



CITY OF VINCENT

BUDGET FINANCIALS



CITY OF VINCENT

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2023

LOCAL GOVERNMENT ACT 1995

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CITY'S VISION

To be a clever, creative and courageous local government.

CITY OF VINCENT
STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
Revenue				
Rates	2(a)	39,910,329	36,824,729	36,745,248
Operating grants, subsidies and contributions	11	1,067,601	1,966,114	810,383
Fees and charges	18	21,055,384	19,188,232	18,429,368
Interest earnings	12(a)	508,000	478,449	503,000
Other revenue	12(b)	1,139,329	1,354,510	1,133,174
		<u>63,680,643</u>	<u>59,812,034</u>	<u>57,621,173</u>
Expenses				
Employee costs		(28,802,780)	(27,481,744)	(26,837,830)
Materials and contracts		(21,707,562)	(28,774,833)	(26,701,661)
Utility charges		(1,800,499)	(1,736,771)	(1,603,890)
Depreciation on non-current assets	6	(12,865,818)	(11,782,960)	(14,068,923)
Interest expenses	12(d)	(540,835)	(430,593)	(553,948)
Insurance expenses		(647,958)	(561,732)	(604,121)
Other expenditure		(1,101,844)	(2,307,534)	(2,502,332)
		<u>(67,467,296)</u>	<u>(73,076,167)</u>	<u>(72,872,705)</u>
		(3,786,653)	(13,264,133)	(15,251,532)
Non-operating grants, subsidies and contributions	11	3,440,577	3,128,207	7,249,525
Profit on asset disposals	5(b)	729,188	140,765	1,061,943
Loss on asset disposals	5(b)	(516,540)	(111,583)	(5,222)
Share of profit or (loss) of associates accounted for using the equity method	16	1,848,288	(529,852)	833,333
		<u>5,501,513</u>	<u>2,627,537</u>	<u>9,139,579</u>
		(3,786,653)	(13,264,133)	(15,251,532)
Net result for the period		1,714,860	(10,636,596)	(6,111,953)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		1,714,860	(10,636,596)	(6,111,953)

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 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		39,910,329	36,824,729	36,745,248
Operating grants, subsidies and contributions		972,546	1,813,669	810,383
Fees and charges		21,055,384	19,188,232	18,429,368
Interest received		508,000	478,449	503,000
Other revenue		1,139,329	1,354,510	1,133,174
		63,585,588	59,659,589	57,621,173
Payments				
Employee costs		(28,402,780)	(27,481,744)	(25,887,830)
Materials and contracts		(21,523,101)	(29,331,750)	(24,701,661)
Utility charges		(1,790,499)	(1,746,771)	(1,453,890)
Interest expenses		(540,835)	(430,593)	(553,948)
Insurance paid		(647,958)	(561,732)	(604,121)
Other expenditure		(1,086,844)	(2,322,534)	(1,502,332)
		(53,992,017)	(61,875,124)	(54,703,782)
Net cash provided by (used in) operating activities	4	9,593,571	(2,215,535)	2,917,391
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(11,378,268)	(3,646,041)	(14,326,949)
Payments for construction of infrastructure	5(a)	(9,106,260)	(5,197,752)	(7,831,761)
Non-operating grants, subsidies and contributions		3,440,577	3,128,207	7,249,525
Proceeds from sale of property, plant and equipment	5(b)	1,948,000	219,358	1,302,832
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		(15,095,951)	(5,485,228)	(13,606,353)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(1,501,877)	(1,265,178)	(1,366,872)
Principal elements of lease payments	8	(70,602)	(92,839)	(92,839)
Proceeds from Joint Venture		1,666,666	833,334	833,333
Proceeds from new borrowings	7(a)	827,879	7,083,333	8,368,366
Net cash provided by (used in) financing activities		922,066	6,558,650	7,741,988
Net increase (decrease) in cash held		(4,580,314)	(1,142,113)	(2,946,974)
Cash at beginning of year		5,692,588	6,834,701	13,277,893
Cash and cash equivalents at the end of the year	4	1,112,274	5,692,588	10,330,919

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

CITY OF VINCENT
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 Budget	2021/22 Actual	2021/22 Budget
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	3(a)	5,657,084	6,125,327	5,166,974
		5,657,084	6,125,327	5,166,974
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions	11	1,067,601	1,966,114	810,383
Fees and charges	18	21,055,384	19,188,232	18,429,368
Interest earnings	12(a)	508,000	478,449	503,000
Other revenue	12(b)	1,139,329	1,354,510	1,133,174
Profit on asset disposals	5(b)	729,188	140,765	1,061,943
Profit on Assets Held for Sale (TPRC Joint Venture)		1,848,288	(529,852)	833,333
		26,347,790	22,598,218	22,771,201
Expenditure from operating activities				
Employee costs		(28,802,780)	(27,481,744)	(26,837,830)
Materials and contracts		(21,707,562)	(28,774,833)	(26,701,660)
Utility charges		(1,800,499)	(1,736,771)	(1,603,890)
Depreciation on non-current assets	6	(12,865,818)	(11,782,960)	(14,068,923)
Interest expenses	12(d)	(540,835)	(430,593)	(553,948)
Insurance expenses		(647,958)	(561,732)	(604,121)
Other expenditure		(1,101,844)	(2,307,534)	(2,502,332)
Loss on asset disposals	5(b)	(516,540)	(111,583)	(5,222)
		(67,983,836)	(73,187,750)	(72,877,926)
Non-cash amounts excluded from operating activities	3(b)	10,804,882	12,283,630	12,178,869
Amount attributable to operating activities		(25,174,080)	(32,180,575)	(32,760,882)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	11	3,440,577	3,128,207	7,249,525
Payments for property, plant and equipment	5(a)	(11,378,268)	(3,646,041)	(14,326,949)
Payments for construction of infrastructure	5(a)	(9,106,260)	(5,197,752)	(7,831,761)
Proceeds from disposal of assets	5(b)	1,948,000	219,358	1,302,832
Profit on Assets Held for Sale (TPRC Joint Venture)	16	1,666,666	833,333	833,333
Proceeds on disposal of financial assets at fair value through profit and loss		0	11,000	0
Amount attributable to investing activities		(13,429,285)	(4,651,895)	(12,773,020)
Amount attributable to investing activities		(13,429,285)	(4,651,895)	(12,773,020)
FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(1,501,877)	(1,265,178)	(1,366,872)
Principal elements of finance lease payments	8	(70,602)	(92,839)	(92,839)
Proceeds from new borrowings	7(a)	827,879	7,083,333	8,368,366
Transfers to cash backed reserves (restricted assets)	9(a)	(5,646,083)	(3,280,630)	(3,190,415)
Transfers from cash backed reserves (restricted assets)	9(a)	5,240,858	3,220,139	5,177,037
Amount attributable to financing activities		(1,149,824)	5,664,825	8,895,277
Budgeted deficiency before general rates		(39,753,189)	(31,167,645)	(36,638,625)
Estimated amount to be raised from general rates	2(a)	39,910,329	36,824,729	36,745,248
Net current assets at end of financial year - surplus/(deficit)	3(a)	157,140	5,657,084	106,623

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

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CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (a) BASIS OF PREPARATION

The annual 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 Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is 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 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.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

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 annual 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 17 to the annual budget.

2021/22 actual balances

Balances shown in this budget as 2021/22 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.

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 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

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 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

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

Rounding off figures

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

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (b) 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. Exclude 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.

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 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. Exclude 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
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

1 (c) 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.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

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 2023

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2022/23 Budgeted rate revenue	2022/23 Budgeted interim rates	2022/23 Budgeted back rates	2022/23 Budgeted total revenue	2021/22 Actual total revenue	2021/22 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$	\$
(i) Differential general rates or general rates										
Residential	GRV	0.085790	10,960	247,941,696	21,270,668	120,000	2,500	21,393,168	19,746,748	19,828,111
Vacant Residential	GRV	0.081911	190	4,661,900	381,861	12,000	2,500	396,361	336,946	354,712
Other	GRV	0.072286	1,619	126,584,280	9,150,271	130,000	11,000	9,291,271	8,514,738	8,379,858
Vacant Commercial	GRV	0.137911	42	2,633,150	363,140	0	0	363,140	337,037	312,447
Sub-Total			12,811	381,821,026	31,165,940	262,000	16,000	31,443,940	28,935,469	28,875,128
Minimum payment										
		\$								
Residential	GRV	1,335.32	6,108	77,492,372	8,156,135	6,000	1,000	8,163,135	7,582,737	7,633,391
Vacant Residential	GRV	1,180.00	186	1,967,340	219,480	7,000	2,000	228,480	227,228	183,690
Other	GRV	1,288.73	162	1,973,252	208,774	5,000	1,000	214,774	195,323	188,039
Vacant Commercial	GRV	1,631.65	0	0	0	0	0	0	0	0
Sub-Total			6,456	81,432,964	8,584,389	18,000	4,000	8,606,389	8,005,288	8,005,120
Total amount raised from general rates								40,050,329	36,940,757	36,880,248
								40,050,329	36,940,757	36,880,248
(ii) Specified area and ex gratia rates										
Concessions on specified area and ex gratia rates (Refer note 2(g))								(140,000)	(116,028)	(135,000)
Total specified area and ex gratia rates								(140,000)	(116,028)	(135,000)
Total rates								39,910,329	36,824,729	36,745,248

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 2022/23 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 2023

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	26/08/2022		0.0%	7.0%
Option two				
First instalment	26/08/2022		5.5%	7.0%
Second instalment	28/10/2022	8	5.5%	7.0%
Third instalment	6/01/2023	8	5.5%	7.0%
Fourth instalment	10/03/2023	8	5.5%	7.0%
Option three				
Rates Smoothing - Direct Debit	26/08/2022 - 26/05/2023		5.5%	7.0%

	2022/23 Budget revenue	2021/22 Actual revenue	2021/22 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	140,000	132,804	150,000
Instalment plan interest earned	185,000	183,366	170,000
Unpaid rates and service charge interest earned	123,000	139,730	133,000
	448,000	446,379	453,000

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
<u>Residential Category:</u>			
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.			
<u>Vacant - Residential Category:</u>			
The Vacant-Residential rate is imposed on vacant, inhabitable or undeveloped residential properties that are zoned Residential.			
The rate in the dollar is designed to promote development of these properties thereby stimulating growth and development in the community.			
<u>Vacant - Commercial Category:</u>			
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 160% 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.			
<u>Other – Commercial/Industrial:</u>			
The Other – Commercial/Industrial rate is imposed on non-residential properties that are used for commercial or industrial purposes and residential properties with multiple uses.			
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 for all Commercial/Industrial Improved property has been set at or about 85% of the general rate. A lower commercial and industrial rate has been designed to support local businesses which were significantly impacted by the COVID-19 pandemic.			

(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.

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Specified Area Rate

The City did not raise specified area rates for the year ended 30 June 2023.

(f) Service Charges

The City did not raise service charges for the year ended 30 June 2023.

(g) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	2022/23 Budget	2021/22 Actual	2021/22 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
Rate	Waiver	\$ 140,000	\$ 116,028	\$ 135,000	Various community groups	Waiver has been provided for not-for-profit organisations that have a community and/or sporting purpose
		140,000	116,028	135,000		

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

3. NET CURRENT ASSETS

	2022/23 Budget	2021/22 Actual	2021/22 Budget	
Note	\$	\$	\$	
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	500,000	1,500,000	835,224
Cash and cash equivalents - restricted	4	612,274	4,192,588	9,495,695
Financial assets - unrestricted	4	6,625,147	7,030,370	0
Financial assets - restricted	4	12,397,174	11,991,951	0
Receivables		3,115,506	3,078,011	4,058,272
Inventories		220,858	214,494	199,250
		23,470,959	28,007,414	14,588,441
Less: current liabilities				
Trade and other payables		(6,865,671)	(6,649,845)	(1,346,451)
Lease liabilities	8	0	(70,602)	(92,839)
Long term borrowings	7	(1,607,889)	(1,501,877)	(1,631,739)
Employee provisions		(5,259,725)	(4,859,725)	(4,629,184)
		(13,733,285)	(13,082,048)	(7,700,213)
Net current assets		9,737,674	14,925,366	6,888,228
Less: Total adjustments to net current assets	3(c)	(9,580,534)	(9,268,282)	(6,781,604)
Net current assets used in the Rate Setting Statement		157,140	5,657,084	106,623

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

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

	2022/23 Budget	2021/22 Actual	2021/22 Budget	
Note	\$	\$	\$	
Adjustments to operating activities				
Less: Profit on asset disposals	5(b)	(729,188)	(140,765)	(1,061,943)
Add: Loss on disposal of assets	5(b)	516,540	111,583	5,222
Add: Depreciation on assets	6	12,865,818	11,782,960	14,068,923
Less: Profit on Assets Held for Sale (TPRC Joint Venture)		(1,848,288)	529,852	(833,333)
Non cash amounts excluded from operating activities		10,804,882	12,283,630	12,178,869

(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 - restricted reserves	9	(12,397,174)	(11,991,951)	(9,495,695)
Less: Shares transferred from non current to current asset		0	0	(11,000)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		1,607,889	1,501,876	1,631,739
- Current portion of lease liabilities		0	70,602	92,839
- Infringement debtor transferred to non current asset		1,208,751	1,151,191	1,000,513
Total adjustments to net current assets		(9,580,534)	(9,268,282)	(6,781,604)

3 (d) NET CURRENT ASSETS

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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 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.

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 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.

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.

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.

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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 statement of financial position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

CITY OF VINCENT
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2023

4. RECONCILIATION OF CASH

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

Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Cash at bank and on hand	292,246	1,749,020	1,672,162
Term deposits	820,028	3,943,568	8,658,757
Total cash and cash equivalents	1,112,274	5,692,588	10,330,919
Held as			
- Unrestricted cash and cash equivalents	3(a) 500,000	1,500,000	835,224
- Restricted cash and cash equivalents	3(a) 612,274	4,192,588	9,495,695
	1,112,274	5,692,588	10,330,919
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	9 612,274	4,192,588	9,495,695
- Unrestricted financial assets at amortised cost - term deposits	3(a) 6,625,147	7,030,370	0
- Restricted financial assets at amortised cost - term deposits	3(a) 12,397,174	11,991,951	0
	19,634,595	23,214,909	9,495,695
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Financially backed reserves	9 12,397,174	11,991,951	9,495,695
	12,397,174	11,991,951	9,495,695
Reconciliation of net cash provided by operating activities to net result			
Net result	1,714,860	(10,636,595)	(6,111,953)
Depreciation	6 12,865,818	11,782,960	14,068,923
(Profit)/loss on sale of asset	5(b) (212,648)	(29,182)	(1,056,721)
Share of profit or (loss) of associates accounted for using the equity method	(1,848,288)	529,852	(833,333)
(Increase)/decrease in receivables	(95,055)	(228,354)	4,116,723
(Increase)/decrease in inventories	(6,363)	(18,913)	0
Increase/(decrease) in payables	215,824	(487,095)	(103,508)
Increase/(decrease) in contract liabilities	0	0	(355,700)
Increase/(decrease) in employee provisions	400,000	0	442,485
Non-operating grants, subsidies and contributions	(3,440,577)	(3,128,207)	(7,249,525)
Net cash from operating activities	9,593,571	(2,215,534)	2,917,391

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 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 2023

5. FIXED ASSETS

(a) Acquisition of Assets

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

Asset class	Reporting program								2022/23 Budget total	2021/22 Actual total	2021/22 Budget total
	Law, order, public safety	Health	Education and welfare	Community amenities	Recreation and culture	Transport	Economic services	Other property and services			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<i>Property, Plant and Equipment</i>											
Buildings - non-specialised	505,000	0	110,950	423,700	6,199,401	0	0	45,000	7,284,051	2,585,384	9,328,220
Furniture and equipment	0	0	0	0	0	0	672,338	0	672,338	684,211	2,007,673
Plant and equipment	253,000	25,000	0	215,000	1,234,879	100,000	58,000	1,536,000	3,421,879	376,445	2,991,056
	758,000	25,000	110,950	638,700	7,434,280	100,000	730,338	1,581,000	11,378,268	3,646,041	14,326,949
<i>Infrastructure</i>											
Infrastructure - roads	0	0	0	0	0	3,850,638	0	0	3,850,638	3,081,592	3,557,938
Infrastructure - footpaths	0	0	0	0	0	648,500	0	0	648,500	302,307	870,444
Infrastructure - drainage	0	0	0	0	0	338,095	0	0	338,095	174,560	253,635
Infrastructure - Parks and Reserves	0	0	0	0	3,073,452	75,000	0	0	3,148,452	1,239,803	2,509,444
Other Infrastructure	0	0	0	75,000	280,000	339,900	0	0	694,900	130,332	85,000
Infrastructure - Car Park Developme	0	0	0	0	0	275,675	0	0	275,675	158,377	555,300
Infrastructure - Right of Way	0	0	0	0	0	150,000	0	0	150,000	110,781	0
	0	0	0	75,000	3,353,452	5,677,808	0	0	9,106,260	5,197,752	7,831,761
Total acquisitions	758,000	25,000	110,950	713,700	10,787,732	5,777,808	730,338	1,581,000	20,484,528	8,843,793	22,158,710

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

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 2023

5. FIXED ASSETS

(b) Disposals of Assets

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

	2022/23 Budget Net Book Value	2022/23 Budget Sale Proceeds	2022/23 Budget Profit	2022/23 Budget Loss	2021/22 Actual Net Book Value	2021/22 Actual Sale Proceeds	2021/22 Actual Profit	2021/22 Actual Loss	2021/22 Budget Net Book Value	2021/22 Budget Sale Proceeds	2021/22 Budget Profit	2021/22 Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By Program												
Governance	0	0	0	0	20,285	38,007	17,722	0	23,250	30,000	6,750	0
Law, order, public safety	104,673	200,979	96,306	0	9,977	23,457	13,480	0	25,188	835,499	810,311	0
Health	463,650	110,000	66,501	(420,151)	0	0	0	0	0	0	0	0
Education and welfare	843,000	900,000	57,000	0	11,130	23,456	12,326	0	13,562	20,000	6,438	0
Community amenities	39,585	94,000	54,415	0	8,253	25,279	17,026	0	9,500	18,000	8,500	0
Recreation and culture	25,906	118,000	92,094	0	0	0	0	0	12,236	30,000	17,764	0
Transport	0	0	0	0	0	0	0	0	1	1	0	0
Economic services	11,989	11,989	0	0	10,690	23,689	12,999	0	11,625	18,000	6,375	0
Other property and services	246,549	513,032	362,872	(96,389)	129,840	85,469	67,212	(111,583)	150,749	351,332	205,805	(5,222)
	1,735,352	1,948,000	729,188	(516,540)	190,176	219,358	140,765	(111,583)	246,111	1,302,832	1,061,943	(5,222)
By Class												
<i>Property, Plant and Equipment</i>												
Land - freehold land	843,000	900,000	57,000	0	0	0	0	0	1	800,000	799,999	0
Buildings - non-specialised	420,151	0	0	(420,151)	0	0	0	0	0	0	0	0
Plant and equipment	472,201	1,048,000	672,188	(96,389)	190,176	219,358	140,765	(111,583)	246,110	502,832	261,944	(5,222)
	1,735,352	1,948,000	729,188	(516,540)	190,176	219,358	140,765	(111,583)	246,111	1,302,832	1,061,943	(5,222)

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

- Staff housing program
- Plant replacement program

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 2023

6. 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
 Infrastructure - drainage
 Other Infrastructure
 Infrastructure - Car Park Development
 Infrastructure - Parks Development
 Infrastructure - Right of Way
 Right of use - furniture and fittings

2022/23 Budget	2021/22 Actual	2021/22 Budget
\$	\$	\$
53,327	52,812	258,886
282,372	282,017	481,099
164,310	162,626	1,663,660
5,568,524	5,330,788	5,486,688
5,008,619	4,894,349	4,651,371
1,788,666	1,060,368	1,527,219
12,865,818	11,782,960	14,068,923
4,388,633	4,303,830	6,399,998
656,507	170,329	236,604
1,513,211	1,268,449	1,506,348
3,154,254	3,101,175	3,055,776
762,794	727,192	719,451
242,349	241,124	240,443
607,181	568,577	373,946
254,944	241,639	246,851
956,387	832,478	961,502
209,845	208,456	208,292
119,712	119,712	119,712
12,865,818	11,782,960	14,068,923

SIGNIFICANT ACCOUNTING POLICIES

DEPRECIATION

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

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

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation rates

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

Asset Class	Useful life
Buildings	34 to 80 years
Furniture and equipment	1 to 20 years
Plant and equipment	1 to 30 years
Sealed roads and streets	
Subgrade structure	not depreciated
Formation	not depreciated
Pavement	60 to 100 years
Seal	
- bituminous seals	20 years
- asphalt surfaces	30 years

DEPRECIATION RATES (CONTINUED)

Asset Class	Useful life
Footpaths	5 to 50 years
Water supply and Drainage systems	30 to 120 years
Car park infrastructure	
Subgrade structure	not depreciated
Other infrastructure	10 to 60 years
Parks infrastructure	
Reticulation	10 - 30 years
Parks other infrastructure	3 to 80 years
Right of use Asset (plant and equipment)	3 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 2023

7. 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	2022/23	2022/23	Budget	2022/23	Actual	2021/22	2021/22	Actual	2021/22	Budget	2021/22	2021/22	Budget	2021/22	
				Principal 1 July 2022	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2023	Budget Interest Repayments		Principal 1 July 2021	Actual New Loans	Actual Principal Repayments	Principal outstanding 30 June 2022	Actual Interest Repayments	Principal 1 July 2021	Budget New Loans	Budget Principal Repayments	Principal outstanding 30 June 2022	Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture																			
246 Vincent Street DLGSC building	2B	WATC	1.4%	763,287	0	(97,089)	666,198	(15,763)	858,992	0	(95,706)	763,287	(12,026)	858,992	0	(95,706)	763,287	(17,819)	
Loftus Centre Redevelopment	5	WATC	6.4%	1,149,549	0	(197,889)	951,661	(75,380)	1,335,294	0	(185,745)	1,149,549	(79,447)	1,335,294	0	(185,745)	1,149,549	(88,677)	
Underground Car Park Loftus Rec	6B	WATC	3.9%	44,483	0	(44,483)	0	(327)	305,474	0	(260,991)	44,483	(7,187)	305,474	0	(260,991)	44,483	(9,372)	
Beatty Park Redevelopment	10	WATC	5.5%	5,028,914	0	(410,152)	4,618,762	(299,706)	5,417,205	0	(388,291)	5,028,914	(287,731)	5,417,205	0	(388,291)	5,028,914	(323,967)	
Strength Equipment- BPLC	12	WATC	4.3%	0	389,169	(45,079)	344,090	(10,894)	0	0	0	0	0	0	460,468	(32,933)	427,535	(3,978)	
Cardio Equipment- BPLC	13	WATC	4.5%	0	438,710	(32,273)	406,437	(12,383)	0	0	0	0	0	0	407,898	(56,766)	351,132	(3,661)	
				0			0		0			0		0			0		
				6,986,233	827,879	(826,965)	6,987,147	(414,453)	7,916,965	0	(930,732)	6,986,233	(386,391)	7,916,965	868,366	(1,020,431)	7,764,900	(447,474)	
Community amenities																			
Resource Recovery Facility	14	WATC	1.3%	6,748,886	0	(674,912)	6,073,974	(126,005)	0	7,083,333	(334,447)	6,748,886	(42,401)	0	7,500,000	(346,441)	7,153,559	(104,673)	
				6,748,886	0	(674,912)	6,073,974	(126,005)	0	7,083,333	(334,447)	6,748,886	(42,401)	0	7,500,000	(346,441)	7,153,559	(104,673)	
				13,735,119	827,879	(1,501,877)	13,061,121	(540,457)	7,916,965	7,083,333	(1,265,178)	13,735,119	(428,792)	7,916,965	8,368,366	(1,366,872)	14,918,459	(552,147)	

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 2023

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2022/23

New borrowings for 2022/23 is as per note 7(a).

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30 June 2022 nor is it expected to have unspent borrowing funds as at 30 June 2023.

(d) Credit Facilities

**Undrawn borrowing facilities
credit standby arrangements**

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities in use at balance date

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Credit card limit	60,000	60,000	50,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	60,000	60,000	50,000
Loan facilities			
Loan facilities in use at balance date	13,061,121	13,735,119	14,918,459

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 2023

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease	2022/23 Budget	Budget Lease	2022/23 Budget	Actual Principal	2021/22 Actual	Actual Lease	Actual Lease	2021/22 Actual	Budget Principal	2021/22 Budget	Budget Lease	Budget Lease	2021/22 Budget	2021/22 Budget
					Principal 1 July 2022	New Leases	Principal outstanding 30 June 2023	Lease Interest Repayments		Principal 1 July 2021	New Leases	Principal repayments	Principal outstanding 30 June 2022	Lease Interest repayments	Principal 1 July 2021	New Leases	Principal repayments	Principal outstanding 30 June 2022	Lease Interest repayments
Governance					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EMV Kit		MAIA Financials	1.6%	3	70,602	0	(70,602)	0	(378)	163,440	0	(92,839)	70,602	(1,801)	163,440	0	(92,839)	70,601	(1,801)
					70,602	0	(70,602)	0	(378)	163,440	0	(92,839)	70,602	(1,801)	163,440	0	(92,839)	70,601	(1,801)

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.

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 2023

9. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	
	Budget	2022/23	Budget	Actual	2021/22	Actual	Actual	Budget	2021/22	Budget	2021/22	
	Opening	Budget	Transfer	Opening	Actual	Transfer	Closing	Opening	Budget	Transfer	Budget	
	Balance	Transfer to	(from)	Balance	Transfer to	(from)	Balance	Balance	Transfer to	(from)	Closing	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
(a) Asset Sustainability Reserve	5,572,478	2,238,552	(3,041,900)	4,769,130	5,749,402	1,635,588	(1,812,512)	5,572,478	5,890,677	746,664	(2,726,156)	3,911,185
(b) Beatty Park Leisure Centre Reserve	102,681	201,648	(100,000)	204,329	102,096	585	0	102,681	102,048	789	0	102,837
(c) Cash in Lieu Parking Reserve	1,429,508	4,359	(893,500)	540,367	1,611,564	8,842	(190,898)	1,429,508	1,540,735	11,914	(441,000)	1,111,649
(d) Hyde Park Lake Reserve	166,906	1,357	0	168,263	160,649	6,257	0	166,906	160,575	1,242	0	161,817
(e) Land and Building Acquisition Reserve	301,005	2,448	0	303,453	300,049	956	0	301,005	299,910	2,319	0	302,229
(f) Leederville Oval Reserve	95,952	536	(30,000)	66,488	94,885	1,067	0	95,952	94,840	733	0	95,573
(g) Loftus Community Centre Reserve	37,581	101,119	0	138,700	37,219	362	0	37,581	37,204	288	0	37,492
(h) Loftus Recreation Centre Reserve	221,069	61,879	(50,000)	232,948	220,496	60,173	(59,600)	221,069	224,595	61,195	0	285,790
(i) Office Building Reserve - 246 Vincent Street	227,895	59	(220,675)	7,279	311,925	920	(84,950)	227,895	288,445	2,230	(290,675)	0
(j) Parking Facility Reserve	106,956	870	0	107,826	106,521	435	0	106,956	106,473	823	0	107,296
(k) Percentage For Public Art Reserve	335,655	16	(333,700)	1,971	401,577	1,278	(67,200)	335,655	401,299	3,103	(374,227)	30,175
(l) Plant and Equipment Reserve	83	0	(83)	0	22,680	70	(22,667)	83	22,667	175	(22,667)	175
(m) POS reserve - General	653,071	911,084	(190,000)	1,374,155	0	653,071	0	653,071	0	1,461,333	(190,000)	1,271,333
(n) POS reserve - Haynes Street	196,927	39,699	(150,000)	86,626	159,265	37,662	0	196,927	159,194	36,476	(150,000)	45,670
(o) State Gymnastics Centre Reserve	130,952	13,040	(15,000)	128,992	119,423	11,529	0	130,952	120,783	12,078	0	132,861
(p) Strategic Waste Management Reserve	45,899	373	0	46,272	1,006,113	22,098	(982,312)	45,899	1,005,650	7,776	(982,312)	31,114
(q) Tamala Park Land Sales Reserve	1,929,100	1,275,852	0	3,204,952	1,093,870	835,230	0	1,929,100	593,697	837,924	0	1,431,621
(r) Underground Power Reserve	215,105	791,376	(216,000)	790,481	211,870	3,235	0	215,105	211,773	1,638	0	213,411
(s) Waste Management Plant and Equipment Reserve	223,128	1,814	0	224,942	221,856	1,272	0	223,128	221,752	1,715	0	223,467
	11,991,951	5,646,083	(5,240,858)	12,397,174	11,931,460	3,280,630	(3,220,139)	11,991,951	11,482,317	3,190,415	(5,177,037)	9,495,695

CITY OF VINCENT
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FOR THE YEAR ENDED 30 JUNE 2023

9. CASH BACKED RESERVES (CONTINUED)

(b) Cash Backed Reserves - 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	Purpose of the reserve
(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 - General	The purpose of this reserve is for the future development of public open space in the City.
(n) Public Open Space reserve - Haynes Street	The purpose of this reserve is for the future development of POS at Haynes Street.
(o) 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.
(p) 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).
(q) Tamala Park Land Sales Reserve	For future significant/major capital works, infrastructure, project or debt reduction programme for the benefit of the City.
(r) Underground Power Reserve	For the purpose of funding the City's contribution to approved underground power projects.
(s) 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 2023

10. 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:								
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	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
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 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 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

11. PROGRAM INFORMATION

Income and expenses	2022/23 Budget	2021/22 Actual	2021/22 Budget
Income excluding grants, subsidies and contributions	\$	\$	\$
Governance	66,500	61,864	57,050
General purpose funding	40,726,329	37,686,718	37,581,248
Law, order, public safety	317,306	250,701	1,047,261
Health	346,605	397,891	333,242
Education and welfare	187,317	149,574	136,370
Community amenities	707,273	818,408	592,365
Recreation and culture	10,194,207	9,457,803	9,231,055
Transport	9,606,871	8,351,600	8,168,712
Economic services	508,450	257,331	278,625
Other property and services	2,529,660	554,795	1,280,138
	65,190,518	57,986,685	58,706,066
Operating grants, subsidies and contributions			
General purpose funding	763,848	1,707,552	570,000
Law, order, public safety	50,000	0	52,800
Health	60,919	1,266	3,300
Education and welfare	0	0	2,000
Community amenities	45,994	107,242	14,600
Recreation and culture	112,685	116,340	102,883
Transport	0	0	24,500
Economic services	1,385	709	1,800
Other property and services	32,770	33,005	38,500
	1,067,601	1,966,114	810,383
Non-operating grants, subsidies and contributions			
Education and welfare	110,950	73,209	0
Community amenities	0	449,128	188,420
Recreation and culture	1,822,573	1,317,376	4,878,413
Transport	1,507,054	1,288,494	1,852,692
Other property and services	0	0	330,000
	3,440,577	3,128,207	7,249,525
Total Income	69,698,696	63,081,006	66,765,974
Expenses			
Governance	(3,341,981)	(2,927,349)	(3,193,338)
General purpose funding	(887,829)	(606,190)	(716,799)
Law, order, public safety	(4,829,171)	(4,327,281)	(1,689,011)
Health	(2,188,227)	(1,545,248)	(1,768,032)
Education and welfare	(441,371)	(423,400)	(390,264)
Community amenities	(17,048,417)	(26,449,884)	(22,671,839)
Recreation and culture	(25,926,147)	(24,948,410)	(23,926,933)
Transport	(9,586,575)	(9,278,024)	(15,294,339)
Economic services	(796,660)	(613,733)	(660,253)
Other property and services	(2,937,458)	(2,598,083)	(2,567,119)
Total expenses	(67,983,836)	(73,717,602)	(72,877,927)
Net result for the period	1,714,860	(10,636,596)	(6,111,953)

12. OTHER INFORMATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	100,000	61,188	100,000
- Other funds	100,000	98,080	100,000
Late payment of fees and charges *	120,000	135,741	130,000
Other interest revenue (refer note 1b)	188,000	183,440	173,000
	508,000	478,449	503,000
* 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	1,139,329	1,354,510	1,133,174
	1,139,329	1,354,510	1,133,174
The net result includes as expenses			
(c) Auditors remuneration			
Audit services	85,000	67,400	85,000
Other services	5,000	5,000	5,000
	90,000	72,400	90,000
(d) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	540,457	428,792	552,147
Interest expense on lease liabilities	378	1,801	1,801
	540,835	430,593	553,948
(e) Write offs			
General rate	140,000	116,028	135,000
	140,000	116,028	135,000

CITY OF VINCENT
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FOR THE YEAR ENDED 30 JUNE 2023

13. ELECTED MEMBERS REMUNERATION

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Mayor Emma Cole			
Mayor's allowance	66,000	63,354	64,000
Meeting attendance fees	35,400	31,149	34,258
Child care expenses	445	0	222
Other expenses	55	22	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	55	56
	104,511	97,080	101,091
Deputy Mayor Susan Gontaszewsk			
Deputy Mayor's allowance	16,500	15,838	16,000
Meeting attendance fees	23,595	23,230	22,842
Child care expenses	445	0	222
Other expenses	56	22	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	55	56
	43,207	41,645	41,675
Cr Ron Alexander			
Meeting attendance fees	23,595	16,486	22,842
Child care expenses	445	0	222
Other expenses	56	22	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	55	56
	26,707	19,063	25,675
Cr Suzanne Worner			
Meeting attendance fees	23,595	16,486	22,842
Child care expenses	445	0	222
Other expenses	56	22	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	55	56
	26,707	19,063	25,675
Cr Dan Loden			
Meeting attendance fees	23,595	23,230	22,842
Child care expenses	444	833	222
Other expenses	56	22	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	55	56
	26,706	26,640	25,675
Cr Jonathan Hallett			
Meeting attendance fees	23,595	23,230	22,842
Child care expenses	444	0	222
Other expenses	56	22	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	55	56
	26,706	25,807	25,675
Cr Ashley Wallace			
Meeting attendance fees	23,595	23,230	22,842
Child care expenses	444	0	222
Other expenses	55	21	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	55	56
	26,705	25,806	25,675
Cr Ross Ioppolo			
Meeting attendance fees	23,595	16,486	22,842
Child care expenses	444	0	222
Other expenses	55	21	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	111	54	56
	26,705	19,061	25,675
Cr Alex Castle			
Meeting attendance fees	23,595	23,230	22,842
Child care expenses	444	0	222
Other expenses	55	21	56
ICT expenses	2,500	2,500	2,500
Travel and accommodation expenses	112	54	56
	26,706	25,805	25,675
Sally Smith			
Meeting attendance fees	0	6,744	0
	0	6,744	0
J Topelberg			
Meeting attendance fees	0	6,744	0
	0	6,744	0
J Fotakis			
Meeting attendance fees	0	7,119	0
	0	7,119	0
Total Elected Member Remuneration	334,660	320,577	322,500
Mayor's allowance	66,000	63,354	64,000
Deputy Mayor's allowance	16,500	15,838	16,000
Meeting attendance fees	224,160	217,364	217,000
Child care expenses	4,000	833	2,000
Other expenses	500	195	500
ICT expenses	22,500	22,500	22,500
Travel and accommodation expenses	1,000	493	500
	334,660	320,577	322,500

14. MAJOR LAND TRANSACTIONS

Sale of Carpark at 25 Sydney Street

(a) Current year transactions

Note	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
Capital revenue			
Sale of Land	900,000	0	800,000
	900,000	0	800,000

(b) Expected future cash flows

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	\$	\$	\$	\$	\$	\$
Cash Inflows						
Sale of Land	900,000					900,000
	900,000	0	0	0	0	900,000
Net cash flows	900,000	0	0	0	0	900,000

15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated that any trading undertakings or major trading undertakings will occur in 2022-23

16. INVESTMENT IN ASSOCIATES

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

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.

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 30 June 2022	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2023
	\$	\$	\$	\$
Leederville Gardens Inc Trust	3,731,838	25,621	0	3,757,459
	3,731,838	25,621	0	3,757,459

18. FEES AND CHARGES

	2022/23 Budget	2021/22 Actual	2021/22 Budget
	\$	\$	\$
By Program:			
Governance	16,300	22,716	300
General purpose funding	298,000	363,034	303,000
Law, order, public safety	221,000	237,194	236,950
Health	277,480	394,659	329,340
Education and welfare	100,239	100,255	92,750
Community amenities	636,790	759,415	582,865
Recreation and culture	9,306,004	8,626,113	8,394,311
Transport	9,606,371	8,350,934	8,135,852
Economic services	500,700	240,355	269,500
Other property and services	92,500	93,557	84,500
	21,055,384	19,188,232	18,429,368

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