



2005/2006 BUDGET

INTRODUCTION

The Town of East Fremantle's 2005/2006 Budget was adopted at Council's ordinary meeting held on Tuesday 5 July 2005 following the closure of the public comment period for the differential rates.

BUDGET OVERVIEW

REVALUATION OF PROPERTIES

In April 2005, The Valuer Generals Office undertook a revaluation of all properties within the Town of East Fremantle. The revaluation is undertaken every three (3) years in accordance with the requirements of the Schedule 6.1 of the Local Government Act 1995.

Generally the revaluation has increased the value of properties by some 6.33% (ie \$38,434,589 increase to \$40,869,924).

The above figure provides for non-rateable properties with a value of \$ 191,946. This reduced the increase percentage to 5.83%. Given the revaluation, staff have currently reassessed the rate in a dollar to provide Council with an overall rates increase of 4.9%.

NEW WORKS

This year's Budget includes new works of approximately \$1,071,000. These include:-

- | | |
|--|------------|
| • Footpath construction | \$ 255,000 |
| • Roads resurfacing | \$ 135,000 |
| • Foreshore controls | \$ 95,000 |
| • Drainage upgrades | \$ 215,000 |
| • Traffic management infrastructure | \$ 100,000 |
| • Town Hall/Police Station restoration | \$ 150,000 |
| • Kerbing replacement works | \$ 45,000 |
| • Pier St protection works | \$ 40,000 |
| • East St roadworks contribution | \$ 31,000 |

The Budget also provides for the development of facilities and other works on recreation reserves including Plympton Steps, Niergarup Track, John Tonkin Park, Locke and Gourley Parks, and various playground equipment totalling \$167,000

Council has also been successful in external grant applications for the redevelopment of the Dovenby House which is estimated to cost \$487,700. Council called tenders for the restoration in April 2005 and this was awarded to Clinton Long Project Management (CLPM). Work commenced on the building on the 13 June 2005 and is expected to be completed in November 2005. The building will provide a superb facility for HACC purposes.

Funds of \$108,114 have also been allocated to projects designed to complement Town Planning Scheme No 3; in particular in relation to preparing a Municipal Inventory, design guidelines and Local Planning Policies designed to protect the amenity of East Fremantle residents.



The Budget provides for the raising of a loan totalling \$715,000 consisting of :-

- Restoration Town Hall/ Police Station \$ 125,000
- Road and Footpath Construction \$ 375,000
- Drainage \$ 215,000

The Loans will be provided by the W A Treasury Corporation and taken over a 15 year period at the prevailing interest rates.

The Emergency Service Levy, which Council is required to collect on behalf of the State Government for the funding of the emergency services, has been included in the rates notice. The levy has been based on the gross rental value of the property with a minimum of \$35 and maximum of \$195 for residential and a maximum of \$110,000 for commercial buildings.

The Fire and Emergency Service Authority has enclosed a brochure with the rates notice which provides information on the levy.

Council offers the option of rates payments by either one (1) two (2) or (4) four installments due on the following dates

FULL PAYMENT

- 1st Payment 23 August 2005

TWO PAYMENT OPTION

- 1st Payment 23 August 2005
- 2nd Payment 25 October 2005

FOUR PAYMENT OPTION

- 1st Payment 23 August 2005
- 2nd Payment 25 October 2005
- 3rd Payment 10 January 2006
- 4th Payment 14 March 2006

The single payment option does not attract interest or instalment components.

RATES PRIZES

Council has received a number of prizes from local businesses to offer as incentives for the early payment of rates and charges. All ratepayers who pay their rates no later than the 23 August 2005 will be eligible for the prizes. These include:-

- | | |
|--|-------|
| | \$ |
| • Stewart's Pest Control | 1,200 |
| • Commonwealth Bank- Cash Prize | 500 |
| • East Fremantle Tennis Club- One Adult Membership | 350 |
| • Esplanade Hotel Fremantle- One Night Breakaway | 220 |
| • Aspen Parks – One Night Accommodation Package | 150 |
| • Left Bank Café and Restaurant | 100 |
| • Boardwalk Restaurant | 80 |
| • Birdy's Café - Breakfast Vouchers | 30 |

TOWN OF EAST FREMANTLE
ADOPTED BUDGET (5th JULY 2005)
FOR THE YEAR ENDED 30TH JUNE 2006

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TOWN OF EAST FREMANTLE
OPERATING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006

NOTE	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
OPERATING REVENUES (Refer Notes 1,2,8 to 13)			
Governance	26,200	38,468	24,500
General Purpose Funding	3,930,691	3,781,931	3,749,994
Law, Order, Public Safety	19,220	28,236	25,680
Health	1,790	5,791	2,550
Education and Welfare	488,900	485,345	476,298
Housing	37,500	36,950	36,400
Community Amenities	143,400	181,532	137,699
Recreation and Culture	160,128	141,183	137,885
Transport	298,000	233,920	141,613
Economic Services	66,845	111,534	66,845
Other Property and Services	126,050	168,372	67,000
	<u>5,298,724</u>	<u>5,213,262</u>	<u>4,866,464</u>
OPERATING EXPENSES (Refer Notes 1,2 & 14)			
Governance	451,427	539,290	397,298
General Purpose Funding	198,716	178,354	173,717
Law, Order, Public Safety	102,553	97,196	105,203
Health	93,621	102,830	103,760
Education and Welfare	564,795	529,097	517,457
Housing	27,527	23,496	26,852
Community Amenities	1,571,552	1,018,779	1,375,136
Recreation & Culture	1,080,655	939,491	1,002,958
Transport	1,240,994	1,101,719	1,242,579
Economic Services	120,713	115,141	116,979
Other Property and Services	191,477	124,174	144,440
	<u>5,644,031</u>	<u>4,769,567</u>	<u>5,206,379</u>
BORROWING COSTS EXPENSE (Refer Notes 2 & 5)			
Debentures	117,528	90,670	100,488
	<u>117,528</u>	<u>90,670</u>	<u>100,488</u>
GRANTS/CONTRIBUTIONS FOR THE DEVELOPMENT OF ASSETS			
Administration	37,567		
Law, Order & Public Safety		-	7,600
Health		-	
Education & Welfare		-	
Community Amenities	246,350	-	246,350
Recreation & Culture	20,600	20,000	-
Transport	69,800	24,275	58,500
	<u>374,317</u>	<u>44,275</u>	<u>312,450</u>
PROFIT/(LOSS) ON DISPOSAL OF ASSETS (Refer Note 4)			
Governance	2,672	1,972	11,035
Health	(760)	3,228	2,862
HACC	-	8,182	15,955
Community Amenities	1,690	5,518	14,658
Transport	31,284	10,387	5,609
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>34,887</u>	<u>29,286</u>	<u>50,119</u>
NET PROFIT OR LOSS/RESULT	<u>(53,631)</u>	<u>426,586</u>	<u>(77,834)</u>

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

TOWN OF EAST FREMANTLE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE 2006

	NOTE	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
Cash Flows From Operating Activities				
Receipts				
Rates		3,488,112	3,324,948	3,339,410
Grants and Subsidies - operating		786,664	730,103	673,833
Contributions, Reimbursements & Donations		42,683	165,242	27,475
Service Charges		143,750	529,095	156,450
Fees and Charges		473,968	161,770	342,366
Interest Earnings		162,714	121,990	124,584
Other		36,592	73,378	37,055
		<u>5,134,482</u>	<u>5,106,526</u>	<u>4,701,173</u>
Payments				
Employee Costs		(1,684,010)	(1,463,128)	(1,651,298)
Materials and Contracts		(2,546,199)	(1,865,501)	(2,125,273)
Utilities (gas, electricity, water, etc)		(211,578)	(307,832)	(75,315)
Insurance		(143,423)	(90,670)	(181,145)
Interest		(85,746)	(425,120)	(100,295)
Other		-	(122,423)	(3,958)
		<u>(4,670,957)</u>	<u>(4,274,674)</u>	<u>(4,137,284)</u>
Net Cash Provided By Operating Activities	13(b)	<u>463,526</u>	<u>831,852</u>	<u>563,889</u>
Cash Flows from Investing Activities				
Payments for Development of Land Held for Resale	3	-		
Payments for Purchase of Property, Plant & Equipment	3	(1,129,800)	(308,902)	(1,033,550)
Payments for Construction of Infrastructure	3	(1,114,200)	(462,725)	(758,860)
Grants/Contributions for the Development of Assets		374,317	44,275	312,450
Proceeds from Sale of Assets	4	196,100	152,935	226,455
Net Cash Used in Investing Activities		<u>(1,673,583)</u>	<u>(574,416)</u>	<u>(1,253,505)</u>
Cash Flows from Financing Activities				
Advances to Community Groups				
Repayment of Debentures	5	(164,331)	(116,154)	(129,690)
Repayment of Finance Leases				
Proceeds from Self Supporting Loans		12,747	12,747	30,000
Self Supporting Loan Advances		-		(15,000)
Proceeds from New Debentures	5	715,000	-	400,000
Net Cash Provided By (Used In) Financing Activities		<u>563,416</u>	<u>(103,407)</u>	<u>285,310</u>
Net Increase (Decrease) in Cash Held		<u>(646,642)</u>	<u>154,029</u>	<u>(404,307)</u>
Cash at Beginning of Year		1,712,511	1,558,482	1,384,473
Cash at End of Year	13(a)	<u><u>1,065,869</u></u>	<u><u>1,712,511</u></u>	<u><u>980,166</u></u>

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

**TOWN OF EAST FREMANTLE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006**

	NOTE	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
REVENUES				
	1,2			
Governance		26,302	40,440	35,536
General Purpose Funding		#REF!	378,983	341,619
Law, Order, Public Safety		19,220	28,236	33,280
Health		1,790	9,018	8,274
Education and Welfare		480,718	493,527	508,207
Housing		37,500	36,950	36,400
Community Amenities		389,750	187,050	413,365
Recreation and Culture		159,799	161,183	137,885
Transport		263,784	248,582	211,623
Economic Services		66,845	111,534	66,845
Other Property and Services		126,050	168,372	67,000
		#REF!	1,863,875	1,860,034
EXPENSES				
	1,2			
Governance		(470,496)	(553,745)	(411,753)
General Purpose Funding		(198,716)	(178,354)	(173,717)
Law, Order, Public Safety		(102,553)	(97,196)	(105,203)
Health		(93,621)	(102,830)	(103,760)
Education and Welfare		(564,795)	(529,097)	(517,457)
Housing		(27,527)	(23,496)	(26,852)
Community Amenities		(1,579,437)	(1,028,784)	(1,384,297)
Recreation & Culture		(1,100,079)	(963,382)	(1,024,671)
Transport		(1,312,144)	(1,144,038)	(1,297,738)
Economic Services		(120,713)	(115,141)	(116,979)
Other Property and Services		(191,477)	(124,174)	(144,440)
		(5,761,559)	(4,860,237)	(5,306,867)
Adjustments for Cash Budget Requirements:				
Non-Cash Expenditure and Income				
(Profit)/Loss on Asset Disposals	4	(34,887)	(29,286)	(50,411)
Depreciation on Assets	2(a)	666,522	666,522	666,522
Capital Expenditure and Income				
Purchase Land Held for Resale	3			
Purchase Land and Buildings	3	(739,200)	(60,538)	(695,700)
Purchase Infrastructure Assets	3	(1,114,200)	(462,725)	(758,860)
Purchase Plant and Machinery	3	(337,600)	(233,599)	(326,850)
Purchase Furniture and Equipment	3	(53,000)	(14,764)	(11,000)
Proceeds from Disposal of Assets	4	196,100	152,935	226,455
Repayment of Debentures	5	(164,331)	(116,154)	(129,690)
Proceeds from New Debentures	5	715,000	-	400,000
Self-Supporting Loan Principal Income		12,747	11,976	30,000
Transfers to Reserves (Restricted Assets)	6	(63,120)	(40,741)	(51,602)
Transfers from Reserves (Restricted Assets)	6	432,899	171,035	521,553
ADD Estimated Surplus/(Deficit) July 1 B/Fwd	7	657,856	206,610	190,786
LESS Estimated Surplus/(Deficit) June 30 C/Fwd	7	(121,155)	657,856	(16,222)
Amount Req'd to be Raised from Rates	8	#REF!	(3,402,948)	(3,419,408)

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Accounting

The budget has been prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended). The budget has also been prepared on the accrual basis under the convention of historical cost accounting.

(b) The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 15 to this budget.

(c) 2004/05 Forecast Balances

Balances shown in this budget as 2004/05 are forecast at the time of budget preparation and are subject to final adjustments.

(d) Rounding Off Figures

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

(e) Rates, Grants, Donations and Other Contributions

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

(f) Goods and Services Tax

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

(g) Superannuation

The Town of East Fremantle contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

(h) Investments

All investments are valued at cost and interest on those investments is recognised when accrued.

(i) Infrastructure Assets

Infrastructure (eg roads, drainage, parks & ovals etc) were valued and recorded in the statement of financial position as at 30th June 1997. All Infrastructure constructed or acquired during the year is capitalised and depreciated over its useful life.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

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

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

Buildings	40 years
Furniture and Equipment	10 years
Plant and Equipment	8years
Infrastructure	Various
Mobile Equipment	5 years
Electronic Equipment	5 years
Tools	

(k) Capitalisation Policies

All purchases from non-current assets are bought to account at cost unless otherwise noted in notes to the accounts.

Council has adopted the following Asset Capital threshold:-

Buildings	1,000
Furniture and Equipment	500
Plant and Equipment	500
Infrastructure	1,000

(l) Land Held for Resale

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

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Entitlements

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

(i) Wages, Salaries and Annual Leave

The provision for employees' entitlements to wages, salaries and annual leave represents the amount that the municipality has a present obligation to pay resulting from employees services to balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

(ii) Long Service Leave

The provision for employees' entitlements for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
2. REVENUES AND EXPENSES			
(a) Net Profit or Loss/Result from Ordinary Activities was arrived at after:			
(i) Charging as Expenses:			
Depreciation			
Note:			
<u>By Program</u>			
Governance	70,962	70,962	70,962
General Purpose Funding			
Law, Order, Public Safety	433	433	433
Health	9,563	9,563	9,563
Education and Welfare	48,322	48,322	48,322
Housing	9,197	9,197	9,197
Community Amenities	62,810	62,810	62,810
Recreation and Culture	215,292	215,292	215,292
Transport	241,777	241,777	241,777
Economic Services	-	-	-
Other Property and Services	8,167	8,167	8,167
	666,523	666,523	666,523
	666,523	666,523	666,523
<u>By Class</u>			
Land and Buildings	239,062	239,062	239,062
Furniture and Equipment	33,503	33,503	33,503
Plant and Equipment	209,388	209,388	209,388
Infrastructure	184,570	184,570	184,570
	666,523	666,523	666,523
	666,523	666,523	666,523
Borrowing Costs (Interest)			
- Finance Lease Charges	-	-	-
- Debentures	117,528	90,670	134,611
	117,528	90,670	134,611
	117,528	90,670	134,611
Rental Charges			
- Operating Leases	-	-	-
	-	-	-
	-	-	-
(ii) Crediting as Revenues:			
Interest Earnings			
Investments			
- Reserve Funds	32,000	41,698	26,371
- Other Funds	97,500	75,239	80,891
Other Interest Revenue	33,214	5,053	17,225
	162,714	121,990	124,487
	162,714	121,990	124,487

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

		2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
2. REVENUES AND EXPENSES (Continued)				
(b) Revenues and Expenses Classified According to Nature and Type				
	Note:			
Revenues				
Rates	8	3,568,112	3,402,948	3,419,410
Grants and Subsidies - operating		786,664	758,103	673,833
Grants and Subsidies - non-operating		374,317	44,275	312,450
Contributions,				
Reimbursements and Donations		42,683	165,242	27,475
Profit on Asset Disposals	4	35,647	30,022	50,410
Service Charges	9	168,750	529,095	181,450
Fees and Charges	10	533,968	161,770	402,366
Interest Earnings	2(a)	162,714	121,990	124,584
Other Revenue		36,592	73,378	37,055
		<u>5,709,447</u>	<u>5,286,823</u>	<u>5,229,033</u>
Expenses				
Employee Costs		(1,761,010)	(1,463,128)	(1,726,380)
Materials and Contracts		(2,846,199)	(1,790,697)	(2,567,593)
Utilities (gas, electricity, water, etc)		(211,578)	(307,832)	(75,315)
Depreciation on				
Non-current Assets	2(a)	(666,522)	(666,522)	(666,522)
Loss on Asset Disposals	4	(760)	(735)	-
Interest	2(a)	(119,246)	(90,670)	(100,295)
Insurance		(157,762)	(421,855)	(166,806)
Other		-	(118,798)	(3,958)
		<u>(5,763,077)</u>	<u>(4,860,237)</u>	<u>(5,306,869)</u>
Grants and Subsidies - non-operating Contributions				
			-	
Renovation of Dovenby House		246,350	-	246,350
Town Hall Restoration- Lotterywest		37,567	-	-
Bowling Club Lighting		30,300	-	26,000
Local Activity Grant		7,600	-	-
Sports & Recreation		-	-	-
Main Roads WA		52,500	44,275	32,500
Office of Crime Prevention		-	-	7,600
		<u>374,317</u>	<u>44,275</u>	<u>312,450</u>

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
2. REVENUES AND EXPENSES (Continued)			
(c) Reconciliation of Revenues and Expenses per the Operating Statement to Revenues and Expenses Classified According to Nature and Type			
	Note:		
Operating Revenues (Operating Statement)	5,298,724	5,213,262	4,866,464
Add: Grants/Contributions for the Development of Assets	374,317	44,275	312,450
Profit on Disposal of Assets			
- Governance	2,672	1,972	11,035
- Health		3,228	2,862
- Community Amenities	1,690	5,518	15,955
-HACC	-	8,182	14,658
- Transport	31,284	10,387	5,609
- Economic Services		-	
Operating Revenue by Nature and Type	2(b) <u><u>5,708,688</u></u>	2(b) <u><u>5,286,823</u></u>	2(b) <u><u>5,229,033</u></u>
Operating Expenses Excluding Borrowing Costs Expense (Operating Statement)	5,644,030	4,769,567	5,206,379
Add: Loss on Disposal of Assets			
- Law, Order & Public Safety			-
- Health	760		-
- Recreation & Culture			-
- Transport			
- Economic Services			
Borrowing Costs Expense	117,528	90,670	100,488
Operating Expense by Nature and Type	2(b) <u><u>5,762,318</u></u>	2(b) <u><u>4,860,237</u></u>	2(b) <u><u>5,306,867</u></u>

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2005

2. REVENUES AND EXPENSES (Continued)

(d) Statement of Objective

In order to discharge its responsibilities to the community, the Shire 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.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

GOVERNANCE

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

Activities: Administration and operation of facilities and services to members of council; Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rating, General Purpose Government Grants and the earning of Interest.

LAW, ORDER, PUBLIC SAFETY

Objective: To provide Bushfire Prevention Services and Animal (Dog) Control services.

Activities: Supervision, Enforcement of Bushfire Act and Dog Act.

HEALTH

Objective: To provide an operational framework for good community health in conjunction with the Health Department of W.A.

Activities: Health Inspection Services regarding food quality, pest control etc and the provision of Doctor and Dental Surgery facilities and Child Health Clinics.

EDUCATION AND WELFARE

Objective: to provide assistance to senior citizens welfare and home and community care, and the provision of services including meals on wheels

HOUSING

Objective: Help to ensure that adequate housing is available to staff and the community.

Activities: Provision and maintenance of 5 Staff Houses

COMMUNITY AMENITIES

Objective: To provide community amenities and other infrastructure as required by the community.

Activities: Rubbish Collection and Disposal, maintenance of Rubbish Tips and recycling, administration of Town Planning Schemes for the Town including provision of residential, commercial and Townscape facilities.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006

2 OPERATING REVENUES AND EXPENSES (Continued)

(d) Statement of Objective (Continued)

RECREATION AND CULTURE

Objective: To establish and manage efficiently sport and recreation infrastructure and resources which will help the social well being and health of the community.

Activities: The provision and maintenance in conjunction with the various communities of public halls, recreation grounds, sport pavilions and the joint operation of the City of Fremantle Library.

TRANSPORT

Objective: To provide effective and efficient transport infrastructure to the community.

Activities: Construction and maintenance of streets, roads, bridges; the cleaning and lighting of streets;

ECONOMIC SERVICES

Objective: To help promote the Shire and improve its economic wellbeing.

Activities: The regulation and provision of tourism, area promotion activities and building control.

OTHER PROPERTY & SERVICES

Objective: To provide other services etc not elsewhere included.

Activities: Private Works operations, Council plant repairs and operation costs and depot maintenance.

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006

3 ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year

	\$
<u>By Program</u>	
Governance	268,000
General Purpose Funding	-
Law, Order, Public Safety	25,500
Health	26,000
Education and Welfare	465,200
Housing	-
Community Amenities	87,000
Recreation and Culture	334,800
Transport	1,037,500
Economic Services	-
Other Property and Services	-
	2,244,000

By Class

Land Held for Resale	739,200
Land and Buildings	1,114,200
Infrastructure Assets	337,600
Plant and Machinery	53,000
Furniture and Equipment	53,000
	2,244,000

A detailed breakdown of acquisitions on an individual asset basis can be found in the supplementary information attached to this budget document as follows:

- plant replacement programme
- other assets
- road replacement programme
- other infrastructure

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

4. DISPOSALS OF ASSETS

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

	Net Book Value	Sale Proceeds	Profit(Loss)
	2005/06 BUDGET \$	2005/06 BUDGET \$	2005/06 BUDGET \$
By Program			
Governance	49,828	52,500	2,672
Law Order and Public Safety	15,037	15,000	(37)
Health	20,260	19,500	(760)
Community Amenities	49,810	51,500	1,690
Transport	26,279	57,600	31,321
	161,213	196,100	34,887

	Net Book Value	Sale Proceeds	Profit(Loss)
	2005/06 BUDGET \$	2005/06 BUDGET \$	2005/06 BUDGET \$
By Class			
Plant & Equipment	161,213	196,100	34,887
Office Furniture			
Land and Buildings			
	161,213	196,100	34,887

Summary

Profit on Asset Disposals
Loss on Asset Disposals

2005/06 BUDGET \$
34,887
-
34,887

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006**

No	Purpose	Lender	Date Funded	Term in Years	Initial Amount Borrowed	Rate	New Loans	Principal Liability 01 July 2005	Principal Repayments 2005/2006	Interest Repayments 2005/2006	Interest Expense 2005/2006	Principal Liability 30 June 2006	Interest Accrual 30 June 2005
	Administration												
179	Organisational Reform	WATC	27-Jun-00	15	250,000	6.96		193,556	13,853	13,520	13,619	179,702	99
187	Town Hall * Police Sin	WATC	1-Dec-05	15		6.03	125,000		6,934	5,549	7,620	118,066	
	Community Amenities												
173	George Street Beautification	WATC	28-Jun-99	15	75,000	6.85		53,614	4,482	3,597	3,693	49,132	96
176	Recycling Bins	WATC	27-May-99	10	150,000	6.36		71,415	16,214	4,288	4,965	55,201	677
	Recreation and Culture												
165	East Fremantle Tennis Club *	WATC	22-Aug-97	10	80,000	6.89		25,328	9,620	1,582	2,357	15,708	775
167	East Fremantle Bowling Club *	WATC	29-Jul-98	15	50,000	6.12		33,724	3,127	2,014	2,923	30,597	909
169	Foreshore/Landscaping	WATC	28-Jun-99	15	140,000	6.85		100,080	8,367	6,715	6,893	91,713	178
171	Plyground Equipment	WATC	28-Jun-99	15	80,000	6.85		57,188	4,781	3,837	3,939	52,407	102
175	Automatic Retiulation	WATC	28-Jun-99	15	110,000	6.85		78,634	6,574	5,276	5,416	72,060	140
183	Richmond Preprimary School	WATC	15-Jan-04	3		5.13	0		0	0	0	0	
	Transport												
168	Footpath Construction	WATC	28-Jun-99	15	150,000	6.85		107,228	8,964	7,194	7,385	98,264	191
170	Construction Works	WATC	28-Jun-99	15	68,000	6.85		48,610	4,064	3,262	3,348	44,546	86
174	Local Area Traffic Management	WATC	28-Jun-99	15	50,000	6.85		35,743	2,888	2,398	2,462	32,755	64
178	Road and Footpath Construction	WATC	27-Jun-00	15	150,000	6.96		116,133	8,312	8,112	8,149	107,821	37
182	Road and Footpath Construction	WATC	1-Jun-03	10	200,000	5.28		167,475	17,505	7,985	9,618	149,970	1,633
184	Road and Footpath Construction	WATC	22-Mar-04	10	185,000	5.88	0	170,942	14,060	10,674	12,778	156,883	2,103
185	Road and Footpath Construction	WATC	1-Sep-05	15		6.03	375,000		28,226	21,982	1,859	346,774	
186	Drainage	WATC	1-Dec-05	15		6.03	215,000		12,045	9,543	1,066	202,955	
					1,738,000	116	715,000	1,259,671	170,115	117,528	98,090	1,804,556	7,092

NOTE:
WATC Western Australian Treasury Corporation
* - Self Supporting Loans

5. (b) New Borrowings

Particulars/Purpose	Amount Borrowed		Institution	Type	(Years)	Interest & Charges	Rate	Unspent \$	
	Actual	Budget						Actual	Budget
185 Road and Footpath Construction	375,000			Deb	15	21,982	6.03		
186 Drainage	215,000			Deb	15	9,543	6.03		
187 Town Hall & Police Sin Resotation	125,000			Deb	15	5,549	6.03		
	715,000					37,074			

(c) Unspent Debentures

Council had no unspent debenture funds as at 30th June 2005 nor is it expected to have unspent debenture funds as at 30th June 2006.

(d) Overdraft

Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$100,000 with the Commonwealth Bank does exist. It is not anticipated that this facility will be required to be utilised during 2005/06.

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
6. RESERVES			
(a) Cash Backed Reserves			
Specified Area Rates			
Opening Balance	1,153	20,518	20,518
(b) Amount Set Aside / Transfer to Reserve		1,154	1,026
Amount Used / Transfer from Reserve	-	(20,519)	(20,518)
	<u>1,153</u>	<u>1,153</u>	<u>1,026</u>
Plant Replacement			
Opening Balance	28	28	28
(c) Amount Set Aside / Transfer to Reserve			-
Amount Used / Transfer from Reserve	-	-	-
	<u>28</u>	<u>28</u>	<u>28</u>
Annual Leave			
Opening Balance	83,282	78,867	81,658
(d) Amount Set Aside / Transfer to Reserve	3,850	4,415	3,943
Amount Used / Transfer from Reserve	-	-	-
	<u>87,132</u>	<u>83,282</u>	<u>85,601</u>
Office Reserve			
Opening Balance	15,070	14,281	15,222
(e) Amount Set Aside / Transfer to Reserve	850	788	714
Amount Used / Transfer from Reserve	-	-	-
	<u>15,920</u>	<u>15,070</u>	<u>15,936</u>
Town Planning Reserve			
Opening Balance	558	20,892	21,748
(f) Amount Set Aside / Transfer to Reserve	-	1,166	1,045
Amount Used / Transfer from Reserve	-	(21,500)	(20,500)
	<u>558</u>	<u>558</u>	<u>2,293</u>
Leeuwin Reserve			
Opening Balance	26,864	25,424	24,198
(g) Amount Set Aside / Transfer to Reserve	1,350	1,440	1,271
Amount Used / Transfer from Reserve	-	-	-
	<u>28,214</u>	<u>26,864</u>	<u>25,469</u>
Centennial Reserve			
Opening Balance	2,564	2,427	2,345
(h) Amount Set Aside / Transfer to Reserve	90	137	121
Amount Used / Transfer from Reserve	-	-	-
	<u>2,654</u>	<u>2,564</u>	<u>2,466</u>
ARC/ Legal Costs Reserve			
Opening Balance	429,255	542,666	454,820
(i) Amount Set Aside / Transfer to Reserve	55,000	29,719	19,815
Amount Used / Transfer from Reserve	(426,899)	(143,130)	(474,635)
	<u>57,356</u>	<u>429,255</u>	<u>-</u>
Long Service Leave Reserve			
Opening Balance	27,221	25,640	51,713
(j) Amount Set Aside / Transfer to Reserve	1,600	1,581	1,943
Amount Used / Transfer from Reserve	-	-	-
	<u>28,821</u>	<u>27,221</u>	<u>53,656</u>
Asbestos Removal Reserve			
Opening Balance	6,815	6,472	6,772
(k) Amount Set Aside / Transfer to Reserve	380	343	324
Amount Used / Transfer from Reserve	-	-	(6,000)
	<u>7,195</u>	<u>6,815</u>	<u>1,096</u>
General Reserve			
Opening Balance	166	166	166
Amount Set Aside / Transfer to Reserve	-	-	21,400
Amount Used / Transfer from Reserve	-	-	-
	<u>166</u>	<u>166</u>	<u>21,566</u>
Total Reserves	<u><u>229,197</u></u>	<u><u>592,976</u></u>	<u><u>209,137</u></u>

FOR THE YEAR ENDED 30TH JUNE 2006

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

Summary of Transfers to Cash Backed Reserves	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
Transfers To Reserves			
Annual Leave Reserve	3,850	4,415	3,943
Specified Area Reserve	-	1,154	1,026
Office Reserve	850	788	714
Town Planning Reserve	-	1,166	1,045
Leeuwin Reserve	1,350	1,440	1,271
Centennial Reserve	90	137	121
Arts & Recreational Community Reserve	55,000	29,719	19,815
Legal Funds Reserve			
Long Service Leave Reserve	1,600	1,581	1,943
Asbestos Removal Reserve	380	343	324
General Reserve- EFFC Lighting	-	-	21,400
	<u>63,120</u>	<u>40,744</u>	<u>51,602</u>
Transfers from Reserves			
Annual Leave Reserve			
Specified Area Reserve	-	(20,519)	(20,519)
Office Reserve			
Town Planning Reserve	-	(7,386)	(20,500)
Leeuwin Reserve			
Centennial Reserve			
Arts & Recreational Community Reserve	426,899	(143,130)	(474,534)
Legal Funds Reserve			
Long Service Leave Reserve	-	-	-
Asbestos Removal Reserve	6,000	-	(6,000)
	<u>432,899</u>	<u>(171,035)</u>	<u>(521,553)</u>
Total Transfer to/(from) Reserves	<u>(369,779)</u>	<u>(130,291)</u>	<u>(469,951)</u>

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

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

- Specified Area rate Reserve No 1
 - a Statutory requirement to transfer surplus funds from Specified Area rates to a Reserve Fund.
- Plant Replacement Reserve
 - to be used for the replacement of major items of roadmaking plant.
- Annual Leave Reserve
 - to be used to fund accrued annual leave requirements
- Office Reserve
 - to be used for the purchase of major office equipment
- Long Service Leave Reserve
 - to be used to fund long service leave entitlements of staff.
- Town Planning Reserve
 - to be used to fund expenditure relating to town Planning Scheme reviews.
- Leeuwin Reserve
 - to be used for the funding of major expenditure for the boat ramp located at Centennial Park
- Centennial Reserve
 - to be used to fund expenditure in the Town's Centennial year.
- Arts & Recreation Community Reserve (2003)
 - to fund any major arts or community project
- Legal Costs Reserve
 - to be used for the funding of major legal costs
- Asbestos Removal Reserve
 - to be used to fund any asbestos removal throughout the Town of East Fremantle

7. NET CURRENT ASSETS

	2005/06 Budget \$	2004/05 Forecast \$
Composition of Estimated Net Current Asset Position		
Cash - Unrestricted	181,732	519,436
Cash - Restricted	884,138	1,186,457
Receivables	184,990	186,500
	1,250,859	1,892,393
LESS: CURRENT LIABILITIES		
Payables and Provisions	245,567	48,080 #
NET CURRENT ASSET POSITION	1,005,292	1,844,313
Less: Cash - Restricted	884,138	1,186,457
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	121,155	657,856

The estimated surplus/(deficiency) c/fwd in the 2004/05 actual column represents the surplus (deficit) brought forward as at 1 July 2005.

The estimated surplus/(deficiency) c/fwd in the 2005/06 budget column represents the surplus (deficit) carried forward as at 30 June 2006

**TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006**

8. RATING INFORMATION - 2005/06 FINANCIAL YEAR

<u>RATE TYPE</u>	Rate in \$	Number of Properties	Rateable Value \$	2005/06 Budgeted Rate Revenue \$	2005/06 Budgeted Interim Rates \$	2005/06 Budgeted Back Rates \$	2005/06 Budgeted Total Revenue \$	2004/05 Forecast \$
Differential General Rate								
Residential	8.4050	2,816	33,845,838	2,807,901	40,000		2,847,901	2,703,533
Commercial	10.6930	98	5,635,797	602,636			602,636	568,968
Sub-Totals		2914	39,481,635	3,410,536	40,000	-	3,450,536	3,272,501
Minimum Rates								
Residential	552	213	1,196,343	117,576			117,576	128,383
Commercial	690	0	-	-			-	2,064
Sub-Totals		213	1,196,343	117,576	-	-	117,576	130,447
Less - Club Concessions								
							3,568,112	3,402,948
Totals							3,568,112	3,402,948

All land except exempt land in the Town of East Fremantle is rated according to its Gross Rental Value (GRV).

The general rates detailed above for the 2004/05 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

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

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006

9. SERVICE CHARGES	2005/06 Budget \$	2004/05 Forecast \$
General Purpose Funding	0	
Law Order & Public Safety	1,400	8,573
Community Amenities	121,950	185
Recreation & Culture	1,600	
Transport	-	19,710
Economic Services	43,800	40,317
Other Property & Services	0	0
	<u>168,750</u>	<u>68,785</u>

10. FEES & CHARGES REVENUE	2005/06 Budget \$	2004/05 Actual \$
Governance	19,300	34,017
General Purpose Funding	34,000	
Law, Order, Public Safety	17,460	10,430
Health	2,550	1,498
Education and Welfare	9,800	12,410
Housing	37,500	31,486
Community Amenities	0	147,990
Recreation & Culture	108,099	18,646
Transport	175,000	81,296
Economic Services	19,209	5,018
Other Properties & Services	111,050	73,778
	<u>533,968</u>	<u>342,790</u>

11. INTEREST CHARGES AND INSTALMENTS - 2005/06 FINANCIAL YEAR

	2005/06 Budget
Late payment Interest %	5.50
Installment Charges	\$15
Special Installment Charge	\$50

12. COUNCILLORS' REMUNERATION	2005/06 Budget \$	2004/05 Forecast \$
The following fees, expenses and allowances were paid to council members and/or the president.		
<i>Per Member</i>		
Councillor Meeting Fees	56,000	48,000
Mayoral Meeting Fees	14,000	12,000
Mayoral Allowance	10,000	10,000
Deputy Mayoral Allowance	3,000	2,500
Expenses Reimbursed	4,600	4,398
	<u>87,600</u>	<u>76,898</u>

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2006

13. NOTES TO THE STATEMENT OF CASH FLOWS

(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:

	2005/06 Budget \$	2004/05 Forecast \$	2004/05 Budget \$
Cash - Unrestricted	181,732	163,636	153,439
Cash - Restricted	884,138	1,186,457	826,728
	<u><u>1,065,869</u></u>	<u><u>1,350,093</u></u>	<u><u>980,167</u></u>

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

Specified Area Rates	1,153	1,153	-
Plant Replacement Reserve	28	28	1026
Annual Leave Reserve	87,132	83,282	28
Office Reserve	15,920	15,070	85601
Town Planning Reserve	558	558	15936
Leeuwin Reserve	28,214	26,864	2293
General Reserve	166	166	25469
Centennial Reserve	2,654	2,345	21566
Arts Recreation & Comm Reserve	57,356	429,255	2466
Long Service Leave Reserve	28,821	27,221	53656
Asbestos Removal Reserve	7,195	6,815	1096
Structural Reform Monies	-	-	21131
Trust Funds	377,824	355,300	340475
Mooring Pens	42,000	40,000	42000
Bonds	32,140	200	11009
Footpath Deposits	202,976	198,000	202976
General Deposits	-	200	-
	<u><u>884,138</u></u>	<u><u>1,186,457</u></u>	<u><u>826,728</u></u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Profit or Loss/Result

Net Profit or (Loss) Result	(53,631)	426,586	(77,834)
Depreciation	666,523	666,523	666,522
(Profit)/Loss on Sale of Asset	(34,887)	(29,286)	(50,411)
(Increase)/Decrease in Receivables	82,000	56,000	59,974
(Increase)/Decrease in Inventories	-	-	-
Increase/(Decrease) in Payables	177,838	(243,696)	278,090
Increase/(Decrease) in Employee Provisions	-	-	-
Grants/Contributions for the Development of Assets	(374,317)	(44,275)	(312,450)
Net Cash from Operating Activities	<u><u>463,526</u></u>	<u><u>831,852</u></u>	<u><u>563,890</u></u>

(c) Credit Standby Arrangements

Bank Overdraft limit	100,000	100,000	100,000
Bank Overdraft at Balance Date	-	-	-
Total Amount of Credit Unused	<u><u>100,000</u></u>	<u><u>100,000</u></u>	<u><u>100,000</u></u>

TOWN OF EAST FREMANTLE

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30TH JUNE 2006

14 TRUST FUNDS

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

Detail	Balance 1-Jul-05 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30-Jun-06 \$
Transport Trust	131,786	6,589		138,375
Covered Seating	11,429	571		12,000
Aust Prop	9,330	467		9,797
Town Planning Deposits	12,000	600		12,600
Nomination Deposits	40	-	-	40
Leftbank Rent	191,012	14,000		205,012
	355,597	22,227	-	377,824

TOWN OF EAST FREMANTLE
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30TH JUNE 2004

15 MAJOR LAND TRANSACTIONS

There will be no major land transactions during the 2005/2006 Financial Year

16 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

There will be no major undertakings during the 2005/2006 Financial Year.