
Shire of Kalamunda

Special Council Meeting Agenda

Monday 26 March 2012





NOTICE OF MEETING SPECIAL COUNCIL MEETING

Councillors,

Notice is hereby given that a Special Meeting of Council will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on:

Monday 26 March 2012, commencing at 6.30pm.

For the benefit of members of the public, attention is drawn to the following requirements as adopted by Council.

Open Council Meetings – Procedures

1. All Council Meetings are open to the public, except for matters raised by Council under Item No. 7.0 of the Agenda.
2. All other arrangements are in accordance with Council's Standing Orders, Policies and decision of the Shire or Council.

A handwritten signature in blue ink, appearing to be "JT", with a long horizontal stroke above it.

James Trail
Chief Executive Officer

21 March 2012

AGENDA

1.0 OFFICIAL OPENING

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

3.0 PUBLIC QUESTION TIME

A period of not less than 15 minutes is provided to allow questions from the Public Gallery on matters relating to the functions of this meeting.

4.0 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

5.0 DISCLOSURE OF INTERESTS

Disclosure of Financial and Proximity Interests

- a. Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.60B and 5.65 of the Local Government Act 1995).
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the Local Government Act 1995)

Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee has given or will give advice.

6.0 REPORT TO COUNCIL

Declaration of Financial/Conflict of interests to be recorded prior to dealing with each item.

Item Number

Page No.

01	Budget Review for the Seven Months to 31 January 2012	7
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Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

01. Budget Review for the Seven Months to 31 January 2012

Previous Items	N/A
Responsible Officer	Director Corporate and Community Services
Service Area	Finance
File Reference	
Applicant	N/A
Owner	N/A
Attachment 1	Amended Rate Setting Statement
Attachment 2	Amended Income Statement by Nature and Type
Attachment 3	Summarised Report of Amendments
Attachment 4	Statement of Amended Reserve Account movement and balances

PURPOSE

1. To allow Council to consider some amendments to the originally adopted budget and also some variations/inclusions to the adopted budget based on Operations to 31 January 2012.

BACKGROUND

2. The Shire is required to do a statutory review of its budget against actual position during a financial year and the presented comments and reports are to assist elected members in their considerations.
3. The Budget Review for Seven Months to January 2012 is the second review undertaken in the current financial year with the main objective of ensuring that the Shire's finances are in a healthy state and operations are fully funded without going to deficit.
4. The Audited Financial Report for Year ending 30 June 2011 highlighted a reduction in two of the six Shire's financial ratios as follows:

Current Ratio

5. It is generally accepted that this ratio should be greater than 1:1. The Shire's position at 30 June 2011 was 0.13:1. Given the strong focus on fiscal management that the Shire has placed on its budget during 2011/2012 the Shire is confident it will return a positive ratio as at 30 June 2012.

Untied Cash to Unpaid Trade Creditors Ratio

6. The Shire's position for this ratio was 0.00:1 as at 30 June 2011. It is again expected that the results being posted as a result of the mid-year review will return this ratio to be greater than 1:1 as at the 30 June 2011.

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7. In order to address the Liquidity Ratios of the Shire during 2011/2012 a number of strategies are being deployed.
- The Sale of Land assets is expected to return a cash flow of just under seven million dollars with further sales in 2012/2013.
 - Expenditure is being closely monitored and savings retained wherever possible.
 - Quarterly Budget review processes have been initiated to ensure cost control is maximised.
 - Cash flow analysis will be tightened and monitored to ensure Cash at Bank is retained in surplus and not deficit by year end.

Repayment of overdraft facility.

8. An overdraft facility of up to \$1.5 million dollars was established in May 2011 to facilitate the development of the East Welshpool Rd land known as Smokebush Estate.
9. Currently the overdraft balance stands at \$1,494,273 which will need to be offset in due course.
10. The budget review has recognised savings identified be offset to pay off the balance due which is projected to be at \$971,739 by the end of the financial year. This action will reduce any interest charges and alleviate the burden of paying down the balance in one year.
11. It is proposed that in the ensuing five months further savings that become available be utilised to further repay the overdraft. This reduction will be referred to Council for budgetary amendment approval.
12. The 2012/13 financial year will see the projected savings on employment costs and the fact that there will be no major deficit at year end which was the position at the beginning of this year i.e. \$(1,481,865) be used to pay down the balance remaining on the overdraft.
13. The property reserve balance as at this budget review will stand at \$1,659,664 with further land sales to occur when Edney Rd and old Forrestfield Library sites are developed in 2012/13 onwards. This positive balance will provide a financial buffer against any future unforeseen matters that may arise.

DETAILS

14. The Operating Surplus per the Rate Setting Statement as at 31 January 2012 is \$12,370,209 which is in line with Budget projections will be utilised in the next five months to fund the balance of Operational and Capital expenditure leaving a small surplus of \$61,442 at the end of the financial year. Great care needs to be taken to 30 June 2012.

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15. The Swimming Pool over-expenditure, partial spend on the Amenities building and increases in budget for the electrical audit and Kalamunda club has been funded by savings identified in the operating areas and the deferment of some capital expenditure shown in attachment 2.

Reserve Account Adjustments

Land and Property Reserve

16. There has been an adjustment to the Land and Property Reserve with the transfer to Reserve increasing by \$1,673,326 as a result of projected sales of:
- 27 Lots in the Smokebush estate in Welshpool
 - 39 Maida Vale road
 - 43 Boonooloo Road
 - 21 Andrews Street

Revaluation Reserve

17. A transfer of \$100,000 recommended in the October review to partially fund the cost of revaluation of rateable land effective 1 July 2011 has been reduced by \$38,599 as 2/3rd of the amount paid will be treated as a pre-payment and expensed of in the respective years it relates to.

Environmental Reserve

18. Transfer to this reserve has been increased by \$31,543 from original budget amount of \$153,125 as it has been determined that the commitment to transfer 2.5% was added by Council to purchase the first batch of Reserves GS49 and includes the sale of the Smokebush estate.

Local Government Elections Reserve

19. Transfers to and from reserves have been reduced from \$100,000 to \$44,719 to reflect actual costs incurred.

Plant & Equipment Reserve

20. Net transfers to reserves of \$70,000 have now been deferred pending a review by Uniqco on current assets in this category.

Revaluation Reserve

21. Transfers from reserves have been reduced from \$100,000 to \$61,401 as the accounting treatment of the amount paid for the revaluation exercise done by Landgate has been corrected in line with accruals concepts resulting in less expenditure for the current year

STATUTORY AND LEGAL IMPLICATIONS

22. Section 6.8 (1)(b) of the *Local Government Act 1995* requires an absolute majority decision by Council for any budget amendments.

POLICY IMPLICATIONS

23. Nil.

PUBLIC CONSULTATION/COMMUNICATION

24. Nil.

FINANCIAL IMPLICATIONS

25. The amendments require no further funding from the Property Reserve and total Reserve holding has increased by \$1,408,469 to \$2,897,269.
26. The Rate Setting Statement shows the Shire is projected to be in a surplus position at the end of the financial year.

STRATEGIC AND SUSTAINABILITY IMPLICATIONS**Strategic Planning Implications**

27. Nil.

Sustainability ImplicationsSocial implications

28. Nil.

Economic Implications

29. Nil.

Environmental Implications

30. Nil.

OFFICER COMMENT

31. The amended Rate Setting Statement following the budget review in column 4 (2011/2012 Proposed Budget Review) reveals a balanced Budget estimate for 30 June 2012 with a surplus of \$61,442.

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32. It needs to be noted that the Land and Property Reserve has been increased from \$153,215 to \$1,659,664 as Shown in Attachment 3. This is due to the projections noted in 8(i). It is noted that we have so far sold the following:
- 20 Lots in the Smokebush estate in Welshpool
 - 43 Boonooloo Road
 - 21 Andrews Street
- Although there is general downturn in the market conditions and sales have slowed down, we are optimistic in selling 7 more lots in the Smokebush estate and 39 Maida Vale Rd.
33. The key to addressing the Shire's ongoing liquidity will be in its land sales, property rationalisation program and closely monitoring of actual spend against budgets allocated. The Council needs to be resolved in its decision making to continue with this policy otherwise the Council will need to make major decisions about service reduction if it is to be sustainable in the longer term and meets its asset management requirements.
34. In light of this Budget Review all future Financial Reports presented to Council for adoption will include adjustments to the current Budget and amendments based on operations and new information.
35. The Attachment 1 being the amended Rates Setting Statement incorporates all the above into an acceptable format and reveals a balanced budget.

RECOMMENDATION

That Council:

1. Note the 2010-2011 Budget Review Explanation and Summary (Attachment 1).
2. Authorises the Chief Executive Officer to amend the 2011/2012 current Budget to reflect the changes summarised in the Amended Rates Setting Statement (Attachment 1).

Moved:

Seconded:

Vote: **Absolute Majority Required**

7.0 MEETING CLOSED TO THE PUBLIC

8.0 CLOSURE

Shire of Kalamunda

RATE SETTING STATEMENT

FOR THE PERIOD ENDED 31 JANUARY 2012

	2011/12 Revised Original Budget	2011/12 Current Budget	2011/12 Actual YTD	2011/12 Proposed Budget
	\$		\$	\$
REVENUES				
General Purpose Funding	2,955,076	2,955,076	1,328,992	2,774,768
Governance	-	98	3,183	466
Law, Order, Public Safety	306,898	307,948	215,501	309,280
Health	71,465	73,537	174,102	90,217
Education and Welfare	3,589,816	3,589,816	2,570,254	3,621,696
Community Amenities	10,369,440	11,258,578	10,177,885	11,425,976
Recreation and Culture	2,063,572	2,236,531	1,175,051	2,670,302
Transport	5,278,250	5,442,250	2,705,699	5,302,154
Economic Services	542,698	542,698	367,437	605,727
Other Property and Services	624,822	659,538	270,073	707,587
	<u>25,802,036</u>	<u>27,066,070</u>	<u>18,988,178</u>	<u>27,508,173</u>
EXPENSES				
General Purpose Funding	(597,046)	(752,046)	(405,242)	(592,372)
Governance	(2,531,043)	(2,517,724)	(1,420,574)	(2,401,007)
Law, Order, Public Safety	(1,390,258)	(1,384,245)	(885,107)	(1,427,437)
Health	(790,280)	(792,351)	(439,505)	(794,397)
Education and Welfare	(4,230,982)	(4,284,982)	(2,126,320)	(4,256,635)
Community Amenities	(10,180,468)	(11,022,080)	(5,749,278)	(11,147,664)
Recreation & Culture	(17,012,639)	(17,029,240)	(9,675,832)	(17,213,102)
Transport	(7,699,866)	(7,698,866)	(4,441,930)	(7,577,335)
Economic Services	(553,042)	(570,044)	(295,117)	(580,826)
Other Property and Services	(1,001,106)	(871,367)	(904,794)	(1,129,863)
	<u>(45,986,730)</u>	<u>(46,922,945)</u>	<u>(26,343,699)</u>	<u>(47,120,638)</u>
	<u>(20,184,693)</u>	<u>(19,856,876)</u>	<u>(7,355,520)</u>	<u>(19,612,465)</u>
ADJUSTMENTS FOR CASH BUDGET REQUIREMENTS:				
NON-CASH EXPENDITURE & REVENUE				
(Profit)/Loss on Asset Disposals	(3,125,750)	(3,936,927)	(3,121,653)	(4,091,654)
Depreciation on Assets	9,144,213	9,155,063	5,430,647	9,186,892
Non-cash capital contributions				
Movement in Provisions (Current)			235,938	-
Pensioners Deferred Rates Movement			-	-
CAPITAL EXPENDITURE & REVENUE				
Purchase Land	-	-	(368,643)	-
Buildings New	(2,105,920)	(2,310,119)	(2,672,160)	(3,024,024)
Buildings Renewal	(3,157,782)	(3,284,067)	(2,621,573)	(3,203,070)
Purchase Infrastructure Assets				
Drainage New	(169,500)	(619,500)	(77,892)	(619,500)
Drainage Renewal	(650,000)	(661,000)	(176,737)	(661,000)
Footpaths New	(272,116)	(204,300)	(164,355)	(226,800)
Footpaths Renewal	(142,000)	(142,000)	(49,819)	(142,000)
Special Works New	(115,059)	(137,559)	(116,293)	(137,559)
Special Works Renewal	(152,000)	(176,000)	(31,396)	(176,000)
Roads New	(5,152,431)	(4,702,431)	(1,669,595)	(3,543,131)
Roads Renewal	(2,091,700)	(2,076,360)	(1,000,530)	(2,331,360)
Parks & Ovals New	(200,569)	(200,569)	(15,506)	(200,569)
Parks & Ovals Renewal	(629,852)	(621,852)	(187,737)	(460,262)
Purchase Plant and Equipment New	(1,163,000)	(1,283,000)	-	(1,307,947)
Purchase Plant and Equipment Replacement	(655,000)	(535,000)	(117,839)	(116,402)
Purchase Furniture and Equipment New	(105,000)	(119,000)	(45,479)	(172,255)
Purchase Furniture and Equipment Replacement	-	-	-	-
Proceeds from Asset Disposals	255,000	255,000	30,864	255,000
Proceeds from Land Asset Disposals	6,125,000	5,920,000	575,000	7,386,709
Land Development Costs	(2,999,250)	(1,252,950)	(1,070,361)	(1,727,814)
Public Open Space		(767,050)		(767,050)
Capitalised Land Costs				
Capital Contributions & Grants				
Repayment of Debentures	(478,506)	(478,506)	(269,513)	(487,253)
Self-Supporting Loan Principal Income	55,901	55,901	29,079	55,901
Loan Funds Raised	3,019,680	3,019,680	3,000,000	3,019,680
Overdraft Funding	1,264,591	1,264,591	1,264,591	971,739
Advances to Clubs	(19,680)	-	-	-
Transfers to Reserves	(3,743,438)	(3,511,911)	(106,755)	(4,676,831)
Transfers from Reserves	3,860,676	4,831,741	1,162,609	4,507,861
Estimated Surplus/(Deficit) July 1 B/Fwd	(1,481,865)	(1,481,865)	(1,481,865)	(1,481,865)
Estimated Surplus/(Deficit) June 30 C/Fwd	(1,213,186)	(1)	12,370,209	61,442
Amount to be Raised from Rates	<u>(23,856,865)</u>	<u>(23,856,865)</u>	<u>(23,362,700)</u>	<u>(23,844,471)</u>

SHIRE OF KALAMUNDA

STATEMENT OF COMPREHENSIVE INCOME

BY NATURE OR TYPE

FOR THE PERIOD ENDED 31 JANUARY 2012

	2011/12 Adopted Budget \$	2011/12 Budget Review \$	2011/12 Proposed Budget \$	2011/12 Actual YTD \$
REVENUES FROM ORDINARY ACTIVITIES				
Rates	23,856,865	23,856,865	23,844,471	23,362,700
Grants and Subsidies	4,942,219	5,251,943	5,600,869	2,727,750
Contributions Reimbursements and Donations	1,200,971	1,684,383	1,347,664	602,954
Fees and Charges	10,015,488	9,660,785	10,087,796	8,618,725
Interest Earnings	724,825	724,825	602,848	341,336
Other Revenue	149,348	149,548	156,200	22,782
	<u>40,889,716</u>	<u>41,328,349</u>	<u>41,639,848</u>	<u>35,676,248</u>
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs	(18,208,858)	(19,678,051)	(19,502,538)	(11,092,960)
Materials and Contracts	(16,116,307)	(14,074,949)	(14,485,648)	(7,637,078)
Utilities	(1,345,849)	(2,108,713)	(1,978,844)	(1,060,025)
Depreciation	(9,144,213)	(9,155,063)	(9,186,892)	(5,430,647)
Interest Expenses	(449,667)	(449,667)	(457,943)	(285,286)
Insurance	(369,590)	(534,306)	(586,045)	(475,054)
Other Expenditure	(352,246)	(922,196)	(922,726)	(362,648)
	<u>(45,986,729)</u>	<u>(46,922,945)</u>	<u>(47,120,636)</u>	<u>(26,343,699)</u>
Grants and Subsidies - non-operating and Donations - non-operating	2,602,704 3,040,731	2,378,024 3,279,634	2,229,198 3,391,944	1,829,628 1,723,349
Profit on Asset Disposals - Land Developments	3,125,750	3,936,927	4,083,096	3,113,095
Profit on Asset Disposals - Plant & Equipment	-	-	8,558	8,558
NET RESULT	<u>3,672,172</u>	<u>3,999,987</u>	<u>4,232,008</u>	<u>16,007,180</u>

Shire of Kalamunda
Budget Review for Seven Months to January 2012

Summarised Report of Changes

Reference			Proposed Amendment	Reason for Amendment
	\$	\$	\$	
Balance in Rate Setting Statement as at October Review				
1 Changes to Capital Projects				
Men's Shed			(92,000)	Defer Relocation to 12/13
Private Works			(5,990)	Increase in Private Works Fees
Footpath Construction Welshpool Road East			22,500	
New Road Construction			(1,159,300)	
Abernethy Road		(900,000)		Main works will be happening in 2012/13. Design and planning in 2011/12
Various roads - speed cushions		(259,300)		Gladys Rd, George Rd, Boonooloo Rd, Hartfield Rd and Cotherstone Rd
Decrease in Major Plant Asset Renewal			(425,000)	Deferred to 12/13 pending review by Uniqco on current assets
Increase in Light Fleet Renewal			6,402	
Parks Renewal reduced			(161,590)	
Playground Equipment Hartfield		10,410		Increased
Category 2 Reserve		(82,000)		Sports lighting Maintenance - Ray Owen deemed not required
Category 2 Reserve		(90,000)		Sports Lighting Maintenance - Pioneer Park scoping not yet done
Road Construction			255,000	
Lansdowne Road		5,000		
Maida Vale Dundas Road		250,000		Road Construction Grant Funded
IT Hardware and Software			42,260	
Building Software		(2,500)		Building Application Electronic Software
IT Software		(60,000)		Re-allocation of budget to identified projects
Seamless Intranet Software		50,000		
Intramaps		34,760		
Uninterruptible Power Supply		20,000		
Building Maintenance			758,154	
Electrical Audits and Repair Works		80,000		Additional buildings identified
Kalamunda Water Park		971,904		Over-expenditure allowed for in budget
Kalamunda Club		35,400		Replacement of ceilings
Hedley Jorgensen Pavilion		(185,550)		Design Work in 11/12, job to commence 12/13
Depot Shed		94,400		Tractor shed work completed
Depot Amenities		(250,000)		\$250K carried over to 12/13
Kitchen Upgrade - FIRS		12,000		Grant received for kitchen upgrade to Forrestfield Information Referral Services
2 Re-structure adjustments				
Units Affected			(73,249)	Net Restructure Savings
Business and Strategy		(135,636)		Staff Restructure
Governance		27,315		Staff Restructure
Customer Services		43,789		Staff Restructure
Financial Support		110,759		Increased for staff restructure
Recreation Services		(25,862)		Savings from 1FTE seconded to HCC Project
Libraries Administration		(8,292)		Reduced Staff Costs
Former Director Community Development	(18,000)			Salaries and Wages
	(7,000)	(25,000)		Reduced Project Costs
Rates department		(41,794)		Reduced Salaries through restructure
Former Director Engineering Services	(31,200)			Savings in Staff Costs
	8,100			Audit Fees for Funded Projects
	(3,943)	(27,043)		Legal Expenses
Asset Management		31,852		Staff Restructure
Statutory Planning		(23,337)		Decrease in Staff Costs
3 Revised Profit on Land developments				
39 Maida Vale Road		149,135	(146,169)	
21 Andrew St		(224,287)		
Lot 17 (43) Boonooloo Rd		23,021		
Welshpool Road East		(94,038)		

Shire of Kalamunda
Budget Review for Seven Months to January 2012

Summarised Report of Changes

Reference	\$	\$	Proposed Amendment \$	Reason for Amendment
4 Increase in proceeds from Land Developments			(1,466,709)	Additional lots sold on Welshpool Rd East, Andrews St and Maida Vale
5 Movements in Reserves			1,488,797	
Increase transfer to Land and Building Reserves		1,506,449		
Increase transfer to Environmental Reserves		31,543		
Increase in Transfer to Reserve - Revaluation		39,101		
Net decrease in Transfer to Fleet & Plant Reserves		(69,917)		
Other reserves		(18,379)		
6 Changes to Contributions, Grants and Reimbursements and related costs				
Various changes to Road Contributions and Grants			138,513	Includes works approved for the Maidavale/Dundas Rd
Department of Health and Ageing Healthy Communities Project		(268,357)	0	New grant received, income receivable recognised Costs related to this project mainly salaries and equipment purchases
Healthy Communities Project		268,357		
Community Care Programmes Grant		23,576 23,575	47,151	Decrease in Programmes due to lower volume of referrals Reduced Grant due to lower volumes
Community Care Non Recurrent Grant Proceeds of Grant Vehicle Purchase Undercover Construction		(37,986) 24,947 13,039	0	Proceeds from Federal Govt Vehicle Purchase Undercover Construction
Meals on Wheels Meals		14,940 (7,084) 7,179 (6,393) 29,000	37,642	Reduced volumes resulting in less income Reduced Staff Costs Advertising Costs to reflect changes in service model Reduced Maintenance as a result of move from Jack Healy centre Increase Meals Purchases from City of Sterling in line with new service model
Environmental Management Solar Cities Project Grant			(56,664)	Solar Cities Project Grant Expended in 10/11 and 11/12
Building Maintenance Grant for FIRS Kitchen Contribution Capital Works			(12,000) (132,330)	Income for Kitchen refurbishment RLCIP Grant now received
Health Services Increase in Reimbursement			(15,000)	Brookton Pingelly Service Costs
High Wycombe Library Reinstatement			(43,625)	Re-construction costs incurred to damages caused Insurance claim receivable now agreed with loss adjusters, includes an element of internal staff administration costs
Hire and Lease Reimbursement Norm Sadler Pavilion Ray Owen Pavilion		9,117 9,656	18,773	Disputed Charges
7 Other Significant Changes to Operating Budgets				
Changes to Income				
Cash-in-lieu Rates			12,394	Amount due for the Dampier Bunbury pipeline will come in at a lower budget amount
Zig Zag Cultural Centre			10,500	Reduced Rooms Hire Income Increase in utilisation of certain key hall facilities as supported by actuals
Hall Hire			(68,000)	
Ray Owen Technical Services			(34,873) 21,740	Increase in Hire and Gym Fees and maintenance reimbursements Reduction in fees Modelling of fees incorrect resulting in a higher budget than what was actually billed to ratepayers
Waste Management - refuse collection Statutory Planning Planning Services Project Management Fees Structure Plan Fees Contractor		(12,000) 2,000 (13,078)	85,845 (38,275) (23,078)	Increase in Subdivision and Development fees
Interest Income			142,762	Cell 9 Project Management Fees Reduced Income, allocated to 519 Consultant for LPS. Job completed

Shire of Kalamunda
Budget Review for Seven Months to January 2012

Summarised Report of Changes

Reference	\$	\$	Proposed Amendment \$	Reason for Amendment
Increase Rates Instalment Charges and Interest			(32,455)	Reduction as a result of lower Reserves balances from previous year and expectation of lower returns Amounts due from ratepayers who are in default is projected higher due to the significant amount still outstanding
Changes to Expenditure				
Property Services			15,600	Legal Expenses and Property Valuations for leased properties
Functions Salaries			44,085	More functions catered
IT Expenses			(117,452)	Reduction in IT operating Expenses and Lease Charges. Original budget amount no longer deemed necessary and efficiencies introduced
Hall Hire			(8,713)	Reduced Utility Charges for Buildings
Rates Valuation			(117,599)	Valuation expenditure for is accrued over 3 years. Amount paid for 12/13 and 13/14 treated as a prepayment
Kalamunda Library			(40,000)	Lower Building Electricity Utilities Charges
Hartfield Park Recreation Centre			99,734	
Employee Costs		51,194		Increase in Staff Costs
Building Maintenance Costs		40,531		Increase in Building Maintenance Costs
Operating Costs		8,009		Reduced Advertising, Equipment Hire and Goods for Resale
Kalamunda Water Park			19,330	Reduced Advertising and Contractor Costs
Technical Services			5,774	Increase in Vehicle Costs
Asset Management maintenance			(17,500)	Decrease in maintenance costs now reflected
Works Maintenance			18,703	Street and Traffic Signs
Waste Management			173,690	Contractor Transfer Station Fees
Building Maintenance			172,950	
Ray Owen		35,450		Resurfacing Costs at Ray Owen
Kalamunda Club		40,000		Ceiling Repairs
Kalamunda Hockey Club		2,000		Vandalism repairs
Administration Building		45,500		Maintenance
Urgent Building Maintenance		50,000		To allow for non-scheduled maintenance
Statutory Planning			(11,635)	Decrease in Consultants fees
Rangers			41,580	
Staff Costs		36,580		Increase in Staff Costs
Legal Costs		7,000		Increase in Legal Costs
Sundry Purchases		(2,000)		Reduction in Sundry Purchases
Consolidation of all minor adjustments made across all budget line items			557,885	
As per Rate Setting Statement			(61,442)	

SHIRE OF KALAMUNDA**NOTES TO AND FORMING PART OF FINANCIAL REPORT**

For the Period Ended 31 JANUARY 2012

	2011/12 Budget \$	Budget Review \$	Proposed Budget \$
6. RESERVES - CASH BACKED			
(a) Land and Property Reserve			
Opening Balance	471,752	471,752	471,752
Interest Earned	12,044	12,044	29,834
Amount Set Aside / Transfer to Reserve	2,641,297	2,409,770	3,898,428
Amount Used / Transfer from Reserve	(1,916,285)	(2,740,350)	(2,740,350)
	<u>1,208,807</u>	<u>153,215</u>	<u>1,659,664</u>
(b) Waste Management			
Opening Balance	26,144	26,144	26,144
Interest Earned	13,274	13,274	1,653
Amount Set Aside / Transfer to Reserve	120,000	120,000	120,000
Amount Used / Transfer from Reserve	-	-	-
	<u>159,418</u>	<u>159,418</u>	<u>147,798</u>
(c) EDP - IT Equipment			
Opening Balance	67,908	67,908	67,908
Interest Earned	4,074	4,074	4,295
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	(60,000)	(60,000)	(60,000)
	<u>11,982</u>	<u>11,982</u>	<u>12,202</u>
(d) Local Government Elections			
Opening Balance	25,766	25,766	25,766
Interest Earned	1,546	1,546	1,629
Amount Set Aside / Transfer to Reserve	100,000	100,000	44,719
Amount Used / Transfer from Reserve	(100,000)	(100,000)	(44,719)
	<u>27,312</u>	<u>27,312</u>	<u>27,395</u>
(e) Long Service Leave			
Opening Balance	140,833	140,833	140,833
Interest Earned	18,885	18,885	8,906
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	(30,000)	(77,000)	(77,000)
	<u>129,719</u>	<u>82,719</u>	<u>72,740</u>
(f) Plant and Equipment			
Opening Balance	25,824	25,824	25,824
Interest Earned	1,549	1,549	1,633
Amount Set Aside / Transfer to Reserve	300,000	300,000	-
Amount Used / Transfer from Reserve	(230,000)	(230,000)	-
	<u>97,374</u>	<u>97,374</u>	<u>27,457</u>

SHIRE OF KALAMUNDA

NOTES TO AND FORMING PART OF FINANCIAL REPORT

FOR THE PERIOD ENDED 31 JANUARY 2012

6. CASH BACKED RESERVES (cont'd)	2011/12 Budget \$	Budget Review \$	Proposed Budget \$
(g) Stirk Park			
Opening Balance	22,506	22,506	22,506
Interest Earned	1,350	1,350	1,423
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>23,856</u>	<u>23,856</u>	<u>23,929</u>
(h) HACC			
Opening Balance	123,532	123,532	123,532
Interest Earned	8,792	8,792	7,812
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>132,324</u>	<u>132,324</u>	<u>131,344</u>
(i) Forrestfield Industrial Area			
Opening Balance	283,926	283,926	283,926
Interest Earned	17,036	17,036	17,956
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	(140,784)	(140,784)	(140,784)
	<u>160,177</u>	<u>160,177</u>	<u>161,097</u>
(j) Insurance Contingency Reserve			
Opening Balance	150,067	150,067	150,067
Interest Earned	6,820	6,820	9,490
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>156,888</u>	<u>156,888</u>	<u>159,558</u>
(k) Light Plant Reserve			
Opening Balance	49,967	49,967	49,967
Interest Earned	2,998	2,998	3,160
Amount Set Aside / Transfer to Reserve	300,000	300,000	300,000
Amount Used / Transfer from Reserve	(200,000)	(200,000)	(200,000)
	<u>152,965</u>	<u>152,965</u>	<u>153,127</u>
(l) Revaluation Reserve			
Opening Balance	155,280	155,280	155,280
Interest Earned	9,317	9,317	9,820
Amount Set Aside / Transfer to Reserve	30,000	30,000	30,000
Amount Used / Transfer from Reserve	-	(100,000)	(61,401)
	<u>194,597</u>	<u>94,597</u>	<u>133,699</u>

SHIRE OF KALAMUNDA

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE PERIOD ENDED 31 JANUARY 2012

	2011/12 Budget \$	Budget Review \$	Proposed Budget \$
6. CASH BACKED RESERVES (cont'd)			
(m) Nominated Employee Leave Provisions Reserve			
Opening Balance	22,185	22,185	22,185
Interest Earned	1,331	1,331	1,403
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>23,516</u>	<u>23,516</u>	<u>23,588</u>
(n) Community Facilities Reserve			
Opening Balance	-	-	-
Interest Earned	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
(o) Unexpended Capital Works and Specific Purpose Grants Reserve			
Opening Balance	1,162,609	1,162,609	1,162,609
Interest Earned	0	-	-
Amount Set Aside / Transfer to Reserve	0	-	-
Amount Used / Transfer from Reserve	-1,162,609	(1,162,609)	(1,162,609)
	<u>-</u>	<u>-</u>	<u>-</u>
(p) Environmental Reserve			
Opening Balance	0	-	-
Interest Earned	0	-	-
Amount Set Aside / Transfer to Reserve	153,125	153,125	184,668
Amount Used / Transfer from Reserve	-20,998	(20,998)	(20,998)
	<u>132,127</u>	<u>132,127</u>	<u>163,670</u>
Total Reserve Closing Balance	<u><u>2,611,061</u></u>	<u><u>1,408,469</u></u>	<u><u>2,897,269</u></u>

	2011/12 Budget \$	Budget Review \$	Proposed Budget \$
SUMMARY			
Opening Balance	2,728,298	2,728,300	2,728,300
Transfer from Accumulated Surplus - Interest	99,016	99,016	99,016
Transfer from Accumulated Surplus	3,644,422	3,412,895	4,577,815
Transfer to Accumulated Surplus	(3,860,676)	(4,831,741)	(4,507,861)
Closing Balance	<u><u>2,611,060</u></u>	<u><u>1,408,469</u></u>	<u><u>2,897,269</u></u>