



CITY OF VINCENT

2023/2024

ANNUAL BUDGET

.....
Adopted 20 June 2023

CITY OF VINCENT
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

| | |
|-----------------------------------|---|
| Statement of Comprehensive Income | 2 |
| Statement of Cash Flows | 3 |
| Statement of Financial Activity | 4 |
| Index of Notes to the Budget | 5 |

CITY'S VISION

To be a clever, creative and courageous local government.

CITY OF VINCENT
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

| | NOTE | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|---|-------|-------------------|-------------------|-------------------|
| Revenue | | | | |
| | | \$ | \$ | \$ |
| Rates | 2(a) | 42,302,811 | 40,035,277 | 39,910,329 |
| Grants, subsidies and contributions | 11 | 1,498,420 | 756,362 | 1,067,601 |
| Fees and charges | 18 | 22,143,204 | 21,979,846 | 21,055,384 |
| Interest revenue | 12(a) | 1,103,000 | 1,529,537 | 508,000 |
| Other revenue | 12(b) | 1,385,434 | 1,417,973 | 1,139,329 |
| | | 68,432,869 | 65,718,995 | 63,680,643 |
| Expenses | | | | |
| Employee costs | | (31,198,096) | (28,627,884) | (28,802,780) |
| Materials and contracts | | (23,046,382) | (21,796,607) | (21,707,562) |
| Utility charges | | (1,860,315) | (1,862,956) | (1,800,499) |
| Depreciation | 6 | (12,607,088) | (11,811,638) | (12,865,818) |
| Interest expenses | 12(d) | (495,449) | (540,835) | (540,835) |
| Insurance | | (804,195) | (753,978) | (647,958) |
| Other expenditure | | (752,098) | (1,292,903) | (1,101,844) |
| | | (70,763,623) | (66,686,801) | (67,467,296) |
| | | (2,330,754) | (967,806) | (3,786,653) |
| Capital grants, subsidies and contributions | 11 | 3,703,747 | 1,891,466 | 3,440,577 |
| Profit on asset disposals | 5 | 704,109 | 207,624 | 729,188 |
| Loss on asset disposals | 5 | (47,335) | (690,688) | (516,540) |
| Share of net profit of associates accounted for using the equity method | 16 | 1,666,666 | (75,629) | 1,848,288 |
| | | 6,027,187 | 1,332,773 | 5,501,513 |
| Net result for the period | | 3,696,433 | 364,967 | 1,714,860 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Total other comprehensive income for the period | | 0 | 0 | 0 |
| Total comprehensive income for the period | | 3,696,433 | 364,967 | 1,714,860 |

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

CITY OF VINCENT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

| | NOTE | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|--|------|-------------------|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts | | | | |
| | | \$ | \$ | \$ |
| Rates | | 42,234,899 | 39,754,139 | 39,910,329 |
| Grants, subsidies and contributions | | 1,687,143 | 533,715 | 972,546 |
| Fees and charges | | 22,143,204 | 21,979,846 | 21,055,384 |
| Interest revenue | | 1,103,000 | 1,529,537 | 508,000 |
| Other revenue | | 1,385,434 | 1,417,973 | 1,139,329 |
| | | 68,553,680 | 65,215,210 | 63,585,588 |
| Payments | | | | |
| Employee costs | | (30,898,096) | (28,341,909) | (28,402,780) |
| Materials and contracts | | (22,643,453) | (21,941,115) | (21,523,101) |
| Utility charges | | (1,860,315) | (1,862,956) | (1,790,499) |
| Finance costs | | (495,449) | (540,835) | (540,835) |
| Insurance | | (804,195) | (753,978) | (647,958) |
| Other expenditure | | (752,098) | (1,292,903) | (1,086,844) |
| | | (57,453,606) | (54,733,696) | (53,992,017) |
| Net cash provided by (used in) operating activities | 4 | 11,100,074 | 10,481,514 | 9,593,571 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for purchase of property, plant & equipment | 5(a) | (9,085,484) | (7,332,008) | (11,378,268) |
| Payments for construction of infrastructure | 5(b) | (9,946,016) | (3,332,983) | (9,106,260) |
| Payments for intangible assets | 5(d) | (100,000) | (345,283) | 0 |
| Capital grants, subsidies and contributions | | 3,703,747 | 1,891,466 | 3,440,577 |
| Proceeds from sale of property, plant and equipment | 5(a) | 1,713,000 | 318,263 | 1,948,000 |
| Proceeds on disposal of financial assets at fair value through profit and loss | | 0 | 11,000 | 0 |
| Net cash provided by (used in) investing activities | | (13,714,753) | (8,789,545) | (15,095,951) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 7(a) | (1,585,417) | (1,501,877) | (1,501,877) |
| Payments for principal portion of lease liabilities | 8 | (95,000) | (88,252) | (70,602) |
| Proceeds from Joint Venture | | 1,666,666 | 1,666,668 | 1,666,666 |
| Proceeds from new borrowings | 7(a) | 0 | 827,879 | 827,879 |
| Net cash provided by (used in) financing activities | | (13,751) | 904,418 | 922,066 |
| Net increase (decrease) in cash held | | (2,628,430) | 2,596,387 | (4,580,314) |
| Cash at beginning of year | | 10,182,250 | 7,585,863 | 5,692,588 |
| Cash and cash equivalents at the end of the year | 4 | 7,553,820 | 10,182,250 | 1,112,274 |

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

CITY OF VINCENT
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

| | | 2023/24 | 2022/23 | 2022/23 |
|--|-------|---------------------|--------------------|---------------------|
| | NOTE | Budget | Actual | Budget |
| OPERATING ACTIVITIES | | | | |
| Revenue from operating activities | | | | |
| Rates | 2(a) | \$ 42,302,811 | \$ 40,035,277 | \$ 39,910,329 |
| Grants, subsidies and contributions | 11 | 1,498,420 | 756,362 | 1,067,601 |
| Fees and charges | 18 | 22,143,204 | 21,979,846 | 21,055,384 |
| Interest revenue | 12(a) | 1,103,000 | 1,529,537 | 508,000 |
| Other revenue | 12(b) | 1,385,434 | 1,417,973 | 1,139,329 |
| Profit on asset disposals | 5 | 704,109 | 207,624 | 729,188 |
| Profit on Assets Held for Sale (TPRC Joint Venture) | | 1,666,666 | (75,629) | 1,848,288 |
| | | 70,803,644 | 65,850,990 | 66,258,119 |
| Expenditure from operating activities | | | | |
| Employee costs | | (31,198,096) | (28,627,884) | (28,802,780) |
| Materials and contracts | | (23,046,382) | (21,796,607) | (21,707,562) |
| Utility charges | | (1,860,315) | (1,862,956) | (1,800,499) |
| Depreciation | 6 | (12,607,088) | (11,811,638) | (12,865,818) |
| Finance costs | 12(d) | (495,449) | (540,835) | (540,835) |
| Insurance | | (804,195) | (753,978) | (647,958) |
| Other expenditure | | (752,098) | (1,292,903) | (1,101,844) |
| Loss on asset disposals | 5 | (47,335) | (690,688) | (516,540) |
| | | (70,810,958) | (67,377,489) | (67,983,836) |
| Non-cash amounts excluded from operating activities | 3(b) | 10,283,648 | 12,370,331 | 10,804,882 |
| Amount attributable to operating activities | | 10,276,334 | 10,843,832 | 9,079,165 |
| INVESTING ACTIVITIES | | | | |
| Inflows from investing activities | | | | |
| Capital grants, subsidies and contributions | 11 | 3,703,747 | 1,891,466 | 3,440,577 |
| Proceeds from disposal of assets | 5 | 1,713,000 | 318,263 | 1,948,000 |
| Proceeds on disposal of financial assets at fair value through profit and loss | | 0 | 11,000 | 0 |
| Profit on Assets Held for Sale (TPRC Joint Venture) | | 1,666,666 | 1,666,668 | 1,666,666 |
| | | 7,083,413 | 3,887,397 | 7,055,243 |
| Outflows from investing activities | | | | |
| Payments for property, plant and equipment | 5(a) | (9,185,484) | (7,677,291) | (11,378,268) |
| Payments for construction of infrastructure | 5(b) | (9,946,016) | (3,332,983) | (9,106,260) |
| | | (19,131,500) | (11,010,274) | (20,484,528) |
| Amount attributable to investing activities | | (12,048,087) | (7,122,877) | (13,429,285) |
| FINANCING ACTIVITIES | | | | |
| Inflows from financing activities | | | | |
| Proceeds from new borrowings | 7(a) | 0 | 827,879 | 827,879 |
| Transfers from reserve accounts | 9(a) | 5,934,019 | 2,114,110 | 5,240,858 |
| | | 5,934,019 | 2,941,989 | 6,068,737 |
| Outflows from financing activities | | | | |
| Repayment of borrowings | 7(a) | (1,585,417) | (1,501,877) | (1,501,877) |
| Payments for principal portion of lease liabilities | 8 | (95,000) | (88,252) | (70,602) |
| Transfers to reserve accounts | 9(a) | (6,535,355) | (7,651,147) | (5,646,083) |
| | | (8,215,772) | (9,241,276) | (7,218,562) |
| Amount attributable to financing activities | | (2,281,753) | (6,299,287) | (1,149,825) |
| MOVEMENT IN SURPLUS OR DEFICIT | | | | |
| Surplus or deficit at the start of the financial year | 3 | 4,098,614 | 6,676,946 | 5,657,084 |
| Amount attributable to operating activities | | 10,276,334 | 10,843,832 | 9,079,165 |
| Amount attributable to investing activities | | (12,048,087) | (7,122,877) | (13,429,285) |
| Amount attributable to financing activities | | (2,281,753) | (6,299,287) | (1,149,825) |
| Surplus or deficit at the end of the financial year | 3 | 45,109 | 4,098,614 | 157,140 |

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

**CITY OF VINCENT
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE BUDGET**

| | | |
|---------|---|----|
| Note 1 | Basis of Preparation | 6 |
| Note 2 | Rates | 8 |
| Note 3 | Net Current Assets | 12 |
| Note 4 | Reconciliation of cash | 14 |
| Note 5 | Fixed Assets | 15 |
| Note 6 | Depreciation | 16 |
| Note 7 | Borrowings | 17 |
| Note 8 | Lease Liabilities | 19 |
| Note 9 | Reserve Accounts | 20 |
| Note 10 | Revenue Recognition | 22 |
| Note 11 | Program Information | 23 |
| Note 12 | Other Information | 25 |
| Note 13 | Elected Members Remuneration | 26 |
| Note 14 | Major Land Transactions | 28 |
| Note 15 | Trading Undertakings and Major Trading Undertakings | 29 |
| Note 16 | Investment in Associates | 30 |
| Note 17 | Trust Funds | 31 |
| Note 18 | Fees and Charges | 32 |

1(a) **BASIS OF PREPARATION**

The annual budget is a forward looking document and has 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 annual budget 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.

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 4 to the annual budget.

2022/23 actual balances

Balances shown in this budget as 2022/23 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- AASB 2021-2 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

It is not expected these standards will have an impact on the annual budget.

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

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

The preparation of the annual budget in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

1(b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

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

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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

OTHER EXPENDITURE

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

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

2. RATES AND SERVICE CHARGES

(a) Rating Information

| Rate Description | Basis of valuation | Rate in | Number of properties | Rateable value | 2023/24 Budgeted rate revenue | 2023/24 Budgeted interim rates | 2023/24 Budgeted back rates | 2023/24 Budgeted total revenue | 2022/23 Actual total revenue | 2022/23 Budget total revenue |
|---|--------------------|----------------|----------------------|----------------|-------------------------------|--------------------------------|-----------------------------|--------------------------------|------------------------------|------------------------------|
| | | \$ | | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (i) General rates | | | | | | | | | | |
| Residential | GRV | 0.0752480 | 11,183 | 301,710,962 | 22,703,146 | 180,000 | 0 | 22,883,146 | 21,556,499 | 21,393,168 |
| Vacant Residential | GRV | 0.0782155 | 195 | 5,057,130 | 395,546 | 20,000 | 0 | 415,546 | 381,659 | 396,361 |
| Other | GRV | 0.0708997 | 1,638 | 138,963,745 | 9,852,488 | 60,000 | 0 | 9,912,488 | 9,374,963 | 9,291,271 |
| Vacant Commercial | GRV | 0.1366890 | 40 | 2,556,550 | 349,452 | 50,000 | 0 | 399,452 | 340,361 | 363,140 |
| Total general rates | | | 13,056 | 448,288,387 | 33,300,632 | 310,000 | 0 | 33,610,632 | 31,653,482 | 31,443,940 |
| | | Minimum | | | | | | | | |
| (ii) Minimum payment | | \$ | | | | | | | | |
| Residential | | 1,395 | 5,972 | 93,305,096 | 8,333,389 | 60,000 | 0 | 8,393,389 | 8,084,660 | 8,163,135 |
| Vacant residential | | 1,233 | 190 | 2,234,640 | 234,289 | 10,000 | 0 | 244,289 | 224,805 | 228,480 |
| Other | | 1,347 | 137 | 1,838,248 | 184,501 | 20,000 | 0 | 204,501 | 202,331 | 214,774 |
| Vacant Commercial | | 1,705 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total minimum payments | | | 6,299 | 97,377,984 | 8,752,179 | 90,000 | 0 | 8,842,179 | 8,511,795 | 8,606,389 |
| Total general rates and minimum payments | | | 19,355 | 545,666,371 | 42,052,811 | 400,000 | 0 | 42,452,811 | 40,165,277 | 40,050,329 |
| (iv) Ex-gratia rates | | | | | | | | | | |
| Concessions ex gratia rates (Refer note 2(f)) | | | 0 | 0 | 0 | 0 | 0 | (150,000) | (130,000) | (140,000) |
| Total ex-gratia rates | | | 0 | 0 | 0 | 0 | 0 | (150,000) | (130,000) | (140,000) |
| Total rates | | | | | 42,052,811 | 400,000 | 0 | 42,302,811 | 40,035,277 | 39,910,329 |

The City did not raise specified area rates for the year ended 30th June 2024.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2023/24 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

| Instalment options | Date due | Instalment plan admin charge | Instalment plan interest rate | Unpaid rates interest rates |
|--|-------------------------|---|--|--|
| | | \$ | % | % |
| Option one | | | | |
| Single full payment | 1/09/2023 | | 0.00% | 11.00% |
| Option two | | | | |
| First instalment | | | 5.50% | 11.00% |
| Second instalment | | 8 | 5.50% | 11.00% |
| Option two | | | | |
| First instalment | 1/09/2023 | | 5.50% | 11.00% |
| Second instalment | 3/11/2023 | 8 | 5.50% | 11.00% |
| Third instalment | 5/01/2024 | 8 | 5.50% | 11.00% |
| Fourth instalment | 8/03/2024 | 8 | 5.50% | 11.00% |
| Option 3 (Rates Smoothing by direct debit only) | | | | |
| 40 Weekly payments | 01/09/2023 - 31/05/2024 | | 5.50% | 11.00% |
| 20 Fortnightly payments | 01/09/2023 - 24/05/2024 | | 5.50% | 11.00% |
| 10 Monthly payments | 01/09/2023 - 31/05/2024 | | 5.50% | 11.00% |

| | 2023/24 Budget revenue | 2022/23 Actual revenue | 2022/23 Budget revenue |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | \$ | \$ | \$ |
| Instalment plan admin charge revenue | 150,000 | 133,120 | 140,000 |
| Instalment plan interest earned | 220,000 | 208,017 | 185,000 |
| Unpaid rates and service charge interest earned | 130,000 | 148,628 | 123,000 |
| | 500,000 | 489,765 | 448,000 |

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

| Description | Characteristics | Objects | Reasons |
|--------------------|------------------------|----------------|----------------|
|--------------------|------------------------|----------------|----------------|

Residential Category:

The Residential rate imposes a differential rate on land primarily used for residential purposes. The rate in the dollar has been set at or about the general rate, on the basis that residential properties represent 72% of the total gross rental value of all Vincent properties and therefore they will make a reasonable contribution to the cost of local government services and facilities.

Vacant - Residential Category:

The Vacant-Residential rate is imposed on vacant, uninhabitable or undeveloped residential properties that are zoned Residential. The higher rate in the dollar encourages the development of vacant properties, improving the City's streetscape and stimulates growth and development in the community.

Vacant - Commercial Category:

The Vacant-Commercial rate is imposed on vacant or undeveloped non-residential properties that are zoned Mixed Use, Local Centre, District/Regional Centre, Special Use and Commercial. The rate in the dollar has been set at or about 177% of the general rate. A higher vacant commercial rate encourages the development of vacant properties, improving the City's streetscape and builds business infrastructure that contributes to the local economy.

Other – Commercial/Industrial:

The Other – Commercial/Industrial rate is imposed on non-residential properties that are used for commercial or industrial purposes. Examples of properties that fall within this category are retail shops, storerooms, car bays, advertisements, wholesalers, warehouses, offices, service stations, hotels, taverns, and properties generally used for business purposes. The rate in the dollar has been set at or about 92% of the general rate. A lower rate has been designed to support and attract businesses to the City thereby stimulating growth and development in the community.

(d) Differential Minimum Payment

A minimum rate is applied to all differential rate categories within the City of Vincent. The setting of the minimum rate recognises that every property within the City receives a minimum level of benefit from works and services provided throughout the City. By adopting a minimum rate, Council take this benefit into consideration.

(d) Differential Minimum Payment

A minimum rate is applied to all differential rate categories within the City of Vincent. The setting of the minimum rate recognises that every property within the City receives a minimum level of benefit from works and services provided throughout the City. By adopting a minimum rate, Council take this benefit into consideration.

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Service Charges

The City did not raise service charges for the year ended 30th June 2024.

(f) Waivers or concessions

| Rate, fee or charge to which the waiver or concession is granted | Type | Waiver/Concession | Discount % | Discount (\$) | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget | Circumstances in which the waiver or concession is granted | Objects and reasons of the waiver or concession |
|---|-------------|--------------------------|-------------------|----------------------|-----------------------|-----------------------|-----------------------|---|---|
| Rate | Rate | Waiver | % | \$ | \$ 150,000 | \$ 130,000 | \$ 140,000 | Various community groups | Waiver has been provided for not-for-profit organisations that have a community and/or sporting purpose |
| | | | | | 150,000 | 130,000 | 140,000 | | |

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

| | 2023/24 Budget 30 June 2024 | 2022/23 Actual 30 June 2023 | 2022/23 Budget 30 June 2023 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Note | \$ | \$ | \$ |
| Current assets | | | |
| Cash and cash equivalents | 7,553,820 | 10,182,250 | 1,112,274 |
| Financial assets | 20,829,487 | 20,604,199 | 19,022,321 |
| Receivables | 3,413,979 | 3,299,311 | 3,115,506 |
| Inventories | 1,682,292 | 1,539,102 | 220,858 |
| Other Assets | 985,826 | 1,026,992 | |
| | 34,465,404 | 36,651,854 | 23,470,959 |
| Less: current liabilities | | | |
| Trade and other payables | (7,676,542) | (7,104,488) | (6,865,671) |
| Contract liabilities | (1,004,892) | (704,892) | 0 |
| Capital grant/contribution liability | (1,700,000) | (1,700,000) | 0 |
| Lease liabilities | (95,000) | (88,252) | 0 |
| Long term borrowings | (1,640,314) | (1,585,417) | (1,607,889) |
| Employee provisions | (6,074,075) | (5,774,075) | (5,259,725) |
| | (18,190,823) | (16,957,124) | (13,733,285) |
| Net current assets | 16,274,581 | 19,694,730 | 9,737,674 |
| Less: Total adjustments to net current assets | (16,229,473) | (15,596,115) | (9,580,534) |
| Net current assets used in the Rate Setting Statement | 45,109 | 4,098,614 | 157,140 |

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

Items excluded from calculation of budgeted deficiency

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

(b) Non-cash amounts excluded from operating activities

in accordance with Financial Management Regulation 32.

| | 2023/24 Budget 30 June 2024 | 2022/23 Actual 30 June 2023 | 2022/23 Budget 30 June 2023 |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Note | \$ | \$ | \$ |
| Adjustments to operating activities | | | |
| Less: Profit on asset disposals | (704,109) | (207,624) | (729,188) |
| Less: Profit on Assets Held for Sale (TPRC Joint Venture) | (1,666,666) | 75,629 | (1,848,288) |
| Add: Loss on asset disposals | 47,335 | 690,688 | 516,540 |
| Add: Depreciation | 12,607,088 | 11,811,638 | 12,865,818 |
| Movement in current contract liabilities associated with restricted cash | | | |
| - Inventory | 0 | 0 | 0 |
| Non cash amounts excluded from operating activities | 10,283,648 | 12,370,331 | 10,804,882 |

(c) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

| | | | |
|--|---------------------|---------------------|--------------------|
| Less: Cash - reserve accounts | (17,839,833) | (17,238,497) | (12,397,174) |
| Less: Land held for resale | (1,457,174) | (1,324,704) | 0 |
| Add: Current liabilities not expected to be cleared at end of year | | | |
| - Current portion of borrowings | 1,640,314 | 1,585,417 | 1,607,889 |
| - Infringement debtor transferred to non current asset | 1,332,220 | 1,293,417 | 1,208,751 |
| - Current portion of lease liabilities | 95,000 | 88,252 | 0 |
| Total adjustments to net current assets | (16,229,473) | (15,596,115) | (9,580,534) |

3(e) NET CURRENT ASSETS (CONTINUED)

MATERIAL ACCOUNTING POLICIES

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.

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 normally 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 revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Superannuation

The City contributes to a number of superannuation funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

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.

CONTRACT LIABILITIES

Contract liabilities represent 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.

TRADE AND OTHER RECEIVABLES

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade 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.

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

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 determination of the net current asset position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset 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.

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

| | Note | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|--|------|-------------------|-------------------|-------------------|
| Cash at bank and on hand | | \$ 653,820 | \$ 1,682,250 | \$ 292,246 |
| Term deposits | | 6,900,000 | 8,500,000 | 820,028 |
| Total cash and cash equivalents | | 7,553,820 | 10,182,250 | 1,112,274 |
| Held as | | | | |
| - Unrestricted cash and cash equivalents | 3(a) | 5,853,820 | 8,482,250 | 500,000 |
| - Restricted cash and cash equivalents | 3(a) | 1,700,000 | 1,700,000 | 612,274 |
| | | 7,553,820 | 10,182,250 | 1,112,274 |
| Restrictions | | | | |
| The following classes of 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 | | 1,700,000 | 1,700,000 | 612,274 |
| - Unrestricted financial assets at amortised cost - term deposits | | 0 | 0 | 6,625,147 |
| - Restricted financial assets at amortised cost - term deposits | 3(a) | 17,839,833 | 17,238,497 | 12,397,174 |
| | | 19,539,833 | 18,938,497 | 19,634,595 |
| The assets are restricted as a result of the specified purposes associated with the liabilities below: | | | | |
| Financially backed reserves | 9 | 17,839,833 | 17,238,497 | 12,397,174 |
| Unspent capital grants, subsidies and contribution liabilities | | 1,700,000 | 1,700,000 | 0 |
| | | 19,539,833 | 18,938,497 | 12,397,174 |
| Reconciliation of net cash provided by operating activities to net result | | | | |
| Net result | | 3,696,433 | 364,967 | 1,714,860 |
| Depreciation | 6 | 12,607,088 | 11,811,638 | 12,865,818 |
| (Profit)/loss on sale of asset | 5 | (656,774) | 483,064 | (212,648) |
| Share of profit or (loss) of associates accounted for using the equity method | | (1,666,666) | 75,629 | (1,848,288) |
| (Increase)/decrease in receivables | | (179,189) | (533,715) | (95,055) |
| (Increase)/decrease in Other assets | | (25,935) | (41,166) | 0 |
| (Increase)/decrease in inventories | | (143,190) | (14,369) | (6,363) |
| Increase/(decrease) in payables | | 572,054 | (88,973) | 215,824 |
| Increase/(decrease) in contract liabilities | | 300,000 | 29,930 | 0 |
| Increase/(decrease) in employee provisions | | 300,000 | 285,975 | 400,000 |
| Capital grants, subsidies and contributions | | (3,703,747) | (1,891,466) | (3,440,577) |
| Net cash from operating activities | | 11,100,074 | 10,481,514 | 9,593,571 |

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

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.

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

5. FIXED ASSETS

The following assets are budgeted to be acquired and/or disposed of during the year.

| | 2023/24 Budget | | | | 2022/23 Actual | | | | 2022/23 Budget | | | |
|--|--------------------------|---|--|---|--------------------------|---|--|---|--------------------------|---|--|---|
| | 2023/24 Budget Additions | 2023/24 Budget Disposals - Net Book Value | 2023/24 Budget Disposals - Sale Proceeds | 2023/24 Budget Disposals - Profit or Loss | 2022/23 Actual Additions | 2022/23 Actual Disposals - Net Book Value | 2022/23 Actual Disposals - Sale Proceeds | 2022/23 Actual Disposals - Profit or Loss | 2022/23 Budget Additions | 2022/23 Budget Disposals - Net Book Value | 2022/23 Budget Disposals - Sale Proceeds | 2022/23 Budget Disposals - Profit or Loss |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| (a) Property, Plant and Equipment | | | | | | | | | | | | |
| Land - freehold land | 0 | 843,000 | 800,000 | (43,000) | 0 | 0 | 0 | 0 | 0 | 843,000 | 900,000 | 57,000 |
| Buildings - non-specialised | 4,938,446 | 0 | 0 | 0 | 5,025,627 | 502,821 | 0 | (502,821) | 7,284,051 | 420,151 | 0 | (420,151) |
| Furniture and equipment | 436,623 | 0 | 0 | 0 | 1,460,657 | 5,113 | 18,082 | 12,969 | 672,338 | 472,201 | 1,048,000 | 575,799 |
| Plant and equipment | 3,710,415 | 213,226 | 913,000 | 699,774 | 845,724 | 293,393 | 300,180 | 6,788 | 3,421,879 | 0 | 0 | 0 |
| Total | 9,085,484 | 1,056,226 | 1,713,000 | 656,774 | 7,332,008 | 801,327 | 318,263 | (483,064) | 11,378,268 | 1,735,352 | 1,948,000 | 212,648 |
| (b) Infrastructure | | | | | | | | | | | | |
| Infrastructure - roads | 3,234,892 | 0 | 0 | 0 | 1,474,852 | 0 | 0 | 0 | 3,850,638 | 0 | 0 | 0 |
| Infrastructure - footpaths | 269,682 | 0 | 0 | 0 | 277,198 | 0 | 0 | 0 | 648,500 | 0 | 0 | 0 |
| Infrastructure - drainage | 814,548 | 0 | 0 | 0 | 692,994 | 0 | 0 | 0 | 338,095 | 0 | 0 | 0 |
| Infrastructure - Parks and Reserves | 1,775,136 | 0 | 0 | 0 | 10,291 | 0 | 0 | 0 | 3,148,452 | 0 | 0 | 0 |
| Other Infrastructure | 2,792,508 | 0 | 0 | 0 | 461,852 | 0 | 0 | 0 | 694,900 | 0 | 0 | 0 |
| Infrastructure - Car Park Development | 766,250 | 0 | 0 | 0 | 277,198 | 0 | 0 | 0 | 275,675 | 0 | 0 | 0 |
| Infrastructure - Right of Way | 293,000 | 0 | 0 | 0 | 138,599 | 0 | 0 | 0 | 150,000 | 0 | 0 | 0 |
| Total | 9,946,016 | 0 | 0 | 0 | 3,332,983 | 0 | 0 | 0 | 9,106,260 | 0 | 0 | 0 |
| (c) Right of Use Assets | | | | | | | | | | | | |
| Right of use - plant and equipment | 95,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 95,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) Intangible Assets | | | | | | | | | | | | |
| Software | 100,000 | 0 | 0 | 0 | 345,283 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 100,000 | 0 | 0 | 0 | 345,283 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 19,226,500 | 1,056,226 | 1,713,000 | 656,774 | 11,010,274 | 801,327 | 318,263 | (483,064) | 20,484,528 | 1,735,352 | 1,948,000 | 212,648 |

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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.

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

6. DEPRECIATION

By Class

| |
|---------------------------------------|
| Buildings - non-specialised |
| Furniture and equipment |
| Plant and equipment |
| Infrastructure - roads |
| Infrastructure - footpaths |
| Infrastructure - drainage |
| Other Infrastructure |
| Infrastructure - Car Park Development |
| Infrastructure - Parks Development |
| Infrastructure - Right of Way |
| Right of use - furniture and fittings |
| Intangible assets - software |

By Program

| |
|------------------------|
| Health |
| Education and welfare |
| Community amenities |
| Recreation and culture |
| Transport |
| Economic services |

| 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|-------------------|-------------------|-------------------|
| \$ | \$ | \$ |
| 4,273,736 | 4,298,708 | 4,388,633 |
| 247,803 | 264,944 | 656,507 |
| 1,051,390 | 1,000,160 | 1,513,211 |
| 3,234,660 | 3,086,342 | 3,154,254 |
| 738,367 | 738,366 | 762,794 |
| 246,323 | 242,097 | 242,349 |
| 330,588 | 615,741 | 607,181 |
| 378,740 | 253,760 | 254,944 |
| 1,665,230 | 866,191 | 956,387 |
| 210,251 | 210,250 | 209,845 |
| 110,000 | 108,134 | 119,712 |
| 120,000 | 126,944 | 0 |
| 12,607,088 | 11,811,638 | 12,865,818 |
| 36,476 | 34,652 | 53,327 |
| 293,043 | 287,873 | 282,372 |
| 193,572 | 192,292 | 164,310 |
| 5,509,465 | 5,165,203 | 5,568,524 |
| 4,808,341 | 4,628,910 | 5,008,619 |
| 1,766,191 | 1,502,708 | 1,788,666 |
| 12,607,088 | 11,811,638 | 12,865,818 |

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

| | |
|------------------------------------|-----------------|
| Asset Class: | Useful Life: |
| Buildings | 15 to 80 years |
| Furniture and equipment | 1 to 20 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 50 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 |
| Right of use - plant and equipment | 3 years |
| Intangible assets - software | 3 - 5 years |

DEPRECIATION ON REVALUATION

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

- (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

CITY OF VINCENT
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2024

7. BORROWINGS

(a) Borrowing repayments

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

| Purpose | Loan Number | Institution | Interest Rate | Budget | 2023/24 | 2023/24 | Budget | 2023/24 | Actual | 2022/23 | 2022/23 | Actual | 2022/23 | Budget | 2022/23 | 2022/23 | Budget | 2022/23 |
|-----------------------------------|-------------|-------------|---------------|--------------------------|------------------------|-----------------------------------|--|----------------------------------|--------------------------|------------------------|-----------------------------------|--|----------------------------------|--------------------------|------------------------|-----------------------------------|--|----------------------------------|
| | | | | Principal 1 July 2023 | Budget New Loans | Budget Principal Repayments | Principal outstanding 30 June 2024 | Budget Interest Repayments | Principal 1 July 2022 | Actual New Loans | Actual Principal Repayments | Principal outstanding 30 June 2023 | Actual Interest Repayments | Principal 1 July 2022 | Budget New Loans | Budget Principal Repayments | Principal outstanding 30 June 2023 | Budget Interest Repayments |
| | | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 246 Vincent Street DLGSC building | 2B | WATC | 1.4% | 666,198 | 0 | (98,492) | 567,706 | (13,692) | 763,287 | 0 | (97,089) | 666,198 | (10,643) | 763,287 | 0 | (97,089) | 666,198 | (15,763) |
| Loftus Centre Redevelopment | 5 | WATC | 6.4% | 951,661 | 0 | (210,827) | 740,834 | (61,232) | 1,149,549 | 0 | (197,889) | 951,661 | (67,303) | 1,149,549 | 0 | (197,889) | 951,661 | (75,380) |
| Underground Car Park Loftus Rec | 6B | WATC | 3.9% | 0 | 0 | 0 | 0 | 0 | 44,483 | 0 | (44,483) | 0 | (214) | 44,483 | 0 | (44,483) | 0 | (327) |
| Beatty Park Redevelopment | 10 | WATC | 5.5% | 4,618,762 | 0 | (433,245) | 4,185,517 | (272,665) | 5,028,914 | 0 | (410,152) | 4,618,762 | (265,869) | 5,028,914 | 0 | (410,152) | 4,618,762 | (299,706) |
| Strength Equipment- BPLC | 12 | WATC | 4.3% | 344,090 | 0 | (93,107) | 250,983 | (15,894) | 0 | 389,169 | (45,079) | 344,090 | (8,423) | 0 | 389,169 | (45,079) | 344,090 | (10,894) |
| Cardio Equipment- BPLC | 13 | WATC | 4.5% | 406,437 | 0 | (66,730) | 339,706 | (20,011) | 0 | 438,710 | (32,273) | 406,437 | (9,821) | 0 | 438,710 | (32,273) | 406,437 | (12,383) |
| Resource Recovery Facility | 14 | WATC | 1.3% | 6,073,974 | 0 | (683,016) | 5,390,959 | (110,455) | 6,748,886 | 0 | (674,912) | 6,073,974 | (78,784) | 6,748,886 | 0 | (674,912) | 6,073,974 | (126,005) |
| | | | | 13,061,121 | 0 | (1,585,417) | 11,475,705 | (493,949) | 13,735,119 | 827,879 | (1,501,877) | 13,061,121 | (441,058) | 13,735,119 | 827,879 | (1,501,877) | 13,061,121 | (540,457) |

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

7. BORROWINGS

(b) New borrowings - 2023/24

The City does not intend to undertake any new borrowings for the year ended 30th June 2024

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2023 nor is it expected to have unspent borrowing funds as at 30th June 2024.

(d) Credit Facilities

**Undrawn borrowing facilities
credit standby arrangements**

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|--------------------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| Bank overdraft limit | 0 | 0 | 0 |
| Bank overdraft at balance date | 0 | 0 | 0 |
| Credit card limit | 60,000 | 60,000 | 60,000 |
| Credit card balance at balance date | 0 | 0 | 0 |
| Total amount of credit unused | 60,000 | 60,000 | 60,000 |

Loan facilities

| | | | |
|--|------------|------------|------------|
| Loan facilities in use at balance date | 11,475,705 | 13,061,121 | 13,061,121 |
|--|------------|------------|------------|

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

The City has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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 due to the unobservable inputs, including own credit risk.

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

8. LEASE LIABILITIES

| Purpose | Lease Number | Institution | Lease Interest Rate | Lease Term | Budget Lease | 2023/24 Budget | Budget Lease | 2023/24 Budget | Actual Principal | 2022/23 Actual | Actual Lease | 2022/23 Actual | Budget Principal | 2022/23 Budget | Budget Lease | Budget Lease | 2022/23 Budget | |
|---------|--------------|-----------------|---------------------|------------|-----------------------|----------------|------------------------------------|---------------------|------------------|-----------------------|--------------|----------------------|------------------------------------|---------------------|-----------------------|--------------|----------------------|------------------------------------|
| | | | | | Principal 1 July 2023 | New Leases | Principal outstanding 30 June 2024 | Interest Repayments | | Principal 1 July 2022 | New Leases | Principal repayments | Principal outstanding 30 June 2023 | Interest repayments | Principal 1 July 2022 | New Leases | Principal repayments | Principal outstanding 30 June 2023 |
| EMV Kit | | MAIA Financials | 1.60% | 3 | \$ 95,000 | \$ 0 | \$ (95,000) | \$ 0 | \$ (1,500) | \$ 88,252 | \$ 0 | \$ (88,252) | \$ 0 | \$ (1,061) | \$ 70,602 | \$ 0 | \$ (70,602) | \$ 0 |
| | | | | | \$ 95,000 | \$ 0 | \$ (95,000) | \$ 0 | \$ (1,500) | \$ 88,252 | \$ 0 | \$ (88,252) | \$ 0 | \$ (1,061) | \$ 70,602 | \$ 0 | \$ (70,602) | \$ 0 |

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the City assesses whether the contract is, or contains, 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 a 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.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

| | 2023/24 Budget Opening Balance | 2023/24 Budget Transfer to | 2023/24 Budget Transfer (from) | 2023/24 Budget Closing Balance | 2022/23 Actual Opening Balance | 2022/23 Actual Transfer to | 2022/23 Actual Transfer (from) | 2022/23 Actual Closing Balance | 2022/23 Budget Opening Balance | 2022/23 Budget Transfer to | 2022/23 Budget Transfer (from) | 2022/23 Budget Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Restricted by legislation | | | | | | | | | | | | |
| (a) Asset Sustainability Reserve | 7,368,624 | 3,476,814 | (4,472,502) | 6,372,936 | 5,283,774 | 3,325,956 | (1,241,106) | 7,368,624 | 5,572,477 | 2,238,552 | (3,041,900) | 4,769,130 |
| (b) Beatty Park Leisure Centre Reserve | 308,340 | 4,521 | (85,000) | 227,861 | 102,898 | 205,442 | 0 | 308,340 | 102,681 | 201,648 | (100,000) | 204,329 |
| (c) Cash in Lieu Parking Reserve | 1,200,761 | 24,638 | (778,500) | 446,899 | 1,457,574 | 48,187 | (305,000) | 1,200,761 | 1,429,508 | 4,359 | (893,500) | 540,367 |
| (d) Hyde Park Lake Reserve | 165,950 | 3,359 | 0 | 169,309 | 162,525 | 3,425 | 0 | 165,950 | 166,906 | 1,357 | 0 | 168,263 |
| (e) Land and Building Acquisition Reserve | 307,816 | 6,231 | 0 | 314,047 | 301,642 | 6,174 | 0 | 307,816 | 301,005 | 2,448 | 0 | 303,453 |
| (f) Leederville Oval Reserve | 71,705 | 1,452 | 0 | 73,157 | 96,153 | 1,352 | (25,800) | 71,705 | 95,952 | 536 | (30,000) | 66,488 |
| (g) Loftus Community Centre Reserve | 141,125 | 2,857 | 0 | 143,982 | 37,660 | 103,465 | 0 | 141,125 | 37,581 | 101,119 | 0 | 138,700 |
| (h) Loftus Recreation Centre Reserve | 232,511 | 71,055 | 0 | 303,566 | 219,341 | 58,860 | (45,690) | 232,511 | 221,069 | 61,879 | (50,000) | 232,948 |
| (i) Office Building Reserve - 246 Vincent Street | 212,455 | 4,301 | 0 | 216,756 | 219,307 | 148 | (7,000) | 212,455 | 227,895 | 59 | (220,675) | 7,279 |
| (j) Parking Facility Reserve | 109,375 | 2,214 | 0 | 111,589 | 107,182 | 2,193 | 0 | 109,375 | 106,956 | 870 | 0 | 107,826 |
| (k) Percentage For Public Art Reserve | 268,947 | 950 | (222,000) | 47,897 | 332,907 | 40 | (64,000) | 268,947 | 335,655 | 16 | (333,700) | 1,971 |
| (l) Plant and Equipment Reserve | 131 | 3 | 0 | 134 | 131 | 0 | 0 | 131 | 83 | 0 | (83) | 0 |
| (m) POS reserve - General | 652,650 | 828,438 | (47,841) | 1,433,247 | 653,071 | 141,738 | (142,159) | 652,650 | 653,071 | 911,084 | (190,000) | 1,374,155 |
| (n) POS reserve - Haynes Street | 88,049 | 41,095 | (100,000) | 29,144 | 197,036 | 41,013 | (150,000) | 88,049 | 196,927 | 39,699 | (150,000) | 86,626 |
| (o) State Gymnastics Centre Reserve | 129,617 | 15,790 | 0 | 145,407 | 131,596 | 13,022 | (15,000) | 129,617 | 130,952 | 13,040 | (15,000) | 128,992 |
| (p) Strategic Waste Management Reserve* | 30,089 | 235,398 | 0 | 265,487 | 29,148 | 941 | 0 | 30,089 | 269,027 | 2,187 | 0 | 271,214 |
| (q) Tamala Park Land Sales Reserve | 3,273,250 | 1,766,665 | 0 | 5,039,915 | 1,930,361 | 1,342,889 | 0 | 3,273,250 | 1,929,100 | 1,275,852 | 0 | 3,204,952 |
| (r) Underground Power Reserve | 2,448,925 | 49,574 | 0 | 2,498,499 | 215,555 | 2,351,725 | (118,355) | 2,448,925 | 215,105 | 791,376 | (216,000) | 790,481 |
| (s) Waste Management Plant and Equipment Reserve* | 228,176 | 0 | (228,176) | 0 | 223,599 | 4,577 | 0 | 228,176 | 0 | 0 | 0 | 0 |
| | 17,238,497 | 6,535,355 | (5,934,019) | 17,839,833 | 11,701,460 | 7,651,147 | (2,114,110) | 17,238,497 | 11,991,950 | 5,646,083 | (5,240,858) | 12,397,174 |

*Waste Management Plant and Equipment Reserve transferred to Strategic Waste Management Reserve

9. RESERVE ACCOUNTS

(b) Reserve Accounts - Purposes

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

| Reserve name | Anticipated date of use | Purpose of the reserve |
|--|-------------------------|---|
| (a) Asset Sustainability Reserve | Ongoing | 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. |
| (b) Beatty Park Leisure Centre Reserve | Ongoing | For the major upgrade and redevelopment of the Beatty Park Leisure Centre including the replacement or purchase of major plant, equipment, fixtures and fittings. |
| (c) Cash in Lieu Parking Reserve | Ongoing | 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. |
| (d) Hyde Park Lake Reserve | Ongoing | For works associated with the investigation, maintenance, remedial works and the rehabilitation of the Hyde Park Lakes and surrounds. |
| (e) Land and Building Acquisition Reserve | Ongoing | To ensure that proceeds of real assets disposed of are restricted to purchase other land and buildings for civic purposes. |
| (f) Leederville Oval Reserve | Ongoing | For the works associated with the maintenance, repairs, upgrade and replacement of Leederville Oval buildings, fixtures, fittings and associated land. |
| (g) Loftus Community Centre Reserve | Ongoing | This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre. |
| (h) Loftus Recreation Centre Reserve | Ongoing | This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre. |
| (i) Office Building Reserve - 246 Vincent Street | Ongoing | For major building upgrade, maintenance, repairs, renovation and replacement of floorcovering, fixtures and fittings associated with the new Office Building and Land. |
| (j) Parking Facility Reserve | Ongoing | 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. |
| (k) Percentage For Public Art Reserve | Ongoing | 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. |
| (l) Plant and Equipment Reserve | Ongoing | For the purchase of replacement plant and equipment associated with City's works. |
| (m) POS reserve - General | Ongoing | For the future development of public open space in the City. |
| (n) POS reserve - Haynes Street | Ongoing | For the future development of POS at Haynes Street. |
| (o) State Gymnastics Centre Reserve | Ongoing | This reserve is for the purpose of capital improvements, including replacing major items of plant and equipment or renewal and modifications to the Centre. |
| (p) Strategic Waste Management Reserve | Ongoing | 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). |
| (q) Tamala Park Land Sales Reserve | Ongoing | For future significant/major capital works, underground power projects, infrastructure, project or debt reduction programme for the benefit of the City. |
| (r) Underground Power Reserve | Ongoing | For the purpose of funding the City's contribution to approved underground power projects. |

(c) Reserve Accounts - Change in Use

The City has resolved to make the following changes in the use of part of the money in a reserve account. This money is to be used or set aside for a purpose other than the purpose for which the account was established.

| Reserve name | Proposed new purpose of the reserve | Reasons for changing the use of the reserve | 2023/24 Budget amount to be used | 2023/24 Budget amount change of purpose |
|------------------------------------|---|---|----------------------------------|---|
| 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). | To consolidate the purpose and funds of the closed Waste Management Plant and Equipment Reserve | \$ 0 | \$ 0 |
| Tamala Park Land Sales Reserve | For future significant/major capital works, underground power projects, infrastructure, project or debt reduction programme for the benefit of the City. | To include the Underground Power Project. | 0 | 0 |
| | | | 0 | 0 |

10 REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

Recognition of revenue from contracts with customers is dependant 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 | Determination of transaction price | Allocating transaction price | Measuring obligations for returns | Timing of Revenue recognition |
|---|--|---|--|---|---|---|---|--|
| Rates | General Rates | Over time | Payment dates adopted by Council during the year | None | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Service charges | Charge for specific service | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | Adopted by council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| 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 | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| 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 | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contractual commitments | General appropriations and contributions with no specific contractual commitments | No obligations | Not applicable | Not applicable | Cash received | On receipt of funds | Not applicable | When assets are controlled |
| 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 | Set by State legislation or limited by legislation to the cost of provision | Based on timing of issue of the associated rights | No refunds | On payment and issue of the licence, registration or approval |
| Pool inspections | Compliance safety check | Single point in time | Equal proportion based on an equal annually fee | None | Set by State legislation | Apportioned equally across the inspection cycle | No refunds | After inspection complete based on a 4 year cycle |
| Other inspections | Regulatory Food, Health and Safety | Single point in time | Full payment prior to inspection | None | Set by State legislation or limited by legislation to the cost of provision | Applied fully on timing of inspection | Not applicable | Revenue recognised after inspection event occurs |
| Waste management collections | Kerbside collection service | Over time | Payment on an annual basis in advance | None | Adopted by council annually | Apportioned equally across the collection period | Not applicable | Output method based on regular weekly and fortnightly period as proportionate to collection service |
| 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 | Adopted by council annually | Based on timing of entry to facility | Not applicable | On entry to facility |
| Property hire and entry | Use of halls and facilities | Single point in time | In full in advance | Refund if event cancelled within 7 days | Adopted by council annually | Based on timing of entry to facility | Returns limited to repayment of transaction price | On entry or at conclusion of hire |
| Memberships | Gym and pool membership | Over time | Payment in full in advance | Refund for unused portion on application | Adopted by council annually | Apportioned equally across the access period | Returns limited to repayment of transaction price | Output method Over 12 months matched to access right |
| Fees and charges for other goods and services | Cemetery services, library fees, reinstatements and private works | Single point in time | Payment in full in advance | None | Adopted by council annually | Applied fully based on timing of provision | Not applicable | Output method based on provision of service or completion of works |
| Sale of stock | Beatty Park kiosk | Single point in time | In full in advance, on 15 day credit | Refund for faulty goods | Adopted by council annually, set by mutual agreement | Applied fully based on timing of provision | Returns limited to repayment of transaction price | Output method based on goods |
| Commissions | Commissions on licencing and ticket sales | Over time | Payment in full on sale | None | Set by mutual agreement with the customer | On receipt of funds | Not applicable | When assets are controlled |
| Reimbursements | Insurance claims | Single point in time | Payment in arrears for claimable event | None | Set by mutual agreement with the customer | When claim is agreed | Not applicable | When claim is agreed |

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

11. PROGRAM INFORMATION

(a) Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

The programme reflects the statutory element of local government operations including Council Member support, community consultation and involvement, statutory reporting, compliance and accountability.

Law, order, public safety

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

This program covers costs associated with animal control, fire prevention and other law, order and public safety services generally associated with local law control.

Health

To provide an operational framework for environmental and community health.

This program covers health administration and inspection, child health clinics, immunisation clinics, food control and pest control services.

Education and welfare

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

The major costs in this program relate to staff involved in coordinating welfare, disability and youth services and donations to various community welfare groups serving the City. The costs of maintaining pre-school premises are also included.

Community amenities

To provide services required by the community

This program covers activities of household refuse and recycling, other sanitation including public litter bins and bulk rubbish collections as well as town planning and regional development administration, protection of the environment and bus shelters and street furniture.

Recreation and culture

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

This program covers activities associated with public halls, recreation administration, sportsgrounds, parks and reserves. Beatty Park Leisure Centre, Vincent Library and cultural activities are included.

Transport

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

The principal operating areas here relate to maintenance of paths, drains, street cleaning, verges and medians, roads and kerbs, rights of way, crossovers, street trees and road reserves. Parking control and operation of car parks is also covered.

Economic services

To help promote the local government and its economic wellbeing.

This program covers costs associated with building control and area promotion.

Other property and services

To monitor and control operating accounts

This program is principally a clearing area where costs associated with public works overheads are accumulated and then subsequently dispersed to other expense areas. Other activities include general administration overheads, plant operation costs, insurance claims and properties held for civic purposes.

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

11 PROGRAM INFORMATION (Continued)

(b) Income and expenses

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|---|---------------------------|---------------------------|---------------------------|
| Income excluding grants, subsidies and contributions | \$ | \$ | \$ |
| Governance | 92,400 | 66,795 | 66,500 |
| General purpose funding | 43,688,811 | 42,051,892 | 40,726,329 |
| Law, order, public safety | 304,839 | 219,969 | 317,306 |
| Health | 418,889 | 309,319 | 346,605 |
| Education and welfare | 146,668 | 136,329 | 187,317 |
| Community amenities | 680,989 | 1,124,355 | 707,273 |
| Recreation and culture | 11,144,021 | 10,489,781 | 10,194,207 |
| Transport | 10,047,064 | 9,886,200 | 9,606,871 |
| Economic services | 307,877 | 250,504 | 508,450 |
| Other property and services | 2,473,666 | 559,484 | 2,529,660 |
| | 69,305,224 | 65,094,628 | 65,190,518 |
| Grants, subsidies and contributions | | | |
| General purpose funding | 1,200,000 | 464,866 | 763,848 |
| Law, order, public safety | 13,807 | 4,000 | 50,000 |
| Health | 51,863 | 55,000 | 60,919 |
| Community amenities | 45,000 | 58,751 | 45,994 |
| Recreation and culture | 32,750 | 47,890 | 112,685 |
| Transport | 105,000 | 103,966 | 1,385 |
| Other property and services | 50,000 | 21,889 | 32,770 |
| | 1,498,420 | 756,362 | 1,067,601 |
| Capital grants, subsidies and contributions | | | |
| Education and welfare | 0 | 0 | 110,950 |
| Recreation and culture | 2,155,577 | 44,894 | 1,822,573 |
| Transport | 1,548,170 | 1,846,572 | 1,507,054 |
| | 3,703,747 | 1,891,466 | 3,440,577 |
| Total Income | 74,507,391 | 67,742,456 | 69,698,696 |
| Expenses | | | |
| Governance | (3,794,209) | (2,969,566) | (3,341,981) |
| General purpose funding | (730,770) | (574,304) | (887,829) |
| Law, order, public safety | (5,416,694) | (4,452,293) | (4,829,171) |
| Health | (1,839,241) | (1,730,794) | (2,188,227) |
| Education and welfare | (475,291) | (402,771) | (441,371) |
| Community amenities | (18,049,931) | (15,223,614) | (17,048,417) |
| Recreation and culture | (27,693,176) | (22,047,153) | (25,926,147) |
| Transport | (10,006,708) | (9,686,122) | (9,586,575) |
| Economic services | (880,452) | (8,606,947) | (796,660) |
| Other property and services | (1,924,486) | (1,683,925) | (2,937,458) |
| Total expenses | (70,810,958) | (67,377,489) | (67,983,836) |
| Net result for the period | 3,696,433 | 364,967 | 1,714,860 |

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

12. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|------------------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| Investments | | | |
| - Reserve accounts | 350,000 | 550,000 | 100,000 |
| - Other funds | 400,000 | 622,892 | 100,000 |
| Late payment of fees and charges * | 130,000 | 140,000 | 120,000 |
| Other interest revenue | 223,000 | 216,645 | 188,000 |
| | 1,103,000 | 1,529,537 | 508,000 |

* The City has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.

(b) Other revenue

| | | | |
|-------------------------------|-----------|-----------|-----------|
| Reimbursements and recoveries | 1,385,434 | 1,417,973 | 1,139,329 |
| | 1,385,434 | 1,417,973 | 1,139,329 |

The net result includes as expenses

(c) Auditors remuneration

| | | | |
|----------------|---------|--------|--------|
| Audit services | 90,000 | 85,000 | 85,000 |
| Other services | 10,000 | 5,000 | 5,000 |
| | 100,000 | 90,000 | 90,000 |

(d) Interest expenses (finance costs)

| | | | |
|---|---------|---------|---------|
| Borrowings (refer Note 7(a)) | 493,949 | 539,774 | 540,457 |
| expense on lease liabilities (refer Note 8) | 1,500 | 1,061 | 378 |
| | 495,449 | 540,835 | 540,835 |

(e) Write offs

| | | | |
|--------------|---------|---------|--------|
| Rates Waived | 160,000 | 170,000 | 60,000 |
| | 160,000 | 170,000 | 60,000 |

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

13. ELECTED MEMBERS REMUNERATION

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|---------------------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| Mayor Emma Cole | | | |
| Mayor's allowance | 65,915 | 64,938 | 66,000 |
| Meeting attendance fees | 32,410 | 31,928 | 35,400 |
| Child care expenses | 223 | 0 | 445 |
| Other expenses | 55 | 241 | 55 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 220 | 111 |
| | 101,158 | 99,827 | 104,511 |
| Deputy Mayor Susan Gontaszewsk | | | |
| Deputy Mayor's allowance | 16,500 | 16,234 | 16,500 |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 223 | 0 | 445 |
| Other expenses | 55 | 241 | 56 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 0 | 111 |
| | 43,503 | 42,786 | 43,207 |
| Cr Ron Alexander | | | |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 222 | 0 | 445 |
| Other expenses | 55 | 241 | 56 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 0 | 111 |
| | 27,002 | 26,552 | 26,707 |
| Cr Suzanne Worner | | | |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 222 | 0 | 445 |
| Other expenses | 55 | 241 | 56 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 0 | 111 |
| | 27,002 | 26,552 | 26,707 |
| Cr Dan Loden | | | |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 222 | 0 | 444 |
| Other expenses | 55 | 241 | 56 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 0 | 111 |
| | 27,002 | 26,552 | 26,706 |
| Cr Jonathan Hallett | | | |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 222 | 0 | 444 |
| Other expenses | 55 | 241 | 56 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 0 | 111 |
| | 27,002 | 26,552 | 26,706 |
| Cr Ashley Wallace | | | |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 222 | 0 | 444 |
| Other expenses | 55 | 241 | 55 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 0 | 111 |
| | 27,002 | 26,552 | 26,705 |

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

13. ELECTED MEMBERS REMUNERATION

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|-----------------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| Cr Ross Ioppolo | | | |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 222 | 270 | 444 |
| Other expenses | 55 | 241 | 55 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 200 | 111 |
| | 27,002 | 27,022 | 26,705 |
| Cr Alex Castle | | | |
| Meeting attendance fees | 24,170 | 23,811 | 23,595 |
| Child care expenses | 222 | 0 | 444 |
| Other expenses | 55 | 241 | 55 |
| ICT expenses | 2,500 | 2,500 | 2,500 |
| Travel and accommodation expenses | 55 | 0 | 112 |
| | 27,002 | 26,552 | 26,706 |
| Mayor's allowance | 65,915 | 64,938 | 66,000 |
| Deputy Mayor's allowance | 16,500 | 16,234 | 16,500 |
| Meeting attendance fees | 225,770 | 222,416 | 224,160 |
| Child care expenses | 2,000 | 270 | 4,000 |
| Other expenses | 495 | 2,169 | 500 |
| ICT expenses | 22,500 | 22,500 | 22,500 |
| Travel and accommodation expenses | 495 | 420 | 1,000 |
| | 333,675 | 328,947 | 334,660 |

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

14. MAJOR LAND TRANSACTIONS

It is not anticipated that any major land transactions will occur in 2023-24.

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2023-24.

**CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024**

16. INVESTMENT IN ASSOCIATES

(a) Investment in associate

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 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. The City of Vincent is a participant in the Mindarie Regional Council (MRC) and has one twelfth (1/12) equity in the land and assets of the refuse disposal facility as per the constitution amendment (dated 25 November 1996) that recognises the City as a member of the Mindarie Regional Council.

Tamala Park Regional Council

The City of Vincent is a participant (along with the Cities of Perth, Wanneroo, Joondalup, Stirling and Towns of Victoria Park and Cambridge) in the operations of the Tamala Park Regional Council (TPRC). The 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 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 TPRC as the operator of the development; and a one twelfth (1/12) share in the asset of the lands held for development.

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, 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. recognised.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Investments in associates (continued)

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate. When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2024

17. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

| Detail | Balance 1 July 2023 | Estimated amounts received | Estimated amounts paid | Estimated balance 30 June 2024 |
|-------------------------------|--------------------------------|---|---------------------------------------|---|
| | \$ | \$ | \$ | \$ |
| Leederville Gardens Inc Trust | 3,757,459 | 0 | 0 | 3,757,459 |
| | 3,757,459 | 0 | 0 | 3,757,459 |

**CITY OF VINCENT
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2024**

18. FEES AND CHARGES

| | 2023/24 Budget | 2022/23 Actual | 2022/23 Budget |
|-----------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| By Program: | | | |
| Governance | 16,400 | 17,676 | 16,300 |
| General purpose funding | 270,000 | 326,800 | 298,000 |
| Law, order, public safety | 223,300 | 214,756 | 221,000 |
| Health | 326,166 | 321,927 | 277,480 |
| Education and welfare | 113,751 | 105,159 | 100,239 |
| Community amenities | 612,346 | 783,072 | 636,790 |
| Recreation and culture | 10,131,521 | 9,801,957 | 9,306,004 |
| Transport | 10,046,564 | 10,071,278 | 9,606,371 |
| Economic services | 302,996 | 244,817 | 500,700 |
| Other property and services | 100,160 | 92,404 | 92,500 |
| | 22,143,204 | 21,979,846 | 21,055,384 |

The subsequent pages detail the fees and charges proposed to be imposed by the local government.