

City of Vincent

GENERAL PURPOSE FINANCIAL REPORT
for the year ended 30 June 2024



CITY OF VINCENT

General Purpose Financial Report
for the year ended 30 June 2024

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Content Overview

The City of Vincent conducts the operations of a local government with the following community vision:

To be a clever, creative and courageous local government.

Principal place of business:
244 Vincent Street (cnr Loftus Street)
Leederville, Western Australia, 6007

General Purpose Financial Report
for the year ended 30 June 2024

Local Government Act 1995
Local Government (Financial Management) Regulations 1996

Statement by Chief Executive Officer

The accompanying financial report of the City of Vincent have been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 15th day of November 2024



Chief Executive Officer

David MacLennan

Statement of Comprehensive Income

for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	27,2a	42,303,270	42,302,811	40,162,113
Grants, subsidies and contributions	2a	1,892,616	1,498,420	2,084,168
Fees and charges	2a	24,465,289	22,143,204	23,293,766
Interest revenue	2a	2,739,828	1,103,000	1,683,841
Other revenue	2a	1,585,336	1,385,434	1,505,709
		72,986,339	68,432,869	68,729,597
Expenses				
Employee costs	2b	30,716,334	31,198,096	28,271,968
Materials and contracts		23,055,423	23,046,382	21,363,272
Utility charges		2,031,663	1,860,315	1,884,194
Depreciation	10a	13,630,524	12,607,088	11,912,706
Finance costs	2b	536,983	495,449	545,351
Insurance		701,026	804,195	673,452
Other expenditure		1,291,171	752,098	1,435,609
		71,963,124	70,763,623	66,086,552
		1,023,215	(2,330,754)	2,643,045
Capital grants, subsidies and contributions	2a	3,370,570	3,703,747	1,724,603
Profit on asset disposals		334,433	704,109	188,773
Loss on asset disposals		(227,574)	(47,335)	(744,436)
Share of net profit of associates accounted for using the equity method	22	699,586	–	519,536
Revaluation of infrastructure	9a	–	–	(4,389,396)
Profit/(Loss) from sale of Catalina Regional Council Land *		3,292,208	1,666,666	978,043
Change in Equity Local Govt House Trust		841	–	1,843
Profit/(Loss) from sale of shares		–	–	2,750
		7,470,064	6,027,187	(1,718,284)
Net result for the period	26a	8,493,279	3,696,433	924,761
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	84,901	–	11,856,050
Total other comprehensive income for the period	17	84,901	–	11,856,050
Total comprehensive income for the period		8,578,180	3,696,433	12,780,811

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

(*) Tamala Park Regional Council changed to Catalina Regional Council from 1 August 2023

Statement of Financial Position

as at 30 June 2024

	Note	2024 Actual \$	2023 Actual \$
Assets			
Current assets			
Cash and cash equivalents	3	6,209,612	7,790,270
Trade and other receivables	5	5,248,716	5,122,151
Other financial assets	4a	30,300,000	24,680,000
Inventories	6	1,106,193	1,331,138
Other assets	7a	1,774,051	1,389,404
Assets classified as held for sale	7b	—	843,000
Total current assets		44,638,572	41,155,963
Non-current assets			
Trade and other receivables	5	259,398	203,085
Other financial assets	4b	41,585	40,745
Inventories	6	15,398	41,986
Investment in associate	22	16,862,523	14,962,895
Property, plant and equipment	8	251,075,213	251,184,398
Infrastructure	9	149,258,994	147,996,166
Right of use assets	11a	702,317	—
Intangible assets	12	145	127,197
Other assets	7a	726,798	889,298
Total non-current assets		418,942,371	415,445,770
Total assets	26b	463,580,943	456,601,733
Liabilities			
Current liabilities			
Trade and other payables	13	7,604,532	6,921,787
Other liabilities	14	1,356,688	1,669,040
Lease liabilities	11b	264,318	—
Borrowings	15	1,498,010	1,585,417
Employee related provisions	16	5,700,443	5,525,851
Total current liabilities		16,423,991	15,702,095
Non-current liabilities			
Lease liabilities	11	424,601	—
Borrowings	15	8,676,198	11,475,705
Employee related provisions	16	592,170	538,130
Total non-current liabilities		9,692,969	12,013,835
Total liabilities		26,116,960	27,715,930
Net assets		437,463,983	428,885,803
Equity			
Retained surplus		113,742,048	110,933,953
Reserve accounts	30	22,878,829	17,193,645
Revaluation surplus	17	300,843,106	300,758,205
Total equity		437,463,983	428,885,803

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

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Retained Surplus \$	Reserve Accounts \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2022		115,501,376	11,701,461	288,902,155	416,104,992
Comprehensive income for the period					
Net result for the period		924,761	—	—	924,761
Increase/(decrease) in asset revaluation surplus		—	—	11,856,050	11,856,050
Total comprehensive income for the period		924,761	—	11,856,050	12,780,811
Transfers from reserve accounts	30	2,139,142	(2,139,142)	—	—
Transfers to reserve accounts	30	(7,631,326)	7,631,326	—	—
Balance as at 30 June 2023		110,933,953	17,193,645	300,758,205	428,885,803
Balance as at 1 July 2023		110,933,953	17,193,645	300,758,205	428,885,803
Comprehensive income for the period					
Net result for the period		8,493,279	—	—	8,493,279
Increase/(decrease) in asset revaluation surplus		—	—	84,901	84,901
Total comprehensive income for the period		8,493,279	—	84,901	8,578,180
Transfers from reserve accounts	30	4,522,306	(4,522,306)	—	—
Transfers to reserve accounts	30	(10,207,490)	10,207,490	—	—
Balance as at 30 June 2024		113,742,048	22,878,829	300,843,106	437,463,983

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

Statement of Cash Flows

for the year ended 30 June 2024

		Actual 2024 \$	Budget 2024 \$	Actual 2023 \$
	Note			
Cash flows from operating activities				
Receipts				
Rates		41,991,871	42,234,899	40,230,993
Grants, subsidies and contributions		1,892,616	1,687,143	2,084,168
Fees and charges		24,583,619	22,143,204	23,186,841
Interest revenue		2,739,828	1,103,000	1,683,841
Goods and services tax received		4,499,207	–	2,941,746
Other revenue		1,406,384	1,385,434	1,448,570
Total receipts		77,113,525	68,553,680	71,576,159
Payments				
Employee costs		(30,487,702)	(30,898,096)	(28,198,023)
Materials and contracts		(22,619,346)	(22,643,453)	(21,722,945)
Utility charges		(2,031,663)	(1,860,315)	(1,884,194)
Finance costs		(536,983)	(495,449)	(545,351)
Insurance paid		(701,026)	(804,195)	(673,452)
Goods and services tax paid		(4,238,613)	–	(3,498,049)
Other expenditure		(1,291,171)	(752,098)	(1,435,609)
Total payments		(61,906,504)	(57,453,606)	(57,957,623)
Net cash provided by operating activities	18b	15,207,021	11,100,074	13,618,536
Cash flows from investing activities				
Payments for financial assets at amortised cost		(5,619,999)	–	(6,180,000)
Payments for purchase of property, plant & equipment	8a	(7,036,008)	(9,085,484)	(4,986,406)
Payments for construction of infrastructure	9a	(7,715,630)	(9,946,016)	(4,916,576)
Payments for intangible assets	12	–	(100,000)	–
Capital grants, subsidies and contributions		2,939,888	3,703,747	1,473,209
Proceeds from sale of property, plant & equipment		1,157,453	1,713,000	283,215
Distributions from investments in associates		2,500,000	1,666,666	1,666,668
Proceeds from the sale of shares		–	–	13,750
Net cash (used in) investing activities		(13,774,296)	(12,048,087)	(12,646,140)
Cash flows from financing activities				
Repayment of borrowings	29a	(2,886,914)	(1,585,417)	(1,501,876)
Payments for principal portion of lease liabilities	29d	(126,469)	(95,000)	(93,992)
Proceeds from new borrowings	29a	–	–	827,879
Net cash (used in) financing activities		(3,013,383)	(1,680,417)	(767,989)
Net increase /(decrease) in cash held		(1,580,658)	(2,628,430)	204,407
Cash at beginning of year		7,790,270	10,182,250	7,585,863
Cash and cash equivalents at the end of the year	18a	6,209,612	7,553,820	7,790,270

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

Statement of Financial Activity

for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	27	42,303,270	42,302,811	40,162,113
Grants, subsidies and contributions		1,892,616	1,498,420	2,084,168
Fees and charges		24,465,289	22,143,204	23,293,766
Interest revenue		2,739,828	1,103,000	1,683,841
Other revenue		4,878,385	1,385,434	2,485,595
Profit on asset disposals		334,433	704,109	188,773
Share of net profit of associates accounted for using the equity method	22	699,586	1,666,666	519,536
		77,313,407	70,803,644	70,417,792
Expenditure from operating activities				
Employee costs		30,716,334	31,198,096	28,271,968
Materials and contracts		23,055,423	23,046,382	21,363,272
Utility charges		2,031,663	1,860,315	1,884,194
Depreciation		13,630,524	12,607,088	11,912,706
Finance costs		536,983	495,449	545,351
Insurance		701,026	804,195	673,452
Other expenditure		1,291,171	752,098	1,435,609
Loss on asset disposals		227,574	47,335	744,436
Loss on revaluation of non-current assets		—	—	4,389,396
		72,190,698	70,810,958	71,220,384
Non-cash amounts excluded from operating activities	28	9,513,359	10,283,648	15,174,423
Amount attributable to operating activities		14,636,068	10,276,334	14,371,831
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,939,888	3,703,747	1,473,209
Proceeds from disposal of assets		1,157,453	1,713,000	283,215
Distributions from investments in associates	22	2,500,000	1,666,666	1,666,668
Proceeds from sale of shares		—	—	13,750
		6,597,341	7,083,413	3,436,842
Outflows from investing activities				
Purchase of property, plant and equipment	8a	(7,036,008)	(9,185,484)	(4,986,406)
Purchase and construction of infrastructure	9a	(7,715,630)	(9,946,016)	(4,916,576)
Right of use assets received - non cash	11a	(815,388)	—	—
		(15,567,026)	(19,131,500)	(9,902,982)
Non-cash amounts excluded from investing activities	28	1,246,070	—	425,955
Amount attributable to investing activities		(7,723,615)	(12,048,087)	(6,040,185)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	29a	—	—	827,879
Transfers from reserve accounts	30	4,522,306	5,934,019	2,139,142
Proceeds from new leases - non cash	29d	815,388	—	—
		5,337,694	5,934,019	2,967,021
Outflows from financing activities				
Repayment of borrowings	29a	(2,886,914)	(1,585,417)	(1,501,876)
Payments for principal portion of lease liabilities	29d	(126,469)	(95,000)	(93,992)
Transfers to reserve accounts	30	(10,207,490)	(6,535,355)	(7,631,326)
		(13,220,873)	(8,215,772)	(9,227,194)
Non-cash amounts excluded from financing activities		(815,388)	—	—
Amount attributable to financing activities		(8,698,567)	(2,281,753)	(6,260,173)

Statement of Financial Activity
for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	28	8,748,419	4,098,614	6,676,946
Amount attributable to operating activities		14,636,068	10,276,334	14,371,831
Amount attributable to investing activities		(7,723,615)	(12,048,087)	(6,040,185)
Amount attributable to financing activities		(8,698,567)	(2,281,752)	(6,260,173)
Surplus/(deficit) after imposition of general rates	28	6,962,305	45,109	8,748,419

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

Notes to the Financial Report

for the year ended 30 June 2024

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Notes to the Financial Report

for the year ended 30 June 2024

Note 1. Basis of preparation

The financial report of the City of Vincent which is a Class 2 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:

- Property, plant and equipment - note 8
- Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Assets held for sale - note 7
- Impairment losses of non-financial assets - note 8 and 9
- Estimated useful life of intangible assets - note 12
- Measurement of employee benefits - note 16

Fair value hierarchy information can be found in note 25.

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 to these financial statements.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 *Amendments to Australian Accounting Standards-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2022-5 *Amendments to Australian Accounting Standards -Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 *Amendments to Australian Accounting Standards -Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 *Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses

(a) Revenue

Contracts with customers

Recognition of revenue is dependent on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions - Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies and contributions -Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies and contributions -Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges - Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges - Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees and charges - Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs

Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Fees and charges - Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges - Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Fees and charges - Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - Sale of stock	Beatty Park kiosk	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Fees and charges - Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Fees and charges - Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Nature	Contracts with customers Actual	Capital grant/ contributions Actual	Statutory Requirements Actual	Other Actual	Total Actual
For the year ended 30 June 2024					
Rates	—	—	42,303,270	—	42,303,270
Grants, subsidies and contributions	—	—	—	1,892,616	1,892,616
Fees and charges	10,645,757	—	12,179,763	1,639,769	24,465,289
Interest revenue	—	—	466,269	2,273,559	2,739,828
Other revenue	—	—	385,270	1,200,066	1,585,336
Capital grants, subsidies and contributions	—	3,370,570	—	—	3,370,570
Total	10,645,757	3,370,570	55,334,572	7,006,010	76,356,909
For the year ended 30 June 2023					
Rates	—	—	40,162,113	—	40,162,113
Grants, subsidies and contributions	—	—	—	2,084,168	2,084,168
Fees and charges	9,924,150	—	11,928,616	1,441,000	23,293,766
Interest revenue	—	—	359,435	1,324,406	1,683,841
Other revenue	—	—	218,702	1,287,007	1,505,709
Capital grants, subsidies and contributions	—	1,546,965	—	177,638	1,724,603
Total	9,924,150	1,546,965	52,668,866	6,314,219	70,454,200
			2024 Actual \$	2024 Budget \$	2023 Actual \$

Interest revenue

Rate instalment interest	215,075	220,000	207,925
Pensioner Deferred Interest	4,470	3,000	5,335
Rates penalty interest	246,724	130,000	146,175
Interest on reserve funds	887,673	350,000	497,011
Other interest earnings	1,385,886	400,000	827,395
Total interest earnings	2,739,828	1,103,000	1,683,841

Other revenue

Other revenue			
Reimbursements and recoveries	1,500,605	1,295,324	1,212,290
Other revenue	84,731	90,110	293,419
Total other revenue	1,585,336	1,385,434	1,505,709

Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(b) Expenses

		2024 Actual \$	2024 Budget \$	2023 Actual \$
	Note			
Auditors remuneration				
- Audit of the annual financial report		104,600	90,000	95,090
- Other services – grant acquittals		8,500	10,000	12,710
Total Auditors remuneration		113,100	100,000	107,800
Employee costs				
Employee benefit costs		29,977,124	30,412,365	27,701,923
Other employee costs		739,210	785,731	570,045
Total employee costs		30,716,334	31,198,096	28,271,968
Finance costs				
Borrowings	29a	522,264	493,949	544,704
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	29d	14,719	1,500	647
Total		536,983	495,449	545,351

Notes to the Financial Report

for the year ended 30 June 2024

Note 3. Cash and cash equivalents

	Note	2024 Actual \$	2023 Actual \$
Cash at bank and on hand		6,209,612	6,790,270
Term Deposits		–	1,000,000
Total cash and cash equivalents	18a	6,209,612	7,790,270
Held as			
- Unrestricted cash and cash equivalents		774,095	6,540,000
- Restricted cash and cash equivalents	18a	5,435,517	1,250,270
Total		6,209,612	7,790,270

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and 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.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interests.

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Notes to the Financial Report

for the year ended 30 June 2024

Note 4. Other financial assets

	Note	2024 Actual \$	2023 Actual \$
(a) Current assets			
Financial assets at amortised cost		30,300,000	24,680,000
Total current financial assets		30,300,000	24,680,000
Financial assets at amortised cost			
Term deposits		30,300,000	24,680,000
		30,300,000	24,680,000
Held as			
- Unrestricted other financial assets at amortised cost		11,500,000	9,500,000
- Restricted other financial assets at amortised cost	18a	18,800,000	15,180,000
Total		30,300,000	24,680,000

(b) Non current assets

Financial assets at fair value through profit or loss		41,585	40,745
Total non-current financial assets		41,585	40,745
Financial assets at fair value through profit or loss			
Investment in Local Government House Trust - opening balance		40,744	38,902
Movement attributable to fair value increment		841	1,843
Investment in Local Government House Trust - closing balance		41,585	40,745

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 29(a) as self supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Council has elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

Notes to the Financial Report

for the year ended 30 June 2024

Note 5. Trade and other receivables

	Note	2024 Actual \$	2023 Actual \$
Current			
Rates outstanding		1,345,454	1,158,205
Sundry debtors		964,500	771,063
GST receivable		574,438	835,032
Receivables for employee related provisions	16	312,429	191,032
Allowance for impairment of receivables		(218,356)	(207,793)
Infringement Debtor		2,920,197	2,975,780
Infringement Debtor impairment allowance		(649,946)	(601,168)
		5,248,716	5,122,151
Non-current			
Rates outstanding - pensioners		208,654	131,383
Receivables for employee related provisions	16	50,744	71,702
		259,398	203,085

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the City of Vincent has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables, late payment and credit risk has been remained with the City of Vincent, therefore the City continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing as other loans at Note 15. The City considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

MATERIAL ACCOUNTING POLICIES**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade and other receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other Receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the City measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

Notes to the Financial Report

for the year ended 30 June 2024

Note 6. Inventories

	2024 Actual \$	2023 Actual \$
Current		
Depot	116,874	119,643
Beatty Park Leisure Centre	142,147	67,978
Catalina Park - Developed land and land under construction *	847,172	1,143,517
Total current inventories	1,106,193	1,331,138
Non-current		
Catalina Park - Land held for development *	15,398	41,986
Total non-current inventories	15,398	41,986

MATERIAL ACCOUNTING POLICIES

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 held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

(*) The City recognised its share of Inventory (Catalina Park Land - Developed land and land under construction) based on its equity in Catalina Park Regional Council prospectively as at 30 June 2024.

Notes to the Financial Report

for the year ended 30 June 2024

Note 7. Other assets

	2024 Actual \$	2023 Actual \$
7a Other assets		
Other assets - current		
Deposits and Prepayments	637,751	632,217
Lease Incentives	162,500	162,500
Accrued income	973,800	594,687
Total other assets - current	1,774,051	1,389,404
Other assets - non-current		
Lease Incentives	726,798	889,298
Total other assets - non-current	726,798	889,298

7b Non-current assets held for sale

Non-current assets held for sale - current		
Opening Balance	843,000	–
Assets reclassified as held for sale - Land	–	843,000
Less asset sold	(843,000)	–
Total Non-current assets held for sale - current	–	843,000

Land classified as held for sale

In the prior year Council elected to dispose of vacant land on on 25 Sydney Street, North Perth. The property was sold on 25 July 2023.

MATERIAL ACCOUNTING POLICIES**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 25(i).

Notes to the Financial Report

for the year ended 30 June 2024

Note 8. Property, plant and equipment

(a) Movements in balances

	Assets not subject to operating lease			Subject to operating lease -		Total Property		Plant and equipment		Total property, plant and equipment
	Land	Buildings non-specialised	Buildings non-specialised	Land	Buildings non-specialised	Work in progress	Total Property	Furniture and equipment	Plant and equipment	
	Actual	Actual	Actual	Actual	Actual					
Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	137,470,415	42,534,938	32,032,039	137,470,415	74,566,977	4,801,000	216,838,392	371,644	3,615,199	220,825,235
Additions	—	1,501,374	415,405	—	1,916,779	1,358,738	3,275,517	969,805	741,080	4,986,402
Disposals	—	—	(419,018)	—	(419,018)	—	(419,018)	(4,261)	(252,773)	(676,052)
Revaluation increments / (decrements)	17	11,494,800	12,400,367	8,946,064	11,494,800	—	32,841,231	—	—	32,841,231
Assets classified as held for sale		(843,000)	—	—	(843,000)	—	(843,000)	—	—	(843,000)
Depreciation	10a	—	(2,450,613)	(1,877,775)	—	—	(4,328,388)	(281,961)	(998,343)	(5,608,692)
Transfers		—	3,765,217	59,618	—	3,824,835	(4,522,537)	325,071	6,050	(366,581)
Other Movements		—	—	—	—	—	—	25,855	—	25,855
Balance at 30 June 2023	148,122,215	57,751,283	39,156,333	148,122,215	96,907,616	1,637,201	246,667,032	1,406,153	3,111,213	251,184,398
Comprises:										
Gross balance amount at 30 June 2023	148,122,215	121,866,752	90,937,436	148,122,215	212,804,188	1,637,201	362,563,604	4,877,919	10,193,747	377,635,270
Accumulated depreciation at 30 June 2023	—	(64,115,469)	(51,781,103)	—	(115,896,572)	—	(115,896,572)	(3,471,766)	(7,082,534)	(126,450,872)
Balance at 30 June 2023	148,122,215	57,751,283	39,156,333	148,122,215	96,907,616	1,637,201	246,667,032	1,406,153	3,111,213	251,184,398
Balance at 1 July 2023	148,122,215	57,751,283	39,156,333	148,122,215	96,907,616	1,637,201	246,667,032	1,406,153	3,111,213	251,184,398
Additions	—	2,157,849	387,588	—	2,545,437	2,297,411	4,842,848	54,178	2,138,982	7,036,008
Disposals	—	—	—	—	—	—	—	—	(40,825)	(40,825)
Depreciation	10a	—	(3,349,338)	(2,480,611)	—	—	(5,829,949)	(317,551)	(956,866)	(7,104,366)
Transfers		—	812,492	34,002	—	846,494	(877,906)	—	31,410	(2)
Balance at 30 June 2024	148,122,215	57,372,286	37,097,312	148,122,215	94,469,598	3,056,706	245,648,519	1,142,780	4,283,914	251,075,213
Comprises:										
Gross balance amount at 30 June 2024	148,122,215	124,837,095	91,359,026	148,122,215	216,196,121	3,056,706	367,375,042	4,932,097	11,391,070	383,698,209
Accumulated depreciation at 30 June 2024	—	(67,464,809)	(54,261,714)	—	(121,726,523)	—	(121,726,523)	(3,789,317)	(7,107,156)	(132,622,996)
Balance at 30 June 2024	148,122,215	57,372,286	37,097,312	148,122,215	94,469,598	3,056,706	245,648,519	1,142,780	4,283,914	251,075,213

Notes to the Financial Report

for the year ended 30 June 2024

Note 8. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Land	Level 2 & Level 3	Market and Cost Approach	Independent Valuation	June 2023	Sales evidence of similar assets, estimates of replacement cost, residual value.
Buildings - non-specialised	Level 2 & Level 3	Market and Cost Approach	Independent Valuation	June 2023	Estimates of useful life, pattern of consumption, asset condition, residual value and relationship to the assessed remaining service potential of the depreciable amount.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment	N/A	Cost Approach	Not Applicable	N/A	N/A
Plant and equipment	N/A	Cost Approach	Not Applicable	N/A	N/A

Notes to the Financial Report

for the year ended 30 June 2024

Note 9. Infrastructure

(a) Movements in balances

		Infrastructure roads	Infrastructure footpaths	Infrastructure Rights of Way	Infrastructure drainage	Infrastructure Park Development	Infrastructure Car Park Development	Other Infrastructure Assets	Infrastructure Work in Progress	Total infrastructure
	Note	\$	\$	Actual \$	\$	Actual \$	Actual \$	\$	\$	\$
Balance as at 1 July 2022		107,480,020	20,011,192	8,105,785	16,704,663	10,827,499	3,191,526	7,764,803	1,490,560	175,576,048
Additions		1,679,253	132,434	–	–	126,408	–	654,082	2,324,401	4,916,578
(Disposals)		–	–	–	–	(27,996)	–	(134,830)	–	(162,826)
Revaluation increments / (decrements) transferred to revaluation surplus	17	(33,780,224)	9,677,049	(2,823,237)	(3,073,843)	612,276	2,116,251	5,431,771	–	(21,839,957)
Revaluation (loss) / reversals transferred to profit or loss		–	–	–	(4,389,396)	–	–	–	–	(4,389,396)
Depreciation	10a	(3,104,214)	(739,137)	(210,251)	(242,402)	(878,904)	(253,760)	(634,988)	–	(6,063,656)
Transfers		853,325	–	–	99,821	77,693	–	268,134	(1,313,743)	(14,770)
Other Movements		–	–	–	–	–	–	(25,855)	–	(25,855)
Balance at 30 June 2023		73,128,160	29,081,538	5,072,297	9,098,843	10,736,976	5,054,017	13,323,117	2,501,218	147,996,166
Comprises:										
Gross balance amount at 30 June 2023		119,913,889	47,830,426	9,365,258	17,713,864	18,335,136	7,696,229	19,438,546	2,501,218	242,794,566
Accumulated depreciation at 30 June 2023		(46,785,729)	(18,748,888)	(4,292,961)	(8,615,021)	(7,598,160)	(2,642,212)	(6,115,429)	–	(94,798,400)
Balance at 30 June 2023		73,128,160	29,081,538	5,072,297	9,098,843	10,736,976	5,054,017	13,323,117	2,501,218	147,996,166
Balance as at 1 July 2023		73,128,160	29,081,538	5,072,297	9,098,843	10,736,976	5,054,017	13,323,117	2,501,218	147,996,166
Additions		3,353,235	131,884	274,018	–	473,285	46,440	1,169,604	2,267,164	7,715,630
(Disposals)		–	–	–	–	–	–	(166,769)	–	(166,769)
Depreciation	10a	(3,025,778)	(910,599)	(231,001)	(177,103)	(939,645)	(216,750)	(785,157)	–	(6,286,033)
Transfers		235,458	64,619	42,343	–	728,931	50,525	245,715	(1,367,591)	–
Balance at 30 June 2024		73,691,075	28,367,442	5,157,657	8,921,740	10,999,547	4,934,232	13,786,510	3,400,791	149,258,994
Comprises:										
Gross balance amount at 30 June 2024		123,502,582	48,026,930	9,681,619	17,713,863	19,537,352	7,793,195	20,521,288	3,400,791	250,177,620
Accumulated depreciation at 30 June 2024		(49,811,507)	(19,659,488)	(4,523,962)	(8,792,123)	(8,537,805)	(2,858,963)	(6,734,778)	–	(100,918,626)
Balance at 30 June 2024		73,691,075	28,367,442	5,157,657	8,921,740	10,999,547	4,934,232	13,786,510	3,400,791	149,258,994

Notes to the Financial Report

for the year ended 30 June 2024

Note 9. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Rights of Way	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Park Development	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - Car Park Development	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other Infrastructure Assets	Level 3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of infrastructure using level 3 inputs.

Notes to the Financial Report

for the year ended 30 June 2024

Note 10. Fixed assets

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Building	15 to 80 years
Furniture and equipment	1 to 35 years
Plant and equipment	1 to 27 years
<u>Sealed roads and streets:</u>	
Subgrade structure	not depreciated
Formation	not depreciated
Pavement	60 to 100 years
Seal	
- bituminous seals	20 years
- asphalt surfaces	30 years
Footpaths	5 to 60 years
Water supply and Drainage systems	30 to 120 years
<u>Car park infrastructure:</u>	
Subgrade structure	not depreciated
Other infrastructure	10 to 60 years
<u>Parks infrastructure:</u>	
Reticulation	10 - 40 years
Parks other infrastructure	3 to 80 years
Right of use Asset (plant and equipment)	3 years
Intangible	3 - 5 years

	2024 Actual \$	2023 Actual \$
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(b) Fully depreciated assets in use

The gross carrying amount of assets held by the City which are currently in use yet fully depreciated are shown in the table below.

Buildings	592,000	842,600
Furniture and equipment	3,232,652	3,147,074
Plant and equipment	2,968,619	3,188,520
Other property, plant and equipment	345,270	345,270
Infrastructure - Park Development	1,141,286	1,718,500
Infrastructure - Car Park Development	—	559,927
Other Infrastructure Assets	—	744,610
	<u>8,279,827</u>	<u>10,546,501</u>

Notes to the Financial Report

for the year ended 30 June 2024

Note 10. Fixed assets (continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

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

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Reportable Value

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value (as indicated), less any accumulated depreciation and impairment losses.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government

controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the City.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the City to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

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

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

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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 or losses on disposal

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 in the period in which they arise.

Notes to the Financial Report

for the year ended 30 June 2024

Note 11. Leases

(a) Right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year

	Note	Plant & Equipment \$	Total \$
2023			
Balance at 1 July 2022		90,002	90,002
Additions		23,392	23,392
Depreciation	10a	(113,393)	(113,393)
Balance at 30 June 2023		—	—
Gross balance amount at 30 June 2023		382,528	382,528
Accumulated depreciation at 30 June 2023		(382,528)	(382,528)
Balance at 30 June 2023		—	—
2024			
Additions		815,388	815,388
Depreciation	10a	(113,071)	(113,071)
Balance at 30 June 2024		702,317	702,317
Gross balance amount at 30 June 2024		815,388	815,388
Accumulated depreciation at 30 June 2024		(113,071)	(113,071)
Balance at 30 June 2024		702,317	702,317

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	Note	2024 Actual \$	2023 Actual \$
Depreciation on right-of-use assets	10a	(113,071)	(113,393)
Finance charge on lease liabilities	29d	(14,719)	(647)
Short-term lease payments recognised as expense		(126,469)	(93,993)
Total amount recognised in the statement of comprehensive income		(254,259)	(208,033)
Total cash outflow from leases		(141,188)	(94,640)

(b) Lease liabilities

Current		264,318	—
Non-current		424,601	—
Total lease liabilities	29d	688,919	—

The City has two leases relating to plant and equipment (Parking Meters and Laptops). The lease term for both is 3 years and has fixed lease payments. The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the City is committed.

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

Notes to the Financial Report

for the year ended 30 June 2024

Note 11. Leases (continued)

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 29(d).

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the City anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

	2024 Actual \$	2023 Actual \$
--	----------------------	----------------------

Council as a lessor

Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year	1,192,478	992,184
1 to 2 years	1,062,532	1,007,866
2 to 3 years	1,014,208	894,866
3 to 4 years	881,938	863,011
4 to 5 years	667,258	792,891
> 5 years	774,839	1,467,226
	<u>5,593,253</u>	<u>6,018,044</u>

The City leases buildings to external parties with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

MATERIAL ACCOUNTING POLICIES

The City as Lessor

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies *AASB 15 Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

Notes to the Financial Report

for the year ended 30 June 2024

Note 12. Intangible assets

Intangible assets are as follows:

	2024 Actual \$	2023 Actual \$
Software		
Non-current		
Computer software development	612,094	612,094
Less: Accumulated amortisation	(611,949)	(484,897)
Total software – net book value	145	127,197
Movements in balances of computer software during the financial year are shown as follows:		
Balance at 1 July	127,197	47,370
Recognition of computer software	–	206,789
Amortisation	(127,052)	(126,962)
Balance at 30 June	145	127,197
TOTAL INTANGIBLE ASSETS	145	127,197

Amortisation

The estimated useful life of intangible assets is 5 years for the current and prior years.

MATERIAL ACCOUNTING POLICIES**Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the City are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income.

Notes to the Financial Report

for the year ended 30 June 2024

Note 13. Trade and other payables

	2024 Actual \$	2023 Actual \$
Current		
Sundry creditors	170,815	114,850
Prepaid rates	481,702	528,581
Contribution Liabilities - Bonds	1,877,948	1,724,336
Accrued Expenses	5,074,067	4,554,020
Total current trade and other payables	7,604,532	6,921,787

MATERIAL ACCOUNTING POLICIES**Financial liabilities**

Financial liabilities are initially recognised at fair value when the City becomes a party to the contractual provisions of the instrument.

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises income for the prepaid rates that have not been refunded.

Notes to the Financial Report

for the year ended 30 June 2024

Note 14. Other liabilities

	2024 Actual \$	2023 Actual \$
(a) Other liabilities		
Current		
Contract liabilities from contracts with customers - Other	682,729	564,399
Capital grant liabilities from transfers for recognisable non financial assets	673,959	1,104,641
	<u>1,356,688</u>	<u>1,669,040</u>

Reconciliation of changes in contract liabilities

Opening balance	564,399	671,324
Additions	682,729	564,399
Revenue from contracts with customers included as a contract liability at the start of the period	(564,399)	(671,324)
	<u>682,729</u>	<u>564,399</u>

The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	1,104,641	1,356,035
Additions	605,166	669,715
Revenue from capital grant/contributions held as a liability at the start of the period	(1,035,848)	(921,109)
	<u>673,959</u>	<u>1,104,641</u>

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	673,959	1,104,641
	<u>673,959</u>	<u>1,104,641</u>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

MATERIAL ACCOUNTING POLICIES**Contract Liabilities**

Contract liabilities represent the the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

Notes to the Financial Report

for the year ended 30 June 2024

Note 15. Borrowings

Note	2024			2023		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured						
Debentures	1,498,010	8,676,198	10,174,208	1,585,417	11,475,705	13,061,122
Total secured borrowings	29a 1,498,010	8,676,198	10,174,208	1,585,417	11,475,705	13,061,122

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City of Vincent.

The City of Vincent has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 years.

MATERIAL ACCOUNTING POLICIES**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 29(a).

Note 16. Employee related provisions

	2024 Actual \$	2023 Actual \$
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	3,242,410	2,974,049
Long service leave	2,458,033	2,551,802
	<u>5,700,443</u>	<u>5,525,851</u>
Total current employee related provisions	<u>5,700,443</u>	<u>5,525,851</u>
Non-current provisions		
Annual leave	—	—
Long service leave	592,170	538,130
	<u>592,170</u>	<u>538,130</u>
Total non-current employee related provisions	<u>592,170</u>	<u>538,130</u>
Total employee related provisions	<u>6,292,613</u>	<u>6,063,981</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Notes to the Financial Report

for the year ended 30 June 2024

Note 16. Employee related provisions (continued)

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Note	2024 \$	2023 \$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		1,345,424	1,212,796
More than 12 months from reporting date		4,947,189	4,851,185
		6,292,613	6,063,981
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	(363,173)	(262,734)

MATERIAL ACCOUNTING POLICIES**Employee benefits**

The City's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Notes to the Financial Report

for the year ended 30 June 2024

Note 17. Revaluation surplus

	2024 Opening Balance \$	2024 Revaluation Increment \$	2024 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2024 Closing Balance \$	2023 Opening Balance \$	2023 Revaluation Increment \$	2023 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2023 Closing Balance \$
Revaluation surplus - Land	146,085,829	—	—	—	146,085,829	134,591,029	11,494,800	—	11,494,800	146,085,829
Revaluation surplus - Buildings - non-specialised	52,971,319	—	—	—	52,971,319	40,570,952	12,400,367	—	12,400,367	52,971,319
Revaluation surplus - Furniture and equipment	206,609	—	—	—	206,609	206,609	—	—	—	206,609
Revaluation surplus - Plant and equipment	2,948,368	—	—	—	2,948,368	2,948,368	—	—	—	2,948,368
Revaluation surplus - Investment in Mindarie Regional Council	4,502,463	84,901	—	84,901	4,587,364	3,647,158	855,305	—	855,305	4,502,463
Revaluation surplus - Investment in Catalina Regional Council ^(*)	1,662,415	—	—	—	1,662,415	1,662,944	—	(529)	(529)	1,662,415
Revaluation surplus - Assets subject to operating lease - Buildings non-specialised	8,946,064	—	—	—	8,946,064	—	8,946,064	—	8,946,064	8,946,064
Revaluation surplus - Infrastructure - roads	47,800,541	—	—	—	47,800,541	81,580,765	—	(33,780,224)	(33,780,224)	47,800,541
Revaluation surplus - Infrastructure - footpaths	22,547,750	—	—	—	22,547,750	12,870,701	9,677,049	—	9,677,049	22,547,750
Revaluation surplus - Infrastructure - drainage	—	—	—	—	—	3,073,843	—	(3,073,843)	(3,073,843)	—
Revaluation surplus - Infrastructure - other	8,038,872	—	—	—	8,038,872	2,607,101	5,431,771	—	5,431,771	8,038,872
Infrastructure - Rights of Way	2,319,448	—	—	—	2,319,448	5,142,685	—	(2,823,237)	(2,823,237)	2,319,448
Infrastructure - Park Development	612,276	—	—	—	612,276	—	612,276	—	612,276	612,276
Infrastructure - Car Park Development	2,116,251	—	—	—	2,116,251	—	2,116,251	—	2,116,251	2,116,251
	300,758,205	84,901	—	84,901	300,843,106	288,902,155	51,533,883	(39,677,833)	11,856,050	300,758,205

(*) Tamala Park Regional Council changed to Catalina Regional Council from 1 August 2023

Notes to the Financial Report

for the year ended 30 June 2024

Note 18. 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 cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Cash and cash equivalents	3	<u>6,209,612</u>	<u>7,553,820</u>	<u>7,790,270</u>
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	5,435,517	1,700,000	1,250,270
- Financial assets at amortised cost	4	18,800,000	17,839,833	15,180,000
		<u>24,235,517</u>	<u>19,539,833</u>	<u>16,430,270</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	30	22,878,829	17,839,833	17,193,645
Contract liabilities from contracts with customers	14	682,729	–	564,399
Capital grant liabilities from transfers for recognisable non financial assets	14	673,959	1,700,000	1,104,641
Total restricted financial assets		<u>24,235,517</u>	<u>19,539,833</u>	<u>18,862,685</u>

Notes to the Financial Report

for the year ended 30 June 2024

Note 18. Notes to the statement of cash flows (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities			
Net result	8,493,279	3,696,433	924,761
Non-cash items:			
Depreciation/amortisation	13,630,524	12,607,088	11,912,706
(Profit)/loss on sale of asset	(106,859)	(656,774)	555,663
Share of profits of associates	(699,586)	–	(519,536)
Loss on revaluation of fixed assets	–	–	4,389,396
Profit/(Loss) from sale of Catalina Regional Council Land *	(3,292,208)	(1,666,666)	(978,043)
Change in Equity Local Govt House Trust	(841)	–	(1,843)
Profit/(Loss) from sale of shares	–	–	(2,750)
Movement in Work-In Progress	–	–	174,560
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	(182,878)	(179,189)	(578,449)
(Increase)/decrease in inventories	(71,400)	(143,190)	12,407
(Increase)/decrease in other assets	(222,147)	(25,935)	(241,079)
Increase/(decrease) in trade and other payables	682,745	572,054	(271,674)
Increase/(decrease) in employee related provisions	228,632	300,000	73,945
Increase/(decrease) in other liabilities	(312,352)	300,000	(358,319)
Capital grants, subsidies and contributions	(2,939,888)	(3,703,747)	(1,473,209)
Net cash provided by/(used in) operating activities	15,207,021	11,100,074	13,618,536

(*) Tamala Park Regional Council changed to Catalina Regional Council from 1 August 2023

	2024 Actual \$	2023 Actual \$
(c) Undrawn borrowing facilities credit standby arrangements		
Credit card limit	60,000	60,000
Total amount of credit unused	60,000	60,000
Loan facilities		
Loan facilities - current	1,498,010	1,585,417
Loan facilities - non-current	8,676,198	11,475,705
Total facilities in use at balance date	10,174,208	13,061,122

Notes to the Financial Report

for the year ended 30 June 2024

Note 19. Contingent liabilities

In compliance with the *Contaminated Sites Act 2003*, the City has listed sites to be possible sources of contamination. Details of those sites are:

Mindarie Regional Council (MRC)

The 2021 Mandatory Auditor's Report (MAR) report recommended that further works were required to close out the following:

- The adequacy of the landfill gas monitoring network including confirmation of screening intervals.
- Assessment of the potential for off-site migration of landfill gas particularly with relation to preferential pathways.
- Ongoing assessment of landfill gas and groundwater as part of an ongoing site management plan to inform long term trends and to inform the need or otherwise for mitigation measures.
- The MAR noted further long-term assessment of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) (in addition to other Contaminant of Potential Concern (COPCs) in groundwater including arsenic, nickel, ammonia, benzene and pathogens) would be appropriate.

The October 2023 MAR reports on those further investigations completed and provides an update on the conditions of the source site and affected site.

The purpose of the 2023 MAR audit was to:

- Confirm that the investigations undertaken adequately characterized the contamination status of the site.
- Confirm whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site.
- Confirm the suitability of the site for the current and proposed land uses.
- Recommend a site classification under the Contaminated Sites Act 2003

The MAR auditor has determined, based on the analysis contained in the assessed reports, that:

- Source Site: Remains suitable for ongoing use as a Class II landfill, subject to implementation of a site management plan to prevent exposure to landfill gas, soil and groundwater contamination
- Affected Site: Remains suitable for current use as a development "buffer zone". The site is situated to the north of the MRC landfill.

The October 2023 MAR report summary of findings for the Source and Affected sites are listed below:

Source Site:

- Soil - No soil investigations were completed in 2021 and 2023
- Groundwater - Groundwater results indicate impact to aquifer immediately below the landfill. Elevated levels of contaminants were above the relevant drinking water guidelines, some also exceeded the criteria for non-potable water use. No COPCs were detected in samples collected from the onsite abstraction bore above the non-potable criteria.
- Landfill gas - The site is considered capable of generating a significant quantity of landfill gases and vapours. Methane was detected at elevated levels in boreholes outside the waste mass and along the northern wall of the landfill. The extraction system appears to be effectively mitigating methane with negligible detections outside of the extraction well network. There are indications of fugitive emissions through damages areas of the cap which would require repair and maintenance.

Affected Site:

- Groundwater results indicate some contaminants above the relevant drinking water guidelines but were below criteria for non-potable water uses. Certain COPCs detected above drinking water criteria were considered to be a reflection of natural site conditions.
- No methane has been recorded in recent events at monitoring wells outside the site boundary.

Site management plan (SMP)

A SMP was developed and received by the MRC in May 2020 and updated in May 2022. The SMP was required to provide a management plan for the site to ensure that potential hazards associated with soil, landfill gas, and groundwater contaminants are appropriately managed for the site's continued use as a landfill facility and leachate management. There are no "results" associated with this SMP, it is an ongoing document that continues to evolve to address the comprehensive management of landfill gas and groundwater in light of the most recent information obtained from periodic tests results.

The October 2023 MAR report concludes that:

- The auditor is satisfied that the information contained in the reviewed reports, considered as a whole, is sufficient to inform the current site and surrounding site condition and restrictions that may be applicable.
- Expectations of concerted effort to improve future reporting and reports to comply with relevant standards and guidelines.
- The assessments were sufficient to define the potential extents and types of contaminated media with an appropriate level of confidence.
- Investigation methodologies were sufficient to assess and manage risk.
- Ongoing assessment of landfill gas and groundwater as part of an ongoing Site Management Plan should be undertaken to inform long term trends and to inform the need or otherwise for mitigation measures.

The MRC Contaminated Site Approved Auditor recommended that MRC should continue to provide the auditor with updated information as it becomes available (ie at least a 6 monthly update following sampling and annual reporting, plus immediate notification if things change). Communication received on 3 May 2024 stated "as there has been no change in the risk profile and nothing to indicate that restrictions should change, a MAR should be submitted in 2025 following 2 years of monitoring".

Notes to the Financial Report

for the year ended 30 June 2024

Note 20. Capital commitments

	2024 Actual \$	2023 Actual \$
Capital expenditure commitments		
Contracted for:		
- capital expenditure projects	3,520,938	1,697,460
- plant & equipment purchases	1,924,683	3,343,010
Total capital expenditure commitments	5,445,621	5,040,470
Payable:		
- not later than one year	5,445,621	5,040,470
Total capital expenditure commitments	5,445,621	5,040,470

The capital expenditure projects outstanding at the end of the current reporting period represent heavy fleet replacement program, construction of Litis Stadium, tennis centre: multisport courts under the Robertson Park Development Plan and other various projects.

Notes to the Financial Report

for the year ended 30 June 2024

Note 21. Related party transactions

		2024 Actual \$	2024 Budget \$	2023 Actual \$
	Note			
(a) Council Member Remuneration				
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
Child care expenses		—	2,000	386
Other expenses		25	495	14
Mayor's annual allowance		65,738	65,915	64,938
Deputy Mayor's annual allowance		16,869	16,500	16,234
Meeting attendance fees		224,843	225,770	222,416
Annual allowance for ICT expenses		22,500	22,500	22,500
Travel and accommodation expenses		59	495	280
Total	21b	330,034	333,675	326,768

		2024 Actual \$	2023 Actual \$
	Note		

(b) Key management personnel**Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the City during the year are as follows:

Short-term employee benefits		917,234	850,999
Post-employment benefits		89,585	75,926
Employee - other long-term benefits		1,025	46,713
Council member costs	21a	330,034	326,768
Total		1,337,878	1,300,406

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

Notes to the Financial Report

for the year ended 30 June 2024

Note 21. Related party transactions (continued)

(c) Transactions with related parties

Transactions between related parties and the City are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

	2024 Actual \$	2023 Actual \$
In addition to KMP compensation above the following transactions occurred with related parties:		
Sale of goods and services	87,060	74,859
Purchase of goods and services	650,181	634,566
	<u>737,241</u>	<u>709,425</u>
Investments in associates:		
Distributions received from investments in associates	2,500,000	1,666,668
	<u>2,500,000</u>	<u>1,666,668</u>

Amounts payable to related parties:

Trade and other payables	197,710	207,295
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Related parties**The City's main related parties are as follows:***i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

ii. Other Related Parties

An associate person of KMP was employed by the City under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the City.

iii. Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

Notes to the Financial Report

for the year ended 30 June 2024

Note 22. Investment in associates

(a) Investment in associates

Set out in the table below are the associates of the City. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

	% of ownership interest	2024 \$	2023 \$
Mindarie Regional Council	8.33	11,719,214	11,059,568
Catalina Regional Council*	8.33	5,143,309	3,903,327
		<u>16,862,523</u>	<u>14,962,895</u>

Mindarie Regional Council

The Mindarie Regional Council was formally constituted in December 1987. The City of Vincent (along with the Cities of Perth, Wanneroo, Joondalup, Stirling and the Towns of Victoria Park and Cambridge) is a member of the Mindarie Regional Council. The primary function of the Regional Council under the constitution agreement is for the orderly and efficient treatment and / or disposal of waste. City of Vincent is a participant in the Mindarie Regional council and has a one twelfth (1/12) equity in the land and assets of the refuse facility as per the constitution agreement (dated 25 November 1996) that recognises the City as a member of the Mindarie Regional Council.

The City's interest in the MRC joint arrangement is represented by the following breakdown of the joint arrangement's financial position (1/12 share). The valuation as shown below is, at the time of preparation of these statements.

	2024 Actual \$	2023 Actual \$
Summarised statement of financial position		
Other current assets	79,426,688	64,273,412
Total current assets	<u>79,426,688</u>	<u>64,273,412</u>
Non-current assets	103,118,451	100,324,693
Total non-current assets	<u>103,118,451</u>	<u>100,324,693</u>
Other current liabilities	16,570,400	13,956,659
Total current liabilities	<u>16,570,400</u>	<u>13,956,659</u>
Non-current liabilities	25,344,186	17,926,636
Total non-current liabilities	<u>25,344,186</u>	<u>17,926,636</u>
Net assets	<u>140,630,553</u>	<u>132,714,810</u>
Reconciliation to carrying amounts		
Opening net assets 1 July	132,714,810	116,021,130
Changes in members contributions	—	—
Profit/(Loss) for the period	6,896,935	6,430,026
Other comprehensive income	1,018,808	10,263,654
Closing net assets 1 July	<u>140,630,553</u>	<u>132,714,810</u>
Carrying amount at 1 July	11,059,568	9,668,427
Net Share of Interests in Mindarie Regional Council	574,745	535,836
Changes on Revaluation of Non-Current Assets	84,901	855,305
Carrying amount at 30 June (Based on audited Financials)	<u>11,719,214</u>	<u>11,059,568</u>
Net Share of Interests in Mindarie Regional Council	574,745	535,836
Total	<u>574,745</u>	<u>535,836</u>

Notes to the Financial Report

for the year ended 30 June 2024

Note 22. Investment in associates (continued)

Catalina Regional Council *

The City is a participant (along with the Cities of Perth, Wanneroo, Joondalup, Stirling and the Towns of Victoria Park and Cambridge) in the operations of Tamala Park Regional Council (TPRC) which changed to Catalina Regional Council (CRC) from 1 August 2023. The CRC (formerly TPRC) was created in 2006 to develop approximately 173 hectares of land for sale immediately north of the land leased by the Mindarie Regional Council. The City of Vincent has a one twelfth (1/12) equity in the assets and liabilities of the development as well as a one twelfth (1/12) equity in the assets and liabilities of CRC as the operator of the development, and a one twelfth (1/12) share in the asset of the land held for development.

The City's interest in the CRC joint venture is represented by the following breakdown of the joint venture's financial position (1/12 share).

	2024 Actual \$	2023 Actual \$
Summarised statement of financial position		
Other current assets	58,594,820	44,873,314
Total current assets	58,594,820	44,873,314
Non-current assets	3,841,864	2,640,157
Total non-current assets	3,841,864	2,640,157
Other current liabilities	628,116	559,922
Total current liabilities	628,116	559,922
Non-current liabilities	88,862	113,627
Total non-current liabilities	88,862	113,627
Net assets	61,719,706	46,839,922
Reconciliation to carrying amounts		
Opening net assets 1 July	46,839,922	54,515,893
Profit/(loss) for the period	2,556,064	1,001,970
Other comprehensive income	—	(6,353)
Changes in members contribution	12,323,720	(8,671,588)
Share of associates net profit	—	—
Closing net assets 1 July	61,719,706	46,839,922
Carrying Amount at 1 July	3,903,327	4,542,990
Proceeds from Sale of Land	6,474,450	3,170,688
Land Development Expenses	(3,182,242)	(2,192,645)
Proceeds Distribution	(2,500,000)	(1,666,668)
Net Share of Interests in Catalina Regional Council - Retained surplus	213,005	83,498
Net Share of Interests in Catalina Regional Council - Members Equity	234,769	(34,007)
Net Share of Interests in Catalina Regional Council - Revaluation Surplus	—	(529)
Carrying amount at 30 June (Based on audited Financials)	5,143,309	3,903,327
Net Share of Interest in Catalina Regional Council - Retained Surplus	213,005	83,498
Net Share of Interests in Catalina Regional Council - Members Equity	234,769	(34,007)
Net Share of Interests in Catalina Regional Council - Revaluation Surplus	—	(529)
Net Share of Catalina Land in Catalina Regional Council **	(322,933)	(65,790)
Total	124,841	(16,828)

(*) *Tamala Park Regional Council changed to Catalina Regional Council from 1 August 2023.

(**) The City recognised its share of Inventory (Tamala Park Land - Developed land and land under construction -Note 6) based on its equity in Catalina Regional Council as at 30 June 2024.

Notes to the Financial Report

for the year ended 30 June 2024

Note 22. Investment in associates (continued)

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the City has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

Notes to the Financial Report

for the year ended 30 June 2024

Note 23. Financial risk management

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted average interest rate %	Carrying amounts \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
2024					
Cash and cash equivalents	4.80%	6,209,612	–	6,205,162	4,450
Financial assets at amortised cost - term deposits	5.24%	30,300,000	30,300,000	–	–
2023					
Cash and cash equivalents	4.17%	7,790,270	1,000,000	6,785,820	4,450
Financial assets at amortised cost - term deposits	4.77%	24,680,000	24,680,000	–	–

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2024 \$	2023 \$
Impact of a 1% movement in interest rates on profit or loss and equity *	62,052	67,858

(*) Holding all other variables constant

Notes to the Financial Report

for the year ended 30 June 2024

Note 23. Financial risk management (continued)

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 29(a).

(b) Credit risk**Trade and Other Receivables**

The City's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade and other receivables.

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
30 June 2024					
Trade receivables					
Expected credit loss	0.22%	1.19%	70.23%	54.60%	
Gross carrying amount	495,170	73,855	2,809	392,666	964,500
Loss allowance	1,096	876	1,973	214,412	218,357
Other receivables					
Expected credit loss	10.00%	10.00%	10.00%	24.69%	
Gross carrying amount	267,150	137,882	78,909	2,436,256	2,920,197
Loss allowance	26,715	13,788	7,891	601,551	649,945
30 June 2023					
Trade receivables					
Expected credit loss	3.00%	0.00%	0.00%	42.00%	
Gross carrying amount	296,165	57	664	474,177	771,063
Loss allowance	8,989	—	—	198,804	207,793
Other receivables					
Expected credit loss	10.00%	10.00%	10.00%	22.00%	
Gross carrying amount	157,499	114,820	81,953	2,621,508	2,975,780
Loss allowance	15,750	11,482	8,195	565,740	601,167

Notes to the Financial Report

for the year ended 30 June 2024

Note 23. Financial risk management (continued)

The loss allowances for trade and other receivables as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables	
	2024	2023	2024	2023
	Actual	Actual	Actual	Actual
	\$	\$	\$	\$
Opening loss allowance as at 1 July	207,794	218,023	601,167	456,872
Increase in loss allowance recognised in profit or loss during the year	10,563	(10,229)	150,587	314,415
Receivables written off during the year as uncollectible	–	–	(101,809)	(170,120)
Closing loss allowance at 30 June	218,357	207,794	649,945	601,167

Trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the City, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2024					
Trade and other payables	7,163,252	–	–	7,163,252	7,604,532
Borrowings	1,783,624	7,589,980	1,868,077	11,241,681	10,174,208
Lease liabilities	291,164	441,140	–	732,304	688,919
	9,238,040	8,031,120	1,868,077	19,137,237	18,467,659
2023					
Trade and other payables	6,393,206	–	–	6,393,206	6,921,787
Borrowings	1,993,835	7,571,740	5,264,054	14,829,629	13,061,122
Lease liabilities	–	–	–	–	–
	8,387,041	7,571,740	5,264,054	21,222,835	19,982,909

Notes to the Financial Report
for the year ended 30 June 2024

Note 24. Events occurring after the end of the reporting period

Non-adjusting events after the reporting period.

Sale of Land

The City signed sale and development agreements in January 2024 for sale of land parcels in relation to the Leederville carparks redevelopment. All the land parcels are expected to be under City's ownership for at least 12 months subsequent to year end.

Notes to the Financial Report

for the year ended 30 June 2024

Note 25. Other Material Accounting Policies

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

c) Rounding off figures

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

d) Comparative figures

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

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

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

f) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees.

g) Fair value of assets and liabilities

Fair value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with

the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the City at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the City can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Notes to the Financial Report

for the year ended 30 June 2024

Note 25. Other Material Accounting Policies (continued)

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. *AASB 116 Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Notes to the Financial Report

for the year ended 30 June 2024

Note 26. Function and activity

City operations as disclosed in these financial statements encompass the following service orientated functions and activities.

NAME AND OBJECTIVES

DESCRIPTION

GOVERNANCE

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

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health.

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

EDUCATION AND WELFARE

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

Maintenance of child minding centre, playgroup centre and senior citizen centre. Provision and maintenance of home care programs and youth services.

COMMUNITY AMENITIES

To provide services required by the community.

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

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

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

TRANSPORT

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the local government and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of services including weed control, vermin control and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

To monitor and control operating accounts.

Private works operation, plant repair and costs.

Notes to the Financial Report

for the year ended 30 June 2024

Note 26. Function and activity (continued)

(a) Income and expenses

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Income excluding grants, subsidies and contributions			
Governance	94,445	92,400	72,254
General purpose funding	45,408,922	43,688,811	42,211,378
Law, order, public safety	204,088	304,839	216,536
Health	128,056	418,889	315,457
Education and welfare	174,056	146,668	139,315
Community amenities	843,660	680,989	1,086,526
Recreation and culture	12,080,562	11,144,021	11,251,668
Transport	11,357,288	10,047,064	10,720,944
Economic services	301,289	307,877	252,078
Other property and services	4,828,424	2,473,666	2,070,218
	75,420,790	69,305,224	68,336,374
Grants, subsidies and contributions			
General purpose funding	1,358,050	1,200,000	1,725,330
Law, order, public safety	49,952	13,807	1,188
Health	51,863	51,863	232
Education and welfare	8,500	–	84,442
Community amenities	135,053	45,000	111,457
Recreation and culture	2,154,385	2,188,327	1,459,480
Transport	1,468,113	1,653,170	411,881
Economic services	2,750	–	2,426
Other property and services	34,521	50,000	12,335
	5,263,187	5,202,167	3,808,771
Total income	80,683,977	74,507,391	72,145,145
Expenses			
Governance	(3,706,031)	(3,794,209)	(3,146,495)
General purpose funding	(890,594)	(730,770)	(1,167,962)
Law, order, public safety	(5,478,146)	(5,416,694)	(5,073,393)
Health	(1,756,869)	(1,839,241)	(1,952,231)
Education and welfare	(572,710)	(475,291)	(443,452)
Community amenities	(16,661,107)	(18,049,931)	(15,786,443)
Recreation and culture	(30,229,592)	(27,693,176)	(26,778,769)
Transport	(10,003,350)	(10,006,708)	(14,173,791)
Economic services	(733,678)	(880,452)	(702,639)
Other property and services	(2,158,621)	(1,924,486)	(1,995,209)
	(72,190,698)	(70,810,958)	(71,220,384)
Net result for the period	8,493,279	3,696,433	924,761

Notes to the Financial Report
for the year ended 30 June 2024

Note 26. Function and activity (continued)

(b) Total assets

	2024 Actual \$	2023 Actual \$
General purpose funding	57,168,499	50,096,160
Law, order, public safety	8,048,509	7,695,440
Health	5,034,495	4,651,176
Education and welfare	24,301,895	22,787,876
Community amenities	6,311,843	5,212,514
Recreation and culture	174,758,371	150,708,687
Transport	166,849,773	192,321,373
Other property and services	21,107,558	23,128,507
Total assets	463,580,943	456,601,733

Notes to the Financial Report

for the year ended 30 June 2024

Note 27. Rating information

Rate type	Basis of valuation	Rate in \$	Number of properties	2023/24 Actual Rate revenue \$	2023/24 Actual Interim rates \$	2023/24 Actual Back rates \$	2023/24 Actual Total revenue \$	2023/24 Budget rate revenue \$	2023/24 Budget interim rate \$	2023/24 Budget total revenue \$	2022/23 Actual Total revenue \$
General Rates											
Rate Description											
Residential	Gross rental valuation	0.07525	11,189	22,719,760	354,366	19,620	23,093,746	22,703,146	180,000	22,883,146	21,556,499
Other	Gross rental valuation	0.07090	1,639	9,835,183	39,535	(1,017)	9,873,701	9,852,488	60,000	9,912,488	9,485,262
Vacant Commercial	Gross rental valuation	0.13669	39	346,206	(26,381)	(4,126)	315,699	349,452	50,000	399,452	340,361
Vacant Residential	Gross rental valuation	0.07822	192	388,284	(356)	4,840	392,768	395,546	20,000	415,546	381,659
Total general rates			13,059	33,289,433	367,164	19,317	33,675,914	33,300,632	310,000	33,610,632	31,763,781
Minimum payment											
Residential	Gross rental valuation	1,395.41	5,974	8,336,179	(17,039)	(106)	8,319,034	8,333,389	60,000	8,393,389	8,084,660
Other	Gross rental valuation	1,346.72	137	184,501	8,080	—	192,581	184,501	20,000	204,501	208,774
Vacant Commercial	Gross rental valuation	1,705.07	—	—	—	—	—	—	—	—	—
Vacant Residential	Gross rental valuation	1,233.10	191	235,522	(650)	495	235,367	234,289	10,000	244,289	224,805
Total minimum payments			6,302	8,756,202	(9,609)	389	8,746,982	8,752,179	90,000	8,842,179	8,518,239
Total general rates and minimum payments			19,361	42,045,635	357,555	19,706	42,422,896	42,052,811	400,000	42,452,811	40,282,020
							<u>42,422,896</u>			<u>42,452,811</u>	<u>40,282,020</u>
Discounts											
Rates Waived							(119,626)			(150,000)	(119,907)
Total rates							<u>42,303,270</u>			<u>42,302,811</u>	<u>40,162,113</u>

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

Notes to the Financial Report

for the year ended 30 June 2024

Note 28. Determination of surplus or deficit

	Note	30 June 2024 Carried Forward	Budget 30 June 2024 Carried Forward	30 June 2023 Carried Forward
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(334,433)	(704,109)	(188,773)
Less: Share of net profit of associates accounted for using the equity method		(699,586)	—	(519,536)
Add: Loss on disposal of assets		227,574	47,335	744,436
Less: Profit from sale of Catalina Regional Council Land		(3,292,208)	(1,666,666)	(978,043)
Add: Loss on revaluation of fixed assets	9a	—	—	4,389,396
Add: Depreciation	10a	13,630,524	12,607,088	11,912,706
Non-cash movements in non-current assets and liabilities:				
Financial assets at amortised cost		(841)	—	(1,843)
Pensioner deferred rates		(77,271)	—	14,015
Employee benefit provisions		74,998	—	39,391
Inventory		(15,398)	—	—
Infringement debtor provision		—	—	(237,326)
Non-cash amounts excluded from operating activities		9,513,359	10,283,648	15,174,423
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Non cash Capital grants, subsidies and contributions		430,682	—	251,394
Right of use assets received - non cash	11a	815,388	—	—
Movement in Work-In Progress		—	—	174,561
Non-cash amounts excluded from investing activities		1,246,070	—	425,955
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to financing activities				
Non cash proceeds from new leases	29d	(815,388)	—	—
Non-cash amounts excluded from financing activities		(815,388)	—	—

Notes to the Financial Report

for the year ended 30 June 2024

Note 28. Determination of surplus or deficit (continued)

		30 June 2024	Budget	30 June 2023
	Note	Carried Forward	30 June 2024	Carried Forward
(d) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	30	(22,878,829)	(17,839,833)	(17,193,645)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15	1,498,007	1,640,314	1,585,417
- Current portion of lease liabilities	11	264,318	95,000	—
Less: Land held for resale		(862,570)	(1,457,174)	(1,986,519)
Add: Other assets Non-current		726,798	1,332,220	889,298
Total adjustments to net current assets		(21,252,276)	(16,229,473)	(16,705,449)
Net current assets used in the Statement of Financial Activity				
Total current assets		44,638,572	34,465,404	41,155,963
Less: Total current liabilities		(16,423,991)	(18,190,822)	(15,702,095)
Less: Total adjustments to net current assets		(21,252,276)	(16,229,473)	(16,705,449)
Surplus or deficit after imposition of general rates		6,962,305	45,109	8,748,419

Notes to the Financial Report

for the year ended 30 June 2024

Note 29. Borrowing and lease liabilities

(a) Borrowings liabilities

Purpose	Note	Principal at 1 July 2022	New loans During 2022-23	Principal repayments During 2022-23	Actual Principal at 30 June 2023	Principal repayments During 2023-24	Actual Principal at 30 June 2024	Principal at 1 July 2023	Budget Principal repayments	Principal at 30 June 2024
Strength Equipment- BPLC		–	389,169	(45,078)	344,091	(93,109)	250,982	344,090	(93,107)	250,983
Underground Car Park Loftus Rec		44,483	–	(44,483)	–	–	–	–	–	–
Resource Recovery Facility		6,748,886	–	(674,912)	6,073,974	(683,016)	5,390,958	6,073,974	(683,016)	5,390,958
Beatty Park Redevelopment		5,028,913	–	(410,152)	4,618,761	(1,734,741)	2,884,020	4,618,762	(433,245)	4,185,517
Cardio Equipment- BPLC		–	438,710	(32,273)	406,437	(66,730)	339,707	406,437	(66,730)	339,707
Loftus Centre Redevelopment		1,149,551	–	(197,889)	951,662	(210,827)	740,835	951,660	(210,827)	740,833
246 Vincent Street DLGSC building		763,287	–	(97,089)	666,198	(98,492)	567,706	666,198	(98,492)	567,706
Total		13,735,120	827,879	(1,501,876)	13,061,123	(2,886,915)	10,174,208	13,061,121	(1,585,417)	11,475,704
Total Borrowings	15	13,735,120	827,879	(1,501,876)	13,061,123	(2,886,915)	10,174,208	13,061,121	(1,585,417)	11,475,704

Borrowing Finance Cost Payments

Purpose	Loan number	Institution	Interest Rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
Strength Equipment- BPLC	12	WATC*	4.33%	Recreation and culture	10/08/26	(14,308)	(15,894)	(16,624)
Loftus Centre Redevelopment	5	WATC*	6.35%	Recreation and culture	01/08/27	(60,116)	(61,232)	(74,333)
246 Vincent Street DLGSC building	2B	WATC*	1.44%	Recreation and culture	03/12/29	(13,580)	(13,692)	(15,652)
Cardio Equipment- BPLC	13	WATC*	4.48%	Recreation and culture	08/08/28	(18,840)	(20,011)	(19,673)
Underground Car Park Loftus Rec	6B	WATC*	3.85%	Recreation and culture	01/08/22	–	–	(184)
Beatty Park Redevelopment	10	WATC*	5.49%	Recreation and culture	05/01/32	(307,757)	(272,665)	(297,830)
Resource Recovery Facility	14	WATC*	1.26%	Community amenities	25/08/31	(107,663)	(110,455)	(120,408)
Total						(522,264)	(493,949)	(544,704)
Total Finance Cost Payments						(522,264)	(493,949)	(544,704)

* WA Treasury Corporation

Notes to the Financial Report for the year ended 30 June 2024

Note 29. Borrowing and lease liabilities (continued)

(b) New Borrowings

The Council does not have any new borrowing for FY2023/24.

(c) Unspent Borrowings

The Council does not have any unspent borrowings for FY2023/24.

Notes to the Financial Report

for the year ended 30 June 2024

Note 29. Borrowing and lease liabilities (continued)

(d) Lease liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2022	New leases During 2022-23	Principal repayments During 2022-23	Principal at 30 June 2023	New leases During 2023-24	Principal repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New leases During 2023-24	Principal repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EMV kits for Parking ticket machines		70,601	23,392	(93,992)	—	184,606	(58,448)	126,158	95,000	—	(95,000)	—
HP Laptops		—	—	—	—	630,782	(68,021)	562,761	—	—	—	—
Total lease liabilities	11b	70,601	23,392	(93,992)	—	815,388	(126,469)	688,919	95,000	—	(95,000)	—

Purpose	Lease number	Institution	Lease interest rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease term
						\$	\$	\$	
EMV kits for Parking ticket machines	E3R0164125	Maia Financial	5.20%	Law, order, public safety	01/04/2026	(7,752)	(1,500)	(647)	36 months
HP Laptops	5678123292AUSS1	HP Financial Services (Australia)	4.80%	Governance	01/03/2027	(6,967)	—	—	36 months
Total Finance Cost Payments						(14,719)	(1,500)	(647)	

Notes to the Financial Report

for the year ended 30 June 2024

Note 30. Reserve accounts

	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$	2024 Opening Balance Budget \$	2024 Transfer to Budget \$	2024 Transfer (from) Budget \$	2024 Closing Balance Budget \$	2023 Opening Balance Actual \$	2023 Transfer to Actual \$	2023 Transfer (from) Actual \$	2023 Closing Balance Actual \$
Restricted by council												
Asset Sustainability Reserve	7,263,819	5,863,829	(3,720,737)	9,406,911	7,368,624	3,476,814	(4,472,502)	6,372,936	5,283,932	3,313,117	(1,333,230)	7,263,819
Beatty Park Leisure Centre Reserve	311,189	11,335	(49,062)	273,462	308,340	4,521	(85,000)	227,861	102,898	208,291	–	311,189
Cash in Lieu Parking Reserve	1,297,503	45,257	(328,222)	1,014,538	1,200,761	24,638	(778,500)	446,899	1,457,574	50,597	(210,668)	1,297,503
Hyde Park Lake Reserve	167,069	8,423	–	175,492	165,950	3,359	–	169,309	163,644	3,425	–	167,069
Land and Building Acquisition Reserve	307,816	15,623	–	323,439	307,816	6,231	–	314,047	301,642	6,174	–	307,816
Leederville Oval Reserve	71,705	35,639	–	107,344	71,705	1,452	–	73,157	96,153	1,352	(25,800)	71,705
Loftus Community Centre Reserve	142,550	7,163	–	149,713	141,125	2,857	–	143,982	37,660	104,890	–	142,550
Loftus Recreation Centre Reserve	274,392	83,909	(73,186)	285,115	232,511	71,055	–	303,566	219,341	70,981	(15,930)	274,392
246 Vincent Street Building Reserve	205,855	10,783	–	216,638	212,455	4,301	–	216,756	219,307	148	(13,600)	205,855
Parking Facility and Equipment Reserve	109,375	5,551	–	114,926	109,375	2,214	–	111,589	107,182	2,193	–	109,375
Percent for Art Reserve	284,947	87,891	(68,968)	303,870	268,948	950	(222,000)	47,898	332,907	40	(48,000)	284,947
Plant and Equipment Reserve	131	7	–	138	131	3	–	134	131	–	–	131
POS reserve - General	581,457	853,494	(25,000)	1,409,951	652,650	828,438	(47,841)	1,433,247	653,071	118,386	(190,000)	581,457
POS reserve - Haynes Street	87,328	41,967	(28,955)	100,340	88,049	41,095	(100,000)	29,144	195,760	41,568	(150,000)	87,328
State Gymnastics Centre Reserve	131,853	20,225	–	152,078	129,617	15,790	–	145,407	131,596	15,257	(15,000)	131,853
Strategic Waste Management Reserve	30,089	241,383	–	271,472	30,089	235,398	–	265,487	29,148	941	–	30,089
Catalina Land Sales Reserve	3,271,415	2,750,719	–	6,022,134	3,273,250	1,766,665	–	5,039,915	1,930,361	1,341,054	–	3,271,415
Underground Power Reserve	2,426,976	124,292	–	2,551,268	2,448,925	49,574	–	2,498,499	215,555	2,348,335	(136,914)	2,426,976
Waste Management Plant and Equipment Reserve	228,176	–	(228,176)	–	228,176	–	(228,176)	–	223,599	4,577	–	228,176
	<u>17,193,645</u>	<u>10,207,490</u>	<u>(4,522,306)</u>	<u>22,878,829</u>	<u>17,238,497</u>	<u>6,535,355</u>	<u>(5,934,019)</u>	<u>17,839,833</u>	<u>11,701,461</u>	<u>7,631,326</u>	<u>(2,139,142)</u>	<u>17,193,645</u>

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

*Tamala Park Regional Council changed to Catalina Regional Council from 1 August 2023

Notes to the Financial Report

for the year ended 30 June 2024

Note 30. Reserve accounts (continued)

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Purpose of the reserve
Beatty Park Leisure Centre Reserve	For the major upgrade and redevelopment of the Beatty Park Leisure Centre including the replacement or purchase of major plant, equipment, fixtures and fittings.
Cash in Lieu Parking Reserve	This reserve is established from payment of cash-in-lieu of car parking from development applicants and is to be used for providing and/or upgrading existing and proposed Transport infrastructure as defined in the City's Parking and Access Policy 7.7.1.
Hyde Park Lake Reserve	For works associated with the investigation, maintenance, remedial works and the rehabilitation of the Hyde Park Lakes and surrounds.
Land and Building Acquisition Reserve	To ensure that proceeds of real assets disposed of are restricted to purchase other land and buildings for civic purposes.
Leederville Oval Reserve	For the works associated with the maintenance, repairs, upgrade and replacement of Leederville Oval buildings, fixtures, fittings and associated land.
Loftus Community Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.
Loftus Recreation Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.
246 Vincent Street Building Reserve	For major building upgrade, maintenance, repairs, renovation and replacement of floorcovering, fixtures and fittings associated with the new Office Building and Land.
Parking Facility and Equipment Reserve	This reserve is for the purchase and replacement of parking ticket machines, provision and improvement of parking information systems, security lighting, improved pathways and associated infrastructure to access parking areas and associated works.
Percent for Art Reserve	This reserve is funded from payment of public art contributions from development applicants and is to be used for the acquisition and provision of Public Art and associated infrastructure.
Plant and Equipment Reserve	For the purchase of replacement plant and equipment associated with City's works.
POS reserve - General	For the future development of public open space in the City.
POS reserve - Haynes Street	For the future development of POS at Haynes Street.
State Gymnastics Centre Reserve	This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre.
Strategic Waste Management Reserve	For the purpose of replacing plant and equipment associated with the City's waste operations and investigation/implementation of integrated waste management strategies/programmes and initiatives, (including secondary waste treatment and costs associated with the redevelopment of Lot 118 Tamala Park).
Catalina Land Sales Reserve	For future significant/major capital works, underground power projects, infrastructure, project or debt reduction programme for the benefit of the City.
Underground Power Reserve	For the purpose of funding the City's contribution to approved underground power projects.
Asset Sustainability Reserve	For assisting Council in funding its long term asset management objectives and provide a means to spread the cost of intergenerational assets over multiple years.

Notes to the Financial Report
for the year ended 30 June 2024

Note 31. Trust funds

	1 July 2023	Amounts received	Amounts paid	30 June 2024
	\$	\$	\$	\$
Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:				
Leederville Gardens Inc. Trust	3,862,103	193,472	–	4,055,575
	3,862,103	193,472	–	4,055,575

General Purpose Financial Report
for the year ended 30 June 2024

Independent Auditor's Report

Insert Independent Auditor's Report here