



2023-24
Annual
Financial Statement

CITY OF SUBIACO
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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

The City of Subiaco is a unique, popular and welcoming place. The City celebrates its rich history, while embracing the diversity and vitality of the present. The parks, public spaces, events and recreational opportunities are easily accessible and promote a healthy and happy lifestyle for all. There is a diverse range of local businesses and entertainment that contribute to a lively atmosphere. The City faces the challenges of the future with strong leadership, an innovative approach and an emphasis on community values and voices. Sustainability is at the core of the community and underpins the City's operations.

Principal place of business:
Level 2, 388 Hay Street
Subiaco WA 6008

**CITY OF SUBIACO
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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

STATEMENT BY CEO

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

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

Signed on the 12th day of November 2024



CEO

Colin Cameron

Name of CEO

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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a)	26,044,537	26,723,368	25,641,873
Grants, subsidies and contributions	2(a)	888,038	643,880	1,000,264
Fees and charges	2(a)	19,148,382	18,374,059	18,571,341
Interest revenue	2(a)	3,850,547	2,178,100	2,465,453
Other revenue	2(a)	3,448,129	1,095,740	1,460,622
		53,379,633	49,015,147	49,139,553
Expenses				
Employee costs	2(b)	(24,379,757)	(24,602,150)	(21,240,262)
Materials and contracts		(14,671,701)	(17,544,970)	(12,918,376)
Utility charges		(822,940)	(924,080)	(899,600)
Depreciation		(9,851,583)	(6,214,960)	(8,379,115)
Finance costs		(361,651)	(294,270)	(352,582)
Insurance		(597,147)	(515,000)	(555,446)
Other expenditure	2(b)	(1,238,602)	(1,617,010)	(1,721,695)
		(51,923,381)	(51,712,440)	(46,067,076)
		1,456,252	(2,697,293)	3,072,477
Capital grants, subsidies and contributions	2(a)	1,396,078	2,400,855	1,148,116
Profit on asset disposals		137,607	92,590	99,470
Loss on asset disposals		(89,375)	(119,910)	(6,828)
Fair value adjustments to financial assets at fair value through profit or loss		7,594	0	0
Fair value adjustments to investment property	12	3,285,178	0	(15,201,574)
Share of net profit of associates accounted for using the equity method	21(c)	88,434	0	120,879
Contribution for development of infrastructure	9(a)	265,351	0	415,222
		5,090,867	2,373,535	(13,424,715)
Net result for the period	25(b)	6,547,119	(323,758)	(10,352,238)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	5,053,497	0	38,587,882
Share of other comprehensive income of associates accounted for using the equity method	17, 21(b)	7,500	0	0
Total other comprehensive income for the period	17	5,060,997	0	38,587,882
Total comprehensive income for the period		11,608,116	(323,758)	28,235,644

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

CITY OF SUBIACO
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024	2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	74,055,061	73,626,849
Trade and other receivables	5	2,157,528	1,950,973
Other financial assets	4(a)	107,594	0
Inventories	6	4,932	6,369
Other assets	7	568,166	1,051,779
Assets classified as held for sale	7	12,775,760	9,784,000
TOTAL CURRENT ASSETS		89,669,041	86,419,970
NON-CURRENT ASSETS			
Trade and other receivables	5	111,075	106,209
Investment in associate	21(a)	1,352,992	1,257,040
Property, plant and equipment	8	132,052,629	130,072,500
Infrastructure	9	174,668,562	171,955,965
Right-of-use assets	11(a)	1,734,891	2,331,849
Investment property	12	127,307,638	123,932,500
TOTAL NON-CURRENT ASSETS		437,227,787	429,656,063
TOTAL ASSETS		526,896,828	516,076,033
CURRENT LIABILITIES			
Trade and other payables	13	3,770,873	3,838,718
Other liabilities	14	228,424	148,750
Lease liabilities	11(b)	680,707	706,266
Borrowings	15	570,469	522,984
Employee related provisions	16	3,836,865	3,609,584
TOTAL CURRENT LIABILITIES		9,087,338	8,826,302
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	1,099,314	1,650,902
Borrowings	15	4,534,422	5,080,371
Employee related provisions	16	396,304	347,142
TOTAL NON-CURRENT LIABILITIES		6,030,040	7,078,415
TOTAL LIABILITIES		15,117,378	15,904,717
NET ASSETS		511,779,450	500,171,316
EQUITY			
Retained surplus		217,102,669	212,157,880
Reserve accounts	29	66,423,727	64,821,397
Revaluation surplus	17	228,253,054	223,192,057
TOTAL EQUITY		511,779,450	500,171,334

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

**CITY OF SUBIACO
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2022		227,457,367	59,874,148	184,604,175	471,935,690
Comprehensive income for the period					
Net result for the period		(10,352,238)	0	0	(10,352,238)
Other comprehensive income for the period	17	0	0	38,587,882	38,587,882
Total comprehensive income for the period		(10,352,238)	0	38,587,882	28,235,644
Transfers from reserve accounts	29	10,071,070	(10,071,070)	0	0
Transfers to reserve accounts	29	(15,018,319)	15,018,319	0	0
Balance as at 30 June 2023		212,157,880	64,821,397	223,192,057	500,171,334
Comprehensive income for the period					
Net result for the period		6,547,119	0	0	6,547,119
Other comprehensive income for the period	17	0	0	5,060,997	5,060,997
Total comprehensive income for the period		6,547,119	0	5,060,997	11,608,116
Transfers from reserve accounts	29	10,976,501	(10,976,501)	0	0
Transfers to reserve accounts	29	(12,578,831)	12,578,831	0	0
Balance as at 30 June 2024		217,102,669	66,423,727	228,253,054	511,779,450

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

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

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		26,283,161	25,688,709
Grants, subsidies and contributions		375,163	724,635
Fees and charges		19,195,773	18,828,792
Interest revenue		3,850,547	2,465,453
Net goods and services tax received / (paid)		1,506,707	30,949
Other revenue		3,448,129	1,460,622
		<u>54,659,480</u>	<u>49,199,160</u>
Payments			
Employee costs		(23,913,333)	(21,287,217)
Materials and contracts		(14,433,571)	(13,859,335)
Utility charges		(822,940)	(899,600)
Finance costs		(361,651)	(352,582)
Insurance paid		(597,147)	(555,446)
Goods and services tax paid		(1,422,500)	0
Other expenditure		(1,238,602)	(1,721,695)
		<u>(42,789,744)</u>	<u>(38,675,875)</u>
Net cash provided by operating activities	18(b)	11,869,736	10,523,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost		(100,000)	0
Payments for purchase of property, plant & equipment	8(a)	(3,453,893)	(1,678,929)
Payments for construction of infrastructure	9(a)	(8,190,030)	(5,964,370)
Payments for construction of infrastructure works in progress	9(a)	0	(1,127,026)
Payments for investment property	12	(89,960)	(392,074)
Capital grants, subsidies and contributions		1,396,078	1,148,116
Proceeds from sale of property, plant & equipment		302,682	160,000
Net cash (used in) investing activities		<u>(10,135,123)</u>	<u>(7,854,283)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	28(a)	(498,464)	(501,058)
Payments for principal portion of lease liabilities	28(c)	(807,937)	(391,148)
Net cash (used in) financing activities		<u>(1,306,401)</u>	<u>(892,206)</u>
Net increase in cash held		428,212	1,776,796
Cash at beginning of year		73,626,849	71,850,053
Cash and cash equivalents at the end of the year	18(a)	<u>74,055,061</u>	<u>73,626,849</u>

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

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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	2(a)	26,044,537	26,723,368	25,641,873
Grants, subsidies and contributions		888,038	643,880	1,000,264
Fees and charges		19,148,382	18,374,059	18,571,341
Interest revenue		3,850,547	2,178,100	2,465,453
Other revenue		3,448,129	1,095,740	1,460,622
Profit on asset disposals		137,607	92,590	99,470
Fair value adjustments to financial assets at fair value through profit or loss		7,594	0	0
Fair value adjustments to investment property	12	3,285,178	0	0
Share of net profit of associates accounted for using the equity method	21(c)	0	0	120,879
		<u>56,810,012</u>	<u>49,107,737</u>	<u>49,359,902</u>
Expenditure from operating activities				
Employee costs		(24,379,757)	(24,602,150)	(21,240,262)
Materials and contracts		(14,671,701)	(17,544,970)	(12,918,376)
Utility charges		(822,940)	(924,080)	(899,600)
Depreciation		(9,851,583)	(6,214,960)	(8,379,115)
Finance costs		(361,651)	(294,270)	(352,582)
Insurance		(597,147)	(515,000)	(555,446)
Other expenditure		(1,238,602)	(1,617,010)	(1,721,695)
Loss on asset disposals		(89,375)	(119,910)	(6,828)
Fair value adjustments to investment property	12	0	0	(15,201,574)
Share of net profit of associates accounted for using the equity method	21(c)	88,434	0	0
		<u>(51,924,322)</u>	<u>(51,832,350)</u>	<u>(61,275,478)</u>
Non cash amounts excluded from operating activities	27(a)	9,465,795	6,242,280	33,152,175
Amount attributable to operating activities		<u>14,351,485</u>	<u>3,517,667</u>	<u>21,236,599</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,396,078	2,400,855	1,148,116
Proceeds from disposal of assets		302,682	10,798,000	160,000
Proceeds from financial assets at amortised cost - self supporting loans	28(a)	0	39,690	0
		<u>1,698,760</u>	<u>13,238,545</u>	<u>1,308,116</u>
Outflows from investing activities				
Payments for financial assets at amortised cost - self supporting loans		0	(200,000)	0
Right of use assets received - non cash	11(a)	(230,790)	0	(2,345,007)
Purchase of property, plant and equipment	8(a)	(3,453,893)	(8,466,340)	(1,678,929)
Purchase and construction of infrastructure	9(a)	(8,190,030)	(16,845,170)	(5,964,370)
Purchase and construction of infrastructure works in progress	9(a)	0	0	(1,127,026)
Purchase of investment property	12	(89,960)	(365,830)	(392,074)
		<u>(11,964,673)</u>	<u>(25,877,340)</u>	<u>(11,507,406)</u>
Non-cash amounts excluded from investing activities	27(a)	0	0	0
Amount attributable to investing activities		<u>(10,265,913)</u>	<u>(12,638,795)</u>	<u>(10,199,290)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	28(c)	230,790	0	2,345,007
Transfers from reserve accounts	29	10,976,501	26,475,758	10,071,070
		<u>11,207,291</u>	<u>26,475,758</u>	<u>12,416,077</u>
Outflows from financing activities				
Repayment of borrowings	28(a)	(498,464)	(522,980)	(501,058)
Payments for principal portion of lease liabilities	28(c)	(807,937)	0	(391,148)
Transfers to reserve accounts	29	(12,578,831)	(18,823,680)	(15,018,319)
		<u>(13,885,232)</u>	<u>(19,346,660)</u>	<u>(15,910,525)</u>
Amount attributable to financing activities		<u>(2,677,941)</u>	<u>7,129,098</u>	<u>(3,494,448)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	27(b)	14,001,521	1,992,030	6,458,660
Amount attributable to operating activities		14,351,485	3,517,667	21,236,599
Amount attributable to investing activities		(10,265,913)	(12,638,795)	(10,199,290)
Amount attributable to financing activities		(2,677,941)	7,129,098	(3,494,448)
Surplus or deficit after imposition of general rates	27(b)	<u>15,409,152</u>	<u>0</u>	<u>14,001,521</u>

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

**CITY OF SUBIACO
FOR THE YEAR ENDED 30 JUNE 2024
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CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Assets held for sale - note 7
- Impairment losses of non-financial assets - note 8
- Investment property - note 12
- Measurement of employee benefits - note 16
- Measurement of provisions - note 16

Fair value hierarchy information can be found in note 24

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 of the financial report.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
 - *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
 - *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
 - *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
 - *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- These amendments are not expected to have any material impact on the financial report on initial application.
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

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

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	When rates notice is issued
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	When rates notice is issued
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled in accordance with terms and conditions	On entry or on conclusion of hire
Fees and charges - memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
Fees and charges - Leases	Commercial leases	Over time	Fixed terms transfer of funds based on lease agreements	Not applicable	In accordance with AASB
Fees and charges for other goods and services	Parking, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works

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

Revenue Recognition

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

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	26,044,537	0	26,044,537
Grants, subsidies and contributions	0	0	0	888,038	888,038
Fees and charges	5,684,217	0	6,103,531	7,360,634	19,148,382
Interest revenue	0	0	108,975	3,741,572	3,850,547
Other revenue	0	0	0	3,448,129	3,448,129
Capital grants, subsidies and contributions	0	1,396,078	0	0	1,396,078
Total	5,684,217	1,396,078	32,257,043	15,438,373	54,775,711

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

For the year ended 30 June 2023

Nature	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	25,641,873	0	25,641,873
Grants, subsidies and contributions	0	0	0	1,000,264	1,000,264
Fees and charges	5,992,411	0	5,645,888	6,933,042	18,571,341
Interest revenue	0	0	143,915	2,321,538	2,465,453
Other revenue	0	0	0	1,460,622	1,460,622
Capital grants, subsidies and contributions	0	1,148,116	0	0	1,148,116
Total	5,992,411	1,148,116	31,431,676	11,715,466	50,287,669

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Interest on reserve account	2,988,747	1,929,236
Trade and other receivables overdue interest	108,975	76,154
Other interest revenue	752,825	460,063
	3,850,547	2,465,453
The 2024 original budget estimate in relation to: Interest on reserve account was \$1,848,460 Trade and other receivables overdue interest was \$72,000. Other interest revenue was \$257,640		
Fees and charges relating to rates receivable		
Charges on instalment plan	153,311	143,915
The 2024 original budget estimate in relation to: Charges on instalment plan was \$150,000.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	116,600	96,200
- Other services – grant acquittals	11,077	11,550
	127,677	107,750
Employee Costs		
Employee benefit costs	20,814,872	18,246,388
Other employee costs	3,564,885	2,993,874
	24,379,757	21,240,262
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	361,651	352,582
	361,651	352,582
Other expenditure		
Impairment losses on rates and statutory receivables	47,391	257,451
Sundry expenses	1,191,211	1,464,244
	1,238,602	1,721,695

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Term deposits
Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents

Note	2024	2023
	\$	\$
	5,848,921	2,805,454
	68,206,140	70,821,395
18(a)	74,055,061	73,626,849
	7,631,334	8,805,452
18(a)	66,423,727	64,821,397
	74,055,061	73,626,849

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Managed Fund

Held as

- Restricted other financial assets at amortised cost

Note	2024	2023
	\$	\$
	107,594	0
	107,594	0
	107,594	0
	107,594	0
	107,594	0
	107,594	0

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

5. TRADE AND OTHER RECEIVABLES

Note	2024	2023
	\$	\$
Current		
Rates and statutory receivables	732,403	986,799
Trade receivables	1,823,226	1,362,340
GST receivable	382,081	466,288
Allowance for credit losses of trade receivables	22(b) (1,199,673)	(1,152,282)
Accrued Income	419,491	287,828
	<u>2,157,528</u>	<u>1,950,973</u>
Non-current		
Pensioner's rates and ESL deferred	111,075	106,209
	<u>111,075</u>	<u>106,209</u>

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2024	30 June 2023	1 July 2022
	Actual	Actual	Actual
	\$	\$	\$
Allowance for credit losses of trade receivables	(1,199,673)	(1,152,282)	(894,831)
Total trade and other receivables from contracts with customers	<u>(1,199,673)</u>	<u>(1,152,282)</u>	<u>(894,831)</u>

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

6. INVENTORIES

	Note	2024	2023
Current		\$	\$
Consumables		4,932	6,369
		4,932	6,369
The following movements in inventories occurred during the year:			
Balance at beginning of year		6,369	6,570
Inventories expensed during the year		(1,437)	(201)
Balance at end of year		4,932	6,369

MATERIAL ACCOUNTING POLICIES

General

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

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

7. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Prepayments	493,617	296,162
Funds in Escrow	74,549	755,617
	<u>568,166</u>	<u>1,051,779</u>
Non-current assets held for sale		
Land and Buildings	12,775,760	9,784,000
	<u>12,775,760</u>	<u>9,784,000</u>

Funds held in Escrow

The City has deposited funds into an Escrow account to undertake an infrastructure works project in conjunction with a third party. Both parties have contributed to the Escrow account. Payments for works completed are paid from the Escrow account.

Land classified as held for sale

In May 2023 Council resolved to dispose of vacant land situation at 2 Upham Street Jolimont. This land was sold and settlement occurred on 4 July 2024.

In March 2024 Council resolved to dispose of the properties at 6 and 8 Rupert Street Subiaco.

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

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

Non-current assets held for sale (Continued)

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

Land held for resale

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

Borrowing costs and holding charges incurred after where it is held as non-current based on the City's intentions to release for sale.

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<u>Total Property</u>				<u>Plant and equipment</u>		<u>Total property, plant and equipment</u>
	<u>Land</u>	<u>Buildings - non-specialised</u>	<u>Buildings - specialised</u>	<u>Total Property</u>	<u>Furniture and equipment</u>	<u>Plant and equipment</u>	
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	90,646,000	620,000	47,668,215	138,934,215	1,795,521	2,653,157	143,382,893
Additions	257,071	0	891,614	1,148,685	273,282	256,962	1,678,929
Disposals	0	0	0	0	(6,828)	(60,530)	(67,358)
Revaluation increments / (decrements) transferred to revaluation surplus	(754,671)	(2,397)	(1,786,713)	(2,543,781)	0	0	(2,543,781)
Assets classified as held for sale	(9,784,000)	0	0	(9,784,000)	0	0	(9,784,000)
Depreciation	0	(41,333)	(1,234,743)	(1,276,076)	(706,640)	(611,467)	(2,594,183)
Balance at 30 June 2023	80,364,400	576,270	45,538,373	126,479,043	1,355,335	2,238,122	130,072,500
Comprises:							
Gross balance amount at 30 June 2023	80,364,400	576,270	45,538,373	126,479,043	3,757,746	6,301,645	136,538,434
Accumulated depreciation at 30 June 2023	0	0	0	0	(2,402,411)	(4,063,523)	(6,465,934)
Balance at 30 June 2023	80,364,400	576,270	45,538,373	126,479,043	1,355,335	2,238,122	130,072,500
Additions	0	0	2,346,266	2,346,266	57,765	1,049,862	3,453,893
Disposals	0	0	0	0	(48,194)	(206,255)	(254,449)
Revaluation increments / (decrements) transferred to revaluation surplus	3,817,320	43,365	2,081,693	5,942,378	0	0	5,942,378
Assets classified as held for sale	(2,391,233)	(600,527)	0	(2,991,760)	0	0	(2,991,760)
Impairment (losses) / reversals *	0	0	(888,881)	(888,881) *	0	0	(888,881)
Depreciation	0	(19,108)	(2,307,692)	(2,326,800)	(346,089)	(608,163)	(3,281,052)
Balance at 30 June 2024	81,790,487	0	46,769,759	128,560,246	1,018,817	2,473,566	132,052,629
Comprises:							
Gross balance amount at 30 June 2024	81,790,487	0	48,397,710	130,188,197	3,105,621	6,271,454	139,565,272
Accumulated depreciation at 30 June 2024	0	0	(739,070)	(739,070)	(2,086,804)	(3,797,888)	(6,623,762)
Accumulated impairment loss at 30 June 2024	0	0	(888,881)	(888,881)	0	0	(888,881)
Balance at 30 June 2024	81,790,487	0	46,769,759	128,560,246	1,018,817	2,473,566	132,052,629

* The impairment loss relates to a building which is due to be demolished. The whole amount has been included as a reduction in the Revaluation Surplus relating to land and buildings. Refer Note 17

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2 & 3	Market approach	Independent registered valuers	June 2024	Price per square metre
Buildings - non-specialised	3	Cost approach	Independent registered valuers	June 2024	Price per square metre
Buildings - specialised	2 and 3	Market approach (level 2) and cost approach (level 3)	Independent registered valuers	June 2024	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - streetscape	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	72,701,100	17,340,488	22,698,937	8,603,374	1,550,113	5,809,958	128,703,970
Additions	1,646,792	263,833	682,769	2,460,730	90,893	819,353	5,964,370
Work in Progress	1,127,026	0	0	0	0	0	1,127,026
Contribution for development of assets	415,222	0	0	0	0	0	415,222
Revaluation increments / (decrements) transferred to revaluation surplus	21,528,758	1,521,775	5,133,259	9,392,462	1,027,527	2,527,882	41,131,663
Depreciation	(2,369,997)	(426,412)	(432,911)	(1,531,966)	(116,947)	(508,053)	(5,386,286)
Balance at 30 June 2023	95,048,901	18,699,684	28,082,054	18,924,600	2,551,586	8,649,140	171,955,965
Comprises:							
Gross balance at 30 June 2023	95,048,901	18,699,684	28,082,054	18,924,600	2,551,586	8,649,140	171,955,965
Balance at 30 June 2023	95,048,901	18,699,684	28,082,054	18,924,600	2,551,586	8,649,140	171,955,965
Additions	2,600,873	393,909	927,876	1,238,339	449,273	2,579,760	8,190,030
Contribution for development of assets	265,351	0	0	0	0	0	265,351
Depreciation	(2,896,333)	(454,636)	(616,871)	(1,176,282)	(199,466)	(399,196)	(5,742,784)
Transfers (*)	0	0	0	0	10,829,704	(10,829,704)	0
Balance at 30 June 2024	95,018,792	18,638,957	28,393,059	18,986,657	13,631,097	0	174,668,562
Comprises:							
Gross balance at 30 June 2024	97,915,124	19,093,593	29,009,930	20,162,939	14,229,759	0	180,411,345
Accumulated depreciation at 30 June 2024	(2,896,332)	(454,636)	(616,871)	(1,176,282)	(598,662)	0	(5,742,783)
Balance at 30 June 2024	95,018,792	18,638,957	28,393,059	18,986,657	13,631,097	0	174,668,562

(*) At 30 June 2024 the assets classified as Streetscape were reclassified as Other. It was determined that the assets within both classes were of the same nature, therefore the decision was made by the City to classify them within Other for accurate reporting and control of the asset register. This has been shown as a transfer between the asset classes above.

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Cost Approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost Approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost Approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	3	Cost Approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	2 or 3	Market approach using recent observable market data for similar items / Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Price per item / Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 2 and 3 inputs.

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	20 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 to 60 years
- bituminous seals	20 years
- asphalt surfaces	15 to 30 years
Gravel roads formation	not depreciated
pavement	50 to 60 years
Footpaths - slab	30 to 60 years
Sewerage piping	100 years
Water supply piping and drainage systems	60 to 120 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

(b) Fully Depreciated Assets in Use

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

	2024	2023
	\$	\$
Furniture and equipment	791,437	1,616,655
Plant and equipment	342,699	70,755
	1,134,136	1,687,410

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, *infrastructure or vested improvements that the local government controls* and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the City.

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

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

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

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

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Depreciation on revaluation

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

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

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

11. LEASES

(a) Right-of-Use Assets

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

Note	Right-of-use assets	Right-of-use assets	Right-of-use assets
	- land and buildings	- plant and equipment	Total
	\$	\$	\$
Balance at 1 July 2022	341,999	43,489	385,488
Additions	2,090,349	254,658	2,345,007
Depreciation	(311,697)	(86,949)	(398,646)
Balance at 30 June 2023	2,120,651	211,198	2,331,849
Gross balance amount at 30 June 2023	2,835,052	579,676	3,414,728
Accumulated depreciation at 30 June 2023	(714,401)	(368,478)	(1,082,879)
Balance at 30 June 2023	2,120,651	211,198	2,331,849
Additions	230,790	0	230,790
Depreciation	(722,832)	(104,916)	(827,748)
Balance at 30 June 2024	1,628,609	106,282	1,734,891
Gross balance amount at 30 June 2024	2,513,010	254,658	2,767,668
Accumulated depreciation at 30 June 2024	(884,401)	(148,376)	(1,032,777)
Balance at 30 June 2024	1,628,609	106,282	1,734,891

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

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(827,748)	(398,646)
Finance charge on lease liabilities	(72,100)	(37,620)
Total amount recognised in the statement of comprehensive income	(899,848)	(436,266)
Total cash outflow from leases	(880,037)	(428,768)
(b) Lease Liabilities		
Current	680,707	706,266
Non-current	1,099,314	1,650,902
	1,780,021	2,357,168

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(c).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. INVESTMENT PROPERTY

	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$
Investment Land - at fair value			
Carrying balance at 1 July	108,404,600		119,850,000
Capitalised subsequent expenditure	0		43,379
Sales	0		0
Net gain/(loss) from fair value adjustment	5,149,220		(11,488,779)
Closing balance at 30 June	113,553,820		108,404,600
Investment Buildings - at fair value			
Carrying balance at 1 July	15,527,900		18,892,000
Capitalised subsequent expenditure	89,960		348,695
Sales	0		0
Net gain/(loss) from fair value adjustment	(1,864,042)		(3,712,795)
Closing balance at 30 June	13,753,818		15,527,900
Non-current assets - at reportable value			
Carrying balance at 1 July	123,932,500		138,742,000
Capitalised subsequent expenditure	89,960		392,074
Net gain/(loss) from fair value adjustment	3,285,178		(15,201,574)
Closing balance at 30 June	127,307,638		123,932,500
Amounts recognised in profit or loss for investment properties			
Rental income	5,822,161	5,477,640	5,486,549
Direct operating expenses from property that generated rental income	903,737	1,009,625	(819,570)
Leasing arrangements			
Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:			
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:			
Less than 1 year	5,440,594	4,886,340	5,070,021
1 to 2 years	4,486,956		5,069,684
2 to 3 years	2,407,264		4,196,930
3 to 4 years	1,651,649		2,230,899
4 to 5 years	1,388,697		1,642,118
> 5 years	3,429,366		4,589,621
	18,804,526	4,886,340	22,799,273

The investment properties are leased to tenants under operating leases with rentals payable monthly, quarterly or annually. Lease income from operating leases where the City is a lessor is recognised in income on a straightline basis over the lease term.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the City is exposed to changes in the residual value at the end of the current leases, the City typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

MATERIAL ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City.

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are investment properties, are shown at their reportable value.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date.

Revaluation

In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140 and, in any event, every five years.

Fair value of investment properties

A valuation was performed by Australis and reviewed by management to determine the fair value of investment properties.

The main Level 3 inputs used in the valuation were discount rates, yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Bonds and deposits held
Income in advance

2024	2023
\$	\$
1,477,897	1,821,939
195,372	206,278
738,646	548,665
1,180,289	1,107,544
178,669	154,292
3,770,873	3,838,718

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

14. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Contract liabilities	228,424	148,750
	<u>228,424</u>	<u>148,750</u>
Reconciliation of changes in contract liabilities		
Opening balance	148,750	67,510
Additions	228,424	148,750
Revenue from contracts with customers included as a contract liability at the start of the period	(148,750)	(67,510)
	<u>228,424</u>	<u>148,750</u>

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$228,424 (2023: \$148,750)

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

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

15. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
WA Treasury Corporation		530,179	4,472,851	5,003,030	483,290	4,978,510	5,461,800
Other borrowings *		40,290	61,571	101,861	39,694	101,861	141,555
Total secured borrowings	28(a)	570,469	4,534,422	5,104,891	522,984	5,080,371	5,603,355

* Self supporting Loan

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 22.

Details of individual borrowings required by regulations are provided at Note 28(a).

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	1,843,583	1,637,017
Long service leave	1,587,316	1,617,941
Sick Leave	311,609	287,641
Time in Lieu (RDO)	93,371	65,999
	3,835,879	3,608,598
Employee related other provisions		
Purchased Leave	986	986
	986	986
Total current employee related provisions	3,836,865	3,609,584
Non-current provisions		
Employee benefit provisions		
Long service leave	396,304	347,142
	396,304	347,142
Total non-current employee related provisions	396,304	347,142
Total employee related provisions	4,233,169	3,956,726

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

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

	Note	2024	2023
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		1,936,954	1,703,016
More than 12 months from reporting date		2,296,215	2,253,710
		4,233,169	3,956,726

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

17. REVALUATION SURPLUS

	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	75,403,271	3,817,320	79,220,591	76,157,942	(754,671)	75,403,271
Revaluation surplus - Buildings	29,830,604	1,236,177	31,066,781	31,619,714	(1,789,110)	29,830,604
Revaluation surplus - Infrastructure - roads	69,937,303	0	69,937,303	48,408,545	21,528,758	69,937,303
Revaluation surplus - Infrastructure - footpaths	16,078,016	0	16,078,016	14,556,241	1,521,775	16,078,016
Revaluation surplus - Infrastructure - drainage	16,734,971	0	16,734,971	11,601,712	5,133,259	16,734,971
Revaluation surplus - Infrastructure - parks and ovals	9,392,462	0	9,392,462	0	9,392,462	9,392,462
Revaluation surplus - Infrastructure - other*	3,176,583	2,527,882	5,704,465	2,149,056	1,027,527	3,176,583
Revaluation surplus - Infrastructure - streetscape*	2,527,882	(2,527,882)	0	0	2,527,882	2,527,882
	223,081,092	5,053,497	228,134,589	184,493,210	38,587,882	223,081,092
Revaluation surplus - Share from investments in associates	110,965	7,500	118,465	110,965	0	110,965
	223,192,057	5,060,997	228,253,054	184,604,175	38,587,882	223,192,057

* The revaluation movement from Streetscapes to Other is due to the assets classified as Streetscape were reclassified as Other as at 30 June 2024. It was determined that the assets within both classes were of the same nature, therefore the decision was made by the City to classify them within Other for accurate reporting and control of the asset register. This has been shown as a transfer between the asset classes above. Refer to Note 9(a).

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	74,055,061	73,626,849
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	66,423,727	64,821,397
		66,423,727	64,821,397
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	66,423,727	64,821,397
Total restricted financial assets		66,423,727	64,821,397

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		6,547,119	(10,352,238)
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(7,594)	0
Adjustments to fair value of investment property		(3,285,178)	15,201,574
Depreciation/amortisation		9,851,583	8,379,115
(Profit)/loss on sale of asset		(48,232)	(92,642)
Share of profits of associates		(88,434)	(120,879)
Contribution for development of infrastructure		(265,351)	(415,222)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(211,421)	(21,279)
(Increase)/decrease in other assets		483,613	(1,051,135)
(Increase)/decrease in inventories		1,437	201
Increase/(decrease) in trade and other payables		(67,845)	180,999
Increase/(decrease) in employee related provisions		276,443	(118,333)
Increase/(decrease) in other liabilities		79,674	81,240
Capital grants, subsidies and contributions		(1,396,078)	(1,148,116)
Net cash provided by/(used in) operating activities		11,869,736	10,523,285

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank Guarantee Facility		490,000	490,000
Bank Guarantee at balance date		(412,437)	(486,213)
Bank overdraft limit		0	0
Bank overdraft at balance date		0	0
Credit card limit		30,000	30,000
Credit card balance at balance date		0	0
Total amount of credit unused		107,563	33,787

Loan facilities

Loan facilities - current		570,469	522,984
Loan facilities - non-current		4,534,422	5,080,371
Total facilities in use at balance date		5,104,891	5,603,355

Unused loan facilities at balance date		0	0
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**CITY OF SUBIACO
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024**

19. CAPITAL COMMITMENTS

	2024	2023
	\$	\$
Contracted for:		
- capital expenditure projects	2,047,021	1,173,089
- plant & equipment purchases	62,518	86,609
	2,109,539	1,259,698
Payable:		
- not later than one year	2,109,539	1,259,698

The capital expenditure project outstanding at the end of the current reporting period represents works in progress related to parks, roads, drainage, street lighting, buildings and furniture & equipment. The plant & equipment purchases related to the purchase of light fleet and other plant items that were not available for delivery until the following financial year.

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$
Mayor's annual allowance	65,240	65,240	63,340
Mayor's meeting attendance fees	32,090	32,090	31,150
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
	<u>100,830</u>	<u>100,830</u>	<u>97,990</u>
Deputy Mayor's annual allowance	16,310	16,310	15,835
Deputy Mayor's meeting attendance fees	23,930	23,930	23,230
Deputy Mayor's annual allowance for ICT expenses	2,900	2,900	2,900
	<u>43,140</u>	<u>43,140</u>	<u>41,965</u>
All other council member's meeting attendance fees	167,510	167,510	162,610
All other council member's annual allowance for ICT expenses	20,300	20,300	20,300
	<u>187,810</u>	<u>187,810</u>	<u>182,910</u>
20(b)	<u>331,780</u>	<u>331,780</u>	<u>322,865</u>

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits	1,137,036	809,430
Post-employment benefits	127,865	98,434
Employee - other long-term benefits	28,442	24,382
Council member costs	331,780	322,865
20(a)	<u>1,625,123</u>	<u>1,255,111</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2024 Actual	2023 Actual
	\$	\$
Purchase of goods and services	1,959,588	1,952,873
Amounts payable to related parties:		
Trade and other payables	7,560	0

Related Parties

The City's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the City, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b).

ii. Other Related Parties

Short-term employee benefits related to an associate person of the CEO who was employed by the City under normal employment terms and conditions.

Outside of normal citizen type transactions with the City, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the City

There were no such entities requiring disclosure during the current or previous year.

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

21. INVESTMENT IN ASSOCIATES

(a) Investment in associates

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

Name of entity	% of ownership interest		2024	2023
	2024	2023	Actual	Actual
Western Metropolitan Regional Council	38.33%	38.33%	\$ 1,352,992	\$ 1,257,040
Total equity-accounted investments			1,352,992	1,257,040

(b) Share of Investment

The City of Subiaco, together with the Town of Cottesloe, the Town of Claremont, the Town of Mosman Park and the Shire of Peppermint Grove have a share in associate arrangement with regard to the provision of a waste transfer station.

The Western Metropolitan Regional Council was formed to provide for the efficient treatment and/or disposal of waste. A waste transfer station was constructed from funds provided by constituent Councils. The share held by the City of Subiaco is 38.33%

Summarised statement of comprehensive income	Note	2024 Actual	2023 Actual
		\$	\$
Revenue		9,160,607	7,639,295
Interest revenue		64,357	47,360
Finance cost		(3,994)	(598)
Depreciation		(396,601)	(242,361)
Profit/(loss) from continuing operations		230,719	315,412
Profit/(loss) from discontinued operations			
Profit/(loss) for the period		230,719	315,412
Other comprehensive income		19,567	
Total comprehensive income for the period		250,286	315,412
Summarised statement of financial position			
Cash and cash equivalents		1,266,551	1,179,365
Other current assets		841,106	492,639
Total current assets		2,107,657	1,672,004
Non-current assets		2,485,404	2,638,682
Total assets		4,593,061	4,310,686
Current financial liabilities			
Other current liabilities		988,516	1,016,356
Total current liabilities		988,516	1,016,356
Non-current financial liabilities			
Other non-current liabilities		74,692	14,763
Total non-current liabilities		74,692	14,763
Total liabilities		1,063,208	1,031,119
Net assets		3,529,853	3,279,567
Reconciliation to carrying amounts			
Opening net assets 1 July		3,279,567	2,964,155
Changes in members contributions			
Profit/(Loss) for the period		230,719	315,412
Other comprehensive income		19,567	0
Closing net assets 30 June		3,529,853	3,279,567
Carrying amount at 1 July		1,257,058	1,136,161
- Share of associates net profit/(loss) for the period	21(c)	88,434	120,897
- Share of associates other comprehensive income arising during the period		7,500	0
- Adjustment for prior year		0	(18)
Carrying amount at 30 June (Refer to Note 21(a))		1,352,992	1,257,040

**CITY OF SUBIACO
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024**

21. INVESTMENT IN ASSOCIATES (Continued)

MATERIAL ACCOUNTING POLICIES

Investments in associates

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

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

(c) Share of associates net profit/(loss) for the period
 Investment in Western Metropolitan Regional Council

2024	2023
Actual	Actual
\$	\$
88,434	120,897
88,434	120,897

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2024					
Cash and cash equivalents	4.78%	74,055,061	68,206,140	5,845,647	3,275
2023					
Cash and cash equivalents	2.84%	73,626,849	70,821,395	2,802,179	3,275

Sensitivity

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

	2024	2023
Impact of a 1% movement in interest rates on profit or loss and equity*	\$ 58,456	\$ 28,022

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

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

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2024					
Rates receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	365,244	109,367	70,982	186,810	732,403
Loss allowance	0	0	0	0	0
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	91.11%	
Gross carrying amount	63,629	418,514	24,326	1,316,757	1,823,226
Loss allowance	0	0	0	(1,199,673)	(1,199,673)
30 June 2023					
Rates receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	436,879	165,888	111,496	272,536	986,799
Loss allowance	0	0	0	0	0
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	99.23%	
Gross carrying amount	150,274	22,300	28,561	1,161,205	1,362,340
Loss allowance	0	0	0	(1,152,264)	(1,152,264)

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

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

	Trade receivables		Other receivables		Contract Assets	
	2024 Actual	2023 Actual	2024 Actual	2023 Actual	2024 Actual	2023 Actual
Opening loss allowance as at 1 July	\$ 1,152,282	\$ 894,831	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	47,391	257,451	0	0	0	0
Unused amount reversed	0	0	0	0	0	0
Closing loss allowance at 30 June	1,199,673	1,152,282	0	0	0	0

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

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
<u>2024</u>	\$	\$	\$	\$	\$
Trade and other payables	3,770,873	0	0	3,770,873	3,770,873
Borrowings	779,913	2,801,751	2,760,994	6,342,658	5,104,891
Lease liabilities	680,707	1,095,173	4,141	1,780,021	1,780,021
	<u>5,231,493</u>	<u>3,896,924</u>	<u>2,765,135</u>	<u>11,893,552</u>	<u>10,655,785</u>
<u>2023</u>					
Trade and other payables	3,838,718	0	0	3,838,718	3,838,718
Borrowings	779,913	2,984,463	3,358,204	7,122,580	5,603,355
Lease liabilities	706,266	1,646,761	4,141	2,357,168	2,357,168
	<u>5,324,897</u>	<u>4,631,224</u>	<u>3,362,345</u>	<u>13,318,466</u>	<u>11,799,241</u>

**CITY OF SUBIACO
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FOR THE YEAR ENDED 30 JUNE 2024**

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Land situated at 2 Upham Street Jolimont was sold by the City with settlement on 4 July 2024. This asset was reclassified from Property, Plant and Equipment during the 2022-23 financial year following Council's decision to dispose of this asset. The fair value of the land is shown in the Current Assets section of the Statement of Financial Position as Assets classified as held for sale.

Land and buildings situated at 100 Chisolm Street Kewdale were sold by the City with settlement on 27 September 2024. These assets formed part of the City's investment portfolio and were classified as Investment property at 30 June 2024. The fair value of the investment land and building is shown in the Non-Current Assets section of the Statement of Financial Position.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the City's operations, the results of those operations, or the City's state of affairs in future financial years.

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF
FOR THE YEAR ENDED 30 JUNE**

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

City operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective

Governance

To ensure high quality democratic processes and informed local decision making.

Description

Includes administration and operation of facilities and services to members of council and other costs that relate to the tasks of assisting members and ratepayers on matters which do not concern specific council services.

General purpose funding

To fairly and efficiently levy and collect rates and other monies required to fund the City's operations.

Rates revenue from rates levied under Division 6 of Part 6 of the Local Government Act 1995 and amounts receivable from the Western Australian Grants Commission and any government grants of a general purpose nature.

Law, order, public safety

To ensure safety and amenity of the community in public areas.

Control of parking facilities, implementation and control of parking, and other local laws. Also includes fire prevention outlays.

Health

To protect the health of all persons and promote environmental quality.

Administration, inspection and operations of programs concerned with the general health of the community.

Education and welfare

To contribute towards the wellbeing of people with special needs.

Maintenance of pre-school buildings and the provision of seniors activities.

Community amenities

To provide waste management services, which minimise adverse environmental impacts, orderly and controlled development of land and the built environment, and well maintained public conveniences.

This includes the collection and disposal of community and domestic rubbish and recycling, and the administration and operation of town planning and sustainable development within the local government.

Recreation and culture

To provide and support community recreational and cultural pursuits.

Maintenance of community, recreation and function centre, various reserves, and operation of the library.

Transport

To facilitate safe and convenient transport access.

Construction and maintenance of roads, drainage works, footpaths, traffic facilities.

Economic services

To facilitate economic development, promote compliance with building standards, regulations and local laws and enhance public amenity by placing powerlines underground.

Area promotion and building control services.

Other property and services

To maximise long-term return on investment assets for the benefit of the community.

Includes management of the City's investment assets.

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2024	2023
	Actual	Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	9,224	1,908
General purpose funding	30,604,200	29,203,688
Law, order, public safety	32,955	32,680
Health	147,395	83,972
Education and welfare	91,597	110,796
Community amenities	5,689,260	5,337,014
Recreation and culture	3,964,904	3,663,418
Transport	4,515,060	4,603,139
Economic services	182,960	273,418
Other property and services	13,420,725	6,465,091
	58,658,280	49,775,124
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	672,934	0
Health	178	0
Community amenities	22,913	0
Recreation and culture	24,655	240,147
Transport	1,504,947	863,046
Economic services	43,936	0
Other property and services	14,553	44,923
	2,284,116	1,148,116
Total Income	60,942,396	50,923,240
Expenses		
Governance	(2,875,113)	(2,265,313)
General purpose funding	(603,703)	(496,291)
Law, order, public safety	(707,643)	(793,698)
Health	(1,248,348)	(1,475,062)
Education and welfare	(817,208)	(690,872)
Community amenities	(7,656,861)	(7,387,883)
Recreation and culture	(15,997,306)	(15,133,224)
Transport	(12,930,977)	(11,793,867)
Economic services	(3,306,873)	(3,038,958)
Other property and services	(8,251,245)	(18,200,310)
Total expenses	(54,395,277)	(61,275,478)
Net result for the period	6,547,119	(10,352,238)
(c) Total Assets		
Governance	114,342	0
General purpose funding	2,836,770	3,108,960
Law, order, public safety	368,806	104,983
Health	103,981	34,272
Education and welfare	4,525,788	4,323,638
Community amenities	1,669,323	1,680,481
Recreation and culture	87,464,240	83,299,166
Transport	200,987,324	196,949,462
Economic services	117,300	77,157
Other property and services	228,588,867	226,497,932
Unallocated	120,087	0
	526,896,828	516,076,051

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

26. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2023/24 Actual Rateable Value*	2023/24 Actual Rate Revenue	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate Revenue	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
Rate Description		\$		\$	\$	\$	\$	\$	\$	\$	\$
Residential	Gross rental valuation	0.068302	7,171	227,370,650	15,529,871	111,870	15,641,741	15,529,871	325,000	15,854,871	14,799,227
Commercial	Gross rental valuation	0.068302	1,129	135,106,107	9,228,017	(7,693)	9,220,324	9,228,017	0	9,228,017	8,988,004
Industrial	Gross rental valuation	0.068302	9	898,220	61,350	0	61,350	61,350	0	61,350	66,455
Total general rates			8,309	363,374,977	24,819,238	104,177	24,923,415	24,819,238	325,000	25,144,238	23,853,686
Minimum payment		\$									
Residential	Gross rental valuation	1,190	1,176	17,252,314	1,399,440	(2,084)	1,397,356	1,399,440	0	1,399,440	1,609,659
Commercial	Gross rental valuation	1,190	151	2,208,854	179,690	(1,483)	178,207	179,690	0	179,690	178,611
Total minimum payments			1,327	19,461,168	1,579,130	(3,567)	1,575,563	1,579,130	0	1,579,130	1,788,270
Total general rates and minimum payments			9,636	382,836,145	26,398,368	100,610	26,498,978	26,398,368	325,000	26,723,368	25,641,956
Concessions							(50)			0	(83)
Total Rates (excluding rates recovered)							26,498,928			26,723,368	25,641,873
Less rates and charges recovered							(486,826)			0	0
Net Rates **							26,012,102			26,723,368	25,641,873
Rate overdue interest							108,975			72,000	76,154

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

* Rateable Value at time of raising of rate.

** Net rates represents the total rates and charges levied by the City and adjusted by the amount of rates recovered from tenants on City owned leased properties. This has been included as Other Revenue on the Statement of Financial Activity and the Statement of Cash Flows.

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24 Budget	2023/24	2022/23
	2023/24 (30 June 2024 Carried Forward)	(30 June 2024 Carried Forward)	(1 July 2023 Brought Forward)	(30 June 2023 Carried Forward)
Note	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	(137,607)	(92,590)	(99,470)
	Less: Share of net profit of associates and joint ventures accounted for using the equity method	(88,434)	0	(120,879)
	Add: Loss on disposal of assets	89,375	119,910	6,828
	Add: Impairment of Plant and Equipment	0	0	0
	Add: Depreciation	9,851,583	6,214,960	8,379,115
Non-cash movements in non-current assets and liabilities:				
	Investment property	(3,285,178)	0	15,201,574
	Pensioner deferred rates	(4,866)	0	(17,485)
	Assets held for sale	2,991,760	0	9,784,000
	Employee benefit provisions	49,162	0	18,492
	Non-cash amounts excluded from operating activities	9,465,795	6,242,280	33,152,175
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
	Less: Reserve accounts	(66,423,727)	(54,499,666)	(64,821,397)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	570,469	522,980	522,984
	- Current portion of lease liabilities	680,707	164,591	706,266
	Total adjustments to net current assets	(65,172,551)	(53,812,095)	(63,592,147)
Net current assets used in the Statement of Financial Activity				
	Total current assets	89,669,041	62,007,828	86,419,970
	Less: Total current liabilities	(9,087,338)	(8,195,733)	(8,826,302)
	Less: Total adjustments to net current assets	(65,172,551)	(53,812,095)	(63,592,147)
	Surplus or deficit after imposition of general rates	15,409,152	0	14,001,521

CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Loan	Actual							Budget			
		Principal		Principal at 30 June 2023	Principal		Principal at 30 June 2024	Principal at 1 July 2023	Principal		Principal at 30 June 2024	
		Principal at 1 July 2022	New Loans During 2022-23		Repayments During 2022-23	New Loans During 2023-24			Repayments During 2023-24	New Loans During 2023-24		Repayments During 2023-24
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rosalie Park Improvements	121A	416,688	0	(41,640)	375,048	0	(44,265)	330,783	375,040	0	(44,270)	330,770
Rosalie Park Improvements	121B	98,442	0	(8,510)	89,932	0	(9,034)	80,898	89,930	0	(9,030)	80,900
Rosalie Park Improvements	121C	759,703	0	(48,794)	710,909	0	(38,069)	672,840	710,910	0	(51,050)	659,860
Rosalie Park Improvements	121D	68,693	0	(22,135)	46,558	0	(11,348)	35,210	46,560	0	(22,890)	23,670
Lake Jualbup	127	636,954	0	(98,060)	538,894	0	(101,165)	437,729	538,890	0	(101,160)	437,730
Undergrounding of Powerlines	123A	2,328,190	0	(144,533)	2,183,657	0	(152,058)	2,031,599	2,183,660	0	(152,060)	2,031,600
Undergrounding of Powerlines	123B	1,615,080	0	(98,278)	1,516,802	0	(102,831)	1,413,971	1,516,800	0	(102,830)	1,413,970
Total		5,923,750	0	(461,950)	5,461,800	0	(458,770)	5,003,030	5,461,790	0	(483,290)	4,978,500
Self Supporting Loans												
Regal Theatre	128	180,663	0	(39,108)	141,555	0	(39,694)	101,861	141,550	0	(39,690)	101,860
Total Self Supporting Loans		180,663	0	(39,108)	141,555	0	(39,694)	101,861	141,550	0	(39,690)	101,860
Total Borrowings	15	6,104,413	0	(501,058)	5,603,355	0	(498,464)	5,104,891	5,603,340	0	(522,980)	5,080,360

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ended	Budget for year ended	Actual for year ended
					30 June 2024	June 2024	30 June 2023
					\$	\$	\$
Rosalie Park Improvements	121A	WATC	6.21%	28/06/2030	(25,245)	(25,270)	(28,120)
Rosalie Park Improvements	121B	WATC	6.07%	27/06/2031	(5,946)	(5,950)	(6,521)
Rosalie Park Improvements	121C	WATC	4.54%	30/06/2034	(36,201)	(36,210)	(38,739)
Rosalie Park Improvements	121D	WATC	3.38%	30/06/2025	(1,667)	(1,670)	(2,577)
Lake Jualbup	127	WATC	3.13%	15/06/2028	(19,038)	(19,180)	(22,833)
Undergrounding of Powerlines	123A	WATC	5.14%	7/03/2034	(122,574)	(125,040)	(131,223)
Undergrounding of Powerlines	123B	WATC	4.58%	21/07/2034	(76,239)	(78,310)	(81,446)
Total					(286,910)	(291,630)	(311,459)
Self Supporting Loans Finance Cost Payments							
Regal Theatre	128	WATC	1.49%	3/11/2026	(2,641)	(2,640)	(3,503)
Total Self Supporting Loans Finance Cost Payments					(2,641)	(2,640)	(3,503)
Total Finance Cost Payments					(289,551)	(294,270)	(314,962)

* WA Treasury Corporation

**CITY OF SUBIACO
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FOR THE YEAR ENDED 30 JUNE 2024**

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2023	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2024
Regal Theatre	128	WATC	3/11/2021	\$	\$	\$
			200,000	0	0	200,000
			200,000	0	0	200,000

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual						
		Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
Gym Equipment		\$ 44,720	\$ 0	\$ (24,090)	\$ 20,630	\$ 0	\$ (20,630)	\$ 0
Carpark		177,107	0	(110,886)	66,221	40,854	(107,074)	1
Depot Site		150,756	0	(18,000)	132,756	0	(18,887)	113,869
Depot Site		30,726	0	(11,615)	19,111	0	(11,965)	7,146
Gym Equipment		0	254,657	(61,580)	193,077	0	(84,212)	108,865
Administration		0	1,890,363	(149,193)	1,741,170	189,936	(516,917)	1,414,189
Parking		0	199,987	(15,784)	184,203	0	(48,252)	135,951
Total Lease Liabilities	11(b)	403,309	2,345,007	(391,148)	2,357,168	230,790	(807,937)	1,780,021

Lease Finance Cost Payments

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ended 30 June 2024	Budget for year ended 30 June 2024	Actual for year ended 30 June 2023	Lease Term
Gym Equipment	7		3.02%	30/04/2024	\$ (285)	\$ 0	\$ (1,006)	4 years
Carpark	5		3.02%	31/01/2024	(3,571)	0	(3,777)	5 years
Depot Site	1		5.02%	31/08/2029	(6,113)	0	(7,000)	10 years
Depot Site	8		3.02%	31/01/2025	(409)	0	(758)	3 years
Gym Equipment	11		3.02%	1/10/2025	(4,625)	0	(5,048)	3 years
Administration	9		3.02%	28/02/2027	(52,249)	0	(18,115)	4 years
Parking	10		3.02%	28/02/2027	(4,848)	0	(1,916)	4 years
Total Finance Cost Payments					(72,100)	0	(37,620)	

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

29. RESERVE ACCOUNTS	2024	2024	2024	2024	2024	2024	2024	2024	2023	2023	2023	2023
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Plant and Equipment Replacement	1,816,637	943,564	(914,166)	1,846,035	1,770,506	635,170	(1,283,500)	1,122,176	1,561,116	301,559	(46,038)	1,816,637
(b) Building and Facilities	3,400,050	3,501,208	(2,439,842)	4,461,416	3,517,724	8,654,690	(2,522,350)	9,650,064	2,286,494	1,965,517	(851,961)	3,400,050
(c) Parking and Public Transport Improvements	2,500,951	113,228	(188,362)	2,425,817	2,275,386	58,570	(449,000)	1,884,956	2,470,287	81,587	(50,923)	2,500,951
(d) Waste Management	3,401,309	153,990	(167,116)	3,388,183	3,369,034	52,790	(1,901,020)	1,520,804	3,263,354	159,580	(21,625)	3,401,309
(e) Undergrounding of Power Lines	70,568	403,195	(453,702)	20,061	66,158	402,070	(458,240)	9,988	73,618	452,431	(455,481)	70,568
(f) Capital Investment	26,717,798	0	(25,324)	26,692,474	26,756,823	1,160,000	(2,620,830)	25,295,993	27,366,943	0	(649,145)	26,717,798
(g) Student Bursaries	60,809	2,753	0	63,562	60,745	2,370	0	63,115	58,865	1,944	0	60,809
(h) Infrastructure Replacement	13,285,188	2,052,718	(3,697,635)	11,640,271	11,770,086	1,556,870	(9,503,005)	3,823,951	10,705,908	6,447,959	(3,868,679)	13,285,188
(i) Investment Income Reserve	12,247,688	5,108,516	(2,227,718)	15,128,486	11,229,859	6,035,760	(6,584,980)	10,680,639	10,706,350	5,323,004	(3,781,666)	12,247,688
(j) Public Art	867,723	229,165	(516,676)	580,212	836,387	211,480	(736,980)	310,887	837,117	216,768	(186,162)	867,723
(k) Heritage Grants Reserve	135,176	56,120	(14,086)	177,210	133,183	53,910	(50,000)	137,093	129,053	54,262	(48,139)	135,176
(l) Information Technology Reserve	317,500	14,374	(331,874)	0	365,853	0	(365,853)	0	415,043	13,708	(111,251)	317,500
	64,821,397	12,578,831	(10,976,501)	66,423,727	62,151,744	18,823,680	(26,475,758)	54,499,666	59,874,148	15,018,319	(10,071,070)	64,821,397

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

**CITY OF SUBIACO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

29. RESERVE ACCOUNTS (Continued)

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

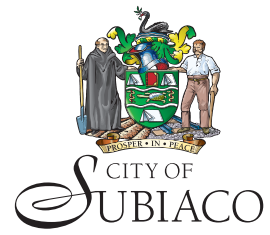
Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Plant and Equipment Replacement	To fund future replacement of plant.
(b) Building and Facilities	To provide funds for the future maintenance of council buildings and facilities.
(c) Parking and Public Transport Improvements	To maintain and improve the parking facilities within the City.
(d) Waste Management	To fund the improvement, replacement and expansion of waste management facilities. Surplus operating funds for Waste Services are transferred to the reserve each year to provide for future plant replacement.
(e) Undergrounding of Power Lines	To contribute towards the future undergrounding of powerlines. The City of Subiaco has completed the undergrounding of low voltage power lines, together with associated street lighting improvements as part of the State Underground Power Program. Undergrounding of power and associated lighting is to be paid from general revenue using loan funds if required.
(f) Capital Investment	A Capital Investment reserve is to be maintained to hold the following investment funds: <ul style="list-style-type: none"> - the existing Capital Investment Reserve proceeds of any sale of land or other long-term investment - any other funds as determined by Council from time to time. - the City's share of the net surplus from the Subi Centro project; and The Capital Investment Reserve will be maintained as a holding reserve for investment capital, where available funds will be consolidated until being used only for the purchase of other investment assets (whether property or other assets) in accordance with specific resolutions of Council.
(g) Student Bursaries	To provide for the development of students within the City of Subiaco.
(h) Infrastructure Replacement	To ensure the continued funding of infrastructure replacement.
(i) Investment Income Reserve	An investment Income Reserve will be maintained to hold all rents and other income received from long-term investment assets. Effective as of 1 July 2004, all investment income is to be transferred to the Investment Income Reserve from general revenue at six-monthly intervals in accordance with Section 8 of Policy 10.9 Investment Assets. Funds held in the Investment Income Reserve may be disbursed from time-to-time and in accordance with resolutions of Council as follows: <ul style="list-style-type: none"> - to meet direct costs incurred in managing the investment portfolio; - to compensate general revenue for internal costs incurred in managing the investment portfolio; - to supplement general revenue as determined by resolution to Council to finance specific community development projects approved by an absolute majority of Council; and - reinvestment in the Capital Investment Reserve determined by resolution of Council. To enable the City to support the development and procurement of significant works.
(j) Public Art	To provide grants toward works which contribute to the retention of the heritage, values and character of privately owned properties listed on the Town Planning Scheme No. 4 Register of Places of Cultural Heritage Significance or are situated within a declared Conservation Area, in accordance with the City of Subiaco Heritage Incentives Policy.
(k) Heritage Grants Reserve	To provide grants toward works which contribute to the retention of the heritage, values and character of privately owned properties listed on the Town Planning Scheme No. 4 Register of Places of Cultural Heritage Significance or are situated within a declared Conservation Area, in accordance with the City of Subiaco Heritage Incentives Policy.
(l) Information Technology Reserve	To fund replacement of IT infrastructure and systems.

**CITY OF SUBIACO
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024**

30. TRUST FUNDS

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

	1 July 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Building Industry Training Fund	65,522	13,550	(15,687)	63,385
Building Commission	162,609	121,891	(120,754)	163,746
Employee Workplace Giving Program	2,994	5,422	(4,400)	4,016
	231,125	140,863	(140,841)	231,147



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