



CITY OF VINCENT

# 2020/21 ANNUAL BUDGET

Adopted 28 July 2020 | Ordinary Council Meeting

# **CITY OF VINCENT**

## **BUDGET**

### **FOR THE YEAR ENDED 30 JUNE 2021**

#### **LOCAL GOVERNMENT ACT 1995**

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#### **CITY'S VISION**

A sustainable and caring community built with vibrance and diversity.

**CITY OF VINCENT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>Revenue</b>				
Rates	1(a)	35,664,316	35,678,835	35,526,498
Operating grants, subsidies and contributions	10(a)	794,656	1,652,389	947,389
Fees and charges	9	10,094,536	15,934,853	19,680,225
Interest earnings	12(a)	663,205	806,096	1,033,288
Other revenue	12(b)	967,463	1,108,298	1,226,243
		<u>48,184,176</u>	<u>55,180,471</u>	<u>58,413,643</u>
<b>Expenses</b>				
Employee costs		(22,859,760)	(24,848,124)	(25,440,892)
Materials and contracts		(15,944,056)	(18,577,835)	(19,559,718)
Utility charges		(1,501,040)	(1,595,680)	(1,718,630)
Depreciation on non-current assets	5	(11,875,779)	(10,788,969)	(11,191,787)
Interest expenses	12(d)	(491,960)	(613,527)	(723,058)
Insurance expenses		(510,179)	(494,843)	(534,879)
Other expenditure		(2,591,208)	(2,493,097)	(3,359,584)
		<u>(55,773,982)</u>	<u>(59,412,075)</u>	<u>(62,528,548)</u>
<b>Subtotal</b>				
		<u>(7,589,806)</u>	<u>(4,231,604)</u>	<u>(4,114,905)</u>
Non-operating grants, subsidies and contributions	10(b)	1,777,283	1,265,122	1,843,230
Profit on asset disposals	4(b)	6,502	241,247	241,185
Loss on asset disposals	4(b)	(13,303)	(82,228)	(207,112)
Profit on Assets Held for Sale (TPRC Joint Venture)		250,000	0	0
		<u>2,020,482</u>	<u>1,424,141</u>	<u>1,877,303</u>
<b>Net result</b>				
		<u>(5,569,324)</u>	<u>(2,807,463)</u>	<u>(2,237,602)</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>				
		<u><b>(5,569,324)</b></u>	<u><b>(2,807,463)</b></u>	<u><b>(2,237,602)</b></u>

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

# CITY OF VINCENT

## FOR THE YEAR ENDED 30 JUNE 2021

### BASIS OF PREPARATION

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations. The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of *AASB 1051 Land Under Roads* paragraph 15 and *AASB 116 Property, Plant and Equipment* paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the 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 of Vincent controls resources to carry on its functions have been included in the financial statements forming part of this budget.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 14 to the budget.

### 2019/20 ACTUAL BALANCES

Balances shown in this budget as 2019/20 Actual are estimates as forecast at the time of budget preparation and are subject to final adjustments.

### CHANGE IN ACCOUNTING POLICIES

On the 1 July 2020 the following new accounting policies are to be adopted and may impact the preparation of the budget:

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is not expected to impact the annual budget.

AASB 2018-7 Amendments to Australian Accounting Standards - Materiality  
Specific impacts of AASB 2018-7 have not been identified.

### KEY TERMS AND DEFINITIONS - NATURE OR TYPE

#### REVENUES

##### RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

##### 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 these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges, 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.

##### PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

### REVENUES (CONTINUED)

#### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

#### NON-OPERATING 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.

#### FEES AND CHARGES

Revenue (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. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

#### 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 can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

### EXPENSES

#### EMPLOYEE COSTS

All costs associated with the employment of a 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, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

#### UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Excludes expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

#### 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 includes loss on disposal of long term investments.

#### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expense raised on all classes of assets.

#### INTEREST EXPENSES

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 State taxes. Donations and subsidies made to community groups.



**CITY OF VINCENT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
<b>Revenue</b>	1,9,10(a),12(a), 12(b)	\$	\$	\$
Governance		43,000	39,309	41,000
General purpose funding		37,230,522	38,213,282	37,547,786
Law, order, public safety		300,000	289,063	128,950
Health		261,517	382,714	379,280
Education and welfare		98,646	136,091	135,903
Community amenities		775,806	1,200,122	1,402,345
Recreation and culture		4,908,294	7,962,664	10,045,133
Transport		4,109,953	6,355,157	8,127,427
Economic services		198,050	369,768	358,300
Other property and services		258,388	232,301	247,519
		48,184,176	55,180,471	58,413,643
<b>Expenses excluding finance costs</b>	4(a),5,12(c),(e), (f),(g)			
Governance		(3,338,549)	(3,527,512)	(3,861,338)
General purpose funding		(817,358)	(775,501)	(839,040)
Law, order, public safety		(1,285,545)	(1,234,738)	(1,435,802)
Health		(1,715,207)	(1,494,043)	(1,689,208)
Education and welfare		(785,516)	(1,060,661)	(1,356,463)
Community amenities		(12,152,096)	(13,581,990)	(13,246,867)
Recreation and culture		(18,749,557)	(20,432,043)	(22,105,297)
Transport		(13,528,324)	(13,358,893)	(13,987,463)
Economic services		(544,015)	(560,035)	(639,026)
Other property and services		(2,365,855)	(2,773,132)	(2,644,986)
		(55,282,022)	(58,798,548)	(61,805,490)
<b>Finance costs</b>	6(a),7,12(d)			
Recreation and culture		(491,960)	(613,527)	(723,058)
		(491,960)	(613,527)	(723,058)
<b>Subtotal</b>		(7,589,806)	(4,231,604)	(4,114,905)
Non-operating grants, subsidies and contributions	10(b)	1,777,283	1,265,122	1,843,230
Profit on disposal of assets	4(b)	6,502	241,247	241,185
(Loss) on disposal of assets	4(b)	(13,303)	(82,228)	(207,112)
Profit on Assets Held for Sale (TPRC Joint Venture)		250,000	0	0
		2,020,482	1,424,141	1,877,303
<b>Net result</b>		<b>(5,569,324)</b>	<b>(2,807,463)</b>	<b>(2,237,602)</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets		0	0	0
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>		<b>(5,569,324)</b>	<b>(2,807,463)</b>	<b>(2,237,602)</b>

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 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		35,664,316	35,678,835	35,526,498
Operating grants, subsidies and contributions		496,356	1,652,389	947,389
Fees and charges		10,094,536	15,934,853	19,680,225
Interest earnings		663,205	806,096	1,033,288
Other revenue		967,463	1,108,298	1,226,243
		<b>47,885,876</b>	<b>55,180,471</b>	<b>58,413,643</b>
<b>Payments</b>				
Employee costs		(22,859,760)	(24,848,124)	(25,440,892)
Materials and contracts		(15,944,056)	(17,501,970)	(19,559,718)
Utility charges		(1,501,040)	(1,595,680)	(1,718,630)
Interest expenses		(491,960)	(613,527)	(723,058)
Insurance expenses		(510,179)	(494,843)	(534,879)
Other expenditure		(2,591,208)	(2,493,097)	(3,359,584)
		<b>(43,898,203)</b>	<b>(47,547,241)</b>	<b>(51,336,761)</b>
<b>Net cash provided by (used in) operating activities</b>	3	<b>3,987,673</b>	<b>7,633,230</b>	<b>7,076,882</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	4(a)	(6,270,308)	(4,599,703)	(7,477,716)
Payments for construction of infrastructure	4(a)	(4,199,844)	(4,497,754)	(7,297,661)
Non-operating grants, subsidies and contributions		1,777,283	1,265,122	1,843,230
Proceeds from sale of plant and equipment	4(b)	90,000	520,941	555,000
<b>Net cash provided by (used in) investing activities</b>		<b>(8,602,869)</b>	<b>(7,311,394)</b>	<b>(12,377,147)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(887,430)	(6,143,962)	(6,132,377)
Principal elements of lease payments	7	(91,377)	(104,320)	
Proceeds from new borrowings	6(a)	0	1,000,000	1,000,000
Proceeds from Joint Venture		250,000	250,000	0
<b>Net cash provided by (used in) financing activities</b>		<b>(728,807)</b>	<b>(4,998,282)</b>	<b>(5,132,377)</b>
<b>Net increase (decrease) in cash held</b>		<b>(5,344,003)</b>	<b>(4,676,446)</b>	<b>(10,432,642)</b>
Cash at beginning of year		23,003,755	27,680,201	21,955,208
<b>Cash and cash equivalents at the end of the year</b>	3	<b>17,659,752</b>	<b>23,003,755</b>	<b>11,522,566</b>

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

**CITY OF VINCENT**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>				
		1,615,763	5,811,178	5,929,991
		1,615,763	5,811,178	5,929,991
<b>Revenue from operating activities (excluding rates)</b>				
Operating grants, subsidies and contributions	10(a)	794,656	1,652,389	947,389
Fees and charges	9	10,094,536	15,934,853	19,680,225
Interest earnings	12(a)	663,205	806,096	1,033,288
Other revenue	12(b)	967,463	1,108,299	1,226,243
Profit on Assets Held for Sale (TPRC Joint Venture)		250,000	0	0
Profit on asset disposals	4(b)	6,502	241,247	241,185
		12,776,362	19,742,884	23,128,330
<b>Expenditure from operating activities</b>				
Employee costs		(22,859,760)	(24,848,124)	(25,440,892)
Materials and contracts		(15,944,056)	(18,577,835)	(19,559,718)
Utility charges		(1,501,040)	(1,595,680)	(1,718,630)
Depreciation on non-current assets	5	(11,875,779)	(10,788,969)	(11,191,787)
Interest expenses	12(d)	(491,960)	(613,527)	(723,058)
Insurance expenses		(510,179)	(494,844)	(534,879)
Other expenditure		(2,591,208)	(2,493,097)	(3,359,584)
Loss on asset disposals	4(b)	(13,303)	(82,228)	(207,112)
		(55,787,285)	(59,494,304)	(62,735,660)
<b>Operating activities excluded from budgeted deficiency</b>				
Non-cash amounts excluded from operating activities	2 (a(i))	11,632,580	10,629,950	11,157,714
<b>Amount attributable to operating activities</b>		(29,762,580)	(23,310,292)	(22,519,625)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	10(b)	1,777,283	1,265,122	1,843,230
Purchase property, plant and equipment	4(a)	(6,270,308)	(4,599,703)	(7,477,716)
Purchase and construction of infrastructure	4(a)	(4,199,844)	(4,497,754)	(7,297,661)
Proceeds from disposal of assets	4(b)	90,000	520,941	555,000
Proceeds from Joint Venture		250,000	250,000	0
<b>Amount attributable to investing activities</b>		(8,352,869)	(7,061,394)	(12,377,147)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	6(a)	(887,430)	(6,143,962)	(6,132,377)
Principal elements of finance lease payments	7	(91,377)	(104,320)	0
Proceeds from new borrowings	6(a)	0	1,000,000	1,000,000
Transfers to cash backed reserves (restricted assets)	8(a)	(809,449)	(3,363,071)	(1,088,515)
Transfers from cash backed reserves (restricted assets)	8(a)	4,057,183	4,919,967	5,597,436
<b>Amount attributable to financing activities</b>		2,268,927	(3,691,386)	(623,456)
<b>Budgeted deficiency before general rates</b>		(35,846,522)	(34,063,072)	(35,520,228)
<b>Estimated amount to be raised from general rates</b>	1(a)	35,664,316	35,678,835	35,526,498
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii)	(182,206)	1,615,763	6,270

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

**CITY OF VINCENT**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

NOTE	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	1,615,763	5,811,178	5,929,991
	1,615,763	5,811,178	5,929,991
<b>Revenue from operating activities (excluding rates)</b>			
Governance	43,000	39,309	41,000
General purpose funding	1,566,206	2,534,447	2,021,288
Law, order, public safety	300,000	319,986	168,751
Health	261,517	394,746	386,779
Education and welfare	100,557	136,091	135,903
Community amenities	777,134	1,215,443	1,408,540
Recreation and culture	4,911,558	7,962,664	10,045,133
Transport	4,109,953	6,355,157	8,127,427
Economic services	448,050	399,914	366,171
Other property and services	258,387	385,127	427,338
	12,776,362	19,742,884	23,128,330
<b>Expenditure from operating activities</b>			
Governance	(3,338,549)	(3,527,512)	(3,861,338)
General purpose funding	(817,358)	(775,501)	(839,040)
Law, order, public safety	(1,285,545)	(1,234,738)	(1,435,802)
Health	(1,715,207)	(1,494,169)	(1,689,208)
Education and welfare	(785,516)	(1,060,661)	(1,356,463)
Community amenities	(12,152,555)	(13,581,990)	(13,246,867)
Recreation and culture	(19,254,361)	(21,045,571)	(22,828,355)
Transport	(13,528,324)	(13,358,893)	(13,988,232)
Economic services	(544,015)	(560,034)	(639,026)
Other property and services	(2,365,855)	(2,855,235)	(2,851,329)
	(55,787,285)	(59,494,304)	(62,735,660)
Non-cash amounts excluded from operating activities	2 (a)(i) 11,632,580	10,629,950	11,157,714
<b>Amount attributable to operating activities</b>	(29,762,580)	(23,310,292)	(22,519,625)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	10(b) 1,777,283	1,265,122	1,843,230
Purchase property, plant and equipment	4(a) (6,270,308)	(4,599,703)	(7,477,716)
Purchase and construction of infrastructure	4(a) (4,199,844)	(4,497,754)	(7,297,661)
Proceeds from disposal of assets	4(b) 90,000	520,941	555,000
Proceeds from Joint Venture	6(a) 250,000	250,000	0
<b>Amount attributable to investing activities</b>	(8,352,869)	(7,061,394)	(12,377,147)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	6(a) (887,430)	(6,143,962)	(6,132,377)
Principal elements of finance lease payments	7 (91,377)	(104,320)	0
Proceeds from new borrowings	6(a) 0	1,000,000	1,000,000
Transfers to cash backed reserves (restricted assets)	8(a) (809,449)	(3,363,071)	(1,088,515)
Transfers from cash backed reserves (restricted assets)	8(a) 4,057,183	4,919,967	5,597,436
<b>Amount attributable to financing activities</b>	2,268,927	(3,691,386)	(623,456)
<b>Budgeted deficiency before general rates</b>	(35,846,522)	(34,063,072)	(35,520,228)
<b>Estimated amount to be raised from general rates</b>	1 35,664,316	35,678,835	35,526,498
<b>Net current assets at end of financial year - surplus/(deficit)</b>	2 (a)(iii) <b>(182,206)</b>	<b>1,615,763</b>	<b>6,270</b>

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



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**FOR THE YEAR ENDED 30 JUNE 2021**

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CITY OF VINCENT  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

1. RATES AND SERVICE CHARGES

(a) Rating Information

RATE TYPE	Rate in	Number of properties	Rateable value	2020/21 Budgeted rate revenue	2020/21 Budgeted interim rates	2020/21 Budgeted total revenue	2019/20 Actual total revenue	2019/20 Budget total revenue
	\$		\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>								
<b>Gross rental valuations</b>								
GRV - Residential	0.0778614	10,680	239,707,499	18,663,900	215,000	18,878,900	19,506,059	19,372,571
GRV - Vacant Residential	0.0725000	166	4,361,060	316,177	60,000	376,177	224,401	223,923
GRV- Other	0.0671800	1,621	124,078,059	8,335,564	20,000	8,355,564	8,673,999	8,687,269
GRV- Vacant Commercial	0.1281700	43	2,242,570	287,430	5,000	292,430	287,967	323,227
<b>Sub-Totals</b>		12,510	370,389,188	27,603,071	300,000	27,903,071	28,692,426	28,606,990
<b>Minimum payment</b>								
<b>Gross rental valuations</b>								
GRV - Residential	1,211.90	6,197	78,710,832	7,510,144	0	7,510,144	6,700,664	6,659,390
GRV - Vacant Residential	1,211.90	158	1,916,460	191,480	0	191,480	241,296	222,990
GRV- Other	1,197.70	156	1,885,112	186,841	0	186,841	176,804	176,062
GRV- Vacant Commercial	1,516.40	0	0	0	0	0	6,066	6,066
<b>Sub-Totals</b>		6,511	82,512,404	7,888,465	0	7,888,465	7,124,830	7,064,508
		19,021	452,901,592	35,491,536	300,000	35,791,536	35,817,256	35,671,498
Waiver/concessions (Refer note 1 (e))						(127,220)	(138,421)	(145,000)
<b>Total amount raised from general rates</b>						35,664,316	35,678,835	35,526,498

All land (other than exempt land) in the City of Vincent is rated according to its Gross Rental Value (GRV) in townships.

The general rates detailed for the 2020/21 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also 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 2021**

**1. RATES AND SERVICE CHARGES (CONTINUED)**

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

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

In response to the COVID-19 pandemic, eligible ratepayers who have entered into a financial hardship payment plan are exempt from these service charges.

Payment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
<b>Option one</b>				
Pay immediately	18 September 2020	0	0%	8.0%
<b>Option two</b>				
Pay in 4 instalments	18 September 2020 13 November 2020 8 January 2021 12 March 2021	24	5.5% 5.5% 5.5% 5.5%	8.0% 8.0% 8.0% 8.0%
<b>Option three</b>				
Direct debit agreement	As agreed	0	5.5%	8.0%

	2020/21 Budget revenue	2019/20 Actual revenue	2019/20 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	220,000	255,813	260,000
Instalment plan interest earned	160,000	194,644	185,000
Unpaid rates and service charge interest earned	93,000	93,329	148,100
	473,000	543,786	593,100

**(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**

**Residential Category:**

The Residential rate imposes a differential rate on land primarily used for residential purposes.

The rate in the dollar has been set on the basis that ratepayers make a reasonable contribution to the cost of local government services and facilities.

**Vacant - Residential Category:**

The Vacant-Residential rate is imposed on vacant or undeveloped residential properties that are zoned Residential.

The rate in the dollar has been set in an effort to promote development of these properties thereby stimulating 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 for all vacant commercial land has been set in an effort to promote the development of these properties by attracting business and industry to the City thereby stimulating growth and development in the community.

**Other - Commercial/Industrial:**

The Other - Commercial/Industrial rate is imposed on non-residential properties that are primarily used for commercial or industrial purposes. Examples of properties that fall within this category are retail shops, wholesalers, warehouses, offices, service stations, hotels, taverns, and properties generally used for business purposes.

The rate in the dollar for all Commercial/Industrial Improved property has been set to provide an acceptable standard of infrastructure and parking needs due to the greater volumes of people and vehicular traffic.

**(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. By adopting a minimum rate, Council take this benefit into consideration

**(e) Waivers or concessions**

**Rate or fee and charge to which the waiver or concession is granted**

Type	Discount (\$)	2020/21 Budget	2019/20 Actual	2019/20 Budget	Circumstances in which the waiver granted	Objects and reasons of the waiver or concession	
		\$	\$	\$			
Rate	Waiver	\$	127,220	138,421	145,000	Various community groups	waiver has been provided for not-for-profit organisations that have a community and/or sporting purpose

## 2 (a) NET CURRENT ASSETS

### 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.

Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
	\$	\$	\$
<b>(i) Operating activities excluded from budgeted deficiency</b>			
The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement.			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	4(b) (6,502)	(241,247)	(241,185)
Less: Profit on Assets Held for Sale (TPRC Joint Venture)	(250,000)	0	0
Add: Loss on disposal of assets	4(b) 13,303	82,228	207,112
Add: Depreciation on assets	5 11,875,779	10,788,969	11,191,787
<b>Non cash amounts excluded from operating activities</b>	<b>11,632,580</b>	<b>10,629,950</b>	<b>11,157,714</b>
<b>(ii) Current assets and liabilities excluded from budgeted deficiency</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement.			
<b>Adjustments to net current assets</b>			
Less: Cash - restricted reserves	3 (7,778,256)	(11,025,989)	(8,339,442)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	887,430	647,170	647,170
- Current portion of contract liability held in reserve	(298,300)	0	0
- Current portion of lease liabilities	(91,377)	0	0
-Infringement debtor transferred to non current asset	971,183	971,183	0
<b>Total adjustments to net current assets</b>	<b>(6,309,320)</b>	<b>(9,407,636)</b>	<b>(7,692,272)</b>



2 (a). NET CURRENT ASSETS (CONTINUED)

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

	Note	2020/21 Budget 30 June 2021	2019/20 Actual 30 June 2020	2019/20 Budget 30 June 2020
		\$	\$	\$
<b>(iii) Composition of estimated net current assets</b>				
<b>Current assets</b>				
Cash and cash equivalents- unrestricted	3	9,881,496	11,977,766	3,183,124
Cash and cash equivalents - restricted				
Cash backed reserves	3	7,778,256	11,025,989	8,339,442
Unspent grants, subsidies and contributions	10	0	298,300	0
Receivables		1,228,949	2,356,323	5,338,533
		18,888,701	25,658,378	16,861,099
<b>Less: current liabilities</b>				
Trade and other payables		(7,021,222)	(6,832,534)	(4,698,643)
Contract liabilities		298,300	(298,300)	0
Lease liabilities		91,377	0	0
Short term borrowings		(887,430)	(647,170)	(647,170)
Provisions		(5,242,612)	(6,856,975)	(3,816,744)
		(12,761,587)	(14,634,979)	(9,162,557)
<b>Net current assets</b>		6,127,114	11,023,399	7,698,542
<b>Less: Total adjustments to net current assets</b>	2 (a)(ii)	(6,309,320)	(9,407,636)	(7,692,272)
<b>Closing funding surplus / (deficit)</b>		(182,206)	1,615,763	6,270

## 2 (b). NET CURRENT ASSETS (CONTINUED)

### SIGNIFICANT ACCOUNTING POLICIES

#### CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as 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 of Vincent 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.

#### CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

#### PROVISIONS

Provisions are recognised when the City has a 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.

#### 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 of Vincent contributes to a number of superannuation funds on behalf of employees.

All funds to which the City of Vincent contributes are defined contribution plans.

#### LEASE LIABILITIES

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

#### 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 goods sold and services performed in the ordinary course of business.

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

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

#### EMPLOYEE BENEFITS

##### Short-term employee benefits

Provision is made for the City of Vincent'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 and 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 of Vincent's obligations for short-term employee benefits such as wages, salaries and personal leave are recognised as a part of current trade and other payables in the statement of financial position. The City of Vincent's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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

#### CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the City are recognised as a liability until such time as the City satisfies its obligations under the agreement.

**CITY OF VINCENT**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**3. 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	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
Cash at bank and on hand	4,681,713	6,386,368	3,183,124
Term deposits	12,978,039	16,617,387	8,339,442
	17,659,752	23,003,755	11,522,566
- Unrestricted cash and cash equivalents	9,881,496	11,977,766	3,183,124
- Restricted cash and cash equivalents	7,778,256	11,025,989	8,339,442
	17,659,752	23,003,755	11,522,566

The following restrictions have been imposed by regulation or other externally imposed requirements on cash and cash equivalents:

Asset Sustainability Reserve	2,721,175	5,295,416	3,865,800
Beatty Park Leisure Centre Reserve	102,913	101,281	101,959
Cash in Lieu Parking Reserve	1,441,794	1,926,742	1,622,556
Hyde Park Lake Reserve	161,935	159,367	160,358
Land and Building Acquisition Reserve	302,450	297,653	299,506
Leederville Oval Reserve	95,696	94,178	36,653
Loftus Community Centre Reserve	37,517	36,922	32,325
Loftus Recreation Centre Reserve	227,300	172,850	121,125
Office Building Reserve - 246 Vincent Street	211,902	401,432	334,423
Parking Facility Reserve	107,375	105,672	106,330
Percentage For Public Art Reserve	12,036	529,109	265,600
Plant and Equipment Reserve	22,965	22,601	22,266
Public Open Space reserve - Haynes Street	160,408	0	0
State Gymnastics Centre Reserve	121,350	109,897	105,424
Strategic Waste Management Reserve	1,013,434	997,361	532,680
Tamala Park Land Sales Reserve	600,808	345,244	99,493
Underground Power Reserve	213,567	210,180	211,490
Waste Management Plant and Equipment Reserve	223,631	220,084	221,454
Unspent grants, subsidies and contributions	10 0	298,300	200,000
	7,778,256	11,324,289	8,339,442

**Reconciliation of net cash provided by operating activities to net result**

<b>Net result</b>		(5,569,324)	(2,807,463)	(2,237,602)
Depreciation	5	11,875,779	10,788,969	11,191,787
(Profit)/loss on sale of asset	4(b)	(243,199)	(409,019)	(34,073)
(Increase)/decrease in receivables		112,352	631,230	575,463
(Increase)/decrease in contract assets		9,760	256,750	(20,036)
Increase/(decrease) in payables		304,677	(363,262)	(555,427)
Increase/(decrease) in contract liabilities		(347,806)	575,282	0
Increase/(decrease) in employee provisions		(377,283)	225,865	0
Non-operating grants, subsidies and contributions		(1,777,283)	(1,265,122)	(1,843,230)
<b>Net cash from operating activities</b>		3,987,673	7,633,230	7,076,882

**SIGNIFICANT 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 2 - 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 2021

4. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program							2020/21 Budget total	2019/20 Actual total	2019/20 Budget total
	Law, order, public safety	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>										
Buildings - non-specialised	0	300,000	3,000	4,283,398			300,000	4,886,398	1,835,954	3,019,133
Furniture and equipment	0	0		71,500		290,000	675,600	1,037,100	370,347	850,547
Plant and equipment	66,000	0	46,000	50,500	11,810		172,500	346,810	2,393,402	3,608,036
	66,000	300,000	49,000	4,405,398	11,810	290,000	1,148,100	6,270,308	4,599,703	7,477,716
<i>Infrastructure</i>										
Infrastructure - roads					2,884,844			2,884,844	2,087,817	3,230,661
Infrastructure - footpaths					595,000			595,000	255,037	1,086,000
Other infrastructure - car park development							130,000	130,000	170,153	240,000
Other infrastructure - parks development				290,000				290,000	1,603,167	2,054,000
Other infrastructure - drainage					190,000			190,000	133,087	160,000
Other infrastructure - right of way					75,000			75,000	167,987	75,000
Other infrastructure - others			35,000					35,000	80,506	452,000
	0	0	35,000	290,000	3,874,844	0	0	4,199,844	4,497,754	7,297,661
<b>Total acquisitions</b>	66,000	300,000	84,000	4,695,398	3,886,654	290,000	1,148,100	10,470,152	9,097,457	14,775,377

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

**SIGNIFICANT 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.



CITY OF VINCENT  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2021

4. FIXED ASSETS

(b) Disposals of Assets

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

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss	2019/20 Budget Net Book Value	2019/20 Budget Sale Proceeds	2019/20 Budget Profit	2019/20 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By Program</b>												
Law, order, public safety		0	0	0	29,177	60,100	30,923	0	11,698	51,499	39,801	0
Health		0	0	0	49,322	61,228	12,032	(126)	48,671	56,170	7,499	0
Education and welfare	11,390	13,300	1,910	0		0	0	0		0	0	0
Community amenities	22,431	23,300	1,328	(459)	18,880	34,201	15,321	0	3,305	9,500	6,195	0
Recreation and culture	62,980	53,400	3,264	(12,844)		0	0	0		0	0	0
Transport		0	0	0		0	0	0	15,269	14,500	0	(769)
Economic services		0	0	0	27,208	57,354	30,146	0	5,129	13,000	7,871	0
Other property and services		0	0	0	237,335	308,058	152,825	(82,102)	436,855	410,331	179,819	(206,343)
	96,801	90,000	6,502	(13,303)	361,922	520,941	241,247	(82,228)	520,927	555,000	241,185	(207,112)
<b>By Class</b>												
<i>Property, Plant and Equipment</i>												
Plant and equipment	96,801	90,000	6,502	(13,303)	361,922	520,941	241,247	(82,228)	520,927	555,000	241,185	(207,112)
	96,801	90,000	6,502	(13,303)	361,922	520,941	241,247	(82,228)	520,927	555,000	241,185	(207,112)

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

**SIGNIFICANT ACCOUNTING POLICIES**

**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 2021**

**5. ASSET DEPRECIATION**

**By Program**

Health
Education and welfare
Community amenities
Recreation and culture
Transport
Other property and services

**By Class**

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Other infrastructure - drainage
Other infrastructure - parks development
Other infrastructure - car park development
Other infrastructure - right of way
Other infrastructure - others
Right of use - furniture and equipment

2020/21 Budget	2019/20 Actual	2019/20 Budget
\$	\$	\$
54,437	49,902	50,479
252,076	231,071	251,447
124,143	113,798	150,283
5,845,514	5,342,672	5,472,122
4,525,720	4,166,149	4,382,730
1,073,889	885,377	884,726
<b>11,875,779</b>	<b>10,788,969</b>	<b>11,191,787</b>
4,491,267	4,118,983	3,988,247
312,646	278,098	430,030
1,187,593	1,086,299	1,099,617
2,947,104	2,701,512	2,911,479
711,619	652,317	653,345
238,547	218,668	239,935
862,456	790,571	912,628
276,268	253,246	218,069
205,467	188,345	208,982
525,062	481,305	529,455
117,750	19,625	0
<b>11,875,779</b>	<b>10,788,969</b>	<b>11,191,787</b>

**SIGNIFICANT 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 asset's 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:-

Buildings - non-specialised	30 to 75 years
Furniture and equipment	3 to 40 years
Plant and equipment	2.5 to 3.5 years
<u>Sealed Roads and Streets:</u>	
Subgrade Structure	1,000 to 10,000 years
Pavement Structure	20 to 120 years
Surface Structure	20 to 120 years
Infrastructure - footpaths	13 to 113 years
Surface Water Channels	50 years
Drainage Systems	120 years
<u>Car Parks Infrastructure:</u>	
Car Park Pavement	100 to 999 years
Car Park Seals	30 to 50 years
Car Park Other Infrastructure	20 to 60 years
<u>Parks Infrastructure:</u>	
Reticulation	20 years
Parks Other Infrastructure	3 to 80 years
Right of use - furniture and equipment	3 years

**AMORTISATION**

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

**CITY OF VINCENT**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**6. INFORMATION ON 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	Budget	Principal	Budget	Actual	Actual	Actual	Principal	Actual	Budget	Budget	Budget	Principal	Budget
				Principal 1 July 2020	Principal Repayments	outstanding 30 June 2021	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	outstanding 30 June 2020	Interest Repayments	Principal 1 July 2019	New Loans	Principal Repayments	outstanding 30 June 2020	Interest Repayments
246 Vincent Street DLGSC building	2B	WATC	1.4%	953,334	(94,342)	858,992	19,846	5,343,970	1,000,000	(5,390,636)	953,334	166,408	5,343,970	1,000,000	(5,379,051)	964,919	209,644
Loftus Centre Redevelopment	5	WATC	6.4%	1,509,639	(174,346)	1,335,293	101,159	1,673,285	0	(163,646)	1,509,639	93,551	1,673,285	0	(163,646)	1,509,639	112,905
Underground Car Park Loftus Rec	6	WATC	3.9%	556,623	(251,149)	305,474	20,754	798,302	0	(241,679)	556,623	31,718	798,302	0	(241,679)	556,623	31,718
Beatty Park Redevelopment	10	WATC	5.5%	5,784,798	(367,593)	5,417,205	346,938	6,132,799	0	(348,001)	5,784,798	320,722	6,132,799	0	(348,001)	5,784,798	368,791
				8,804,394	(887,430)	7,916,964	488,697	13,948,356	1,000,000	(6,143,962)	8,804,394	612,399	13,948,356	1,000,000	(6,132,377)	8,815,979	723,058

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.  
The self supporting loan(s) repayment will be fully reimbursed.

**(b) New borrowings - 2020/21**

The City does not intend to undertake any new borrowings for the year ended 30 June 2021.

**(c) Unspent borrowings**

The City had no unspent borrowing funds as at 30 June 2020 nor is it expected to have unspent borrowing funds as at 30 June 2021.

**(d) Credit Facilities**

	2020/21 Budget	2019/20 Actual	2019/20 Budget
	\$	\$	\$
<b>Loan facilities</b>			
Loan facilities in use at balance date	7,916,964	8,804,394	8,815,979

**SIGNIFICANT 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.

**CITY OF VINCENT  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2021**

**7. LEASE LIABILITIES**

Purpose	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal	2020/21 Budget Lease New	2020/21 Budget Lease Principal	2020/21 Budget Lease Interest	Actual Principal	2019/20 Actual Lease New	2019/20 Actual Lease Principal	Actual Lease Principal	2019/20 Actual Lease Interest	Budget Principal	2019/20 Budget Lease New	2019/20 Budget Lease Principal	Budget Lease Principal	2019/20 Budget Lease Interest
				1 July 2020	2020/21 Budget New Leases	30 June 2021	Repayments	1 July 2019	Leases	repayments	30 June 2020	repayments	1 July 2019	New Leases	repayments	30 June 2020	repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>																	
EMV Kit	MAIA Financials	1.6%	3	254,817	0	(91,377)	163,440	3,263	0	359,137	(104,320)	254,817	1,128	0	0	0	0
				254,817	0	(91,377)	163,440	3,263	0	359,137	(104,320)	254,817	1,128	0	0	0	0

**SIGNIFICANT 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.



**CITY OF VINCENT**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**8. CASH BACKED RESERVES**

**(a) Cash Backed Reserves - Movement**

	<b>2020/21 Budget Opening Balance</b>	<b>2020/21 Budget Transfer to</b>	<b>2020/21 Budget Transfer (from)</b>	<b>2020/21 Budget Closing Balance</b>	<b>2019/20 Actual Opening Balance</b>	<b>2019/20 Actual Transfer to</b>	<b>2019/20 Actual Transfer (from)</b>	<b>2019/20 Actual Closing Balance</b>	<b>2019/20 Budget Opening Balance</b>	<b>2019/20 Budget Transfer to</b>	<b>2019/20 Budget Transfer (from)</b>	<b>2019/20 Budget Closing Balance</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Asset Sustainability Reserve	5,295,417	245,341	(2,819,583)	2,721,175	4,135,364	1,534,402	(374,350)	5,295,416	4,198,844	106,956	(440,000)	3,865,800
(b) Beatty Park Leisure Centre Reserve	101,281	1,632		102,913	99,246	2,035	0	101,281	99,278	2,681	0	101,959
(c) Cash in Lieu Parking Reserve	1,926,742	31,052	(516,000)	1,441,794	1,867,959	58,783	0	1,926,742	1,846,678	95,878	(320,000)	1,622,556
(d) Hyde Park Lake Reserve	159,367	2,568		161,935	156,166	3,201	0	159,367	156,142	4,216	0	160,358
(e) Land and Building Acquisition Reserve	297,653	4,797		302,450	291,677	5,976	0	297,653	291,632	7,874	0	299,506
(f) Leederville Oval Reserve	94,178	1,518		95,696	164,016	60,162	(130,000)	94,178	163,981	2,672	(130,000)	36,653
(g) Loftus Community Centre Reserve	36,922	595		37,517	31,481	5,441	0	36,922	31,475	850	0	32,325
(h) Loftus Recreation Centre Reserve	172,850	54,450		227,300	118,291	54,559	0	172,850	117,941	3,184	0	121,125
(i) Office Building Reserve - 246 Vincent Street	401,432	6,470	(196,000)	211,902	421,187	8,426	(28,181)	401,432	445,105	9,318	(120,000)	334,423
(j) Parking Facility Reserve	105,672	1,703		107,375	103,550	2,122		105,672	103,535	2,795	0	106,330
(k) Percentage For Public Art Reserve	529,109	8,527	(525,600)	12,036	200,000	329,109		529,109	200,000	265,600	(200,000)	265,600
(l) Plant and Equipment Reserve	22,601	364		22,965	188,734	3,867	(170,000)	22,601	188,701	3,565	(170,000)	22,266
(m) Public Open Space reserve - Haynes Street	0	160,408		160,408	0			0	0	0	0	0
(n) State Gymnastics Centre Reserve	109,897	11,453		121,350	102,201	7,696		109,897	102,652	2,772	0	105,424
(o) Strategic Waste Management Reserve	997,361	16,073		1,013,434	21,965	975,396		997,361	21,962	510,718	0	532,680
(p) Tamala Park Land Sales Reserve	345,244	255,564		600,808	4,259,422	303,258	(4,217,436)	345,244	4,258,875	58,054	(4,217,436)	99,493
(q) Underground Power Reserve	210,180	3,387		213,567	205,961	4,219	0	210,180	205,930	5,560	0	211,490
(r) Waste Management Plant and Equipment Reserve	220,084	3,547		223,631	215,665	4,419	0	220,084	215,632	5,822	0	221,454
	<b>11,025,990</b>	<b>809,449</b>	<b>(4,057,183)</b>	<b>7,778,256</b>	<b>12,582,885</b>	<b>3,363,071</b>	<b>(4,919,967)</b>	<b>11,025,989</b>	<b>12,648,363</b>	<b>1,088,515</b>	<b>(5,597,436)</b>	<b>8,139,442</b>

**CITY OF VINCENT**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**8. CASH BACKED RESERVES (CONTINUED)**

(a) 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.
(b) 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.
(c) 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.
(d) Hyde Park Lake Reserve	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	To ensure that proceeds of real assets disposed of are restricted to purchase other land and buildings for civic purposes.
(f) Leederville Oval Reserve	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	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	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	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	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	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	For the purchase of replacement plant and equipment associated with City's works.
(m) Public Open Space reserve - Haynes Street	The purpose of this reserve is for the future development of POS at Haynes Street.
(n) 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.
(o) Strategic Waste Management Reserve	Investigation and implementation of integrated waste management strategies/programmes and initiatives, (including secondary waste treatment and costs associated with the redevelopment of Lot 118 Tamala Park).
(p) Tamala Park Land Sales Reserve	For future significant/major capital works, infrastructure, project or debt reduction programme for the benefit of the City.
(q) Underground Power Reserve	For the purpose of funding the City's contribution to approved underground power projects.
(r) Waste Management Plant and Equipment Reserve	For the purpose of replacing plant and equipment associated with the City's waste management, minimisation and recycling operations.

**CITY OF VINCENT**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**9. FEES & CHARGES REVENUE**

	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
	\$	\$	\$
Governance	0	798	1,000
General purpose funding	290,000	363,948	375,000
Law, order, public safety	247,000	235,649	125,950
Health	254,242	374,718	373,943
Education and welfare	65,465	86,291	94,598
Community amenities	758,506	928,871	1,122,845
Recreation and culture	4,132,700	7,213,161	9,084,843
Transport	4,071,894	6,282,462	8,052,177
Economic services	194,100	364,268	351,300
Other property and services	80,629	84,687	98,569
	<b>10,094,536</b>	<b>15,934,853</b>	<b>19,680,225</b>

**10. GRANT REVENUE**

	<b>Unspent grants, subsidies and contributions liability</b>				<b>Grants, subsidies and contributions revenue</b>			
	<b>Liability 1 July 2020</b>	<b>Increase in Liability</b>	<b>Liability Reduction (As revenue)</b>	<b>Total Liability 30 June 2021</b>	<b>Current Liability 30 June 2021</b>	<b>2020/21 Budget</b>	<b>2019/20 Actual</b>	<b>2019/20 Budget</b>
<b>By Program:</b>	\$	\$	\$	\$	\$	\$	\$	\$
<b>(a) Operating grants, subsidies and contributions</b>								
General purpose funding				0		575,000	1,185,135	530,000
Law, order, public safety				0		53,000	53,413	3,000
Health				0		3,500	4,648	1,500
Education and welfare	9,500		(9,500)	0		9,500	13,500	0
Community amenities	50,000		(50,000)	0		16,800	262,965	275,500
Recreation and culture				0		68,197	64,683	86,189
Transport				0		25,000	24,344	24,500
Economic services				0		2,200	1,989	2,000
Other property and services				0		41,459	41,712	24,700
	59,500	0	(59,500)	0	0	794,656	1,652,389	947,389
<b>(b) Non-operating grants, subsidies and contributions</b>								
Law, order, public safety				0		0	14,546	0
Recreation and culture	181,000	0	(181,000)	0		270,557	7,899	0
Transport	57,800	0	(57,800)	0		1,506,726	1,242,677	1,843,230
	238,800	0	(238,800)	0	0	1,777,283	1,265,122	1,843,230
<b>Total</b>	<b>298,300</b>	<b>0</b>	<b>(298,300)</b>	<b>0</b>	<b>0</b>	<b>2,571,939</b>	<b>2,917,511</b>	<b>2,790,619</b>

**(c) Unspent grants, subsidies and contributions were restricted as follows:**

	<b>Budget Closing Balance 30 June 2021</b>	<b>Actual Balance 30 June 2020</b>
Unspent grants, subsidies and contributions	0	298,300
	0	298,300

**CITY OF VINCENT**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**11. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Determination of transaction price</b>	<b>Allocating transaction price</b>	<b>Measuring obligations for returns</b>	<b>Revenue recognition</b>
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
Specified area rates	Rates charge for specific defined purpose	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
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 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 completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	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

**CITY OF VINCENT**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**11. REVENUE RECOGNITION (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Determination of transaction price</b>	<b>Allocating transaction price</b>	<b>Measuring obligations for returns</b>	<b>Revenue recognition</b>
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	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	Kiosk and Beatty Park retail stock	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

## 12. OTHER INFORMATION

### The net result includes as revenues

#### (a) Interest earnings

Investments			
- Reserve funds	180,205	294,826	278,688
- Other funds	230,000	223,297	420,000
Late payment of fees and charges	90,000	96,329	145,000
Other interest revenue (refer note 1b)	163,000	191,644	189,600
	663,205	806,096	1,033,288

#### (b) Other revenue

Reimbursements and recoveries	967,463	1,108,298	1,226,243
	967,463	1,108,298	1,226,243

### The net result includes as expenses

#### (c) Auditors remuneration

Audit services	70,000	68,000	30,000
Other services	5,000	4,500	0
	75,000	72,500	30,000

#### (d) Interest expenses (finance costs)

Interest expense on borrowings	(488,697)	(612,399)	(723,058)
Interest expense on lease liabilities	(3,263)	(1,128)	0
	(491,960)	(613,527)	(723,058)

#### (e) Elected members remuneration

Meeting fees	217,000	216,801	216,989
Mayor/President's allowance	64,000	63,354	63,354
Deputy Mayor/President's allowance	16,000	15,711	15,839
Travelling expenses	1,000	1,044	500
Telecommunications allowance	22,500	22,500	22,500
Childcare	5,000	5,155	6,000
	325,500	324,565	325,182

#### (f) Write offs

General rate	250,000	1,816	20,000
Fees and charges	109,000	145,000	0
	359,000	146,816	20,000

#### (g) Low Value lease expenses

Plant and Equipment	0	138,000	363,429
	0	138,000	363,429

## 13. INTERESTS IN JOINT ARRANGEMENTS

### 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.

### SIGNIFICANT ACCOUNTING POLICIES

#### INTERESTS IN JOINT ARRANGEMENTS

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City of Vincent's interests in the assets liabilities revenue and expenses of joint operations are included in the respective line items of the financial statements.



## 14. TRUST FUNDS

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

<b>Detail</b>	<b>Balance 30 June 2020</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2021</b>
	\$	\$	\$	\$
Leederville Gardens Inc Trust	4,973,996	104,610	0	5,078,606
	4,973,996	104,610	0	5,078,606

## 15. SIGNIFICANT ACCOUNTING POLICIES - OTHER INFORMATION

### 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.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of a 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.

### ROUNDING OFF FIGURES

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

### COMPARATIVE FIGURES

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

### 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.