



Standing Committee (Audit and Risk)

Item 11.1 refers

Attachment 1

Draft Annual Financial Report

Creating opportunities



CITY OF BELMONT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

CITY OF BELMONT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020
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CITY OF BELMONT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

SCHEDULE 2

Form 1 [Reg. 51]

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

STATEMENT BY CEO

The attached financial report of the City of Belmont for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the City of Belmont at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the day of November 2020

John Christie
Chief Executive Officer

CITY OF BELMONT

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|-------|----------------------|----------------------|----------------------|
| REVENUE | | | | |
| Governance | | 1,165,276 | 391,190 | 478,944 |
| General purpose funding | | 52,046,809 | 51,558,277 | 52,639,675 |
| Law, order and public safety | | 248,030 | 286,543 | 302,256 |
| Health | | 273,183 | 194,032 | 240,500 |
| Education and welfare | | 2,204,072 | 1,873,205 | 2,192,016 |
| Housing | | 353,607 | 190,498 | 377,000 |
| Community amenities | | 6,938,938 | 6,901,060 | 6,975,121 |
| Recreation and culture | | 346,439 | 488,100 | 420,752 |
| Transport | | 696,280 | 676,496 | 377,722 |
| Economic services | | 292,258 | 377,236 | 354,000 |
| Other property and services | | 230,402 | 248,228 | 136,900 |
| | | 64,795,293 | 63,184,865 | 64,494,887 |
| EXPENSES | | | | |
| Governance | | 9,820,879 | 8,778,278 | 9,096,587 |
| General purpose funding | | 2,681,724 | 1,882,572 | 2,899,507 |
| Law, order and public safety | | 3,545,579 | 3,343,499 | 3,662,505 |
| Health | | 1,166,234 | 1,122,938 | 1,308,801 |
| Education and welfare | | 5,193,461 | 4,445,133 | 4,544,546 |
| Housing | | 411,373 | 703,903 | 400,914 |
| Community amenities | | 8,047,470 | 8,423,887 | 8,812,782 |
| Recreation and culture | | 15,443,258 | 13,860,903 | 16,253,831 |
| Transport | | 9,967,628 | 14,048,721 | 9,585,817 |
| Economic services | | 2,493,441 | 2,772,635 | 3,024,668 |
| Other property and services | | 3,418,939 | 3,146,806 | 3,155,444 |
| | | 62,189,985 | 62,529,275 | 62,745,402 |
| FINANCE COSTS | | | | |
| Recreation and culture | | 642,386 | 662,452 | 646,616 |
| Other property and services | | 9,563 | 21,584 | 9,563 |
| Law, order and public safety | | Nil | 2,718 | Nil |
| | | 651,949 | 686,754 | 656,179 |
| | | 1,953,359 | (31,164) | 1,093,306 |
| Gain/(loss) on disposal of assets | 17(a) | (596,142) | (203,689) | Nil |
| Non-operating grants, subsidies and contributions | 2(a) | 12,510,801 | 10,551,287 | 12,015,386 |
| <u>General purpose funding</u> | | | | |
| Assets Donated | | 394,161 | Nil | Nil |
| Fair value adjustments to assets through profit or loss | | | | |
| Fair value adjustments to financial assets through profit or loss | 8 | 2,882 | 20,503 | Nil |
| Change in equity - associate | 9 | (1,338,762) | 1,042,427 | Nil |
| NET RESULT | | 12,926,299 | 11,379,364 | 13,108,692 |
| OTHER COMPREHENSIVE INCOME | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 20 | (284,771) | (18,347,301) | Nil |
| TOTAL OTHER COMPREHENSIVE INCOME | | (284,771) | (18,347,301) | Nil |
| TOTAL COMPREHENSIVE INCOME | | 12,641,528 | (6,967,937) | 13,108,692 |

CITY OF BELMONT

STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE

FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|---------|----------------------|----------------------|----------------------|
| REVENUE | | | | |
| Rates | 3 | 48,329,191 | 47,433,299 | 49,245,701 |
| Operating grants, subsidies and contributions | 2(a) | 4,498,809 | 3,565,221 | 3,117,558 |
| Fees and charges | 2(a) | 9,398,412 | 9,375,066 | 9,684,681 |
| Interest earnings | 4 | 1,700,004 | 2,300,866 | 2,030,500 |
| Other revenue | 2(a) | 868,877 | 510,413 | 416,446 |
| | | 64,795,293 | 63,184,865 | 64,494,887 |
| EXPENSES | | | | |
| Employee costs | | 25,318,996 | 24,219,976 | 26,806,131 |
| Materials and contracts | 2(b) | 26,017,240 | 27,027,343 | 24,289,723 |
| Utility charges | | 1,235,108 | 1,074,629 | 1,217,177 |
| Depreciation on Non-current assets | 17(c) | 7,810,291 | 8,196,645 | 8,595,419 |
| Interest expenses / finance costs | 2(b),32 | 651,949 | 686,754 | 656,179 |
| Insurance expenses | | 527,511 | 391,029 | 554,165 |
| Other expenses | | 1,280,839 | 1,619,653 | 1,282,788 |
| | | 62,841,934 | 63,216,029 | 63,401,581 |
| | | 1,953,359 | (31,164) | 1,093,306 |
| Profit on asset disposals | | 21,654 | 62,271 | Nil |
| Loss on disposal of assets | | (617,796) | (265,960) | Nil |
| Total profit/(loss) on disposal of assets | 17(a) | (596,142) | (203,689) | Nil |
| Non-operating grants, subsidies and contributions | 2(a) | 12,510,801 | 10,551,287 | 12,015,386 |
| Assets Donated | | 394,161 | Nil | Nil |
| Fair value adjustments to financial assets through profit or loss | 8 | 2,882 | 20,503 | Nil |
| Change in equity - associate | 9 | (1,338,762) | 1,042,427 | Nil |
| NET RESULT | | 12,926,299 | 11,379,364 | 13,108,692 |
| OTHER COMPREHENSIVE INCOME | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes on revaluation of non-current assets | 20 | (284,771) | (18,347,301) | Nil |
| TOTAL OTHER COMPREHENSIVE INCOME | | (284,771) | (18,347,301) | Nil |
| TOTAL COMPREHENSIVE INCOME | | 12,641,528 | (6,967,937) | 13,108,692 |

CITY OF BELMONT
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

| | Note | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|-------|----------------------|----------------------|----------------------|
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 4, 21 | 22,435,209 | 12,690,444 | 3,650,981 |
| Trade and other receivables | 5(a) | 2,727,138 | 2,790,426 | 2,162,720 |
| Other current assets | 6 | 2,315,864 | 2,297,153 | 2,111,004 |
| Inventories | 7 | 204,225 | 213,457 | 233,812 |
| Other financial assets | 8(a) | 5,508,161 | 13,638,377 | 18,223,180 |
| TOTAL CURRENT ASSETS | | 33,190,597 | 31,629,857 | 26,381,696 |
| NON-CURRENT ASSETS | | | | |
| Trade and other receivables | 5(b) | 404,685 | 408,401 | 512,821 |
| Other financial assets | 8(b) | 36,496,829 | 41,371,170 | 30,820,668 |
| Investments accounted for using the equity method | 9 | 20,882,412 | 22,117,430 | 21,132,204 |
| Property, plant and equipment | 15 | 299,094,503 | 285,725,241 | 314,904,913 |
| Infrastructure | 16 | 272,967,409 | 266,123,748 | 290,725,396 |
| Right of use assets | 17(b) | 83,808 | Nil | Nil |
| TOTAL NON-CURRENT ASSETS | | 629,929,646 | 615,745,990 | 658,096,002 |
| TOTAL ASSETS | | 663,120,243 | 647,375,847 | 684,477,698 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 11(a) | 7,597,642 | 5,986,184 | 5,696,248 |
| Provisions | 11(b) | 5,409,374 | 5,098,750 | 5,214,872 |
| Borrowings | 10 | 689,897 | 850,551 | 551,941 |
| Other liabilities | 13(a) | 3,688,410 | 1,111,030 | 885,000 |
| Lease Liabilities | 12(a) | 66,769 | Nil | Nil |
| TOTAL CURRENT LIABILITIES | | 17,452,092 | 13,046,515 | 12,348,061 |
| NON-CURRENT LIABILITIES | | | | |
| Borrowings | 10 | 13,404,748 | 13,956,689 | 13,404,748 |
| Provisions | 11(c) | 491,454 | 460,158 | 625,799 |
| Other liabilities | 13(b) | 64,020 | 61,050 | 54,555 |
| Lease Liabilities | 12(a) | 17,039 | Nil | Nil |
| TOTAL NON-CURRENT LIABILITIES | | 13,977,261 | 14,477,897 | 14,085,102 |
| TOTAL LIABILITIES | | 31,429,353 | 27,524,412 | 26,433,162 |
| NET ASSETS | | 631,690,890 | 619,851,435 | 658,044,536 |
| EQUITY | | | | |
| Reserves | 19 | 48,359,205 | 58,574,632 | 47,116,184 |
| Revaluation surplus | 20 | 383,795,620 | 384,080,391 | 402,427,692 |
| Accumulated Surplus | | 199,536,065 | 177,196,412 | 208,500,660 |
| TOTAL EQUITY | | 631,690,890 | 619,851,435 | 658,044,536 |

CITY OF BELMONT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|------|----------------------|----------------------|----------------------|
| RESERVES - INVESTMENT / CASH BACKED | | | | |
| Balance as at 1 July | | 58,574,632 | 54,016,812 | 58,801,355 |
| Amount transferred (to)/from accumulated surplus | | (10,215,427) | 4,557,820 | (11,685,171) |
| Balance as at 30 June | 19 | 48,359,205 | 58,574,632 | 47,116,184 |
| REVALUATION SURPLUS | | | | |
| Balance as at 1 July | | 384,080,391 | 402,427,692 | 402,427,692 |
| Revaluation adjustments of property, plant, equipment and infrastructure | | (284,771) | (18,347,301) | Nil |
| Balance as at 30 June | 20 | 383,795,620 | 384,080,391 | 402,427,692 |
| TOTAL RESERVES | | 432,154,825 | 442,655,023 | 449,543,876 |
| ACCUMULATED SURPLUS | | | | |
| Balance as at 1 July | | 177,196,412 | 170,374,868 | 183,706,797 |
| Initial application of AASB 15 and AASB 1058 | 34 | (802,073) | Nil | Nil |
| Restated balance as at 1 July | | 176,394,339 | 170,374,868 | 183,706,797 |
| Net result | | 12,926,299 | 11,379,364 | 13,108,692 |
| Net transfers from/(to) cash reserves | 19 | 10,215,427 | (4,557,820) | 11,685,171 |
| Balance as at 30 June | | 199,536,065 | 177,196,412 | 208,500,660 |
| TOTAL EQUITY | | 631,690,890 | 619,851,435 | 658,044,536 |

CITY OF BELMONT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--|------|----------------------|----------------------|----------------------|
| Cash flows from operating activities | | | | |
| Payments | | | | |
| Employee costs | | (23,967,395) | (24,166,122) | (26,529,817) |
| Materials and contracts | | (24,948,372) | (25,162,483) | (24,238,462) |
| Insurance expenses | | (527,511) | (391,029) | (554,165) |
| Utilities | | (1,235,108) | (1,074,629) | (1,217,177) |
| Interest | | (658,852) | (661,156) | (656,179) |
| Goods and services tax | | (5,094,137) | (4,308,142) | Nil |
| Other expenses | | (1,233,189) | (2,394,492) | (1,270,549) |
| Receipts | | | | |
| Rates | | 48,339,534 | 46,853,406 | 49,245,701 |
| Operating grants, subsidies and contributions | | 4,498,809 | 3,565,221 | 3,083,633 |
| Fees and charges | | 12,159,313 | 9,790,139 | 9,637,534 |
| Interest income | | 1,729,177 | 2,330,039 | 2,030,500 |
| Goods and services tax | | 5,376,661 | 3,918,038 | Nil |
| Other revenue | | 868,877 | 510,413 | 414,549 |
| Net cash from operating activities | 22 | 15,307,806 | 8,809,203 | 9,945,569 |
| Cash flows from/(used) in investing activities | | | | |
| Receipts of non-operating grants and contributions | | 10,741,219 | 9,596,634 | 12,015,386 |
| Term deposits redeemed | | 44,837,245 | 76,427,304 | 77,816,967 |
| Investments in term deposits | | (31,829,807) | (60,140,636) | (66,170,460) |
| Purchase of property, plant, equipment and infrastructure | | (28,954,324) | (29,423,685) | (38,744,569) |
| Proceeds from sale of property, plant and equipment | | 340,617 | 893,293 | 2,394,339 |
| Net cash used in investing activities | | (4,865,050) | (2,647,090) | (12,688,337) |
| Cash flows from/(used in) financing activities | | | | |
| Repayments of borrowings | | (705,691) | (675,561) | (705,692) |
| Self supporting loan principal receipt | | 7,700 | Nil | 10,000 |
| Net cash from/(used in) financing activities | | (697,991) | (675,561) | (695,692) |
| Net increase/(decrease) in cash held | | 9,744,765 | 5,486,552 | (3,438,460) |
| Cash held at the beginning of the reporting period | | 12,690,444 | 7,203,892 | 7,089,439 |
| Cash and cash equivalents held at the end of the reporting period | 21 | 22,435,209 | 12,690,444 | 3,650,981 |

CITY OF BELMONT
RATES SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|-----------------------|----------------------|----------------------|
| INCOME STATEMENT | | | |
| Operating Expenses | | | |
| Employee costs | 25,318,996 | 24,219,976 | 26,806,131 |
| Materials and contracts | 26,017,242 | 27,027,343 | 24,289,723 |
| Utility charges | 1,235,108 | 1,074,629 | 554,165 |
| Depreciation on Non-current assets | 7,810,291 | 8,196,645 | 8,595,419 |
| Loss on disposal of assets | 617,796 | 265,960 | Nil |
| Interest expenses / finance costs | 651,949 | 686,754 | 1,217,177 |
| Insurance expenses | 527,511 | 391,029 | 656,179 |
| Other expenses | 1,280,839 | 1,619,653 | 1,282,788 |
| | 63,459,732 | 63,481,989 | 63,401,581 |
| Operating Revenue (excluding rates) | | | |
| Operating grants, subsidies and contributions | 4,498,809 | 3,565,221 | 3,117,558 |
| Profit on asset disposals | 21,654 | 62,271 | Nil |
| Service charges | Nil | Nil | Nil |
| Fees and charges | 9,398,412 | 9,375,066 | 9,684,681 |
| Interest earnings | 1,700,004 | 2,300,866 | 2,030,500 |
| Other revenue | 868,877 | 510,413 | 416,446 |
| | 16,487,756 | 15,813,837 | 15,249,186 |
| Net result excluding rates | (46,971,976) | (47,668,152) | (48,152,395) |
| Adjustment for non cash items | | | |
| Depreciation | 7,810,291 | 8,196,645 | 8,595,419 |
| Employee provisions | 61,541 | 113,543 | 76,314 |
| Adjustment for non-current rates debtors | (1,015) | (26,682) | Nil |
| Recognition of current lease liability | (66,769) | Nil | Nil |
| (Profit)/loss on sale of assets | 596,142 | 203,689 | Nil |
| Funds demand from operations | (38,571,786) | (39,180,956) | (39,480,663) |
| Capital items | | | |
| Non-operating grants, subsidies and contributions | 11,708,728 | 10,551,287 | 12,015,386 |
| Acquisition of property plant, equipment and infrastructure | (28,954,324) | (29,423,685) | (38,789,245) |
| Proceeds from sale of assets | 340,617 | 893,292 | 2,394,339 |
| Loan principal repayments | (705,691) | (675,561) | (705,692) |
| Self supporting loan principal receipt | 7,700 | Nil | 10,000 |
| | (17,602,970) | (18,654,667) | (25,075,212) |
| Reserves | | | |
| Transfer to reserve | (4,899,523) | (8,359,262) | (4,054,399) |
| Transfer from reserve | 15,114,950 | 3,801,442 | 15,739,572 |
| Net Transfer | 10,215,427 | (4,557,820) | 11,685,173 |
| Opening Position - Surplus (Deficit) | 26 4,404,431 | 19,364,577 | 4,125,000 |
| Closing Position - Surplus (Deficit) | 26 6,774,293 | 4,404,431 | 500,000 |
| Amount to be made up from rates | 3 (48,329,191) | (47,433,298) | (49,245,701) |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

1. BASIS OF PREPARATION

The significant policies which have been adopted in the preparation of these financial statements are:

a) **Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards, *Local Government Act 1995* and accompanying regulations.

Accounting policies which have been adopted in the preparation of the financial report have been consistently applied unless stated otherwise. The report has also been prepared on an accrual basis under the convention of historical cost accounting as modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Land under roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government. Effective as at 1 July 2008, the City elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

Critical Accounting

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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

New Accounting Standards for Application in Future Years

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

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

b) **The Local Government Reporting Entity**

The financial statements forming part of this report have been prepared on the basis of 3 funds (Municipal, Reserve and Trust Funds). For the purposes of reporting the Municipal authority as a single unit, all transactions and balances in respect to these Funds have been eliminated. Certain monies held in the Trust Fund have been excluded from the consolidated financial statements, but a separate statement of those monies appears at Note 13 to the Financial Report. Included within the financial statements are those transactions that relate to the Belmont Trust that are further explained in Note 14.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns Refunds Warranties | Determination of transaction price | Allocating transaction price | Measuring obligations for returns | Timing of revenue recognition |
|--|---|--------------------------------------|--|---|---|---|--|--|
| Grant contracts with customers | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms | Output method based on project milestones and / or complete date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets. | Construction or acquisition of recognisable non-financial assets to be controlled by the local government | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the funding body | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms | Output method based on project milestones and / or completion date matched to performance obligations |
| Grants, subsidies or contributions with no contractual commitments | General appropriations and contributions with no reciprocal commitment | No obligations | Not applicable | Not applicable | Cash received | On receipt of funds | Not applicable | When assets are controlled |
| Fees and Charges - licences, registrations, approvals | Building, planning, development and animal management, having the same nature as a licence regardless of naming | Single point in time | Full payment prior to issue | None | Set by State legislation or limited by legislation to the cost of provision | Based on timing of issue of the associated rights | Refunds very limited | On payment of the licence, registration or application |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Cont.)

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns Refunds Warranties | Determination of transaction price | Allocating transaction price | Measuring obligations for returns | Timing of revenue recognition |
|--|--|--------------------------------------|--|---|---|---|--|--|
| Fees and charges - pool inspections | Compliance safety check | Single point in time | Equal proportion based on equal annually fee | None | Set by State legislation | Apportioned equally across the inspection cycle | No refunds | Output method based on provision of service |
| Fees and charges - other inspections | Regulatory food, health and safety | Single point in time | Full payment prior to inspection | None | Set by State legislation or limited by legislation to the cost of provision | Applied fully on timing of inspection | Not applicable | Upon issue of invoice. |
| Fees and charges - waste management | Kerbside collection service | Over time | Payment on an annual basis in advance | None | Adopted by council annually | When taxable event occurs | Not applicable | Output method based on provision of service |
| Fees and charges - property hire and entry | Use of halls and facilities | Single point in time | In full in advance | Refund (less \$25 amendment fee) if event cancelled within 5 working days | Adopted by council annually | Based on timing of entry to facility | Returns limited to repayment of transaction price of terms | At time of booking or collection of keys |
| Reinstatements and private works | Reinstatements and private works | Single point in time | Majority of payment in full in advance | Refunds when applicable | Adopted by council annually | Applied fully based on timing of provision | Not applicable | Output method based on provision of service or completion of works |
| Fees and charges - fines | Fines issued for breaches of local laws | Single point in time | Payment in full within defined time | None | Adopted by council through local law | When taxable event occurs | Not applicable | When fine notice is paid |
| Other revenue - reimbursements | Insurance claims | Single point in time | Payment in arrears for claimable event | None | Set by mutual agreement with the customer | When claim is agreed | Not applicable | When claim is agreed |
| Reimbursement for utilities and other recoverable costs. | Reimbursement for utilities and other recoverable costs. | Single point in time | Payment in arrears for claimable event | None | Set by mutual agreement with the customer | Applied fully based on timing of provision | Not applicable | Upon issue of invoice. |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Cont.)**a) Revenue (cont.)****Grant Revenue**

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

| | 2020 Actual | 2019 Actual | 2020 Budget |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Non-Operating Grants, Subsidies and Contributions | | | |
| General purpose funding | Nil | 566,062 | Nil |
| Law, order & public safety | 196,736 | 98,368 | 637,000 |
| Community amenities | 6,275 | 269,775 | 150,000 |
| Recreation & culture | 8,545,292 | 5,529,635 | 7,557,930 |
| Transport | 3,762,499 | 4,068,605 | 3,664,182 |
| Economic services | Nil | Nil | Nil |
| Other property & services | Nil | 18,842 | 6,274 |
| | 12,510,801 | 10,551,287 | 12,015,386 |
| Operating Grants, Subsidies and Contributions | \$ | \$ | \$ |
| Governance | 773,556 | 159,232 | 160,000 |
| General purpose funding | 876,372 | 902,621 | 440,068 |
| Law, order & public safety | 64,367 | 81,231 | 68,056 |
| Health | 47,807 | Nil | 50,000 |
| Education & welfare | 1,973,107 | 1,625,350 | 1,940,204 |
| Community amenities | Nil | Nil | 2,000 |
| Recreation & culture | 41,275 | 57,031 | 32,508 |
| Transport | 676,181 | 672,024 | 377,722 |
| Other property & services | 46,144 | 67,731 | 47,000 |
| | 4,498,809 | 3,565,221 | 3,117,558 |

Grants, donations and other contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature. Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Cont.)**a) Revenue (cont.)**

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--------------------------------|----------------------|----------------------|----------------------|
| <u>Fees and Charges</u> | | | |
| Governance | 8,273 | 11,765 | 10,300 |
| General purpose funding | 927,166 | 927,711 | 949,700 |
| Law, order & public safety | 172,969 | 197,224 | 209,000 |
| Health | 215,556 | 179,723 | 176,000 |
| Education & Welfare | 206,151 | 230,988 | 228,660 |
| Housing | 353,607 | 190,498 | 377,000 |
| Community amenities | 6,924,219 | 6,883,451 | 6,971,621 |
| Recreation & culture | 245,852 | 346,675 | 351,200 |
| Economic services | 291,494 | 356,729 | 352,700 |
| Other property & services | 53,125 | 50,303 | 58,500 |
| | 9,398,412 | 9,375,066 | 9,684,681 |

Fees and Charges

Revenue from the use of facilities and charges made for local government services, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--|----------------------|----------------------|----------------------|
| <u>Contracts with customers and transfers for recognisable non-financial assets</u> | | | |
| Fees and Charges | 531,948 | 639,686 | 643,260 |
| Operating grants, subsidies and contributions | 2,262,983 | 2,070,272 | 2,340,348 |
| Other Revenue | 311,805 | 140,374 | 123,000 |
| Non-Operating grants, subsidies and contributions | 12,378,774 | 9,499,761 | 11,733,359 |
| | 15,485,510 | 12,350,093 | 14,839,967 |

Contracts with customers included as a contract liability at the start of the period

Nil

Nil

Other revenue from contracts with customers recognised during the year

3,106,736

3,106,608

Transfers intended for acquiring or constructing recognisable non-financial assets:

- included as a capital grant liability at the start of the period.

802,073

Nil

- from performance obligations satisfied during the year

11,576,701

11,733,359

15,485,510**14,839,967**

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Cont.)

a) Revenue (cont.)

| 2020 | 2019 | 2020 |
|--------|--------|--------|
| Actual | Actual | Budget |
| \$ | \$ | \$ |

Information about receivables, contract assets and contract liabilities from contracts with customers

| | |
|---|-------------|
| Trade and other receivables from contracts with customers | 45,735 |
| Contract Assets | 1,168,206 |
| *Contract liabilities from contracts with customers | (1,850,145) |
| Financial assets held from transfers for recognisable financial assets | 61,528 |
| Contract liabilities from transfers for recognisable non financial assets | (61,528) |

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2020 (note 6).

Assets associated with contracts with customers were not subject to an impairment charge.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

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

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

* Contract liabilities are classified as income received in advance note 13(a).

| 2020 | 2019 |
|--------|--------|
| Actual | Actual |
| \$ | \$ |

Assets and services acquired below fair value

| | | |
|--------------------|---------|-----|
| Contributed Assets | 394,161 | Nil |
|--------------------|---------|-----|

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

| | | |
|--------------------------------|-------------------|-------------------|
| General rates | 48,329,191 | 47,433,298 |
| Sanitation Management | 6,554,946 | 6,337,934 |
| Statutory permits and licences | 770,781 | 835,230 |
| Fines | 172,269 | 349,784 |
| Developer contributions | Nil | 269,775 |
| Cash in lieu contributions | 95,596 | 152,700 |
| Other | 463,451 | 479,893 |
| | 56,386,234 | 55,858,615 |

Other Revenue

Other Revenue comprises:

| | | |
|---------------------|----------------|----------------|
| Reimbursements | 636,177 | 471,884 |
| Miscellaneous/Other | 232,700 | 38,529 |
| | 868,877 | 510,413 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Cont.)**b) Expenses****Auditors Remuneration**

Audit of the financial report
Audit of grant acquittals

| | |
|---------------|---------------|
| 55,000 | 55,000 |
| 2,000 | 1,500 |
| 57,000 | 56,500 |

Interest Expenses (finance costs)

Borrowings (refer note 32)

| | | |
|----------------|----------------|----------------|
| 651,949 | 686,754 | 656,179 |
| 651,949 | 686,754 | 656,179 |

Debts Written Off

Debts totalling nil (2019: \$8,823.95) were written off during the reporting period to 30 June 2020.

3. RATING INFORMATION**Minimum Rates**

The minimum payments for 2019/20 have again been set to ensure the minimum level of service required is adequately funded. Minimum payments serve other key purposes in relation to encouraging owners of vacant land to develop the site for whichever purpose it is zoned. This process further complements the State Government initiative of promoting urban infill and arresting the urban sprawl that burdens the State's ability to provide Infrastructure Assets.

The following rates in the dollar applied to each property in the differential rate categories where a minimum rate was not applied. For additional details refer to the Statement of General Purpose Funding.

| | Rate in \$ | Minimum \$ | Total Properties |
|-------------|------------|------------|------------------|
| RESIDENTIAL | 0.053341 | 840 | 18,556 |
| COMMERCIAL | 0.062718 | 990 | 1,120 |
| INDUSTRIAL | 0.062889 | 1010 | 471 |

Differential Rating

The *Local Government Act 1995* empowers a council to impose different rates in the dollar for different land zonings and different rates for improved or vacant land within a zoning. This power is provided to help local authorities with particular rating difficulties and to achieve better rating equity between different land use zonings.

For the purposes of this rating system, a land zone is a Town Planning Scheme Zone made under the *Planning and Development Act 2005* or a Zone made under Council's Planning By-laws.

Council may also apply an existing zone rate to land which is lawfully used for a non conforming use in another zone. In such cases, Council must formally declare that the land be categorised in that zone for the purpose of imposing the more appropriate rate. Within zones, land which is either improved or vacant may be rated differently. It should be noted that where, during the rating year, land is rezoned, the Council cannot issue an amended rate notice reflecting that change.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

3. RATING INFORMATION (Cont.)**Residential Rate**

The Residential Rate forms the basis of the differential rates relativities. The relativities are in place to provide Council with the flexibility to address any shifts from one rating category to another that it considers is too severe and should be phased in, or to recognise a differing level of service required by a particular rating category.

The residential rating category is also deemed to have the least capacity to pay. However, Council is committed to increasing the Residential Rate base through its City of Opportunity Marketing Strategy. This has resulted in considerable growth that is broadening the base and in turn, evenly distributing the overheads of maintaining the infrastructure of the City. There are continuing positive signs of redevelopment that have resulted in healthy growth that should continue into the foreseeable future.

Commercial Rate

Many of the reasons stated for the Industrial Rate apply to the Commercial Rate, however to a lesser degree. Certainly the location to the airports and rail terminal attract business and therefore more traffic to Belmont, however the vehicle traffic would be generally lighter and therefore not as great an impact on Council's road network.

Industrial Rate

Council has identified that the location of both the airports and the rail freight terminal has encouraged industry to locate within the City of Belmont. The result of this is large volumes of heavy vehicle traffic movements within the City and therefore an accelerated deterioration of roads.

Greater expenditure of Council's revenues is also required on services such as Health, Building and Town Planning.

The minimum payment is considered reasonable given the industrial properties will generally be serviced by and have access to a reasonable standard of infrastructure provided by the Council. It should also be seen as an incentive to develop any vacant lots that are zoned industrial.

Specified Area Rates

There were no specified area rates for the current reporting period.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

3. RATING INFORMATION (Cont.)**Discounts and Incentive Schemes**

The City of Belmont offers a 5% discount on rates paid in full by 16 September 2019 (35 days after issue of notice) or in the case of pensioners if the appropriate percentage of rates levied is paid by 16 September 2019. Payment must include any arrears and does not apply to the separate Rubbish Charge.

The total cost of the 5% discount to the City for 2019/20 is \$1,620,146 (Budget \$1,690,000, Prior Year \$1,653,588).

Instalments and Interest**Late Payment of Rates**

- 11% penalty interest rate for overdue rates.
- \$107,487 (Budget \$110,000, Prior Year \$124,623)

Instalment Options

4 instalments

- 16 September 2019
- 18 November 2019
- 20 January 2020
- 23 March 2020

Cost of 4 Instalment Program

- 5.5% instalment interest rate
- \$20.00 administration fee

2 Instalments

- 16 September 2019
- 20 January 2020

Cost of 2 Instalment Program

- \$20 administration fee

Income for Instalment Program

- Instalment Interest \$141,115 (Budget \$140,000, Prior Year \$135,695)
- Administration Fee \$125,440 (Budget \$128,000, Prior Year \$126,030)

Interim and Back Rates

Interim and back rates levied during 2019/20 totalled \$308,626 and were comprised as follows:-

| | 2020 | | 2019 | |
|--------------------|----------------|------------------|----------|---------|
| | Actual | | Actual | |
| | \$ | | \$ | |
| | Interim | Back | Interim | Back |
| Residential | 308,852 | (19,765) | 157,088 | 4,617 |
| Commercial | 94,552 | (82,299) | (37,952) | (3,622) |
| Industrial | 7,287 | Nil | 9,859 | 482 |
| | 410,690 | (102,064) | 128,995 | 1,477 |

The above table includes residential minimum payments of \$26,919 and (\$12,516) of interims and back payments respectively.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

3. RATING INFORMATION (Cont.)

| | 2020 Actual \$ | 2020 Valuations \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|----------------------|--------------------------|----------------------|----------------------|
| <u>General Rate</u> | | | | |
| Residential | | | | |
| 13,919 assessments | | | | |
| GRV rate in \$: 0.053341 | 16,100,708 | 301,844,834 | 15,665,730 | 16,114,338 |
| - Interims and back rates | 289,087 | | 161,705 | 200,078 |
| -Less Discount | (460,070) | | (456,426) | (466,476) |
| Commercial | | | | |
| 939 assessments | | | | |
| GRV Rate in \$: 0.062718 | 9,352,132 | 149,113,997 | 9,134,922 | 9,302,246 |
| - Interims and back rates | 12,253 | | (41,574) | 94,814 |
| -Less Discount | (275,985) | | (286,105) | (292,405) |
| Industrial | | | | |
| 463 assessments | | | | |
| GRV rate in \$: 0.062889 | 8,568,633 | 136,250,113 | 8,472,410 | 8,622,662 |
| - Interims and back rates | 7,287 | | 10,341 | 86,308 |
| -Less Discount | (213,151) | | (257,923) | (263,602) |
| <u>Minimum Rate</u> | | | | |
| Residential | | | | |
| GRV number of assessments 4,637 at \$840 each | 3,895,080 | 65,909,822 | 3,799,950 | 3,893,400 |
| -Less Discount | (102,071) | | (98,930) | (101,108) |
| Commercial | | | | |
| GRV number of assessments 181 at \$990 each | 179,190 | 1,452,560 | 176,475 | 179,190 |
| -Less Discount | (5,099) | | (5,056) | (5,167) |
| Industrial | | | | |
| GRV number of assessments 8 at \$1010 each | 8,080 | 87,219 | 7,960 | 8,080 |
| -Less Discount | (202) | | (199) | (202) |
| Payments in Lieu of Rates | 11,536,888 | | 11,698,967 | 12,434,585 |
| -Less Discount | (563,571) | | (548,950) | (561,040) |
| Total General Rates Levied | 48,329,191 | 654,658,545 | 47,433,298 | 49,245,701 |

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period as and when the rates are levied.

Prepaid rates are refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

4. CASH AND OTHER FINANCIAL ASSETS

The following restrictions have been imposed by regulations or other external requirements.

| | Note | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--|-------|----------------------|----------------------|----------------------|
| Administration Building Reserve | | 233,260 | 227,491 | 233,767 |
| Aged Accommodation - Homewest Reserve | | 817,776 | 764,030 | 855,457 |
| Aged Community Care Reserve | | 167,898 | 546,612 | 856,147 |
| Aged Persons Housing Reserve | | 1,018,354 | 1,096,572 | 1,068,935 |
| Aged Services Reserve | | 1,052,545 | 1,026,515 | 1,163,707 |
| Ascot Waters Marina Maint. and Redev. Reserve | | 1,010,737 | 985,741 | 960,119 |
| Belmont District Band Reserve | | 43,473 | 39,472 | 43,562 |
| Belmont Oasis Refurbishment Reserve | | 4,091,252 | 3,990,074 | 4,100,340 |
| Belmont Trust Reserve | | 1,680,261 | 1,668,994 | 5,016,581 |
| Building Maintenance Reserve | | 6,391,259 | 5,355,458 | 1,477,928 |
| Car Parking Reserve | | 61,214 | 59,700 | Nil |
| District Valuation Reserve | | 95,937 | 207,056 | 87,799 |
| Election Expenses Reserve | | 75,004 | 109,708 | 57,736 |
| Environment Reserve | | 100,931 | 27,240 | 27,994 |
| Faulkner Park Ret. Vill. Owner Maint. Reserve | | 517,070 | 434,935 | 517,070 |
| Faulkner Park Ret. Vill. Buy Back Reserve | | 2,325,901 | 2,230,344 | 2,368,915 |
| Foreshore Development Reserve | | Nil | Nil | Nil |
| History Reserve | | 140,776 | 240,673 | 257,325 |
| Information Technology Reserve | | 1,146,717 | 1,325,514 | 1,372,270 |
| Land Acquisition Reserve | | 9,104,164 | 9,095,689 | 11,167,924 |
| Long Service Leave Reserve - Funded Programs | | Nil | 151,790 | 116,981 |
| Long Service Leave Reserve - Salaries | | 2,067,804 | 1,875,732 | 1,615,510 |
| Long Service Leave Reserve - Wages | | 456,472 | 466,789 | 477,448 |
| Miscellaneous Entitlements Reserve | | 268,516 | 779,940 | 930,450 |
| Parks Development Reserve | | 119,054 | 142,715 | Nil |
| Plant Replacement Reserve | | 1,165,999 | 933,234 | 1,036,656 |
| Property Development Reserve | | 8,776,778 | 20,288,140 | 6,993,828 |
| Public Art Reserve | | 390,767 | 287,940 | 200,330 |
| Ruth Faulkner Library Reserve | | 45,385 | 44,263 | 45,487 |
| Streetscapes Reserve | | 486,254 | 474,229 | 487,341 |
| Urban Forest Strategy Reserve | | 114,826 | 111,987 | 115,082 |
| Waste Management Reserve | | 2,784,404 | 2,017,415 | 1,996,324 |
| Workers Compensation/Insurance Reserve | | 1,608,419 | 1,568,643 | 1,467,169 |
| | 19 | 48,359,205 | 58,574,632 | 47,116,184 |
| Loan monies unspent | | Nil | Nil | Nil |
| Contract liabilities from contracts with customer: | 13(a) | 1,850,145 | Nil | Nil |
| Contract liabilities from transfers for | | | | |
| recognisable non financial assets | 13(a) | 61,528 | | |
| Grant funds unspent as at 30 June | | Nil | 870,714 | Nil |
| Total restricted funds | | 50,270,878 | 59,445,346 | 47,116,184 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

4. CASH AND OTHER FINANCIAL ASSETS (Cont.)

| | Note | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--|------|----------------------|----------------------|----------------------|
| Cash and cash equivalents | | | | |
| Cash at bank and on hand | | 13,315,083 | 4,670,102 | 3,650,981 |
| Term Deposits | | 9,120,126 | 8,020,342 | Nil |
| | | 22,435,209 | 12,690,444 | 3,650,981 |
| Other Financial Assets | | | | |
| Deposits (>3 months) | 8(a) | 5,508,161 | 13,638,377 | 18,223,180 |
| Deposits (>12 months) | 8(b) | 36,318,777 | 41,195,999 | 30,820,668 |
| | | 41,826,938 | 54,834,376 | 49,043,848 |
| Restricted | | 50,270,878 | 59,445,346 | 47,116,184 |
| Unrestricted | | 13,991,269 | 8,079,474 | 5,578,645 |
| | | 64,262,147 | 67,524,820 | 52,694,829 |
| Investment and interest earnings | | | | |
| Interest on other financial assets | | 1,599,504 | 2,054,453 | |
| Interest on cash and short term deposits | | 100,500 | 246,413 | |
| Total return | | 1,700,004 | 2,300,866 | |
| Investment income by municipal fund | | 226,732 | 793,204 | 580,000 |
| Investment income on reserve funds | | 1,473,272 | 1,507,662 | 1,450,500 |
| Total Return | | 1,700,004 | 2,300,866 | 2,030,500 |

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted Assets

Restricted assets are not available for general use due to externally imposed restrictions contained in an agreement, contract or legislation. This applies to reserves, 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.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

5. TRADE AND OTHER RECEIVABLES

| | Note | 2020 Actual \$ | 2019 Actual \$ |
|--|------|----------------------|----------------------|
| a) Current | | | |
| Rates and other levies | | 1,673,290 | 980,583 |
| Trade debtors | | 346,197 | 819,668 |
| GST Receivable | | 707,651 | 990,174 |
| | | 2,727,138 | 2,790,426 |
| b) Non-current | | | |
| Deferred rates and Emergency Services Levy | | 367,775 | 363,791 |
| Loan (community group) | | 36,910 | 44,610 |
| | | 404,685 | 408,401 |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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 25.

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade receivables are held with the objective to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are therefore classified and measured 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.

6. OTHER CURRENT ASSETS

| | 2020 Actual \$ | 2019 Actual \$ |
|--------------------------|----------------------|----------------------|
| Current | | |
| Other accrued income (i) | 1,973,603 | 1,944,123 |
| Prepayments | 342,260 | 353,030 |
| | 2,315,864 | 2,297,153 |

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other current 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 beyond that period.

(i) Other accrued income includes contract assets of \$1,168,206. Refer to note 2(a).

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

7. INVENTORIES

| | 2020 Actual \$ | 2019 Actual \$ |
|------------------|----------------------|----------------------|
| Stores inventory | 204,225 | 213,457 |
| | 204,225 | 213,457 |

SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories are valued 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.

8. OTHER FINANCIAL ASSETS

| | 2020 Actual \$ | 2019 Actual \$ |
|--|----------------------|----------------------|
| a) Current | | |
| Other financial assets at amortised cost - term deposits | 5,508,161 | 13,638,377 |
| | 5,508,161 | 13,638,377 |
| b) Non-Current | | |
| Other financial assets at amortised cost - term deposits | 36,318,777 | 41,195,999 |
| Financial assets at fair value through profit and loss | | |
| - Share in Local Government House Trust (i) | 178,053 | 175,171 |
| | 36,496,829 | 41,371,170 |

- (i) The City has 10 units amounting to \$178,053 based on the Local Government House Trust's most current audited Financial Statements at 30 June 2019. These have been reclassified as other financial assets at fair value through profit or loss.

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.

Financial assets at fair value through profit and loss

The City classifies the following financial assets at fair value through profit and loss:

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHODAssociates

The City is a participant in the Eastern Metropolitan Regional Council (EMRC). The City's interest in the EMRC calculated by the EMRC as at 30 June 2020 is 11.31% representing its share of net assets of \$20,882,412. The City has voting rights of 1/6th and the interest in the assets and liabilities of the EMRC is as follows:

| | Note | 2020 Actual \$ | 2019 Actual \$ |
|--------------------------------------|------|----------------------|----------------------|
| Interest in Associates as at 30 June | | 20,882,412 | 22,117,430 |
| Represented by Share of Associates : | | | |
| <u>EMRC:</u> | | | |
| Revenue | | 44,370,170 | 42,510,894 |
| Net Result | | (7,251,561) | 8,245,723 |
| Total Comprehensive Income | | (6,061,721) | 8,245,723 |
| <u>Financial Position:</u> | | | |
| Current Assets | | 89,551,063 | 107,716,368 |
| Non-Current Assets | | 110,359,239 | 99,466,539 |
| Total Assets | | 199,910,302 | 207,182,907 |
| Current Liabilities | | 8,026,411 | 7,175,888 |
| Non-Current Liabilities | | 7,432,011 | 4,493,417 |
| Total Liabilities | | 15,458,422 | 11,669,305 |
| Net Assets | | 184,451,880 | 195,513,602 |
| Change in equity | | (1,338,762) | 1,042,427 |
| Revaluation Surplus movement | 20 | 103,744 | (57,201) |
| Dividends received from associate | | 565,624 | Nil |

SIGNIFICANT ACCOUNTING POLICIES

Interest in Associate

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

The City's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the City's share of net assets of the associate since the acquisition date. The City's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Investments in associates are tested for any indication of impairment at the end of the reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the investment is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Other Investments

The City also holds a minor interest in jointly controlled assets (land and buildings) with the Housing Authority for aged accommodation purposes. Included in Property, Plant and Equipment the total value of the City's share of jointly controlled assets at 30 June 2020 is \$2,190,674 (2019: \$2,400,795).

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

10. BORROWINGS

The City currently has the following principal outstanding on loans borrowed for various capital works and land acquisition purposes.

| | 2020 Actual \$ | 2019 Actual \$ | 2019 Budget \$ |
|------------------------------------|----------------------|----------------------|----------------------|
| Current | | | |
| Interest on loans accrued | 137,956 | 144,859 | Nil |
| Loan liability | 551,941 | 705,692 | 551,941 |
| | 689,897 | 850,551 | 551,941 |
| Non-Current | | | |
| Loan liability | 13,404,748 | 13,956,689 | 13,404,748 |
| Total Borrowings | 14,094,645 | 14,807,240 | 13,956,689 |
| Loans raised during year (Note 32) | Nil | Nil | Nil |
| Unspent balance of borrowings | Nil | Nil | Nil |

All borrowings made by the City are secured over the general funds of the City of Belmont.

SIGNIFICANT ACCOUNTING POLICIESFinancial Liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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 the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Borrowing costs

Borrowing costs are recognised as an expense. Refer Note 25.

11. PAYABLES & PROVISIONS

| | 2020 Actual \$ | 2019 Actual \$ |
|---|----------------------|----------------------|
| (a) Trade and other payables (Current) | | |
| Creditors | 1,146,933 | 658,277 |
| Accrued Expenses | 5,189,877 | 5,076,756 |
| Salaries and wages accrued | 1,260,833 | 251,152 |
| | 7,597,642 | 5,986,184 |

SIGNIFICANT ACCOUNTING POLICIESTrade and other payables

They 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 and are usually paid within 30 days of recognition.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

11. PAYABLES & PROVISIONS (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ |
|-------------------------------------|----------------------|----------------------|
| (b) Provisions (Current) | | |
| Provision for annual leave | 2,691,455 | 2,417,788 |
| Provision for long service leave | 2,524,276 | 2,494,031 |
| Other leave provisions | 193,643 | 186,931 |
| | <u>5,409,374</u> | <u>5,098,750</u> |
| (c) Provisions (Non-current) | | |
| Provision for long service leave | 491,454 | 460,158 |
| | <u>491,454</u> | <u>460,158</u> |

Annual leave liabilities have been 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:

| | 2020 Actual \$ | 2019 Actual \$ |
|---|----------------------|----------------------|
| Within 12 months of the end of the reporting period | 1,748,528 | 2,044,809 |
| More than 12 months after the end of the reporting period | 942,927 | 372,979 |
| | <u>2,691,455</u> | <u>2,417,788</u> |

Long service leave liabilities due or payable have been classified as current where 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:

| | 2020 Actual \$ | 2019 Actual \$ |
|---|----------------------|----------------------|
| Within 12 months of the end of the reporting period | 348,410 | 372,666 |
| More than 12 months after the end of the reporting period | 2,667,320 | 2,581,523 |
| | <u>3,015,730</u> | <u>2,954,189</u> |

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits**Short-term employee benefits**

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services, including wages and salaries. 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 and salaries are recognised as a part of current trade and other payables in the statement of financial position.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

11. PAYABLES & PROVISIONS (Cont.)**Other long-term benefits**

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of the financial position.

Long-term employee benefits 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 this 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.

Provisions

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

12. LEASES AND CAPITAL COMMITMENTS**(a) Leases****Lease liabilities**

| | 2020 | 2019 |
|-------------|---------------|--------|
| | Actual | Actual |
| | \$ | \$ |
| Current | 66,769 | Nil |
| Non-current | 17,039 | Nil |
| | 83,808 | Nil |

Recreation and culture

| | <u>Lease 1</u> | <u>Lease 2</u> |
|-----------------------------------|-----------------------|-----------------------|
| Lease number | 1/2 | 3A/B |
| Institution | De Lage Landen | De Lage Landen |
| Lease interest rate | Nil | Nil |
| Lease term | 3 years | 3 years |
| Term Remaining at 30 June 2020 | 0.81 years | 2.45 years |
| Lease Liabilities at 1 July 2019 | 122,646 | Nil |
| New Leases 2019-2020 | Nil | 35,234 |
| Lease Payments 2019-2020 | 67,622 | 6,450 |
| Lease Liabilities at 30 June 2020 | 55,024 | 28,784 |

There are 2 operating leases relating to the leasing of cardio vascular gym equipment that is used in the Belmont Oasis. Refer to the accounting policy for lease liabilities and related Right of Use Assets in note 17 (b).

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

12. LEASES AND CAPITAL COMMITMENTS (Cont.)

As at 30 June the City had the following operating lease entitlements for which the City was the lessor.

| Lease receivable details | 2020 | 2019 |
|---|----------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Not longer than 1 year | 153,967 | 400,284 |
| Longer than 1 year and not longer than 2 years | 96,901 | 152,542 |
| Longer than 2 years and not longer than 5 years | 155,729 | 313,042 |
| Longer than 5 years | 136,409 | 206,423 |
| | 543,006 | 1,072,292 |

Operating lease revenue is receivable from tenants in property owned by City of Belmont. Leases have an average lease term of 2.1 years and an implicit interest rate based on CPI.

(b) Capital Works Contract Commitments

As at 30 June, the City had the following contracted capital works commitments outstanding.

| | 2020 | 2019 |
|---|------------------|-------------------|
| | Actual | Actual |
| | \$ | \$ |
| Not longer than 1 year | 4,558,606 | 18,922,062 |
| Longer than 1 year and not longer than 2 years | Nil | Nil |
| Longer than 2 years and not longer than 5 years | Nil | Nil |
| Longer than 5 years | Nil | Nil |
| | 4,558,606 | 18,922,062 |

Significant decrease relates to the completion of the construction contract of the Belmont Hub. The commitments include the fit-out of the Belmont Hub.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

13. OTHER LIABILITIES

| (a) Other Liabilities (Current) | Note | 2020 Actual \$ | 2019 Actual \$ |
|---|------|------------------------------------|----------------------|
| Total funds (bonds/deposits/trust funds) held | | 1,503,762 | 1,585,747 |
| Less trust funds (not under the City's control) | | (1,355,895) | (1,474,760) |
| | | 147,867 | 110,987 |
| Income received in advance (i) | | 2,758,847 | 783,764 |
| Other Liabilities | | 465,844 | 7,983 |
| Emergency Services Levy | | 315,852 | 208,296 |
| | | 3,688,410 | 1,111,030 |

(i) Income received in advance includes contract liabilities from contracts with customers in the amount of \$1,911,673 (Note 2(a)).

SIGNIFICANT 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 are recognised as revenue as the performance obligations are satisfied.

(b) Other Liabilities (Non-Current)

| | | |
|------------------------------------|---------------|--------|
| Emergency Services Levy (Deferred) | 64,020 | 61,050 |
| | 64,020 | 61,050 |

Funds over which the City has no control and which are not included in the financial statements are as follows:

| | 2020 Actual \$ | 2019 Actual \$ |
|--|------------------------------------|----------------------|
| BCITF Levy | 28,144 | 100,567 |
| Building Services Levy | 33,822 | 97,923 |
| Cash In Lieu Of Public Open Space | 1,293,929 | 1,276,270 |
| Unclaimed/Surplus Cash | Nil | Nil |
| Cash In Lieu Of Carparking | Nil | Nil |
| Department of Planning Fees | Nil | Nil |
| Cash In Lieu Of Public Art | Nil | Nil |
| Total trust funds (not under the City's control) | 1,355,895 | 1,474,760 |

Summary of Trust Funds Held**(a) BCITF Levy**

| | | |
|--------------------|------------------|-----------|
| Opening balance | 100,567 | 20,261 |
| Receipts | 130,304 | 362,660 |
| Payments | (202,727) | (282,354) |
| Balance at 30 June | 28,144 | 100,567 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

13. OTHER LIABILITIES (Cont.)

| | Note | 2020 Actual \$ | 2019 Actual \$ |
|--|------|----------------------|----------------------|
| (b) Building Services Levy | | | |
| Opening balance | | 97,923 | 52,586 |
| Receipts | | 167,736 | 284,241 |
| Payments | | (231,837) | (238,904) |
| Balance at 30 June | | 33,822 | 97,923 |
| (c) Cash In Lieu Of Public Open Space | | | |
| Opening balance | | 1,276,270 | 1,240,134 |
| Receipts | | 17,659 | 36,136 |
| Payments/Transfers | | Nil | Nil |
| Balance at 30 June | | 1,293,929 | 1,276,270 |
| (d) Unclaimed Monies | | | |
| Opening balance | | Nil | 700 |
| Receipts | | Nil | Nil |
| Transfers | | Nil | (700) |
| Balance at 30 June | | Nil | Nil |
| (e) Cash in Lieu of Carparking | | | |
| Opening balance | | Nil | 59,700 |
| Receipts | | Nil | Nil |
| Transfers to Reserve | | Nil | (59,700) |
| Balance at 30 June | | Nil | Nil |
| (f) Department of Planning Fees | | | |
| Opening balance | | Nil | 196 |
| Receipts | | Nil | 36,909 |
| Payments | | Nil | (37,105) |
| Balance at 30 June | | Nil | Nil |
| (g) Cash in Lieu of Public Art | | | |
| Opening balance | | Nil | 93,000 |
| Receipts | | Nil | Nil |
| Transfers to Reserve | | Nil | (93,000) |
| Balance at 30 June | | Nil | Nil |
| Total Trust funds held | | 1,355,895 | 1,474,760 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

14. BELMONT TRUST

The City of Belmont is a trustee for lot 49 Great Eastern Highway and lot 5 Stoneham Street held in Ascot. The effect of the Trust Deed is that the City holds the trust property (land) for the charitable purpose of public recreation and enjoyment for the people that reside in the City of Belmont.

The Belmont Trust is not a separate legal entity and it cannot own property in its own name. Instead the land is held by the City as the sole trustee. The Trust's assets, liabilities, income and expenditure are consolidated in the City's own financial statements. However to ensure that any financial benefits generated by the Trust are managed in accordance with the Trust Deed, assets, liabilities, income and expenditure will be separately recorded.

During the year ending 30 June 2020 the Belmont Trust incurred expenditure of \$19,026 to maintain the land and fund legal services while interest income of \$30,292 was earned. Net funds were transferred to the Belmont Trust Reserve (note 19(i)) which had a balance of \$1,680,261 at the end of the financial year.

As at the reporting date the Trust land is recognised as a Non-Current Asset under Property, Plant and Equipment at a fair value of \$31.725 million.

15. PROPERTY, PLANT AND EQUIPMENT

| | 2020 | 2019 |
|--------------------------------------|---------------------|---------------|
| | Actual | Actual |
| | \$ | \$ |
| Land (Freehold) at: | | |
| Independent valuation (level 2) | 165,631,900 | 165,631,900 |
| Additions after valuation | Nil | Nil |
| | 165,631,900 | 165,631,900 |
| Buildings at: | | |
| Independent valuation (level 3) | 104,123,650 | 101,654,546 |
| Management valuation (level 3) | 1,010,704 | Nil |
| Additions after valuation | 40,752,369 | 2,807,640 |
| Less: accumulated depreciation | (19,972,262) | (14,165,558) |
| | 125,914,461 | 90,296,628 |
| Furniture & equipment at: | | |
| Management valuation (level 3) | 7,431,857 | 7,431,857 |
| Additions after valuation | 862,010 | 77,080 |
| Less: accumulated depreciation | (6,326,353) | (6,997,733) |
| | 1,967,514 | 511,204 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

15. PROPERTY, PLANT AND EQUIPMENT (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ |
|--|---------------------------|----------------------|
| Plant and machinery at: | | |
| Management valuation (level 3) | 8,464,879 | 8,464,879 |
| Additions after valuation | 376,924 | 422,082 |
| Less: accumulated depreciation | (4,364,720) | (4,186,903) |
| | <u>4,477,082</u> | <u>4,700,058</u> |
| Work in Progress - Cost | 1,103,546 | 24,585,451 |
| Total Property, plant and equipment | <u>299,094,503</u> | <u>285,725,241</u> |

Fair Value Measurements**Land**

The City's land (freehold) was revalued as at 30 June 2019 by independent valuers.

Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which are restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Buildings

The City's buildings including other structures were revalued as at 1 April 2020 using the cost approach by independent valuers. This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.

Furniture and Equipment & Plant and Machinery

The City's Furniture and Equipment and Plant and Machinery were revalued at 1 January 2019 by management having regard for their current replacement cost (level 2 inputs), condition assessment, residual values and estimated useful life (level 3 inputs). Although level 2 inputs were also used, given the significance of the level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using level 3 inputs.

The revaluation resulted in neither an increase or decrease in the net value of the respective asset classes. Consequently no adjustment was recognised in other comprehensive income in the Statement of Profit or Loss and Other Comprehensive Income.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

15. PROPERTY, PLANT AND EQUIPMENT (Cont.)

| Movements in Carrying Amounts | 2020 | 2019 |
|--|--------------------|--------------------|
| | Actual | Actual |
| (a) Land | \$ | \$ |
| Opening Balance | 165,631,900 | 183,302,000 |
| Additions | Nil | 620,000 |
| Net revaluations | Nil | (18,290,100) |
| Closing Balance | <u>165,631,900</u> | <u>165,631,900</u> |
| (b) Buildings | | |
| Opening Balance | 90,296,628 | 91,416,114 |
| Additions | 16,437,049 | 423,927 |
| Transfers from work in progress | 24,502,137 | 7,640 |
| Transfers to Reserve Improvements | (71,495) | Nil |
| Disposals (at cost/valuation) | (444,370) | (160,793) |
| Disposals (accum. depreciation) | 135,378 | 61,009 |
| Net revaluations | (3,366,247) | Nil |
| Depreciation expense | (1,574,620) | (1,451,269) |
| Closing Balance | <u>125,914,461</u> | <u>90,296,628</u> |
| (c) Furniture and equipment | | |
| Opening Balance | 511,204 | 796,586 |
| Additions | 1,737,737 | 205,512 |
| Transfers from work in progress | 83,314 | 9,431 |
| Disposals (at cost/valuation) | (1,036,121) | (67,327) |
| Disposals (accum. depreciation) | 1,036,121 | 67,327 |
| Depreciation expense | (364,742) | (500,324) |
| Closing Balance | <u>1,967,514</u> | <u>511,204</u> |
| (d) Plant and machinery | | |
| Opening Balance | 4,700,058 | 5,520,972 |
| Additions | 679,987 | 1,219,403 |
| Disposals (at cost/valuation) | (725,146) | (1,454,493) |
| Disposals (accum. depreciation) | 352,988 | 555,287 |
| Depreciation expense | (530,806) | (1,141,109) |
| Closing Balance | <u>4,477,082</u> | <u>4,700,058</u> |
| (e) Work in progress | | |
| Opening Balance | 24,585,451 | 4,697,596 |
| Additions | 1,103,546 | 19,904,926 |
| Transferred to assets | (24,585,451) | (17,071) |
| Total non current work in progress | <u>1,103,546</u> | <u>24,585,451</u> |
| Total property, plant and equipment | <u>299,094,503</u> | <u>285,725,241</u> |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

16. INFRASTRUCTURE

| | 2020 Actual \$ | 2019 Actual \$ |
|--|----------------------|----------------------|
| Reserves improvements | | |
| Independent valuation (level 3) | 23,855,344 | 21,250,000 |
| Additions after valuation | 1,186,068 | 3,049,516 |
| Less: accumulated depreciation | (8,861,215) | (11,119,593) |
| | 16,180,197 | 13,179,922 |
| Road network - infrastructure at: | | |
| Independent valuation (level 3) | 187,626,132 | 187,626,132 |
| Additions after valuation | 14,781,798 | 8,893,478 |
| Less: accumulated depreciation | (48,615,663) | (46,162,456) |
| | 153,792,267 | 150,357,153 |
| Footpath network - infrastructure at: | | |
| Management valuation (level 3) | 21,174,019 | 21,174,019 |
| Additions after valuation | 2,460,592 | 1,394,426 |
| Less: accumulated depreciation | (10,907,306) | (10,334,460) |
| | 12,727,305 | 12,233,985 |
| Drainage network - infrastructure at: | | |
| Management valuation (level 3) | 86,684,610 | 86,684,610 |
| Additions after valuation | 2,057,695 | 1,479,766 |
| Less: accumulated depreciation | (26,832,522) | (25,884,385) |
| | 61,909,783 | 62,279,990 |
| Parks and gardens - turf at: | | |
| Management valuation (level 3) | 22,826,376 | 22,826,376 |
| Less: accumulated depreciation | Nil | Nil |
| | 22,826,376 | 22,826,376 |
| Carparks at: | | |
| Management valuation (level 3) | 6,099,488 | 6,099,488 |
| Additions after valuation | 29,827 | 29,827 |
| Less: accumulated depreciation | (1,833,453) | (1,750,661) |
| | 4,295,862 | 4,378,654 |
| Work in progress | | |
| Cost | 1,235,619 | 867,668 |
| Less: Accumulated Depreciation | Nil | Nil |
| | 1,235,619 | 867,668 |
| Total Infrastructure | 272,967,409 | 266,123,748 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

16. INFRASTRUCTURE (Cont.)**Fair Value Measurements**

The City's roads, footpaths, drains and carpark were revalued as at 1 July 2017 by management. An independent asset management consultant also reviewed the road valuation and had previously reviewed the valuation inputs for all other respective asset types that were again used with the exception of unit rates that were updated.

The City's Reserve Improvements were revalued as at 1 January 2020 using the cost approach by independent valuers. The City's Parks and Gardens - Turf was revalued as at 30 June 2018 using the cost approach by management.

The valuations required estimating the replacement cost for each asset type by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.

Movements in Carrying Amounts

| | 2020 | 2019 |
|----------------------------------|--------------------|---------------|
| | Actual | Actual |
| | \$ | \$ |
| (a) Reserves improvements | | |
| Opening Balance | 13,179,922 | 12,483,320 |
| Additions | 1,405,280 | 1,644,844 |
| Transfers from work in progress | 10,448 | 316,599 |
| Transfers from Buildings | 71,495 | Nil |
| Disposals (at cost/valuation) | (854,202) | (354,000) |
| Disposals (accum. depreciation) | 598,593 | 256,011 |
| Net revaluations | 2,977,732 | Nil |
| Depreciation expense | (1,209,072) | (1,166,851) |
| Closing Balance | 16,180,197 | 13,179,922 |

(b) Road network - infrastructure

| | | |
|---------------------------------|--------------------|-------------|
| Opening Balance | 150,357,153 | 149,345,317 |
| Additions | 5,094,353 | 2,890,769 |
| Transfers from work in progress | 793,967 | 517,127 |
| Depreciation expense | (2,453,207) | (2,396,060) |
| Closing Balance | 153,792,267 | 150,357,153 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

16. INFRASTRUCTURE (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ |
|--|---|---|
| (c) Footpath network - infrastructure | | |
| Opening Balance | 12,233,985 | 11,892,798 |
| Additions | 1,004,618 | 813,195 |
| Transfers from work in progress | 61,548 | 45,106 |
| Depreciation expense | (572,846) | (517,113) |
| Closing Balance | 12,727,305 | 12,233,985 |
| (d) Drainage network - infrastructure | | |
| Opening Balance | 62,279,990 | 62,415,083 |
| Additions | 576,997 | 803,615 |
| Transfers from work in progress | 932 | 2,644 |
| Depreciation expense | (948,136) | (941,351) |
| Closing Balance | 61,909,783 | 62,279,990 |
| (e) Parks and gardens - Turf | | |
| Opening Balance | 22,826,376 | 22,826,376 |
| Closing Balance | 22,826,376 | 22,826,376 |
| (f) Carparks | | |
| Opening Balance | 4,378,654 | 4,431,393 |
| Additions | Nil | 29,827 |
| Depreciation expense | (82,792) | (82,566) |
| Closing Balance | 4,295,862 | 4,378,654 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

16. INFRASTRUCTURE (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ |
|---|----------------------|----------------------|
| (g) Work in progress | | |
| Opening Balance | | |
| | 867,668 | 881,475 |
| Additions | 1,234,846 | 867,668 |
| Transferred to assets | (866,895) | (881,475) |
| Total non current work in progress | 1,235,619 | 867,668 |
| Total Infrastructure | 272,967,409 | 266,123,748 |

SIGNIFICANT ACCOUNTING POLICIES

Property, Plant, Equipment and Infrastructure

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

Initial recognition and measurement between mandatory revaluation dates

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of asset classes are credited as a revaluation surplus in equity. Decreases that offset previous increases of the same asset class are recognised against the revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Any accumulated depreciation at the date of revaluation and the gross carrying amount of the asset is restated to the revalued amount of the asset.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

16. INFRASTRUCTURE (Cont.)

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance. No such Crown Land is operated by the City.

17. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)**a) ASSET DISPOSALS**

| | 2020 | 2019 | 2020 |
|--|------------------|------------------|---------------|
| | Actual | Actual | Budget |
| | \$ | \$ | \$ |
| Land | | | |
| Net book value of disposals | Nil | Nil | 1,150,000 |
| Proceeds on disposal | Nil | Nil | 1,150,000 |
| Profit/(loss) on disposal | Nil | Nil | Nil |
| Buildings | | | |
| Net book value of disposals | 308,992 | 99,785 | Nil |
| Proceeds on disposal | Nil | Nil | Nil |
| Profit/(loss) on disposal | (308,992) | (99,785) | Nil |
| Furniture, fixtures and equipment | | | |
| Net book value of disposals | Nil | Nil | Nil |
| Proceeds on disposal | Nil | 4,500 | Nil |
| Profit/(loss) on disposal | Nil | 4,500 | Nil |
| Plant and machinery | | | |
| Net book value of disposals | 372,159 | 899,208 | 1,244,339 |
| Proceeds on disposal | 340,617 | 888,792 | 1,244,339 |
| Profit/(loss) on disposal | (31,541) | (10,416) | Nil |
| Reserve Improvements | | | |
| Net book value of disposals | 255,609 | 97,989 | Nil |
| Proceeds on disposal | Nil | Nil | Nil |
| Profit/(loss) on disposal | (255,609) | (97,989) | Nil |
| Net profit/(loss) | (596,142) | (203,689) | Nil |
| Gain/(Loss) by Program/Function | | | |
| Governance | 6,926 | 3,573 | Nil |
| Law, order & public safety | (16,110) | (2,802) | Nil |
| Health | Nil | 2,869 | Nil |
| Education & welfare | (25,695) | 7,694 | Nil |
| Community amenities | 6,497 | 5,892 | Nil |
| Recreation & culture | (450,781) | (199,014) | Nil |
| Transport | (5,324) | (37,064) | Nil |
| Economic services | 2,165 | 6,229 | Nil |
| Other property & services | (113,820) | 8,933 | Nil |
| | (596,142) | (203,689) | Nil |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

17. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Cont.)**b) RIGHT OF USE ASSETS**

| | Plant and Equipment | Total |
|--|--------------------------------|--------------|
| | \$ | \$ |
| Carrying amount at 30 June 2019 | Nil | Nil |
| Recognised on initial application of AASB 16 | 122,646 | 122,646 |
| Restated opening carrying amount | 122,646 | 122,646 |
| Additions | 35,234 | 35,234 |
| Depreciation Expense | (74,072) | (74,072) |
| Carrying amount 30 June 2020 | 83,808 | 83,808 |
| Gross Carrying Amount | 157,880 | 157,880 |
| Accumulated Depreciation | (74,072) | (74,072) |

SIGNIFICANT ACCOUNTING POLICIESLeases

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 cannot be determined the City uses its incremental borrowing rate.

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

c) DEPRECIATION EXPENSE

| | 2020 Actual | 2019 Actual |
|--|------------------------|------------------------|
| | \$ | \$ |
| Depreciation Expense by Asset Class | | |
| Buildings | 1,574,620 | 1,451,269 |
| Furniture and equipment | 364,742 | 500,324 |
| Plant and machinery | 530,806 | 1,141,109 |
| Reserves improvements | 1,209,072 | 1,166,851 |
| Road network - infrastructure | 2,453,207 | 2,396,060 |
| Footpath network - infrastructure | 572,846 | 517,113 |
| Drainage network - infrastructure | 948,136 | 941,351 |
| Carparks | 82,792 | 82,566 |
| Right of use assets - plant & equipment | 74,072 | Nil |
| | 7,810,291 | 8,196,645 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

17. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Cont.)

| | 2020 | 2019 |
|---|------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Depreciation Expense by Program/Function | | |
| Governance | 263,247 | 384,948 |
| General Purpose Funding | 8,934 | 10,247 |
| Law, order & public safety | 178,791 | 251,444 |
| Health | 56,200 | 59,203 |
| Education & welfare | 120,307 | 116,161 |
| Housing | 96,220 | 87,520 |
| Community amenities | 19,010 | 23,769 |
| Recreation & culture | 2,240,396 | 2,115,972 |
| Transport | 4,452,386 | 4,822,144 |
| Economic services | 300,598 | 218,960 |
| Other property & services | 74,203 | 106,276 |
| | 7,810,291 | 8,196,645 |

SIGNIFICANT ACCOUNTING POLICIES

Depreciation of Property, Plant, Equipment and Infrastructure

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. No changes were made during the reporting period.

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

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

Major depreciation periods are:

| | |
|------------------------------------|-----------------|
| Buildings - Floor | 40 - 150 years |
| Buildings - Envelope | 40 - 150 years |
| Buildings - Fit-out | 15 - 100 years |
| Buildings - Roof | 40 - 150 years |
| Buildings - Other | 10 - 50 years |
| Furniture & Equipment - General | 3 - 7 years |
| Furniture & Equipment - Artwork | 50 years |
| Plant - Motor Vehicles | 5 years |
| Plant - Other | 3 - 15 years |
| Roads/Carparks - Formation | Not depreciated |
| Roads/Carparks - Paving | 40 - 150 years |
| Roads/Carparks - Kerbing | 40 years |
| Roads/Carparks - Surfacing | 20 years |
| Infrastructure - Footpaths | 20 - 50 years |
| Infrastructure - Drainage | 77 - 100 years |
| Infrastructure - Parks and Gardens | 10 - 50 years |
| Infrastructure - Turf on Parks | Not depreciated |

Following a revaluation the accumulated depreciation at the date of revaluation and the gross carrying amount of the asset is restated to the revalued amount of the asset.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

18. TOTAL ASSETS**TOTAL ASSETS CLASSIFIED BY FUNCTION/ACTIVITY**

| | 2020 | 2019 |
|----------------------------|--------------------|--------------------|
| | Actual | Actual |
| | \$ | \$ |
| General purpose funding | 163,097,085 | 162,386,981 |
| Governance | 4,544,088 | 3,377,343 |
| Law, order & public safety | 622,375 | 753,747 |
| Health | 3,182,667 | 3,741,461 |
| Education & welfare | 4,857,334 | 5,199,385 |
| Housing | 5,285,429 | 6,201,327 |
| Community amenities | 1,299,175 | 1,193,207 |
| Recreation & culture | 112,644,330 | 95,946,336 |
| Transport | 248,850,801 | 245,350,422 |
| Economic services | 16,169,573 | 17,621,627 |
| Other property & services | 37,847,048 | 37,589,301 |
| Finance & borrowing | 112,426 | 172,069 |
| Other - unallocated | 64,607,912 | 67,842,642 |
| | 663,120,243 | 647,375,847 |

19. RESERVES - CASH/INVESTMENT BACKED**Reserve Account Descriptions****ADMINISTRATION BUILDING RESERVE**

Established for the refurbishment of Council's administration building.

AGED ACCOMMODATION - HOMESWEST RESERVE

Established to provide for the long term maintenance of Gabriel Gardens and Orana aged housing units.

AGED COMMUNITY CARE RESERVE

Established to fund aged care community services.

AGED PERSONS HOUSING RESERVE

Used to manage the surplus/deficit position and capital improvements of Council's aged housing centres.

AGED SERVICES RESERVE

Established to fund the provision of aged services within the City of Belmont.

ASCOT WATERS MARINA MAINTENANCE AND REDEVELOPMENT RESERVE

Established to provide for the ongoing maintenance and future redevelopment needs of the marina at Ascot Waters.

BELMONT DISTRICT BAND RESERVE

Established to provide funds for the replacement and acquisition of instruments for the Belmont District Band.

BELMONT OASIS REFURBISHMENT RESERVE

Established to provide funds for the future refurbishment of the Belmont Oasis Leisure Centre.

BELMONT TRUST RESERVE

Established to fund costs in relation to the Belmont Trust land.

BUILDING MAINTENANCE RESERVE

Established to provide funds for the refurbishment and maintenance of Council's Buildings.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)**CAR PARKING RESERVE**

Established to provide funds including those received as cash in lieu for any activities that create or enhance car parks.

DISTRICT VALUATION RESERVE

As the valuation of the district takes place every three years, a reserve was established to spread the costs of the revaluation over the three years.

ELECTION EXPENSES RESERVE

Established to spread the cost of postal voting over two years as elections are only held every two years.

ENVIRONMENT RESERVE

Established to fund environmental programs.

FAULKNER PARK RETIREMENT VILLAGE BUY BACK RESERVE

Established to fund the future buy back of the Faulkner Park Retirement Village from existing residents.

FAULKNER PARK RETIREMENT VILLAGE OWNER MAINTENANCE RESERVE

Established to provide for the future major maintenance and refurbishment requirements at the Faulkner Park Retirement Village.

FORESHORE DEVELOPMENT RESERVE

Established to fund Swan River foreshore development as required.

HISTORY RESERVE

Provision for the future costs associated with the acquisition, recording, preservation and display of articles and information associated with the history of the City of Belmont.

INFORMATION TECHNOLOGY RESERVE

Established for the replacement of Council's core business hardware and software requirements.

LAND ACQUISITION RESERVE

Established for the acquisition and/or redevelopment of land and buildings and receives the proceeds of any land or building sales.

LONG SERVICE LEAVE RESERVE - FUNDED PROGRAMS

Established to part fund the long service leave liability of Council's community services HACC funded programs.

LONG SERVICE LEAVE RESERVE – SALARIES

Established to part fund the long service leave liability of Council's salaried staff.

LONG SERVICE LEAVE RESERVE – WAGES

Established to part fund the long service leave liability of Council's wages staff.

MISCELLANEOUS ENTITLEMENTS RESERVE

Established to provide funding for unforeseen expenditures relating to staff and entitlements.

PARKS DEVELOPMENT RESERVE

Established to provide for future development of the City's Parks including playgrounds and irrigation.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)**PLANT REPLACEMENT RESERVE**

Used to fund the replacement of Council's heavy plant. Funds the shortfall between income generated through plant operation recoveries and replacement costs.

PROPERTY DEVELOPMENT RESERVE

Established to fund any Council property development.

PUBLIC ART RESERVE

Established to fund future acquisitions of public art for display in the City of Belmont.

RUTH FAULKNER LIBRARY RESERVE

Established for capital improvements to Council's library.

STREETSCAPES RESERVE

Established to fund shopping centre revitalisation and streetscape enhancements.

URBAN FOREST STRATEGY RESERVE

Established to fund the management and retention of the urban forest.

WASTE MANAGEMENT RESERVE

Established to fund waste management initiatives and activities.

WORKERS COMPENSATION/INSURANCE RESERVE

Established to fund self insurance expenses and major fluctuations in insurance premiums.

| Reserve Balances | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|-------------------------------|-------------------------------|-------------------------------|
| (a) Administration Building Reserve | | | |
| Opening balance | 227,491 | 221,312 | 227,488 |
| Transfer from accumulated surplus | 5,769 | 6,179 | 6,279 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 233,260 | 227,491 | 233,767 |
| (b) Aged Accommodation - Homeswest Reserve | | | |
| Opening balance | 764,030 | 751,751 | 788,407 |
| Transfer from accumulated surplus | 53,746 | 42,052 | 67,050 |
| Transfer to accumulated surplus | Nil | (29,773) | Nil |
| | 817,776 | 764,030 | 855,457 |
| (c) Aged Community Care Reserve | | | |
| Opening balance | 546,612 | Nil | 779,603 |
| Transfer from accumulated surplus | 13,861 | 546,612 | 88,544 |
| Transfer to accumulated surplus | (392,574) | Nil | (12,000) |
| | 167,898 | 546,612 | 856,147 |
| (d) Aged Persons Housing Reserve | | | |
| Opening balance | 1,096,572 | 1,343,125 | 1,164,527 |
| Transfer from accumulated surplus | 27,806 | 37,500 | 50,271 |
| Transfer to accumulated surplus | (106,024) | (284,053) | (145,863) |
| | 1,018,354 | 1,096,572 | 1,068,935 |

CITY OF BELMONT

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FOR THE YEAR ENDED 30 JUNE 2020

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--|-------------------------------|-------------------------------|-------------------------------|
| (e) Aged Services Reserve | | | |
| Opening balance | 1,026,515 | 1,128,140 | 1,132,451 |
| Transfer from accumulated surplus | 26,030 | 31,498 | 31,256 |
| Transfer to accumulated surplus | Nil | (133,122) | Nil |
| | 1,052,545 | 1,026,515 | 1,163,707 |
| (f) Ascot Waters Marina Maintenance & Redevelopment Reserve | | | |
| Opening balance | 985,741 | 958,966 | 984,331 |
| Transfer from accumulated surplus | 24,996 | 26,774 | 25,788 |
| Transfer to accumulated surplus | Nil | Nil | (50,000) |
| | 1,010,737 | 985,741 | 960,119 |
| (g) Belmont District Band Reserve | | | |
| Opening balance | 39,472 | 35,481 | 39,473 |
| Transfer from accumulated surplus | 4,001 | 3,991 | 4,089 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 43,473 | 39,472 | 43,562 |
| (h) Belmont Oasis Refurbishment Reserve | | | |
| Opening balance | 3,990,074 | 3,881,697 | 3,990,210 |
| Transfer from accumulated surplus | 101,178 | 108,377 | 110,130 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 4,091,252 | 3,990,074 | 4,100,340 |
| (i) Belmont Trust Reserve | | | |
| Opening balance | 1,668,994 | 1,636,968 | 1,625,704 |
| Transfer from accumulated surplus | 30,292 | 45,220 | 37,294 |
| Transfer to accumulated surplus | (19,026) | (13,193) | (185,070) |
| | 1,680,261 | 1,668,994 | 1,477,928 |
| (j) Building Maintenance Reserve | | | |
| Opening balance | 5,355,458 | 5,230,744 | 5,173,785 |
| Transfer from accumulated surplus | 1,035,801 | 146,042 | 142,796 |
| Transfer to accumulated surplus | Nil | (21,328) | (300,000) |
| | 6,391,259 | 5,355,458 | 5,016,581 |
| (k) Car Parking Reserve | | | |
| Opening balance | 59,700 | Nil | Nil |
| Transfer from trust funds | 1,514 | 59,700 | Nil |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 61,214 | 59,700 | Nil |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--|-------------------------------|-------------------------------|-------------------------------|
| (l) District Valuation Reserve | | | |
| Opening balance | 207,056 | 123,605 | 207,083 |
| Transfer from accumulated surplus | 120,250 | 83,451 | 120,716 |
| Transfer to accumulated surplus | (231,370) | Nil | (240,000) |
| | 95,937 | 207,056 | 87,799 |
| (m) Election Expenses Reserve | | | |
| Opening balance | 109,708 | 87,271 | 109,708 |
| Transfer from accumulated surplus | 52,782 | 22,437 | 53,028 |
| Transfer to accumulated surplus | (87,486) | Nil | (105,000) |
| | 75,004 | 109,708 | 57,736 |
| (n) Environment Reserve | | | |
| Opening balance | 27,240 | 26,500 | 27,242 |
| Transfer from accumulated surplus | 73,691 | 740 | 752 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 100,931 | 27,240 | 27,994 |
| (o) Faulkner Park Ret. Vill. Owner Maint. Reserve | | | |
| Opening balance | 434,935 | 423,122 | 434,143 |
| Transfer from accumulated surplus | 82,135 | 11,814 | 82,927 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 517,070 | 434,935 | 517,070 |
| (p) Faulkner Park Retirement Vill. Buy-Back Reserve | | | |
| Opening balance | 2,230,344 | 2,169,765 | 2,232,250 |
| Transfer from accumulated surplus | 95,557 | 60,580 | 136,665 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 2,325,901 | 2,230,344 | 2,368,915 |
| (q) Foreshore Development Reserve | | | |
| Opening balance | Nil | Nil | Nil |
| Transfer from accumulated surplus | Nil | Nil | Nil |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | Nil | Nil | Nil |
| (r) History Reserve | | | |
| Opening balance | 240,673 | 224,408 | 240,682 |
| Transfer from accumulated surplus | 16,103 | 16,265 | 16,643 |
| Transfer to accumulated surplus | (116,000) | Nil | Nil |
| | 140,776 | 240,673 | 257,325 |

CITY OF BELMONT

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FOR THE YEAR ENDED 30 JUNE 2020

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|-------------------------------|-------------------------------|-------------------------------|
| (s) Information Technology Reserve | | | |
| Opening balance | 1,325,514 | 1,344,782 | 1,519,689 |
| Transfer from accumulated surplus | 33,612 | 37,546 | 36,581 |
| Transfer to accumulated surplus | (212,408) | (56,815) | (184,000) |
| | 1,146,717 | 1,325,514 | 1,372,270 |
| (t) Land Acquisition Reserve | | | |
| Opening balance | 9,095,689 | 9,535,146 | 9,798,680 |
| Transfer from accumulated surplus | 230,643 | 266,221 | 1,420,444 |
| Transfer to accumulated surplus | (222,169) | (705,677) | (51,200) |
| | 9,104,164 | 9,095,689 | 11,167,924 |
| (u) Long Service Leave Reserve - Funded Programs | | | |
| Opening balance | 151,790 | 90,936 | 102,063 |
| Transfer from accumulated surplus | 3,849 | 60,854 | 22,817 |
| Transfer to accumulated surplus | (155,639) | Nil | (7,899) |
| | Nil | 151,790 | 116,981 |
| (v) Long Service Leave Reserve - Salaries | | | |
| Opening balance | 1,875,732 | 1,656,974 | 1,606,660 |
| Transfer from accumulated surplus | 457,336 | 526,083 | 294,344 |
| Transfer to accumulated surplus | (265,264) | (307,326) | (285,494) |
| | 2,067,804 | 1,875,732 | 1,615,510 |
| (w) Long Service Leave Reserve - Wages | | | |
| Opening balance | 466,789 | 441,406 | 459,425 |
| Transfer from accumulated surplus | 87,440 | 124,847 | 62,680 |
| Transfer to accumulated surplus | (97,757) | (99,464) | (44,657) |
| | 456,472 | 466,789 | 477,448 |
| (x) Miscellaneous Entitlements Reserve | | | |
| Opening balance | 779,940 | 893,561 | 905,459 |
| Transfer from accumulated surplus | 19,777 | 24,948 | 24,991 |
| Transfer to accumulated surplus | (531,201) | (138,570) | Nil |
| | 268,516 | 779,940 | 930,450 |

CITY OF BELMONT

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FOR THE YEAR ENDED 30 JUNE 2020

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|---|-------------------------------|-------------------------------|-------------------------------|
| (y) Parks Development Reserve | | | |
| Opening balance | 142,715 | 278,070 | Nil |
| Transfer from accumulated surplus | 122,619 | 7,764 | Nil |
| Transfer to accumulated surplus | (146,280) | (143,119) | Nil |
| | 119,054 | 142,715 | Nil |
| (z) Plant Replacement Reserve | | | |
| Opening balance | 933,234 | 909,585 | 1,114,039 |
| Transfer from accumulated surplus | 232,766 | 206,981 | 440,131 |
| Transfer to accumulated surplus | Nil | (183,332) | (517,514) |
| | 1,165,999 | 933,234 | 1,036,656 |
| (aa) Property Development Reserve | | | |
| Opening balance | 20,288,140 | 16,799,981 | 20,214,274 |
| Transfer from accumulated surplus | 1,020,391 | 5,173,831 | 390,429 |
| Transfer to accumulated surplus | (12,531,753) | (1,685,671) | (13,610,875) |
| | 8,776,778 | 20,288,140 | 6,993,828 |
| (ab) Public Art Reserve | | | |
| Opening balance | 287,940 | 189,645 | 194,949 |
| Transfer from trust funds | 97,532 | 93,000 | Nil |
| Transfer from accumulated surplus | 5,295 | 5,295 | 5,381 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 390,767 | 287,940 | 200,330 |
| (ac) Ruth Faulkner Library Reserve | | | |
| Opening balance | 44,263 | 43,061 | 44,265 |
| Transfer from accumulated surplus | 1,122 | 1,202 | 1,222 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 45,385 | 44,263 | 45,487 |
| (ad) Streetscapes Reserve | | | |
| Opening balance | 474,229 | 461,348 | 474,252 |
| Transfer from accumulated surplus | 12,025 | 12,881 | 13,089 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 486,254 | 474,229 | 487,341 |
| (ae) Urban Forest Strategy Reserve | | | |
| Opening balance | 111,987 | 108,945 | 111,991 |
| Transfer from accumulated surplus | 2,840 | 3,042 | 3,091 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 114,826 | 111,987 | 115,082 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

| | 2020 Actual \$ | 2019 Actual \$ | 2020 Budget \$ |
|--|----------------------|----------------------|----------------------|
| (af) Waste Management Reserve | | | |
| Opening balance | 2,017,415 | 1,631,589 | 1,670,759 |
| Transfer from accumulated surplus | 766,989 | 385,826 | 325,565 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 2,784,404 | 2,017,415 | 1,996,324 |
| (ag) Workers Compensation/Insurance Reserve | | | |
| Opening balance | 1,568,643 | 1,388,931 | 1,427,763 |
| Transfer from accumulated surplus | 39,777 | 179,712 | 39,406 |
| Transfer to accumulated surplus | Nil | Nil | Nil |
| | 1,608,419 | 1,568,643 | 1,467,169 |
| Total Movement | (10,215,427) | 4,557,820 | (11,070,898) |
| TOTAL CASH RESERVES | 48,359,205 | 58,574,632 | 47,116,184 |

20. REVALUATION SURPLUS

Revaluation Surpluses have arisen on revaluation of the following classes of non-current assets:

| | 2020 Actual \$ | 2019 Actual \$ |
|--|----------------------|----------------------|
| (a) Land | | |
| Opening balance | 168,084,088 | 186,374,188 |
| Impairment/Revaluation Movement | Nil | (18,290,100) |
| | 168,084,088 | 168,084,088 |
| (b) Buildings | | |
| Opening balance | 65,490,390 | 65,490,390 |
| Revaluation Movement | (3,366,247) | Nil |
| | 62,124,143 | 65,490,390 |
| (c) Road network - infrastructure | | |
| Opening balance | 71,854,029 | 71,854,029 |
| Revaluation Movement | Nil | Nil |
| | 71,854,029 | 71,854,029 |

CITY OF BELMONT

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FOR THE YEAR ENDED 30 JUNE 2020

20. REVALUATION SURPLUS (Cont.)

| | 2020 | 2019 |
|--|--------------------|--------------------|
| | Actual | Actual |
| | \$ | \$ |
| (d) Footpath network - infrastructure | | |
| Opening balance | 7,955,956 | 7,955,956 |
| Revaluation Movement | Nil | Nil |
| | 7,955,956 | 7,955,956 |
| (e) Drainage network - infrastructure | | |
| Opening balance | 46,346,919 | 46,346,919 |
| Revaluation Movement | Nil | Nil |
| | 46,346,919 | 46,346,919 |
| (f) Parks and gardens - infrastructure | | |
| Opening balance | 16,813,098 | 16,813,098 |
| Revaluation Movement | 2,977,732 | Nil |
| | 19,790,830 | 16,813,098 |
| (g) Carparks | | |
| Opening balance | 2,869,844 | 2,869,844 |
| Revaluation Movement | Nil | Nil |
| | 2,869,844 | 2,869,844 |
| (h) Eastern Metropolitan Regional Council | | |
| Opening balance | 4,666,066 | 4,723,267 |
| Revaluation Movement (note 9) | 103,744 | (57,201) |
| | 4,769,810 | 4,666,066 |
| Total Revaluation Surplus | | |
| Opening balance | 384,080,391 | 402,427,692 |
| Revaluation Movement | (284,771) | (18,347,301) |
| | 383,795,620 | 384,080,391 |

21. NOTES TO THE STATEMENT OF CASH FLOWS**Reconciliation of cash**

For the purposes of the Statement of Cash Flows, the City considers cash to include cash on hand, in banks and short-term deposits with an original maturity of three months or less that are readily convertible to cash. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | 2020 | 2019 | 2019 |
|--------------|-------------------|-------------------|------------------|
| | Actual | Actual | Budget |
| | \$ | \$ | \$ |
| Cash at bank | 22,430,809 | 12,685,194 | 3,645,731 |
| Cash on hand | 4,400 | 5,250 | 5,250 |
| | 22,435,209 | 12,690,444 | 3,650,981 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

22. RECONCILIATION OF NET CASH FROM OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|---------------------|---------------|
| | Actual | Actual |
| | \$ | \$ |
| Net result | 12,926,299 | 11,379,364 |
| Add/(less) non cash items: | | |
| Depreciation | 7,810,291 | 8,196,645 |
| (Profit)/loss on disposal of assets | 596,142 | 203,689 |
| Initial recognition of library items | (394,161) | Nil |
| Fair value adjustments to assets | (2,882) | (20,503) |
| Change in equity - associate | 1,338,762 | (1,042,427) |
| | 22,274,452 | 18,716,768 |
| Changes in operating assets and liabilities: | | |
| * (Increase)/decrease in receivables | 59,300 | (33,895) |
| (Increase)/decrease in other current assets | 948,798 | (584,444) |
| (Increase)/decrease in stores inventory | 9,232 | 1,748 |
| Increase/(decrease) in interest payable | (6,903) | 25,599 |
| Increase/(decrease) in creditors & provisions | 1,953,378 | 1,168,871 |
| Increase/(decrease) in other current liabilities | 2,580,350 | 65,844 |
| Non-Operating grants, subsidies and contributions | (12,510,801) | (10,551,287) |
| Net cash from operating activities | 15,307,806 | 8,809,203 |

* Excludes non-operating receivables

23. CREDIT STANDBY ARRANGEMENTS

The City of Belmont endeavours to maintain its Municipal bank accounts with sufficient funds to ensure that they do not go into overdraft, however, the City has an overdraft facility of:

| | 2020 | 2019 |
|---|----------------|---------------|
| | Actual | Actual |
| | \$ | \$ |
| Bank overdraft limit | 200,000 | 200,000 |
| Credit Card limit | 60,000 | 60,000 |
| Total Amount of credit unused at balance date | 260,000 | 260,000 |

24. TRADING UNDERTAKINGS

In accordance with Regulation 45 of the Local Government (Financial Management) Regulations 1996, there are no Trading Undertakings conducted in the financial year ended 30 June 2020.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

25. FINANCIAL RISK MANAGEMENT

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

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 City held the following financial instruments at balance date:

| | Carrying Value 2020 \$ | Fair Value 2020 \$ |
|--|---------------------------------------|-----------------------------------|
| Financial Assets | | |
| Cash and cash equivalents | 22,435,209 | 22,435,209 |
| Other financial assets at amortised cost | 41,826,938 | 41,826,938 |
| Other financial assets at fair value through profit and loss | 178,053 | 178,053 |
| Trade and other receivables at amortised cost | 2,424,172 | 2,424,172 |
| | <u>66,864,372</u> | <u>66,864,372</u> |

| | | |
|------------------------------|-------------------|-------------------|
| Financial Liabilities | | |
| Trade and other payables | 7,597,642 | 7,597,642 |
| Borrowings | 14,094,645 | 11,602,014 |
| Other liabilities | 1,790,531 | 1,790,531 |
| Lease Liability | 83,808 | 83,808 |
| | <u>23,566,626</u> | <u>21,073,995</u> |

| | Carrying Value 2019 \$ | Fair Value 2019 \$ |
|--|---------------------------------------|-----------------------------------|
| Financial Assets | | |
| Cash and cash equivalents | 12,690,444 | 12,690,444 |
| Other financial assets at amortised cost | 54,834,376 | 54,834,376 |
| Other financial assets at fair value through profit and loss | 175,171 | 175,171 |
| Trade and other receivables at amortised cost | 2,208,652 | 2,208,652 |
| | <u>69,908,643</u> | <u>69,908,643</u> |

| | | |
|------------------------------|-------------------|-------------------|
| Financial Liabilities | | |
| Trade and other payables | 5,986,184 | 5,986,184 |
| Borrowings | 14,807,240 | 11,771,466 |
| Other liabilities | 1,088,151 | 1,088,151 |
| | <u>21,881,575</u> | <u>18,845,802</u> |

Fair value is determined as follows:

Cash and Cash Equivalents, Other Financial Assets, Receivables, Payables - estimated to the carrying value which approximates net market value.

Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

25. FINANCIAL RISK MANAGEMENT (Cont.)**Cash and Cash Equivalents / Other Financial Assets (Investments)**

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. Investments must also comply with statutory and policy requirements. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). The City has an investment policy and the policy is subject to an annual review. Monthly Investment Reports are provided on a quarterly basis setting out the make-up and performance of the portfolio.

Cash and investments are also subject to interest rate risk being the risk that movements in interest rates could affect returns. Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts.

Impact of a 1% movement in interest rates on cash and investments:

| | 2020 | 2019 |
|-----------------------------------|-------------|-------------|
| | \$ | \$ |
| Equity | 82,384 | 67,891 |
| Statement of Comprehensive Income | 82,384 | 67,891 |

Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to City.

The City manages these risks by applying counterparty limits and maintaining credit quality (i.e. credit ratings) in line with The City's Investment Policy . The City also seeks advice from independent advisers (where applicable) before placing any cash and investments.

The City no longer holds managed fund investments so the investment portfolio is not subject to price risk.

Receivables

The City's major receivables comprise rates, annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be paid. 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 also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment. The amount of rates and annual charges outstanding as at the balance date reflects a collection ratio of 96.61%.

The level of outstanding receivables is monitored against benchmarks for acceptable collection performance. The City makes suitable provision for doubtful receivables as required and carries out credit checks on significant non-rate debtors if required. There are no material receivables that have been subject to a re-negotiation of repayment terms.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

25. FINANCIAL RISK MANAGEMENT (Cont.)

The profile of the City's credit risk at balance date was:

| Percentage of Trade and Other Receivables | 2020 | 2019 |
|---|--------|--------|
| - Current | 99.19% | 99.90% |
| - Overdue (in excess of 90 days) | 0.81% | 0.10% |

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.

The contractual undiscounted cash flows of the City's payables and borrowings (principal and interest) are set out in the Liquidity Table below:

| | Due within 1 year \$ | Due between 1 and 5 years \$ | Due after 5 years \$ | Total contractual cash flows \$ | Carrying values \$ |
|--------------------------|---|---|---|--|-----------------------------------|
| 2020 | | | | | |
| Trade and other payables | 7,597,642 | Nil | Nil | 7,597,642 | 7,597,642 |
| Borrowings | 1,174,667 | 4,657,513 | 14,565,211 | 20,397,391 | 14,094,645 |
| Other liabilities | 1,726,511 | 64,020 | Nil | 1,790,531 | 1,790,531 |
| Lease liability | 66,769 | 17,039 | Nil | 83,808 | 83,808 |
| | <u>10,565,589</u> | <u>4,738,572</u> | <u>14,565,211</u> | <u>29,869,372</u> | <u>23,566,626</u> |
| 2019 | | | | | |
| Trade and other payables | 5,986,184 | Nil | Nil | 5,986,184 | 5,986,184 |
| Borrowings | 1,361,870 | 4,674,015 | 15,723,376 | 21,759,261 | 14,807,240 |
| Other liabilities | 1,027,101 | 61,050 | Nil | 1,088,151 | 1,088,151 |
| | <u>8,375,156</u> | <u>4,735,065</u> | <u>15,723,376</u> | <u>28,833,596</u> | <u>21,881,575</u> |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

25. FINANCIAL RISK MANAGEMENT (Cont.)**Interest Rate Risk**

The following table details the City's exposure to interest rate risk as at 30 June 2020.

| 2020 | | | Fixed Interest Rate To Maturity | | | | |
|--|--------------------------------|------------------------|---------------------------------|--------------|-------------------|----------------------|------------|
| | Weighted Average Interest Rate | Variable Interest Rate | Less Than 1 Year | 1 To 5 Years | More Than 5 Years | Non Interest Bearing | Total |
| Financial Assets | | | | | | | |
| Cash and cash equivalents | 0.73% | 22,430,809 | | | | 4,400 | 22,435,209 |
| Other financial assets at amortised cost | 2.64% | Nil | 5,508,161 | 36,318,777 | | | 41,826,938 |
| Other financial assets at fair value through profit and loss | | | | | | 178,053 | 178,053 |
| Rates and other levies | 11.00% | | 1,673,290 | | | | 1,673,290 |
| Deferred rates & ESL | 1.06% | 367,775 | | | | | 367,775 |
| Trade debtors | N/A | | | | | 346,197 | 346,197 |
| | | 22,798,584 | 7,181,452 | 36,318,777 | Nil | 528,649 | 66,827,462 |
| Financial Liabilities | | | | | | | |
| Trade and other payables | | | | | | 7,597,642 | 7,597,642 |
| Other Liabilities | | | | | | 1,790,531 | 1,790,531 |
| Lease Liability | | | | | | 83,808 | 83,808 |
| Borrowings | 4.51% | Nil | 689,897 | 2,428,381 | 10,976,367 | Nil | 14,094,645 |
| | | Nil | 689,897 | 2,428,381 | 10,976,367 | 9,471,981 | 23,566,627 |
| 2019 | | | Fixed Interest Rate To Maturity | | | | |
| | Weighted Average Interest Rate | Variable Interest Rate | Less Than 1 Year | 1 To 5 Years | More Than 5 Years | Non Interest Bearing | Total |
| Financial Assets | | | | | | | |
| Cash and cash equivalents | 1.94% | 12,685,194 | | | | 5,250 | 12,690,444 |
| Other financial assets at amortised cost | 2.86% | Nil | 13,463,206 | 41,371,170 | | | 54,834,376 |
| Other financial assets at fair value through profit and loss | | | | | | 175,171 | 175,171 |
| Rates and other levies | 11.00% | | 980,583 | | | | 980,583 |
| Deferred rates & ESL | 2.26% | 363,791 | | | | | 363,791 |
| Trade debtors | N/A | | | | | 819,668 | 819,668 |
| | | 13,048,985 | 14,443,789 | 41,371,170 | Nil | 1,000,089 | 69,864,033 |
| Financial Liabilities | | | | | | | |
| Trade and other payables | | | | | | 5,986,184 | 5,986,184 |
| Other Liabilities | | | | | | 1,088,151 | 1,088,151 |
| Borrowings | 4.53% | Nil | 850,551 | 2,338,438 | 11,618,252 | Nil | 14,807,240 |
| | | Nil | 850,551 | 2,338,438 | 11,618,252 | 7,074,335 | 21,881,575 |

26. NET CURRENT ASSETS POSITION**Net Current Assets position**

The net current assets position balance carried forward from the previous financial year after adjustment for restricted assets for the purpose of the 2019/20 budget was \$4,125,000.

The actual net current asset position balance shown in the audited financial report as at 30 June 2019 and after adjustment for restricted assets was \$4,404,431.

Net Current Assets Calculation

| | Note | 2020 | 2019 |
|--|------|---------------------|--------------------|
| Total Current Assets | | 33,190,597 | 31,629,857 |
| Plus Non-Current Financial Assets that back reserves | 8(b) | 36,318,777 | 41,195,999 |
| Less Reserves - Restricted Cash | 4 | (48,359,205) | (58,574,632) |
| Total Net Current Assets for closing balance purposes | | 21,150,169 | 14,251,224 |
| Total Current Liabilities | | (17,452,092) | (13,046,515) |
| Adjust for LSL (reserve backed) | 4 | 2,524,276 | 2,494,031 |
| Current portion of long term borrowings | 10 | 551,941 | 705,692 |
| Total Liabilities for C/B purposes | | (14,375,875) | (9,846,793) |
| Net Current Assets for closing balance purposes | | 6,774,293 | 4,404,431 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

27. FINANCIAL RATIOS

| | 2020 | 2019 | 2018 |
|--|---------------|--------|--------|
| Current Ratio | 1.29:1 | 1.27:1 | 1.51:1 |
| <i>Measures the ability to meet current commitments.</i> | | | |
| <i>Basic Standard > 1:1</i> | | | |
| <u>Current Assets minus Restricted Assets</u> | | | |
| Current liabilities minus liabilities associated with restricted assets | | | |
| Debt Service Cover Ratio | 7.23 | 6.35 | 7.99 |
| <i>Measures capacity to meet annual debt commitments.</i> | | | |
| <i>Advanced Standard > 5</i> | | | |
| <u>Annual Operating Surplus before Interest and Depreciation</u> | | | |
| Principal and Interest | | | |
| Own Source Revenue Coverage | 0.95 | 0.94 | 0.98 |
| <i>Ability to cover costs through Council's own revenue.</i> | | | |
| <i>Basic Standard : 0.40 to 0.60</i> | | | |
| <u>Own Source Operating Revenue</u> | | | |
| Operating Expense | | | |
| * Operating Surplus Ratio | 2.90% | -0.39% | 3.98% |
| <i>Measure of Council's financial performance.</i> | | | |
| <i>Basic Standard : 1% to 15%</i> | | | |
| <u>Operating Revenue minus Operating Expense</u> | | | |
| Own Source Operating Revenue | | | |
| * Operating expense in 2019 includes a one-off expense of \$3.82m for underground power otherwise the ratio would have been 6.01%. | | | |
| Asset Sustainability Ratio | 1.14 | 0.93 | 1.05 |
| <i>Measures the extent to which assets are replaced at the end of their useful lives.</i> | | | |
| <i>Basic Standard >0.90</i> | | | |
| <u>Capital Replacement and Renewal Expenditure</u> | | | |
| Depreciation | | | |
| Asset Renewal Funding ratio | 100% | 100% | 100% |
| <i>Measures ability to fund asset renewal as required.</i> | | | |
| <i>Basic Standard : 75% to 95%</i> | | | |
| <u>NPV of Planned Capital Renewals over 10 years</u> | | | |
| NPV of Required Capital Renewals over 10 years | | | |
| Asset Consumption Ratio | 0.75 | 0.74 | 0.75 |
| <i>Extent to which assets have been consumed.</i> | | | |
| <i>Basic Standard >0.50</i> | | | |
| <u>Depreciated Replacement Cost of Depreciable Asset</u> | | | |
| Current Replacement Cost of Depreciable Asset | | | |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

28. EMPLOYEES NUMBERS

| | 2020 | 2019 |
|---|---------------|--------|
| | No. | No. |
| Total number of full time equivalent employees at balance date. | 224.42 | 232.23 |

29. CONTINGENT LIABILITIES

The City has sites with possible contamination at 5 Resolution Drive, Ascot and 50 Peachey Ave (Peachey Park), Kewdale.

Regarding 5 Resolution Drive, until the City conducts an investigation to determine the presence and scope of contamination, assesses the risk, and agrees with the respective state government authorities on the need and criteria for remediation, the City is unable to estimate the potential costs associated with the remediation works. Peachey Park has had remediation works during the reporting period and is suitable for the public open space and recreational use land use, but may not be suitable for a more sensitive land use.

30. EVENTS AFTER THE REPORTING DATE

No events after the reporting date were identified by management that would affect the operations of the City or the results of the City significantly.

The impact of COVID-19 is difficult to predict and may result in a loss of income through fees waived and potentially lower investment earnings.

31. RELATED PARTY TRANSACTIONS**Key Management Personnel (KMP) Compensation Disclosure**

The total remuneration paid to KMP, excluding the Elected Members remuneration, during the year are as follows:

| | 2020 | 2019 |
|------------------------------|-------------------------|------------------|
| | Actual | Actual |
| | \$ | \$ |
| Short-term employee benefits | 1,075,805 | 1,142,631 |
| Post-employee benefits | 124,868 | 124,180 |
| Other long-term benefits | 101,451 | 110,028 |
| Termination benefits | 125,939 | 8,846 |
| | <u>1,428,064</u> | <u>1,385,686</u> |

Short-term employee benefits

These amounts include salaries awarded to KMP except for details in respect of fees and benefits paid to elected members which may be found below.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual and long service leave benefits accrued during the year.

Termination benefits

These amounts represent termination benefits paid to or provided for KMP.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

31. RELATED PARTY TRANSACTIONS (Cont.)**Elected Members Remuneration**

Fees, expenses and allowances paid to elected members in accordance with the provisions of the *Local Government Act 1995* are as follows:

| | 2020 | 2019 | 2020 |
|--|----------------|---------|---------|
| | Actual | Actual | Budget |
| | \$ | \$ | \$ |
| <u>Mayor</u> | | | |
| Local Government Allowance | 89,753 | 88,864 | 89,753 |
| Annual Meeting Attendance Fees | 47,516 | 47,045 | 47,516 |
| Information & Communications Allowance | 3,500 | 3,500 | 3,500 |
| Expense Allowance | Nil | Nil | Nil |
| | 140,769 | 139,409 | 140,769 |
| <u>Deputy Mayor</u> | | | |
| Local Government Allowance | 22,438 | 22,216 | 22,438 |
| Annual Meeting Attendance Fees | 31,678 | 31,364 | 31,678 |
| Information & Communications Allowance | 3,500 | 3,500 | 3,500 |
| Expense Allowance | Nil | Nil | Nil |
| | 57,616 | 57,080 | 57,616 |
| <u>Other Councillors</u> | | | |
| Annual Meeting Attendance Fees | 221,746 | 219,548 | 221,746 |
| Information & Communications Allowance | 24,500 | 24,500 | 24,500 |
| Expense Allowance | 20 | Nil | 1,500 |
| | 246,266 | 244,048 | 247,746 |
| | 444,651 | 440,537 | 446,131 |

Related Parties

The City's main related parties are as follows:

1. Key Management Personnel - Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member. Also included are close family members of KMP and entities controlled by any KMP or their close family members.

2. Entities subject to significant influence by the City of Belmont- An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

31. RELATED PARTY TRANSACTIONS (Cont.)**Transactions with related parties**

Normal citizen transactions that have been identified as not requiring disclosure includes rates, rate refunds, hall hire fees and other common fees and charges.

Related party transactions listed below are on normal commercial terms and conditions.

| | 2020 | 2019 |
|---|------------------|-----------|
| | Actual | Actual |
| | \$ | \$ |
| <u>Associate:</u> | | |
| Payments made to the EMRC for waste services. | 3,331,491 | 2,989,616 |
| Balances outstanding to the EMRC at balance date. | 255,024 | 226,662 |
| Grant income for City held events. | 15,992 | 20,141 |

Other Entities:

| | | |
|---|----------------|---------|
| Payments made to Belmont Retirement Villages Board of Management (BRVBM). | 54,000 | 196,178 |
| Balances outstanding to the BRVBM at balance date. | Nil | 13,500 |
| Income received by the City from the BRVBM | 140,141 | 94,211 |
| Balances owing to the City from the BRVBM at balance date. | Nil | Nil |

The City of Belmont has two elected members and the CEO on the Board of the Belmont Retirement Villages Board of Management (BRVBM). As the City is represented by three of the seven Board members this would illustrate significant influence although it is not an investee/investor relationship and the City cannot benefit financially from this arrangement. The City makes a contribution to the ongoing management of the Board and receives a percentage of sales income from unit sales within the Faulkner Park Retirement Village that is placed into specific reserves.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

32. BORROWING DETAILS

CITY OF BELMONT - LOAN REPAYMENT SCHEDULE
FOR THE YEAR ENDED 30 JUNE 2020

| Particulars | Issue Date | Original Principal | Interest Rate | Mat Date | Opening Liability | Principal Paid | Budget 2019/20 | *Interest Expense | Budget 2019/20 | Accrued Interest | Closing Liability |
|--------------------------------------|------------|--------------------|---------------|----------|-------------------|----------------|----------------|-------------------|----------------|------------------|-------------------|
| OTHER PROPERTY & SERVICES | | | | | | | | | | | |
| Loan No. 181 Waterway Crescent | 30/06/10 | 1,350,000 | 6.28 | 05/20 | 177,944 | 174,193 | 174,193 | 9,563 | 9,563 | 475 | 475 |
| RECREATION AND CULTURE | | | | | | | | | | | |
| Loan 183 New Community Centre | 01/05/18 | 15,000,000 | 4.51 | 05/38 | 14,629,296 | 531,498 | 531,498 | 642,386 | 646,615 | 137,481 | 14,094,170 |
| | | 16,350,000 | | | 14,807,240 | 705,691 | 705,691 | 651,949 | 656,178 | 137,956 | 14,094,645 |

The Western Australian Treasury Corporation (WATC) is the lender of all loans and no loans have been refinanced.

* Interest expense includes the payment of accrued interest from the previous financial year and the Government Guarantee Fee. The movement in accrued interest for the year ended 30 June 2020 was \$6903 with \$658,853 paid to the WATC.

33. MAJOR LAND TRANSACTIONS

The 2017-2018 financial year includes one Major Land Transaction being the Belmont Hub which includes a dedicated area for a Café with the intention to commercially lease the Café. The Café component of the Community Centre is approximately 2.5% (293m²) of the total floor area, being 11612 m². Even though the Café is incidental to the primary purpose of the Centre it is considered commercial in nature and as such necessitates compliance to section 3.59 “Commercial Enterprises by local government” of the Act.

New Community Centre

A contract for the construction of the Belmont Hub was awarded during 2017-2018 with construction finalised during 2019-2020. The following table provides the funding sources, estimated costs and future budgets for the construction contract.

| | 2017-2018 Actual | 2018-2019 Actual | 2019-2020 Actual | 2020-2021 Estimate | Total |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|--------------|
| Grants | 483,754 | 4,939,590 | 8,062,362 | Nil | 13,485,706 |
| \$15M Loan (as used) | 2,505,625 | 12,494,375 | Nil | Nil | 15,000,000 |
| Reserves | Nil | 1,685,671 | 7,895,735 | 450,000 | 10,031,406 |
| Municipal Fund | Nil | 260,537 | (260,537) | Nil | Nil |
| Total Funding | 2,989,379 | 19,380,173 | 15,697,560 | 450,000 | 38,517,112 |
| Annual Construction Cost | 2,989,379 | 19,380,173 | 15,697,560 | 450,000 | 38,517,112 |

Other known costs associated with the Belmont Hub includes professional fees for consulting and project management services that are supported by municipal, grant and reserve funds:

| | 2017-2018 and Prior Actual | 2018-2019 Actual | 2019-2020 Actual | 2020-2021 Budget | Total |
|---|---|-----------------------------|-----------------------------|-----------------------------|--------------|
| Operating and Architectural Costs | 1,901,840 | 518,092 | 699,708 | 741,789 | 3,861,429 |
| ** Capital Costs - Fitout and Equipment | Nil | Nil | 2,768,829 | 2,493,618 | 5,262,447 |
| Total | 1,901,840 | 518,092 | 3,468,537 | 3,235,407 | 9,123,876 |

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations.

a) Revenue from Contracts with Customers

The City adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019. In accordance with the transition provisions of AASB 15, the City adopted the modified retrospective approach with the cumulative effect of initially applying these rules adjusted to the opening balance of accumulated surplus on 1 July 2019. No comparatives were restated under this approach.

b) Leases

The City adopted AASB 16 from 1 July 2019. In accordance with the transition provisions of AASB 16, the City adopted the modified retrospective approach, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying AASB 16 under the specific transition provisions chosen, the City has not restated comparatives for prior reporting periods.

On adoption of AASB 16, the City has recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 1.50% resulting in an immaterial movement.

| | <u>2020</u> |
|---|-------------|
| | \$ |
| Operating lease commitments at 30 June 2019 applying AASB 117 | 127,154 |
| Discount applied using incremental borrowing rates | 1,813 |
| less Short term leases not recognised as liability | 2,695 |
| Lease liability recognised at 1 July 2019 | 122,646 |
| Adjustment to retained surplus | Nil |
| Lease Liability - Current | 67,622 |
| Lease Liability - Non-current | 55,024 |
| Right of use assets recognised at 1 July 2019 | 122,646 |

On adoption of AASB 16, the City recognised a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is deemed to be equal to the lease liability. Right-of-use assets and lease liabilities increased by \$122,646 on 1 July 2019 and the net impact on retained earnings on 1 July 2019 will be nil.

c) Income For Not-For-Profit Entities

The City adopted AASB 1058 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019. In accordance with the transition provisions of AASB 1058, the City adopted the modified retrospective approach with the cumulative effect of initially applying these rules adjusted to the opening balance of accumulated surplus on 1 July 2019. No comparatives were understated under this approach.

CITY OF BELMONT

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FOR THE YEAR ENDED 30 JUNE 2020

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (cont.)

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items:

| | AASB 1004 carrying amount 30 June 2019 | Reclassification | AASB 1058 carrying amount 01 July 2019 |
|-------------------|---|-------------------------|---|
| Income in advance | 783,764 | 802,073 | 1,585,837 |

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the City to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required or be remeasured at fair value.

The City uses volunteer Services in relation to range of services however these can't generally be reliably estimated and it is likely they would largely be absorbed within the City's current staff resources had they not been donated.

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of AASB 15 and 1058 as compared to AASB 118 and 1004 and related interpretations that were in effect before the change.

| | 2020 \$ | 2020 \$ | 2020 \$ |
|---|---|--|---------------------------------------|
| | As reported under AASB 15 and AASB 1058 | Adjustment due to the application of AASB 15 and AASB 1058 | Compared to AASB 118 and AASB 1004 |
| Statement of Comprehensive Income | | | |
| <u>Revenue</u> | | | |
| Fees and charges | 9,398,412 | 129,745 | 9,528,157 |
| Operating grants, subsidies and contributions | 4,498,809 | 1,720,400 | 6,219,209 |
| Non-operating grants, subsidies and contributions | 12,510,801 | 61,528 | 12,572,329 |
| Net Result | 12,926,299 | 1,911,673 | 14,837,972 |
| Statement of Financial Position | | | |
| Other liabilities | 3,688,410 | (1,911,673) | 1,776,737 |
| Statement of Changes in Equity | | | |
| Net Result | 12,926,299 | 1,911,673 | 14,837,972 |
| Accumulated surplus | 199,536,065 | 1,911,673 | 201,447,738 |

d) Impact of changes to Accumulated Surplus

The impact on the City of the changes as at 1 July 2019 is as follows:

| | Adjustments 01 July 2019 |
|--|-------------------------------------|
| Accumulated surplus - 30 June 2019 | 177,196,412 |
| Adjustment to accumulated surplus from adoption of AASB 15 | Nil |
| Adjustment to accumulated surplus from adoption of AASB 16 | Nil |
| Adjustment to accumulated surplus from adoption of AASB 1058 | (802,073) |
| Accumulated surplus - 1 July 2019 | 176,394,339 |

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35. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and Services Tax

Revenues, Expenses and Assets are recognised net of the amount of Goods and Services Tax (GST), except:

- i) Where the amount of GST incurred is not recoverable from the taxation office, it is recognised as part of the acquisition of an asset or as part of an item of expense; or
- ii) for receivables or payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation office is included as part of the receivables or payables. Cashflows are included in the Statement of Cash Flows on a gross basis. The GST component arising from investing and financing activities is classified as operating cashflows.

b) 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.

c) Fair Value Hierarchy

When performing a revaluation the City uses a mix of both independent and management valuations. Where appropriate, revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For freehold land and non-specialised buildings, fair value will be determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value will be determined having regard for current replacement cost and both observable and unobservable inputs. These include construction costs based on recent contract prices (observable level 2 inputs in the fair value hierarchy), current condition, residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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35. OTHER SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c) Fair Value Hierarchy (continued)

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:

i) Market approach

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

ii) Income approach

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

iii) 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.

d) Impairment of assets

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

Where such 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.

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) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

For non-cash generating specialised assets such as roads, drains, public buildings, etc. that are measured under the revaluation model, no annual assessment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

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FOR THE YEAR ENDED 30 JUNE 2020

35. OTHER SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e) Superannuation

The City contributes to the Local Government Superannuation Scheme, the Occupational Superannuation Fund, and other Choice Funds which are selected by employees. All funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

f) Rounding of Figures

All figures shown in this Annual Financial Report, other than a rate in the dollar, are rounded to the nearest dollar.

g) Comparatives

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 the financial statements that have a material effect on the Statement of Financial Position, an additional Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

h) Budget Comparative Figures

Unless otherwise stated, the budget comparatives figure shown in this Annual Financial Report relate to the original budget estimate for the relevant item or disclosure.

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FOR THE YEAR ENDED 30 JUNE 2020

36. ACTIVITIES/PROGRAMS**Statement of Objective**

The City of Belmont is dedicated to effectively and efficiently promote growth, safeguard the health, safety and convenience, and economic and general welfare of the community of the City of Belmont.

GOVERNANCE

All costs associated with the elected members of Council, together with all costs associated with the general governance of the district. Includes all costs generated by the full allocation of administration costs in accordance with the principles of Activity Based Costing.

GENERAL PURPOSE FUNDING

Includes the cost of collecting rates income and all general purpose funding e.g. Grants Commission Funding.

LAW, ORDER AND PUBLIC SAFETY

The control and prevention of fire. Administration of all matters relating to the control of animals, mainly dogs and all general law, order and public safety matters administered by Council's Rangers.

HEALTH

The administration of maternal and infant health through child health clinics. The administration of preventative services such as: Immunisation, Meat Inspections, Inspection of food premises and Pest Control.

EDUCATION AND WELFARE

The provision of children services, the care of the aged and disabled through Aged and Disabled Services, Senior Citizen Centres and Meals on Wheels. The provision of some pre-school education facilities, but not the delivery of education.

HOUSING

The provision of Aged Housing Facilities throughout the district.

COMMUNITY AMENITIES

Includes sanitation (household refuse); stormwater drainage; town and regional planning and development; the provision of rest rooms and protection of the environment.

RECREATION AND CULTURE

The provision of facilities and support of organisations concerned with leisure time activities and sport. The provision and maintenance of a public library. The provision of a cultural centre and a historical museum.

TRANSPORT

Construction and maintenance of streets, roads, footpaths, cycleways and Council Depot. The control of street parking and the control of traffic management of local streets.

ECONOMIC SERVICES

The management of local tourism and area promotion. The provision of building approvals and control. Any other economic services.

OTHER PROPERTY AND SERVICES

Private works, public work overheads, plant operations. A summary of salaries and wages total costs and any other miscellaneous activities that cannot otherwise be classified in the above.

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FOR THE YEAR ENDED 30 JUNE 2020

SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED 30 JUNE 2020

The number of employees of the Council, in bands of \$10,000, entitled to an annual salary of \$100,000 or more is as follows:

| Salary range | 2020 | 2019 |
|---------------------|-------------|-------------|
| \$ | No. | No. |
| 100,000 - 109,999 | 8 | 3 |
| 110,000 - 119,999 | 2 | 4 |
| 120,000 - 129,999 | 1 | 5 |
| 130,000 - 139,999 | 4 | 2 |
| 140,000 - 149,999 | 2 | 3 |
| 150,000 - 159,999 | 5 | Nil |
| 160,000 - 169,999 | 1 | 1 |
| 170,000 - 179,999 | 2 | 5 |
| 180,000 - 189,999 | 6 | 4 |
| 190,000 - 199,999 | Nil | Nil |
| 200,000 - 209,999 | 1 | Nil |
| 210,000 - 219,999 | Nil | 2 |
| 220,000 - 229,999 | Nil | Nil |
| 230,000 - 239,999 | 1 | 1 |
| 240,000 - 249,999 | 1 | Nil |
| 250,000 - 259,999 | Nil | Nil |
| 260,000 - 269,999 | Nil | 1 |
| 270,000 - 279,999 | Nil | Nil |
| 280,000 - 289,999 | Nil | Nil |
| 290,000 - 300,000 | 1 | Nil |