESULT	3,418,183	406,742	6,506,899
Other Comprehensive Income	-	-	-
TOTAL COMPREHENSIVE INCOME	3,418,183	406,742	6,506,899

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

**CITY OF GREATER GERALDTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30TH JUNE 2015**

	NOTE	2014/15 Budget	2013/14 Estimate/Actual	2013/14 Budget
		\$	\$	\$
Cash Flows From Operating Activities				
Receipts				
Rates		39,485,683	38,777,377	37,812,087
Grants and Subsidies - operating		8,962,804	6,319,894	9,369,894
Contributions, Reimbursements & Donations		-	-	-
Fees and Charges		18,415,235	17,417,497	17,417,497
Interest Earnings		1,458,533	1,758,513	1,758,513
Goods and Services Tax		-	-	615,000
Proceeds from Land Held For Resale		-	-	700,000
Other		1,934,517	1,814,546	2,029,625
		70,256,772	66,087,827	69,702,616
Payments				
Employee Costs		(29,228,409)	(28,405,306)	(28,586,297)
Materials and Contracts		(21,509,321)	(25,931,387)	(35,457,664)
Utilities Charges		(3,300,700)	(3,185,325)	(3,185,325)
Insurance		(945,410)	(971,360)	(971,360)
Interest		(881,709)	(698,313)	(842,202)
Goods and Services Tax				(180,000)
Other		(2,205,612)	(1,944,805)	(1,944,805)
		(58,071,161)	(61,136,496)	(71,167,653)
Net Cash Provided By Operating Activities	15(b)	12,185,610	4,951,332	(1,465,037)
Cash Flows from Investing Activities				
Payments for Purchase of Assets	3	(12,616,190)	(11,519,822)	(12,334,822)
Payments for Construction of Infrastructure	3	(48,540,340)	(24,645,860)	(52,480,860)
Payments for Purchase/Development of Land Held for resale		(4,000,000)	(4,645,243)	
Proceed from Council Loans		-	-	-
Grants/Contributions for the Development of Assets		15,941,333	15,700,376	26,300,376
Proceeds of Sale of Securities		-	217,605	-
Proceeds from Sale of Assets	4	2,377,000	1,030,000	3,885,000
Net Cash Used in Investing Activities		(46,838,197)	(23,862,944)	(34,630,306)
Cash Flows from Financing Activities				
Repayment of Debentures	5	(2,116,985)	(2,812,788)	(3,089,287)
Proceeds from Self Supporting Loans		77,149	92,124	92,124
Proceeds from New Debentures	5	24,860,000	7,980,000	21,030,000
Net Cash Provided By (Used In) Financing Activities		22,820,164	5,259,336	18,032,837
Net Increase (Decrease) in Cash Held		(11,832,423)	(13,652,276)	(18,062,506)
Cash at Beginning of Year		18,334,724	31,987,000	29,669,307
Cash and Cash Equivalents at the End of the Year	15(a)	6,502,301	18,334,724	11,606,801

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

**CITY OF GREATER GERALDTON
RATE SETTING STATEMENT
FOR THE YEAR ENDING 30TH JUNE 2015**

	NOTE	2014/15	2013/14	2013/14
		Budget	Estimate/Actual	Budget
		\$	\$	\$
REVENUES	1,2			
Grants, Subsidies and Contributions		24,904,137	22,020,270	35,670,270
Fees and Charges		18,415,235	17,417,497	17,417,497
Interest Earnings		1,458,533	1,758,513	1,758,513
Other Revenue		1,680,200	1,233,163	2,029,625
FV Adjustments to Financial Assets at FV through P&L		90,000	-	-
Profit on Disposal of Assets		59,786	595,115	578,807
Land Held For Resale - Proceeds of Sale		-	245,000	700,000
		46,607,891	43,269,558	58,154,712
EXPENSES	1,2			
Employees Costs		(29,510,760)	(28,595,045)	(28,595,045)
Materials & Contractors		(22,598,421)	(22,425,369)	(20,813,074)
Utility Charges		(3,300,700)	(3,185,325)	(3,185,325)
Depreciation on Non-Current Assets		(17,939,427)	(18,042,064)	(18,042,064)
Interest Expenses		(871,709)	(691,313)	(842,202)
Insurance Expenses		(945,410)	(971,360)	(971,360)
Other Expenditure		(2,355,612)	(1,944,805)	(1,944,805)
Loss on Disposal of Assets		(1,221,291)	(209,720)	(209,720)
Land Held For Resale (Acquisition/Development Costs)		(4,000,000)	(4,645,243)	(14,891,646)
		(82,743,330)	(80,710,244)	(89,495,241)
Net Operating Result Excluding Rates		(36,135,439)	(37,440,686)	(31,340,529)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Revenue				
FV Adjustments to Financial Assets at FV thru P&L		(90,000)	-	-
(Profit)/Loss on Asset Disposals	4	1,161,505	(385,395)	(369,087)
Depreciation on Assets	2(a)	17,939,427	18,042,064	18,042,064
Prior Year Adjustments				
Movement in Deferred Pensioner Rates				
Movement in Employee Benefit Provision		260,210	114,373	
Capital Expenditure and Revenue				
Purchase Land and Buildings	3	(9,122,000)	(5,874,322)	(9,074,322)
Purchase Plant and Equipment	3	(2,514,000)	(2,557,000)	(2,557,000)
Purchase Furniture and Equipment	3	(275,190)	(383,500)	(683,500)
Purchase Other Property, Plant and Equipment	3	(630,000)	(20,000)	(20,000)
Purchase Infrastructure Airport	3	(3,546,000)	(1,771,000)	-
Purchase Infrastructure Regional Waste	3	(685,000)	(2,685,000)	-
Purchase Infrastructure Assets - Roads	3	(31,523,865)	(16,888,693)	(39,532,725)
Purchase Infrastructure Assets - Parks	3	(10,224,000)	(3,448,500)	(4,026,000)
Purchase Infrastructure Assets - Other	3	(2,636,475)	(2,537,667)	(8,922,135)
Self-Supporting / Council Loans paid out		-	-	-
Proceeds from Disposal of Assets	4	2,377,000	785,000	3,885,000
Proceeds from Sale of Inventory		-	-	-
Repayment of Debentures	5	(2,116,985)	(2,812,788)	(3,089,287)
Proceeds from New Debentures	5	24,860,000	7,980,000	21,030,000
Self-Supporting Loan Principal Income		77,149	92,124	92,124
Transfers to Reserves (Restricted Assets)	6	(146,979)	(11,099,758)	(448,000)
Transfers from Reserves (Restricted Assets)	6	11,267,000	26,694,770	21,974,639
Estimated Surplus/(Deficit) July 1 B/Fwd	7	(49,674)	(3,701,124)	(3,096,112)
Estimated Surplus/(Deficit) June 30 C/Fwd	7	(2,199,694)	(49,674)	(287,442)
Amount Required to be Raised from Rates	8 & 9	(39,553,622)	(37,847,428)	(37,847,428)

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

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these budget statements are:-

POLICY STATEMENT

a) Basis of Accounting

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying Regulations.

The City has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as its prime objective.

Consequently, where appropriate, the City has elected to apply options and exemptions within the Australian Accounting Standards that are applicable to not-for-profit entities.

The report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of the selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a financial report 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.

The estimates and assumptions that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the following:

- Fair value assessments of property, plant and equipment assets
- Estimated useful life assessments of property, plant and equipment assets
- Impairment of property, plant and equipment assets
- Impairment of trade and other receivables
- Measurement and recognition of provisions

b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears in Notes (typically at Note 20) to the annual financial statements.

c) Taxes

Income of the City is exempt from Commonwealth taxation except for Fringe Benefit Tax (FBT) and Goods and Service Tax (GST). The Council is also exempt from State Government Payroll Tax.

d) 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 statement of financial position are stated inclusive of applicable GST.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015

e) Cash and Cash Equivalents

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

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

f) Trade and Other Receivables

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

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

g) 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.

Land Held for Resale

Land purchased for the purpose of development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs. Finance costs and holding charges incurred after development is completed are expensed.

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

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

Assets Held for Sale

Items of property, plant and equipment are reclassified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and where the sale is considered highly probable. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from other assets in the statement of financial position.

h) Fixed Assets

Regulatory Requirements

Local Government (Financial Management) Regulation 17A was Gazetted on 20 April 2012 and the measurement of non-current assets at Fair Value became mandatory for WA Councils.

Regulation 17A allows for a phasing in of fair value in relation to fixed assets over three years as follows:

- a) For the financial year ending on 30 June 2013, the fair value of all assets of the local government that are plant and equipment; and
- b) For the financial year ending on 30 June 2014, the fair value of all assets of the local government
 - (i) that are plant and equipment; and
 - (ii) that are –
 - (I) land and buildings; or
 - (II) infrastructure; and
- c) For the financial year ending on or after 30 June 2015, the fair value of all the assets of the local government.

This requirement was previously foreshadowed. The City is implementing Fair Value in accordance with Local Government (Financial Management) Regulation 17A.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015

h) Fixed Assets (Continued)

Initial Recognition and Measurement

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

Revaluation

Revalued assets are carried at their fair value. When performing a revaluation, the Council uses a mix of both independent and management valuations.

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 the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases in the same asset are charged against fair value reserves directly in Equity; all other decreases are charged to the statement of comprehensive income. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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

In addition, the amendments to the Local Government (Financial Management) Regulations mandating the use of Fair Value impose a further minimum three years revaluation requirement. As a minimum, all assets carried at a revalued amount, will be revalued at least every three years.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They are then classified as Land and revalued along with other land in accordance with the other policies detailed in this Policy. Whilst they were initially recorded at cost, fair value at the date of acquisition is deemed cost as per AASB 116. Consequently, these assets were initially recognised at cost but to be revalued along with other items of Land and Buildings at 30 June 2013.

Land Under Roads

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

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

Depreciation of Non-Current Assets

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

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

h) Fixed Assets (Continued)

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Depreciation rates will be based on the useful life detailed in Appendix 6 of the Western Australian Local Government Accounting Manual. Major depreciation periods are:

Land	Infinite
Land (Leasehold Interest)	99 years
Airport - Runway, Apron and Car Park	20 to 40 years
Buildings	35 to 55 years
Furniture and Equipment	7 to 13 years
Plant and Major Equipment	5 to 10 years
Minor Plant	3 - 7 years
Sealed roads and streets	20 to 50 years
Bridges	60 to 90 years
Car Parks Sealed	20 to 40 years
Culverts	40 to 60 years
Cycle Ways	25 to 45 years
Dams, Reservoirs and Weirs	65 to 85 years
Footpaths - Slab	15 to 35 years
Footpaths - Concrete	25 to 45 years
Fountains	40 to 60 years
Kerb and Channels	40 to 60 years
Street Lights	20 to 30 years
Sewerage Piping	70 to 90 years
Water Reticulation/Irrigation	15 to 25 years

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

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

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

Capitalisation Threshold

All Land and Art purchases are capitalised. The remaining asset classes will be capitalised if the cost exceeds the following thresholds:

Buildings	\$5,000
Plant, equipment and tools	\$2,000
Furniture and Equipment	\$2,000
Computer and electronic equipment	\$2,000

i) Financial Instruments

Initial Recognition and Measurement

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

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

Classification and Subsequent Measurement

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

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015

i) Financial Instruments (continued)

Amortised cost is calculated as:

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

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

If the 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.

Available-for-sale financial assets

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

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

Financial liabilities

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

Impairment of financial instruments

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

j) Estimation of Fair Value - Financial Assets & Liabilities

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting 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 of Assets

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 statement of comprehensive income.

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

l) Trade and Other Payables

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

m) Employee Benefits

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

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

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

Long Service Leave (Long-term Benefits)

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

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015

n) 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.

o) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result to settle the obligation 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. Provisions are not recognised for future operating losses.

p) 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 Council, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term. Lease payments for 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. Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

q) Joint Ventures

The Council's interest in a joint venture is recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is provided in the Notes to annual financial statements (typically set out in Note 17).

r) Rates, Grants, Donations and Other Contributions

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

Where contributions recognised as revenue during the reporting period are 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 of and amounts pertaining to those undischarged conditions are disclosed in Notes [typically included in note 2] to the annual financial statements. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

s) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

t) Rounding Off Figures

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

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

u) Comparative Figures

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

v) Budget Comparative Figures

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

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

2. OPERATING REVENUES AND EXPENSES

(a) Result from Ordinary Activities

(i) *Charging as an Expense:*

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Depreciation			
By Program			
Governance	551,606	565,918	565,918
General Purpose Funding	-	-	-
Law, Order, Public Safety	36,724	33,353	33,353
Health	25,934	23,972	23,972
Education and Welfare	126,611	126,349	126,349
Housing	72,000	64,269	64,269
Community Amenities	134,694	128,323	128,323
Recreation and Culture	2,200,288	2,033,483	2,033,483
Transport	12,628,186	12,675,813	12,675,813
Economic Services	6,868	7,218	7,218
Other Property and Services	2,156,516	2,383,366	2,383,366
	17,939,427	18,042,064	18,042,064
By Class			
Land and Buildings	2,503,432	1,639,678	1,639,678
Furniture and Equipment	36,196	17,516	17,516
Plant and Equipment	2,366,220	2,350,660	2,350,660
Roads	9,509,243	9,731,312	9,731,312
Parks	678,660	569,724	569,724
Meru	83,418	83,418	83,418
Airport	602,804	894,386	894,386
Other	2,159,454	2,755,370	2,755,370
	17,939,427	18,042,064	18,042,064
Borrowing Costs (Interest)			
- Finance Lease Charges			
- Bank Charges	108,500	86,253	93,000
- Debentures (<i>refer note 5(a)</i>)	871,709	691,314	842,202
	980,209	777,567	935,202
Rental Charges			
- Operating Leases	63,900	58,285	75,000

(ii) *Crediting as Revenue:*

Interest Earnings			
Investments			
- Reserve Funds	400,000	840,595	300,000
- Other Funds	601,533	452,794	1,066,513
Other Interest Revenue (<i>refer note 13</i>)	457,000	465,124	392,000
	1,458,533	1,758,513	1,758,513

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

2. OPERATING REVENUES AND EXPENSES (CONTINUED)

(b) Statement of Objective

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 and for each of its broad activities/programs.

The services of the City are classified according to the following programs:

GOVERNANCE

Members of Council, civic receptions and functions, public relations, electoral, administration, support, research operations for Council Members and certain executive and staff.

GENERAL PURPOSE FUNDING

General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, back rates, general purpose grants, untied road grants, interest on deferred rates and investment returns.

LAW, ORDER, PUBLIC SAFETY

Fire prevention including the Emergency Services Levy, Volunteer Fire Brigade and SES expenditure, clearing of fire hazards, animal control, park rangers, neighbourhood watch, surf lifesaving, crime prevention and emergency planning and management.

HEALTH

Maternal and infant health, preventive services including food control, health inspections, pest control and other health.

EDUCATION AND WELFARE

Family Day Care, aged and disabled, Queen Elizabeth II Seniors Centre, other welfare including youth projects, seniors' projects and reconciliation.

HOUSING

Maintenance of staff housing.

COMMUNITY AMENITIES

Rubbish collections, Meru refuse site operations, litter control, public litter bins, protection of the environment, town planning control, parenting centre, cemetery, and community services including youth programs.

RECREATION AND CULTURE

Aquarena, public halls, civic centres, foreshore, beaches, parks, sporting grounds, library, heritage and conservation, museums, Art Gallery and Queens Park Theatre.

TRANSPORT

Roads, footpaths, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities and airport.

ECONOMIC SERVICES

Tourism and promotions, visitors' information centre, building control, economic development and marketing.

OTHER PROPERTY AND SERVICES

Private works operations, public works overheads, plant/vehicle operations, town planning schemes, land and property services and others that can not be assigned to one of the preceding programs.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

3. ACQUISITION OF ASSETS

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

	2014/15 Budget	2013/14 Estimate/Actual	2013/14 Budget
<u>By Program</u>	\$	\$	\$
Governance	822,000	329,490	672,500
Law, Order, Public Safety	750,000	4,959	6,000
Health	-	6,135	5,000
Education and Welfare	-	47,755	-
Housing	-	5,147	7,500
Community Amenities	775,000	2,835,267	2,848,994
Recreation and Culture	11,609,190	9,839,768	10,429,322
Transport	37,491,340	20,259,635	45,727,366
Economic Services	-	44,685	162,000
Other Property and Services	9,709,000	2,792,841	4,957,000
	61,156,530	36,165,682	64,815,682
<u>By Class</u>			
Land and Buildings	9,122,000	5,874,322	9,074,322
Plant and Equipment	2,514,000	2,557,000	2,557,000
Furniture and Equipment	275,190	383,500	683,500
Other Property, Plant and Equipment	630,000	20,000	20,000
Infrastructure Assets - Roads	31,523,865	16,888,693	39,532,725
Infrastructure Assets - Parks, Gardens and Coastal	10,224,000	3,848,500	4,026,000
Infrastructure Assets - Airport	3,546,000	1,771,000	-
Infrastructure Assets - Regional Waste	685,000	2,685,000	-
Infrastructure Assets - Other	2,636,475	2,137,667	8,922,135
	61,156,530	36,165,682	64,815,682

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

4. DISPOSAL OF ASSETS

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

<u>By Program</u>	Net Book Value	Sale Proceeds	Profit(Loss)
	2014/15	2014/15	2014/15
	Budget	BUDGET	BUDGET
	\$	\$	\$
OTHER PROPERTY AND SERVICES			
Operational Support			
Plant & Equipment			
Asset Number:			
569	4,007	5,000	993
1768	8,515	10,000	1,485
529	8,101	10,000	1,899
436	11,277	12,000	723
462	16,223	12,000	(4,223)
527	36,717	12,000	(24,717)
451	11,317	13,000	1,683
458	11,317	13,000	1,683
2536	18,848	14,000	(4,848)
435	13,509	14,000	491
1770	15,108	14,000	(1,108)
485	4,606	15,000	10,394
452	14,417	16,000	1,583
2370	23,100	20,000	(3,100)
2371	18,873	20,000	1,127
2401	20,663	20,000	(663)
579	21,975	22,000	25
2495	24,653	22,000	(2,653)
2443	23,536	22,000	(1,536)
453	17,057	22,000	4,943
428	22,644	24,000	1,356
519	34,298	30,000	(4,298)
535	48,993	40,000	(8,993)
534	30,311	50,000	19,689
478	53,264	60,000	6,736
560	60,024	65,000	4,976
OTHER PROPERTY AND SERVICES			
Various Land Sales	2,965,152	1,800,000	(1,165,152)
	3,538,505	2,377,000	(1,161,505)
By Class			
Land & Buildings	2,965,152	1,800,000	(1,165,152)
Plant & Equipment	573,353	577,000	3,647
	3,538,505	2,377,000	(1,161,505)
Summary			2014/15
			BUDGET
			\$
Profit on Asset Disposals			59,786
Loss on Asset Disposals			(1,221,291)
			(1,161,505)

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

4. DISPOSAL OF ASSETS (CONTINUED)

Disposal of Assets by Class			
		2014/15	2013/14
Land		Budget	Budget
	Proceeds of Sale	1,800,000	3,224,000
	Written Down Value	2,965,152	3,000,500
	Profit/(Loss)	(1,165,152)	223,500
Plant and Equipment			
	Proceeds of Sale	577,000	661,000
	Written Down Value	573,353	515,413
	Profit/(Loss)	3,647	145,587
		(1,161,505)	369,087
		2014/15	2013/14
Disposal of Assets by Program		Budget	Budget
	Other Property and Services	(1,161,505)	290,703
	Mullewa		82,547
	Family Day Care		4,578
	Airport		(8,741)
		(1,161,505)	369,087

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

5. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1st July, 2014	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			2014/15 Budget	2013/14 Actual	2014/15 Budget	2013/14 Actual	2014/15 Budget	2013/14 Actual
			\$	\$	\$	\$	\$	\$
GOVERNANCE								
262 Admin Upgrade	895,120		87,635	84,307	807,485	810,814	34,097	37,424
COMMUNITY AMENITIES								
RECREATION & CULTURE								
82 *Tarcoola Tennis Club	16,581		2,689	2,500	13,892	13,893	1,147	1,336
225 *Geraldton Netball Association	-		-	19,488	-	-	-	920
228 *Geraldton Surf Lifesaving	55,136		17,248	16,207	37,888	38,929	3,303	4,343
251 *Geraldton Hockey Association	150,004		24,999	23,521	125,005	126,483	8,783	10,260
253 *Geraldton Yacht Club SSL	64,914		9,691	9,107	55,223	55,807	3,895	4,479
257 *Geraldton Hockey Association	198,163		22,522	21,477	175,641	176,686	9,405	10,451
224 Reticulation	-		-	12,781	-	-	-	562
226 Marina Toilets	11,031		11,031	10,405	-	626	542	1,168
227 Reticulation	6,376		6,376	6,023	-	353	306	659
233 Library Relocation Building	-		-	916,726	-	-916,726	165,998	32,546
259 Land Acquisition	3,563,537		406,256	387,739	3,157,281	3,951,277	88,652	174,515
260 Aquarena Renewal	2,327,313		227,851	219,199	2,099,462	2,108,115	54,099	107,305
263 Recreation Grandstand	1,250,000		102,162	-	1,147,838	-	86,559	-
264 Aquarena Building Stage 2	2,000,000		163,459	-	1,836,541	-	-	-
West End Precinct		1,690,000			1,690,000	-	-	-
Foreshore Stabilisation & Protection		1,200,000			1,200,000	-	-	-
Law Order & Public Safety								
Animal Pound		750,000			750,000	-	-	-

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

5. INFORMATION ON BORROWINGS (CONTINUED)

Particulars	Principal 1st July, 2014	New Loans	Principal Repayments		Principal Outstanding		Interest Repayments		
			2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
			Budget	Actual	Budget	Actual	Budget	Actual	
			\$	\$	\$	\$	\$	\$	
TRANSPORT									
105 Plant Purchase	-		-	41,343	-	31,255	-	1,824	
229 SGIO Carpark	251,056		78,496	73,725	172,560	324,780	15,155	19,926	
230 Airport Buffer Land	705,404		184,239	171,786	521,165	877,190	45,933	58,386	
234 Library Land - Carpark	645,595		123,334	117,251	522,261	762,847	31,197	37,280	
235 Plant Purchase 08/09	-		-	219,569	-	219,567	-	7,185	
252 Plant Purchase 09/10	776,232		116,464	109,665	659,768	885,897	45,101	51,899	
255 Plant Purchase 10/11	216,135		105,183	99,716	110,952	315,850	10,575	16,043	
258 Land Acquisition - Airport Runway Extension	1,029,466		117,363	112,013	912,103	1,141,480	47,955	53,304	
261 Airport Parking	1,342,681		131,452	126,461	1,211,229	1,469,142	51,145	56,137	
267 Airport Tech Park	2,700,000		-	-	2,700,000	-	77,490	-	
Airport Projects	-	3,020,000	-	-	3,020,000	-	-	-	
Verita Road Development		13,000,000			13,000,000	-	-	-	
					-				
ECONOMIC SERVICES					-				
95 Hamlet	40,656		12,625	11,779	28,031	52,436	2,516	3,361	
					-				
OTHER PROPERTY & SERVICES					-				
265 Old Works Depot	1,000,000		81,730	-	918,270	-	43,279	-	
266 Old Railway Building	1,030,000		84,180	-	945,820	-	44,577	-	
Eastward Road	-	1,000,000	-	-	1,000,000	-	-	-	
Olive Street Development	-	4,200,000	-	-	4,200,000	-	-	-	
	20,275,400	24,860,000	2,116,985	2,812,788	43,018,415	12,446,701	871,709	691,314	

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

(*) Self-supporting loans are funded by various sporting clubs and community groups.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

(b) New Debentures – 2014/15

Particulars/Purpose	Amount Borrowed	Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used	Balance
	Budget						Budget	Unspent \$
Animal Pound	750,000	WATC	P & I	3	0	5.00	750,000	-
Airport Projects	3,020,000	WATC	P & I	10	0	5.00	3,020,000	-
West End Precinct	1,690,000	WATC	P & I	10	0	5.00	1,690,000	-
Olive Street Development	4,200,000	WATC	Interest Only	3	0	5.00	4,200,000	-
Eastward Road	1,000,000	WATC	P & I	1	0	5.00	1,000,000	-
Verita Road Development	13,000,000	WATC	P & I	20	0	5.00	13,000,000	-
Infrastructure - Foreshore Stabilisation & Protection	1,200,000	WATC	P & I	10	0	5.00	1,200,000	-

(c) Unspent Debentures

Council is anticipating having \$700,000 of unspent debenture funds (Loan 265) as at 30th June 2014. It is not expected for Council to have any unspent debenture funds as at 30th June 2015.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$750,000 with the Commonwealth Bank of Australia does exist. It is not anticipated that this facility will be required to be utilised during 2014/15.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

6. RESERVES

	2014/15 Budget \$	2013/14 Estimate/Actual \$	2013/14 Budget \$
(a) Airport Reserve			
Opening Balance	-	2,568,500	2,568,500
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(2,568,500)	(2,568,500)
Transferred to Municipal Account	-	-	-
	-	-	-
(b) Asset Development (Capital Works Program) Reserve			
Opening Balance	-	2,857,354	2,857,354
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(1,012,950)	(1,012,950)
Transferred to Municipal Account	-	(1,844,404)	(1,844,404)
	-	-	-
(c) Asset Renewal Fund Reserve			
Opening Balance	-	272,216	272,216
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(272,216)	(272,216)
	-	-	-
(d) Effluent Scheme Reserve			
Opening Balance	-	58,019	58,019
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(58,019)	(58,019)
	-	-	-
(e) Employee Leave Entitlements Reserve			
Opening Balance	-	291,946	291,946
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(291,946)	(291,946)
	-	-	-
(f) Family Day Care - Reserve			
Opening Balance	-	8,630	8,630
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(8,630)	(8,630)
	-	-	-
(g) Meat Inspection Reserve			
Opening Balance	-	45,964	45,964
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(45,964)	-
Transferred to Municipal Account	-	-	(45,964)
	-	-	-
(h) Meru Waste Disposal Site Reserve			
Opening Balance	-	2,685,000	2,685,000
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(2,685,000)	(2,685,000)
Transferred to Municipal Account	-	-	-
	-	-	-

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015

6. RESERVES (Continued)

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
(i) Meru Waste Rehabilitation Reserve			
Opening Balance	-	420,789	420,789
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(420,789)	(420,789)
	-	-	-
(j) Mullewa Community Reserve			
Opening Balance	546,641	516,641	516,641
Amount Set Aside / Transfer to Reserve	-	100,000	100,000
Amount Used / Transfer from Reserve	(70,000)	(70,000)	(169,000)
Transferred to Municipal Account	-	-	-
	476,641	546,641	447,641
(k) Mullewa Reseal Reserve			
Opening Balance	1,891,285	1,691,285	1,691,285
Amount Set Aside / Transfer to Reserve	-	200,000	200,000
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	-	-
	1,891,285	1,891,285	1,891,285
(l) Mullewa Medical Centre Reserve			
Opening Balance	-	68,006	68,006
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(68,006)	(68,006)
	-	-	-
(n) Parking Land Reserve			
Opening Balance	382,512	381,966	381,966
Amount Set Aside / Transfer to Reserve	146,979	145,546	148,000
Amount Used / Transfer from Reserve	-	(145,000)	(240,000)
Transferred to Municipal Account	-	-	-
	529,491	382,512	289,966
(o) Plant Replacement Reserve			
Opening Balance	-	145,695	145,695
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(145,695)	(145,695)
	-	-	-
(p) Risk Management Reserve			
Opening Balance	-	457,227	457,227
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(457,227)	(457,227)
	-	-	-

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

6. RESERVES (Continued)

	2014/15 Budget \$	2013/14 Estimate/Actual \$	2013/14 Budget \$
(q) Rubbish Tip (Flores Rd) Reserve			
Opening Balance	-	641,844	641,844
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(641,844)	(641,844)
	-	-	-
(r) Strategic Initiatives Reserve			
Opening Balance	-	43,480	43,480
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
Transferred to Municipal Account	-	(43,480)	(43,480)
	-	-	-
(s) Unexpended Capital Works & Restricted Grant Reserve			
Opening Balance	12,220,122	17,481,010	14,310,612
Amount Set Aside / Transfer to Reserve	-	10,654,212	-
Amount Used / Transfer from Reserve	(11,197,000)	(15,915,100)	(11,000,969)
Transferred to Municipal Account	-	-	-
	1,023,122	12,220,122	3,309,643
Total Cash Backed Reserves	3,920,541	15,040,560	5,938,535
Opening Balance	15,040,560	30,635,573	27,465,174
Transfer to Reserve	146,979	11,099,758	448,000
Transfer from Reserve	(11,267,000)	(22,442,514)	(17,676,419)
Transferred to Municipal Account	-	(4,252,256)	(4,298,220)
Closing Balance	3,920,541	15,040,562	5,938,535

All Discretionary Reserves with a zero balance are to be closed off in 2013/14.

CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015

6. RESERVES (Continued)

Summary of Reserve Transfers			
	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Transfers to Reserves			
1	Airport Reserve	0	0
2	Asset Development (Capital Works Program) Reserve	0	0
3	Asset Renewal Fund Reserve	0	0
4	Effluent Scheme Reserve	0	0
5	Employee Leave Entitlements Reserve	0	0
6	Family Day Care - Reserve	0	0
7	Meat Inspection Reserve	0	0
8	Meru Waste Disposal Site Reserve	0	0
9	Meru Waste Rehabilitation Reserve	0	0
10	Mullewa Community Reserve	0	100,000
11	Mullewa Reseal Reserve	0	200,000
12	Mullewa Medical Centre Reserve	0	0
13	Parking Land Reserve	146,979	145,546
14	Plant Replacement Reserve	0	0
15	Risk Management Reserve	0	0
16	Rubbish Tip (Flores Rd) Reserve	0	0
17	Strategic Initiatives Reserve	0	0
18	Unexpended Capital Works & Restricted Grant Reserve	0	10,654,212
		146,979	11,099,758
			448,000
Summary of Reserve Transfers			
	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Transfers from Reserves			
1	Airport Reserve	0	(2,568,500)
2	Asset Development (Capital Works Program) Reserve	0	(1,012,950)
3	Asset Renewal Fund Reserve	0	0
4	Effluent Scheme Reserve	0	0
5	Employee Leave Entitlements Reserve	0	0
6	Family Day Care - Reserve	0	0
7	Meat Inspection Reserve	0	(45,964)
8	Meru Waste Disposal Site Reserve	0	(2,685,000)
9	Meru Waste Rehabilitation Reserve	0	0
10	Mullewa Community Reserve	(70,000)	(70,000)
11	Mullewa Reseal Reserve	0	0
12	Mullewa Medical Centre Reserve	0	0
13	Parking Land Reserve	0	(145,000)
14	Plant Replacement Reserve	0	0
15	Risk Management Reserve	0	0
16	Rubbish Tip (Flores Rd) Reserve	0	0
17	Strategic Initiatives Reserve	0	0
18	Unexpended Capital Works & Restricted Grant Reserve	(11,197,000)	(15,915,100)
	Transfer to Municipal		(4,252,256)
		(11,267,000)	(26,694,770)
			(21,974,639)
	Total Transfer to/(from) Reserves	(11,120,021)	(15,595,012)
			(21,526,639)

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

6. RESERVES (Continued)

Mullewa Community Trust Reserve

The purpose of this reserve is to provide funding towards any projects or initiatives that support the recreational, social or cultural needs of the Mullewa Community.

Mullewa Reseal Reserve

The purpose of this reserve is to comply with clause 14.2 of the public road access agreement between the former Shire of Mullewa (now the City of Greater Geraldton) and Mount Gibson Mining Ltd.

Parking Land Reserve

The purpose of this reserve is to build up funds that can then be used for the acquisition of land for car parking and provision of parking bays within the City.

Unexpended Capital Works & Restricted Grant Reserve

The purpose of this reserve is to restrict grant funds received that were unspent in the financial year including any tied contribution from the City plus unexpended capital works to be carried over to the next financial year.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

7. NET CURRENT ASSETS

	2014/15	2013/14	2013/14	
	Budget	Estimate/Actual	Budget	
	\$	\$	\$	
CURRENT ASSETS				
Cash - Unrestricted	2,581,760	3,294,162	5,668,266	note 15a
Cash - Restricted	3,920,541	15,040,562	5,938,535	note 15a
Investments	423,395	333,395		
Receivables	4,151,488	4,328,778	2,099,783	
Inventories	277,027	218,839	835,212	
	<u>11,354,211</u>	<u>23,215,736</u>	<u>14,541,796</u>	
LESS: CURRENT LIABILITIES				
Payables and Provisions	(9,633,364)	(8,224,848)	(8,890,680)	
NET CURRENT ASSET POSITION	1,720,847	14,990,888	5,651,116	
Less: Cash - Restricted	(3,920,541)	(15,040,562)	(5,938,535)	
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u>(2,199,694)</u>	<u>(49,674)</u>	<u>(287,419)</u>	

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

8. RATING INFORMATION

RATE TYPE	Rate in \$ (cents)	Number of Properties	Rateable Value \$	2014/15 Budgeted Rate Revenue \$	2014/15 Budgeted Interim Rates \$	2014/15 Budgeted Back Rates \$	2014/15 Budgeted Total Revenue \$	Rate in \$ (cents)	Number of Properties	Rateable Value \$	2013/14 Budgeted Rate Revenue \$	2013/14 Budgeted Interim Rates \$	2013/14 Budgeted Back Rates \$	2013/14 Budgeted Total Revenue \$
Differential General Rate														
Geraldton Residential	10.9371	14,204	217,118,870	23,746,507	270,000	20,000	24,036,507							
Vacant Residential								18.1151	1,356	12,467,270	2,258,458	60,000	0	2,318,458
Residential								10.4835	13,374	202,810,030	21,261,592	190,000	20,000	21,471,592
Non Residential	10.9385	1,287	80,354,595	8,789,588	120,000	20,000	8,929,588	10.5594	1,247	79,149,995	8,357,765	101,653	20,000	8,479,418
Unoccupiable City Centre Zone	19.9186	5	988,560	196,907			196,907	19.9186	4	833,560	166,033			166,033
Geraldton UV Rural, Mining & Farming	0.6794	646	241,799,000	1,642,782			1,642,782	0.6552	638	233,358,000	1,528,962			1,528,962
Mullewa GRV	10.9795	152	1,265,868	138,986			138,986	11.0172	152	1,265,764	139,452			139,452
Mullewa UV Agriculture	0.7800	222	142,713,000	1,113,161			1,113,161	0.8100	225	142,252,500	1,152,245			1,152,245
Sub-Totals		16,516	684,239,893	35,627,932	390,000	40,000	36,057,932		16,996	672,137,119	34,864,507	351,653	40,000	35,256,160
	Minimum \$							Minimum \$						
Minimum Rates														
Geraldton Residential	1010	2,752	14,835,258	2,779,520			2,779,520							
Vacant Residential								769	1,317	4,335,575	1,012,773			1,012,773
Residential								979	838	6,992,751	820,402			820,402
Non Residential	1010	213	1,176,257	215,130			215,130	979	214	1,191,433	209,506			209,506
Geraldton UV Rural, Mining & Farming	1010	178	17,535,910	179,780			179,780	979	135	11,255,703	132,165			132,165
Mullewa GRV	628	143	287,138	89,804			89,804	628	144	286,333	90,432			90,432
Mullewa UV Agriculture	705	110	2,740,940	77,550			77,550	683	107	2,531,374	73,081			73,081
Concessions														
Sub-Totals		3,396	36,575,503	3,341,784	-	-	3,341,784		2,755	26,593,169	2,338,359	-	-	2,338,359
TOTALS							39,399,716							37,594,519
							112,654							107,363
						Ex-Gratia Rates								

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

8. RATING INFORMATION (CONTINUED)

All land except exempt land in the City of Greater Geraldton is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the City. The general rates detailed above for the 2014/15 financial year have been determined on the basis of raising 4.7% more rate revenue over 2013/14 revenue which incorporates a growth in the number of properties of 0.8% and a 3.2% increase in rateable value as at 30th June 2014 to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue expected to be raised from all sources other than rates.

The minimum rates have been determined by Council on the basis that all ratepayers should make a reasonable contribution to the cost of the Local Government services/facilities. The Rates in the Dollar (RID) and the minimums rates for 2014-15 proposed in this budget document vary from the notice of intention first advertised 30th May 2014. Council has considered ratepayers submission in relation to their concerns on rate increases and has reduced the intended increase RID's for Geraldton Residential, Non Residential and Geraldton UV. Council has also reduce the intended increase in Mullewa UV minimum rates.

CGG Residential - This category will include any GRV rated property in that part of the City district (excluding the part of the City previously being the district of the Shire of Mullewa) that is used for residential purposes.

Geraldton GRV Vacant Residential - This category will not exist beyond 1st July 2014. As shown in the table above this previous differential rating category has been abolished and properties that were previously rated within this category will now be rated under CGG Residential

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

9. SPECIFIED AREA RATE

	Rate in \$ (cents)	Basis of Rate \$	Rateable Value \$	2014/15 Budgeted Revenue \$	Rate in \$ (cents)	Basis of Rate \$	Rateable Value \$	2013/14 Budgeted Revenue \$
CBD								
Non Residential	0.5199	GRV	29,603,065	153,906	0.4965	GRV	29,314,325	145,546

"The specified area rate to be imposed on all non-residential properties within the City Centre, Marina Mixed Use and Additional Use City Centre zones for the purpose of car parking operations which includes land acquisition. A rate in the dollar of 0.5199 cents on Gross Rental Values will be applied to those commercial properties for 2014/15

There is no specified area rate at Mullewa district."

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

10. SERVICE CHARGES

The City does not have any Services Charges.

11. FEES & CHARGES REVENUE

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
	CGG	CGG	CGG
General Purpose Funding	242,000	236,800	237,800
Governance	7,000	8,000	8,000
Law, Order, Public Safety	347,500	270,500	270,500
Health	47,500	106,500	106,500
Education and Welfare	207,900	245,683	245,683
Housing	0	17,000	17,000
Community Amenities	7,099,521	7,221,366	7,220,366
Recreation & Culture	1,860,550	1,845,995	1,845,995
Transport	6,480,400	5,344,400	5,344,400
Economic Services	1,063,400	1,247,375	1,247,375
Other Property & Services	1,059,464	873,878	873,878
	18,415,235	17,417,497	17,417,497

12. DISCOUNTS, INCENTIVES, CONCESSIONS & WRITE-OFFS

Discounts

Council offers no discounts for the early payment of rates or any other debts to Council.

Incentives

Early Payment Incentives

Through an agreement with the Commonwealth Bank, Council offers an incentive to ratepayers for the early payment of rates (if paid within 35 days of the rates being issued) with a prize of 3 x \$1000 to the successful ratepayer. Details and conditions are set out in the brochures that accompany the rates assessment notice.

Other prizes are also available to ratepayers:

- City of Greater Geraldton – Parking Permit for 1 year valued at \$1,367
- City of Greater Geraldton – Aquarena 15 x multi swim pass prizes valued at \$1,620
- Good Earth Hotel or Perth Ambassador Hotel– accommodation package for two valued at \$428
- Staples – iPad mini 16GB valued at \$349
- Novus Tint a Car- \$400 gift voucher
- Furniture Spot - \$250 voucher
- Choices - \$250 voucher
- Clark Rubber - \$250 voucher
- Cuisine on Marine - \$120 voucher
- Mitchell and Brown - \$100 voucher
- Friends of the QPT - \$100 voucher for any QPT show

Concessions

Council offers no concessions to ratepayers.

Write Offs

Council does not offer any standard waivers or write-offs of Rates and Charges or other debts of ratepayers, unless specifically approved by Council. Individuals may approach Council for an extension of time to pay off their debt.

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

13. INTEREST CHARGES AND INSTALMENTS

Instalment Options

Council offers three (3) payment options by which ratepayers can make their rates payments.

- Option 1 To pay their rates in full by the 35th day after the rates notice has been issued
- Option 2 To pay their rates in two (2) equal instalments
- Option 3 To pay their rates in four (4) equal instalments

Interest on Instalments

Council has recognised that a number of ratepayers are taking up the option to pay their rates by instalments. This has a negative effect on Councils investment potential which in turn restricts cash flow. Council has decided to take up the option available under the Local Government Act 1995 to impose an interest rate of 5.5% on rates paid by instalment.

Instalment Fees

For ratepayers electing to pay their rates by 2 or 4 instalments, then a charge of \$10 per instalment is charged.

For ratepayers making an arrangement with Council to pay their rates in more than 4 instalments, then a one off charge of \$40 is charged.

Penalty Interest on Late Payments - Rates

Financial Management Regulation clause 70 and section 6.51 of the Local Government Act 1995 prescribes that the maximum interest that can be levied on overdue rates is 11% per annum. Council has resolved to set its rate at 11%. This interest will apply after the expiry of 65 days from the date the rates notice is issued.

Penalty Interest on Late Payments - Debtors

Financial Management Regulation clause 19A and section 6.13(3) of the Local Government Act 1995 prescribes the maximum rate of interest to be imposed is 11%. Council has resolved to set its rate at 11%. This interest will apply after the expiry of 60 days from the due date.

The total revenue from the imposition of the interest and administration charge is estimated as follows:

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Rates Interest	270,000	295,507	210,000
Rates Instalment Charge	175,000	143,780	170,000
Pensioner Deferred Interest	12,000	8,837	12,000
Sundry Debtor Penalty Interest	-	-	-
<i>Interest (for note 2)</i>	<i>457,000</i>	<i>448,124</i>	<i>392,000</i>

14. COUNCILLORS' REMUNERATION

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Meeting Fees	336,000	306,680	115,000
Members Allowance	115,000	105,760	75,000
Travelling Expenses	59,600	21,934	19,000
Councillor Training	20,000	29,039	15,000
Conference Expenses	15,000	12,099	10,000
	545,600	475,512	234,000

15. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Cash - Unrestricted	2,581,760	3,294,162	5,668,266
Cash - Restricted	3,920,541	15,040,562	5,938,535
	6,502,301	18,334,724	11,606,801
The following restrictions have been imposed by regulation or other externally imposed requirements:			
Airport Reserve	-	-	-
Asset Development (Capital Works Program) Reserve	-	-	-
Asset Renewal Fund Reserve	-	-	-
Effluent Scheme Reserve	-	-	-
Employee Leave Entitlements Reserve	-	-	-
Family Day Care - Reserve	-	-	-
Meat Inspection Reserve	-	-	-
Meru Waste Disposal Site Reserve	-	-	-
Meru Waste Rehabilitation Reserve	-	-	-
Mullewa Community Reserve	476,641	546,641	447,641
Mullewa Reseal Reserve	1,891,285	1,891,285	1,891,285
Mullewa Medical Centre Reserve	-	-	-
Parking Land Reserve	529,491	382,512	289,966
Plant Replacement Reserve	-	-	-
Risk Management Reserve	-	-	-
Rubbish Tip (Flores Rd) Reserve	-	-	-
Strategic Initiatives Reserve	-	-	-
Unexpended Capital Works & Restricted Grant Reserve	1,023,122	12,220,122	3,309,643
Mullewa Community and Reseal Restricted	-	-	-
Restricted Assets	-	-	-
	3,920,541	15,040,562	5,938,535

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

15. NOTES TO THE CASH FLOW STATEMENT (Continued)

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

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Net Result	3,418,183	406,742	6,506,899
Amortisation			
Depreciation	17,939,427	18,042,064	18,042,064
(Profit)/Loss on Sale of Asset	1,161,505	(385,395)	(369,087)
(Increase)/Decrease in Receivables	181,884	1,528,763	861,443
(Increase)/Decrease in Inventories	3,941,812	4,751,774	(496,868)
Increase/(Decrease) in Payables	1,169,133	(3,657,444)	457,580
Increase/(Decrease) in Employee Provisions	405,000	200,000	629,768
Previous years adjustments	(90,001)	(234,796)	(796,460)
Grants/Contributions for the Development of Assets	(15,941,333)	(15,700,376)	(26,300,376)
Net Cash from Operating Activities	12,185,610	4,951,332	(1,465,037)

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

	2014/15	2013/14	2013/14
	Budget	Estimate/Actual	Budget
	\$	\$	\$
Group Credit Limit	6,000,000	6,000,000	6,000,000
Bank Overdraft Limit	750,000	750,000	750,000
Bank Overdraft at Balance Date	-	-	-
Credit Card Limit	115,000	115,000	60,000
Credit Card Balance at Balance Date	(15,000)	(13,102)	(15,000)
Total Amount of Credit Unused	6,850,000	6,851,898	6,795,000
Loan Facilities			
Loan Facilities in use at Balance Date	43,018,415	20,275,400	33,784,527
Operating Leases	63,900	58,285	75,000

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

16. TRUST FUNDS

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

Detail	Balance	Estimated		Balance	Balance	Estimated		Balance
	01-Jul-14	Amounts	Amounts	30-Jun-15	01-Jul-13	Amounts	Amounts	30-Jun-14
	\$	Received	Paid	\$	\$	Received	Paid	\$
		\$	(\$)			\$	(\$)	
Public Open Spaces	3,146,645	200,000		3,346,645	2,963,419	183,226	-	3,146,645
Dual Use Pathways	884,604	50,000		934,604	866,804	17,800	-	884,604
Subdivisions and Roads	1,505,404	450,000		1,955,404	1,049,608	455,796	-	1,505,404
Sundry Bonds and Contributions	346,532	850,000	(950,000)	246,532	531,061	833,483	(1,018,012)	346,532
	5,883,185	1,550,000	(950,000)	6,483,185	5,410,892	1,490,305	(1,018,012)	5,883,185

**CITY OF GREATER GERALDTON
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDING 30TH JUNE 2015**

17. MAJOR LAND TRANSACTIONS

	2014/15 Budget \$ 000's	2013/14 Estimate/Actual \$ 000's	2013/14 Budget \$ 000's			
<i>Olive Street Development</i>						
(a) Details						
The development of 60 plus residential lots and medium density housing site. Developments costs will include the provision of water, sewerage, power and transport infrastructure.						
Expected future cash flows at this stage only reflect remediation and acquisitions costs against partial sale of available lots. The model relating to the overall development of this site is currently under review.						
Profits from this development are to be quarantined into a Trust Account and to be applied to the development of a new Southern Suburb Sporting Facility.						
(b) Operating Income						
- Sale Proceeds	-	-	-			
- Profit on sale	-	-	-			
- Reimbursements	-	-	-			
Capital Income						
- Loan Proceeds	(4,200,000)	-	(4,000,000)			
	(4,200,000)	-	(4,000,000)			
Operating Expenditure						
- Loan Repayment Interest						
- Acquisition/Development Costs	3,000,000	502,292	4,000,000			
Capital Expenditure						
- Loan Principal Repayment	-	-	-			
- Land and Buildings	-	-	-			
- Transfer to Reserve/Trust	-	-	-			
- Vendors Mortgage	-	-	-			
	3,000,000	502,292	4,000,000			
(c) Expected Future Cash Flows						
	2014-15	2015-16	2016-17	2017-18	2017-19	Total
	\$	\$	\$	\$	\$	\$
	000's	000's	000's	000's	000's	000's
Cash Outflows						
- Acquisition/Development Costs	3,000,000		500,000	-	-	3,500,000
- Loan Repayments	-	210,000	210,000	4,935,000	-	5,355,000
- Transfer to Trust	-	-	-	-	-	-
	3,000,000	210,000	710,000	4,935,000	-	8,855,000
Cash Inflows						
- Transfer from Reserves	-	-	-	-	-	-
- Sale Proceeds	-	-	-	(4,700,000)	-	(4,700,000)
- Loan Proceeds	(4,200,000)	-	(500,000)	-	-	(4,700,000)
	(4,200,000)	-	(500,000)	(4,700,000)	-	(9,400,000)
Net Cash Flows	(1,200,000)	210,000	210,000	235,000	-	(545,000)

**CITY OF GREATER GERALDTON
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17. MAJOR LAND TRANSACTIONS (Continued)

	2014/15 Budget \$ 000's	2013/14 Estimate/Actual \$ 000's	2013/14 Budget \$ 000's			
(a) Airport Technology Park						
Six (6) stage development of land adjacent to the Geraldton Airport to create a new Technology Park.						
Provision of leased sites for a diverse range of commercial, industrial and technological industries.						
Stage 1 was completed in 2013/14 with the development of 27 lots for disposal.						
(b) Operating Income						
- Sale Proceeds	-	(245,000)	(700,000)			
- Profit on sale	-	(16,308)	-			
- Grant Income	-	-	(2,755,200)			
- Other Income	-	-	(50,000)			
Capital Income						
- Loan Proceeds	-	(2,700,000)	(2,700,000)			
	-	(2,961,308)	(6,205,200)			
Operating Expenditure						
- Loan Repayment Interest	77,490	-	-			
- Acquisition/Development Costs		5,560,460	5,560,460			
Capital Expenditure						
- Loan Principal Repayment	-	-	-			
- Land and Buildings	-	-	-			
- Transfer to Reserve	-	-	-			
- Vendors Mortgage	-	-	-			
	77,490	5,560,460	5,560,460			
(c) Expected Future Cash Flows						
	2014-15	2015-16	2016-17	2017-18	2018-19	Total
	\$	\$	\$	\$	\$	\$
	000's	000's	000's	000's	000's	000's
Cash Outflows						
- Acquisition/Development Costs	-	-	-	-	-	0
- Loan Repayments	77,490	77,490	2,777,490	-	-	2,932,470
	77,490	77,490	2,777,490	-	-	2,932,470
Cash Inflows						
- Grant Income	-	-	-	-	-	0
- Contributions	-	-	-	-	-	0
- Lease Income	-	-	-	-	-	-
- Sale Proceeds	-	-	(4,008,878)	(3,763,878)	-	(7,772,756)
- Loan Proceeds	-	-	-	-	-	0
	-	-	(4,008,878)	(3,763,878)	-	(7,772,756)
Net Cash Flows	77,490	77,490	(1,231,388)	(3,763,878)	-	(4,840,286)

**CITY OF GREATER GERALDTON
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17. MAJOR LAND TRANSACTIONS (Continued)

		2014/15 Budget \$ 000's	2013/14 Estimate/Actual \$ 000's	2013/14 Budget \$ 000's			
(a)	<i>Eastward Road - Old Depot Site Development</i>						
	Arrangements are being made with the State Government to amend the status of the land to freehold (1.8ha) for commercial purposes. Land to be disposed "as is".						
	Costs relate to remediation of site.						
(b)	Operating Income						
	- Sale Proceeds	-	-	-			
	- Profit on sale	-	-	-			
	- Lease Income	-	-	-			
	Capital Income	-	-	-			
	- Loan Proceeds	(1,000,000)	-	-			
		(1,000,000)	-	-			
	Operating Expenditure						
	- Loan Repayment Interest	-	-	-			
	- Acquisition/Development Costs	1,000,000	-	-			
	- Remediation Costs	-	34,000	800,000			
	Capital Expenditure						
	- Loan Principal Repayment	-	-	-			
	- Land and Buildings	-	-	-			
		1,000,000	34,000	800,000			
(c)	Expected Future Cash Flows						
		2014-15 \$ 000's	2015-16 \$ 000's	2016-17 \$ 000's	2017-18 \$ 000's	2018/19 \$ 000's	Total \$ 000's
	Cash Outflows						
	- Remediation Costs	-	-	-	-	-	-
	- Acquisition/Development Costs	1,000,000	-	-	-	-	1,000,000
	- Loan Repayments	-	1,050,000	-	-	-	1,050,000
		1,000,000	1,050,000	-	-	-	2,050,000
	Cash Inflows						
	- Lease Income	-	-	-	-	-	-
	- Sale Proceeds	-	(2,000,000)	-	-	-	(2,000,000)
	- Loan Proceeds	(1,000,000)	-	-	-	-	(1,000,000)
		(1,000,000)	(2,000,000)	-	-	-	(3,000,000)
	Net Cash Flows	0	(950,000)	-	-	-	(950,000)

**CITY OF GREATER GERALDTON
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18. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Geraldton Airport

The Geraldton Airport is owned freehold by and is run as a business unit of the City of Greater Geraldton, generating income of approximately \$3m per annum.

Operating surpluses from airport operations are utilised to maintain and improve existing airport infrastructure, and provide for development of future infrastructure.

The City of Greater Geraldton endeavours to operate the aerodrome in an environmentally sensitive manner in accordance with aviation best practice, in compliance with Federal statutory requirements for aviation operations, airports, and transport security.

The airport is planned and managed to provide a satisfactory return on investment to the ratepayers of the City of Greater Geraldton, while having regard to the airport as a key regional transport infrastructure asset.

In 2014 the secure departures lounge will be extended, to cope with growth in passenger numbers.

An updated Geraldton Airport Master Plan was formally adopted by Council in 2012. In addition to outlining planned future development of the airport to 2030, the Master Plan provides necessary inputs (obstacle height limitation and noise profiles) to town planning processes, enabling amendment of planning schemes, to limit development encroachment that could adversely impact the continued operation of the airport as an essential regional infrastructure asset.

Development of a substantial long-term car park, expansion of the short term car park, and introduction of pay parking, were completed in 2013-14. This will diversify airport revenue streams, and mitigate pressure on aviation fees and charges, assisting avoidance of sharp increases in air fares for the regional community. Stage 1 of development of the Airport Technology Park will be completed in 2014, with lots for sale or lease available for compatible businesses.

Geraldton Airport is serviced by Virgin (after their recent acquisition of Skywest Airlines), QantasLink and Skippers Aviation, providing Regular Public Transport (RPT) services.

An aircraft maintenance and service business is well established in a large hangar leased from the City. Shine Aviation and Geraldton Air Charter provide General Aviation services based at the airport, servicing the Abrolhos Islands, FIFO mining workforce logistics, and general charter operations.

Meru Waste Disposal Facility

This facility was established to provide a regional approach to Waste Management here in the Midwest. Originally managed by the Geraldton Greenough Regional Council (GGRC), this Regional Council was disbanded following the first amalgamation between the City of Geraldton and the Shire of Greenough. The main purpose of establishing a Regional Council was to have a planned and coordinated regional approach to the collection, removal, processing, treatment, recycling and disposal of waste in the mid-west region, enabling sharing of benefits of scale where possible. This will continue to be the purpose of this trading undertaking as a function of the City of Greater Geraldton.

The vision of City of Greater Geraldton is to lead the community to an improved level of sustainability – to encourage waste avoidance, maximise the recovery of materials and provide efficient, yet cost effective, waste management and resource recovery services to the region. These objectives are achievable by actively engaging the community in sustainable waste practices, by supporting and promoting waste minimisation principles and implementing the objectives of the various Strategic documents, such as the Batavia Regional Organisation of Councils *Strategic Waste Management Plan* and the *Meru Master Plan*.

The Strategic Waste Management Framework and Meru Master Plan adopted by Council in 2010-11 increases the focus on resource recovery, reuse and recycling, with the objective of diverting at least 50% of waste from landfill within five years. A higher aspirational target of 75% diversion from landfill has been adopted by Council, with timing dependent on emergence of appropriate and cost effective alternative waste treatment technologies. The Western Australian Waste Strategy, *Creating The Right Environment*, was released in March 2012 announcing a target of 30% waste recovery by 2015, and 50% by 2020 for major regional centres. The City of Greater Geraldton's aspirational target aligns with the State Strategy and substantiates the objectives set by Council.

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Design of the proposed Community Reuse and Recycling Centre will progress in 2014/2015 providing the blueprint for the opportunity for increased resource recovery through recycling initiatives. Another significant project for 2014/15 includes a budget item for the detailed feasibility analysis of recycling organics to improve the resource recovery rates, again tying in with the State and City's vision. Implementation of the Meru Master Plan recommendations, in line with the 10 year capital works plan, form the basis for resource allocations in capital projects and maintains the essential functions and services.

19. JOINT VENTURES

Nil

20. SANITATION SERVICES

Charges for 2014/15	
Sanitation Charges	\$
Standard domestic rubbish service	244.00
Standard commercial rubbish service	297.00
Commercial 1.5m3 bin Mullewa District	1,902.00
Commercial 3m3 bin Mullewa District	3,310.00
Commercial Tip Charge Mullewa District	1,072.00
Effluent Scheme Charges Mullewa District	\$
Commercial Premises Small (2 units)	609.00
Commercial Premises Medium (3 units)	913.00
Commercial Premises Large (4 units)	1,221.00
Residential Premises (1 unit)	305.00

21. CARRY OVER AND RESTRICTED ASSET EXPENDITURE

Due to the date of budget preparation carry over and restricted asset details are based on actual data available at the date of budget preparation and are subject to change.

22. SCHEDULE OF FEES AND CHARGES

See attached schedule

23. SCHEDULE OF CAPITAL WORKS

See attached schedule