

City of Mandurah Financial Statements 2023-2024



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

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

Woven by waterways; a city that is thriving and connected to its people and nature.

Principal place of business:
3 Peel St, Mandurah WA 6210

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

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

STATEMENT BY CEO

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

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

Signed on the *TENTH* day of December 2024

Casey Mihovilovich

CEO

Casey Mihovilovich

Name of CEO



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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),27	93,164,669	92,674,403	87,363,981
Grants, subsidies and contributions	2(a)	5,635,783	7,221,456	6,474,595
Fees and charges	2(a)	34,107,075	30,922,352	32,173,899
Interest revenue	2(a)	4,789,540	3,740,558	3,527,737
Other revenue	2(a)	1,364,955	66,631	1,383,791
		139,062,022	134,625,400	130,924,003
Expenses				
Employee costs	2(b)	(55,373,119)	(55,125,043)	(51,188,432)
Materials and contracts		(58,492,124)	(58,354,242)	(53,821,398)
Utility charges		(4,275,112)	(4,627,517)	(4,491,720)
Depreciation		(35,755,740)	(33,084,683)	(36,638,351)
Finance costs	2(b)	(1,072,265)	(1,125,625)	(909,873)
Insurance		(1,410,406)	(1,566,711)	(1,737,603)
Other expenditure	2(b)	(29,373)	0	(39,605)
		(156,408,139)	(153,883,821)	(148,826,982)
		(17,346,117)	(19,258,421)	(17,902,979)
Capital grants, subsidies and contributions	2(a)	25,981,030	15,177,820	13,239,954
Profit on asset disposals		188,569	0	134,365
Loss on asset disposals		(7,246,306)	0	(4,658,768)
Fair value adjustments to financial assets at fair value through profit or loss		(251,584)	0	(9,586)
		18,671,709	15,177,820	8,705,965
Net result for the period	26(b)	1,325,592	(4,080,601)	(9,197,014)
Total comprehensive income/loss for the period		1,325,592	(4,080,601)	(9,197,014)

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



**CITY OF MANDURAH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	74,477,069	69,919,904
Trade and other receivables	5	10,699,188	5,254,760
Other financial assets	4(a)	6,522,395	12,403,760
Inventories	6	837,615	694,556
Other assets	7	3,377,738	3,408,620
TOTAL CURRENT ASSETS		95,914,005	91,681,600
NON-CURRENT ASSETS			
Trade and other receivables	5	1,685,741	1,571,313
Other financial assets	4(b)	322,261	619,265
Property, plant and equipment infrastructure	8	281,267,077	273,430,508
Right-of-use assets	9	768,996,872	779,735,129
Investment property	11(a)	613,481	548,814
	12	10,683,760	10,683,760
TOTAL NON-CURRENT ASSETS		1,063,569,192	1,066,588,789
TOTAL ASSETS		1,159,483,197	1,158,270,389
CURRENT LIABILITIES			
Trade and other payables	13	17,971,322	19,787,860
Other liabilities	14	5,985,994	7,361,650
Lease liabilities	11(b)	254,514	210,703
Borrowings	15	5,317,216	4,361,670
Employee related provisions	16	9,707,999	9,501,728
Other provisions	17	330,335	624,543
TOTAL CURRENT LIABILITIES		39,567,380	41,848,154
NON-CURRENT LIABILITIES			
Other liabilities	14	4,864,164	4,703,999
Lease liabilities	11(b)	388,928	363,184
Borrowings	15	21,204,784	19,202,243
Employee related provisions	16	790,650	811,107
TOTAL NON-CURRENT LIABILITIES		27,248,526	25,080,533
TOTAL LIABILITIES		66,815,906	66,928,687
NET ASSETS		1,092,667,291	1,091,341,702
EQUITY			
Retained surplus		237,390,978	242,718,412
Reserve accounts	30	69,472,383	62,819,360
Revaluation surplus	18	785,803,930	785,803,930
TOTAL EQUITY		1,092,667,291	1,091,341,702

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		263,433,040	51,301,746	785,803,930	1,100,538,716
Comprehensive income for the period					
Net result for the period		(9,197,014)	0	0	(9,197,014)
Total comprehensive income for the period		(9,197,014)	0	0	(9,197,014)
Transfers from reserve accounts	30	13,440,581	(13,440,581)	0	0
Transfers to reserve accounts	30	(24,958,195)	24,958,195	0	0
Balance as at 30 June 2023		242,718,412	62,819,360	785,803,930	1,091,341,702
Comprehensive income for the period					
Net result for the period		1,325,592	0	0	1,325,592
Total comprehensive income for the period		1,325,592	0	0	1,325,592
Transfers from reserve accounts	30	21,253,107	(21,253,107)	0	0
Transfers to reserve accounts	30	(27,906,133)	27,906,133	0	0
Balance as at 30 June 2024		237,390,978	69,472,383	785,803,930	1,092,667,291

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

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

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		92,144,266	88,195,990
Grants, subsidies and contributions		1,837,772	6,939,162
Fees and charges		34,129,717	32,155,998
Interest revenue		4,789,540	3,527,737
Goods and services tax received		(113,191)	222,028
Other revenue		1,364,955	1,383,791
		<u>134,153,059</u>	<u>132,424,706</u>
Payments			
Employee costs		(55,408,314)	(50,142,184)
Materials and contracts		(60,330,519)	(52,053,267)
Utility charges		(4,275,112)	(4,491,720)
Finance costs		(1,072,265)	(909,874)
Insurance paid		(1,410,406)	(1,737,603)
Other expenditure		(29,373)	(39,605)
		<u>(122,525,989)</u>	<u>(109,374,253)</u>
Net cash provided by operating activities	19(b)	11,627,070	23,050,453
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(13,946,846)	(6,269,699)
Payments for construction of infrastructure	9(a)	(14,896,724)	(14,466,663)
Capital grants, subsidies and contributions		11,923,496	8,023,682
Proceeds for financial assets at amortised cost		5,845,223	11,696,701
Proceeds from sale of property, plant & equipment		1,029,391	911,507
Net cash (used in) investing activities		<u>(10,045,460)</u>	<u>(104,472)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	29(a)	(4,256,523)	(4,155,961)
Payments for principal portion of lease liabilities	29(d)	(438,322)	(545,354)
Payments for principal portion of interest bearing liabilities		(768,026)	(544,988)
Proceeds from financial assets at amortised cost - community loans		81,562	50,271
Proceeds from new borrowings	29(a)	7,214,610	3,866,732
Proceeds from interest bearing liabilities		1,142,254	896,397
Net cash provided by (used in) financing activities		<u>2,975,555</u>	<u>(432,903)</u>
Net increase in cash held		4,557,165	22,513,077
Cash at beginning of year		69,919,904	47,406,827
Cash and cash equivalents at the end of the year	19(a)	<u>74,477,069</u>	<u>69,919,904</u>

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

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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	27	93,164,669	92,674,403	87,363,981
Grants, subsidies and contributions		5,635,783	7,221,456	6,474,595
Fees and charges		34,107,075	30,922,352	32,173,899
Interest revenue		4,789,540	3,740,558	3,527,737
Other revenue		1,364,955	66,631	1,384,119
Profit on asset disposals		188,569	0	134,365
Fair value adjustments to financial assets at fair value through profit or loss		(251,584)	0	(9,586)
		138,999,007	134,625,400	131,049,110
Expenditure from operating activities				
Employee costs		(55,373,119)	(55,125,043)	(51,188,432)
Materials and contracts		(58,492,124)	(58,354,242)	(53,821,398)
Utility charges		(4,275,112)	(4,627,517)	(4,491,720)
Depreciation		(35,755,740)	(33,084,683)	(36,638,351)
Finance costs		(1,072,265)	(1,125,625)	(909,873)
Insurance		(1,410,406)	(1,566,711)	(1,737,603)
Other expenditure		(29,373)	0	(33,156)
Loss on asset disposals		(7,246,306)	0	(4,658,768)
		(163,654,445)	(153,883,821)	(153,479,301)
Non cash amounts excluded from operating activities	28(a)	42,396,964	33,869,873	40,925,658
Amount attributable to operating activities		17,741,526	14,611,452	18,495,467
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		25,981,030	15,177,820	13,233,505
Proceeds from disposal of assets		1,029,391	2,529,095	911,507
Proceeds from financial assets at amortised cost - self supporting loans		81,562	0	50,271
		27,091,983	17,706,915	14,195,283
Outflows from investing activities				
Right of use assets received - non cash	11(a)	(507,877)	0	0
Purchase of property, plant and equipment	8(a)	(13,946,846)	(7,752,373)	(6,269,699)
Purchase and construction of infrastructure	9(a)	(14,896,724)	(39,049,348)	(14,466,663)
		(29,351,447)	(46,801,721)	(20,736,362)
Non-cash amounts excluded from investing activities	28(b)	(13,505,420)	500,000	(4,895,833)
Amount attributable to investing activities		(15,764,884)	(28,594,806)	(11,436,912)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	29(a)	7,214,610	7,442,854	3,866,732
Proceeds from Unspent Loans		1,009,740	1,427,938	2,096,554
Proceeds from new leases - non cash	29(d)	507,877	0	0
Proceeds from interest bearing liabilities		1,142,254	645,000	896,397
Transfers from reserve accounts	30	21,253,107	14,884,557	13,440,581
		31,127,588	24,400,349	20,300,264
Outflows from financing activities				
Repayment of borrowings	29(a)	(4,256,523)	(4,316,708)	(4,155,961)
Payments for principal portion of lease liabilities	29(d)	(438,322)	(512,978)	(545,354)
Payments for principal portion of interest bearing liabilities		(768,026)	(551,074)	(544,988)
Transfers to reserve accounts	30	(27,906,133)	(6,126,703)	(24,958,195)
		(33,369,004)	(11,507,463)	(30,204,498)
Amount attributable to financing activities		(2,241,416)	12,892,886	(9,904,234)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	28(c)	1,018,971	600,000	3,864,650
Amount attributable to operating activities		17,741,526	14,611,452	18,495,467
Amount attributable to investing activities		(15,764,884)	(28,594,806)	(11,436,912)
Amount attributable to financing activities		(2,241,416)	12,892,886	(9,904,234)
Surplus or deficit after imposition of general rates	28(c)	754,197	(490,468)	1,018,971

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

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

1. BASIS OF PREPARATION

The financial report of the City of Mandurah which is a Class 1 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

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

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

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

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

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Investment property - note 12
- Measurement of employee benefits - note 16
- Measurement of provisions - note 17

Fair value hierarchy information can be found in note 25

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 of the financial report.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- AASB 2014-10 *Amendments to Australian Accounting Standards*
 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2020-1 *Amendments to Australian Accounting Standards*
 - *Classification of Liabilities as Current or Non-current*
- AASB 2021-7c *Amendments to Australian Accounting Standards*
 - *Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2022-5 *Amendments to Australian Accounting Standards*
 - *Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards*
 - *Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval

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

Revenue Recognition

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

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	93,164,669	0	93,164,669
Grants, subsidies and contributions	5,635,783	0	0	0	5,635,783
Fees and charges	34,107,075	0	0	0	34,107,075
Interest revenue	0	0	713,295	4,076,245	4,789,540
Other revenue	300,834	0	0	1,064,121	1,364,955
Capital grants, subsidies and contributions	0	25,981,030	0	0	25,981,030
Total	40,043,692	25,981,030	93,877,964	5,140,366	165,043,052

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	87,363,981	0	87,363,981
Grants, subsidies and contributions	6,474,595	0	0	0	6,474,595
Fees and charges	32,173,899	0	0	0	32,173,899
Interest revenue	0	0	718,842	2,808,895	3,527,737
Other revenue	425,949	0	0	957,842	1,383,791
Capital grants, subsidies and contributions	0	13,239,954	0	0	13,239,954
Total	39,074,443	13,239,954	88,082,823	3,766,737	144,163,957

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Interest on reserve account	1,522,615	966,200
Rates instalment and penalty interest	713,295	718,842
Other interest revenue	2,553,630	1,842,695
	4,789,540	3,527,737

Fees and charges relating to rates receivable

Charges on instalment plan	92,951	97,251
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The 2024 original budget estimate in relation to:
Charges on instalment plan was \$124,006.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	142,200	162,488
	142,200	162,488

Employee Costs

Employee benefit costs	47,270,516	44,183,164
Other employee costs	8,102,603	7,005,267
	55,373,119	51,188,432

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	391,840	308,349
Interest rate swap	303	31,603
Interest bearing liabilities	680,122	569,921
	1,072,265	909,873

Other expenditure

Sundry expenses	29,373	39,605
	29,373	39,605

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

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	30,142,409	31,444,622
Term deposits	44,334,660	38,475,282
Total cash and cash equivalents	74,477,069	69,919,904
Held as		
- Unrestricted cash and cash equivalents	4,341,390	17,233,390
- Restricted cash and cash equivalents	70,135,679	52,686,514
	74,477,069	69,919,904

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

Note	2024	2023
	\$	\$
(a) Current assets		
Financial assets at amortised cost	6,522,395	12,403,760
	6,522,395	12,403,760
Other financial assets at amortised cost		
Self supporting loans receivable		
Community Loans	10,000	46,142
Term deposits	6,512,395	12,357,618
	6,522,395	12,403,760
Held as		
- Unrestricted other financial assets at amortised cost	10,000	46,142
- Restricted other financial assets at amortised cost	6,512,395	12,357,618
	6,522,395	12,403,760
(b) Non-current assets		
Financial assets at amortised cost	176,712	222,132
Financial assets at fair value through profit or loss - Local Government House Trust	145,549	142,607
Financial assets at fair value through profit or loss - Interest Rate Swap	0	254,526
	322,261	619,265
Financial assets at amortised cost		
Financial assets at amortised cost - Community Loans	176,712	222,132
	176,712	222,132
Financial assets at fair value through profit or loss - Local Government House Trust		
Units in Local Government House Trust - opening balance	142,607	136,156
Movement attributable to fair value increment	2,942	6,451
Units in Local Government House Trust - closing balance	145,549	142,607

Loans receivable from community have the same terms and conditions as the related borrowing disclosed in Note 29(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

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

5. TRADE AND OTHER RECEIVABLES

Note	2024	2023
	\$	\$
Current		
Rates and statutory receivables	3,662,665	2,137,344
Trade receivables	1,848,912	1,062,023
Other receivables - Infringements	803,309	868,854
GST receivable	670,895	557,704
Allowance for credit losses of trade receivables	23(b) (215,611)	(192,969)
Other receivables Pensioner Rebates and ESL	145,519	61,804
Other receivables - Insurance Claims	3,783,499	760,000
	10,699,188	5,254,760
Non-current		
Pensioner's rates and ESL deferred	1,685,741	1,571,313
	1,685,741	1,571,313

Disclosure of opening and closing balances related to contracts with customers

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

Note	30 June 2024 Actual	30 June 2023 Actual
	\$	\$
Trade and other receivables from contracts with customers	160,287	137,519
Total trade and other receivables from contracts with customers	160,287	137,519

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

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

6. INVENTORIES

Note	2024	2023
	\$	\$
Current		
Fuel and materials	392,615	249,556
Land held for resale	445,000	445,000
	<u>837,615</u>	<u>694,556</u>
The following movements in inventories occurred during the year:		
Balance at beginning of year	694,556	957,480
Inventory movement	143,059	(262,924)
Balance at end of year	<u>837,615</u>	<u>694,556</u>

MATERIAL ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

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

7. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2024	2023
	\$	\$
	1,283,653	1,034,547
	2,094,085	2,374,073
	3,377,738	3,408,620

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Accrued Income

Accrued income primarily relate to the City's right to receive considerations for work completed but not billed at the end of the period.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Assets not subject to operating lease		Total Property			Plant and equipment			Total property, plant and equipment
	Land	Buildings - non-specialised	Land	Buildings - non-specialised	Total Property	Furniture and equipment	Plant and equipment	Work in Progress	
	\$	\$	\$	\$	\$	\$	\$	\$	
Balance at 1 July 2022	93,525,000	163,398,180	93,525,000	163,398,180	256,923,180	2,262,236	12,011,782	1,111,381	272,308,579
Additions	0	1,315,522	0	1,315,522	1,315,522	172,458	2,499,797	2,281,922	6,269,699
Disposals Cost	0	(61,085)	0	(61,085)	(61,085)	(50,000)	(666,138)	0	(777,223)
Depreciation	0	(2,532,738)	0	(2,532,738)	(2,532,738)	(257,228)	(1,580,581)	0	(4,370,547)
Balance at 30 June 2023	93,525,000	162,119,879	93,525,000	162,119,879	255,644,879	2,127,466	12,264,860	3,393,303	273,430,508
Comprises:									
Gross balance amount at 30 June 2023	93,525,000	164,869,068	93,525,000	164,869,068	258,394,068	3,086,960	17,201,667	3,393,303	282,075,998
Accumulated depreciation at 30 June 2023	0	(2,749,189)	0	(2,749,189)	(2,749,189)	(959,494)	(4,936,807)	0	(8,645,490)
Balance at 30 June 2023	93,525,000	162,119,879	93,525,000	162,119,879	255,644,879	2,127,466	12,264,860	3,393,303	273,430,508
Additions	0	1,093,100	0	1,093,100	1,093,100	197,624	3,673,378	8,982,744	13,946,846
Disposals	0	(299,746)	0	(299,746)	(299,746)	0	(1,640,967)	0	(1,940,713)
Depreciation	0	(2,554,399)	0	(2,554,399)	(2,554,399)	(263,035)	(1,352,130)	0	(4,169,564)
Transfers	0	2,709,965	0	2,709,965	2,709,965	0	0	(2,709,965)	0
Balance at 30 June 2024	93,525,000	163,068,799	93,525,000	163,068,799	256,593,799	2,062,055	12,945,141	9,666,082	281,267,077
Comprises:									
Gross balance amount at 30 June 2024	93,525,000	168,367,911	93,525,000	168,367,911	261,892,911	3,284,584	18,237,957	9,666,082	293,081,534
Accumulated depreciation at 30 June 2024	0	(5,299,112)	0	(5,299,112)	(5,299,112)	(1,222,529)	(5,292,816)	0	(11,814,457)
Balance at 30 June 2024	93,525,000	163,068,799	93,525,000	163,068,799	256,593,799	2,062,055	12,945,141	9,666,082	281,267,077

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2	Market Approach	Independent registered valuer	June 2022	Selection of Land similar approximate utility
Buildings - non-specialised	2	Depreciated Replacement Cost	Independent valuer and Management valuation	June 2022	Historical cost per square floor area. Consumed benefit/obsolescence of asset.

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

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - drainage	Infrastructure - parks	Infrastructure - work in progress	Other infrastructure - coastal and estuary	Other infrastructure - bridges	Other infrastructure - other infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	346,510,552	160,347,953	130,603,796	32,865,663	51,410,266	69,184,352	4,762,214	795,684,796
Additions	5,871,829	980,006	1,841,953	5,364,205	408,670	0	0	14,466,663
(Disposals)	(1,104,722)	(351,295)	(1,767,321)	0	(1,126,258)	0	(478,518)	(4,828,114)
Gifted Assets Cost	4,674,504	794,600	879,254	0	0	0	0	6,348,358
Gifted Assets Accumulated Depreciation	(22,465)	0	(196,942)	0	0	0	0	(219,407)
Depreciation	(13,151,101)	(2,765,316)	(12,212,223)	0	(2,501,510)	(883,251)	(203,766)	(31,717,167)
Balance at 30 June 2023	342,778,597	159,005,948	119,148,517	38,229,868	48,191,168	68,301,101	4,079,930	779,735,129
Comprises:								
Gross balance at 30 June 2023	592,720,863	219,952,294	189,208,102	38,229,868	105,579,979	88,325,118	5,125,806	1,239,142,030
Accumulated depreciation at 30 June 2023	(249,942,266)	(60,946,346)	(70,059,585)	0	(57,388,811)	(20,024,017)	(1,045,876)	(459,406,901)
Balance at 30 June 2023	342,778,597	159,005,948	119,148,517	38,229,868	48,191,168	68,301,101	4,079,930	779,735,129
Additions	1,848,388	0	1,042,936	12,005,400	0	0	0	14,896,724
(Disposals)	(2,405,592)	(964,462)	(2,411,307)	0	(482,913)	0	0	(6,264,274)
Gifted Assets Cost	8,225,551	3,534,137	415,692	0	0	0	0	12,175,380
Gifted Assets Accumulated Depreciation	(27,351)	(345,647)	(31,657)	0	0	0	0	(404,655)
Depreciation	(12,824,446)	(2,899,882)	(11,961,163)	0	(2,378,917)	(883,251)	(193,773)	(31,141,432)
Transfers	6,259,598	2,296,050	3,542,130	(12,425,870)	94,425	0	233,667	0
Balance at 30 June 2024	343,854,745	160,626,144	109,745,148	37,809,398	45,423,763	67,417,850	4,119,824	768,996,872
Comprises:								
Gross balance at 30 June 2024	604,641,227	224,700,473	189,181,347	37,809,398	104,825,685	88,325,118	5,359,473	1,254,842,721
Accumulated depreciation at 30 June 2024	(260,786,482)	(64,074,329)	(79,436,199)	0	(59,401,922)	(20,907,268)	(1,239,649)	(485,845,849)
Balance at 30 June 2024	343,854,745	160,626,144	109,745,148	37,809,398	45,423,763	67,417,850	4,119,824	768,996,872

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Depreciated Replacement Cost	Independent registered valuer	June 2022	Construction costs, current condition, remaining useful lives. Consumed economic benefit/obsolescence of asset.
Infrastructure - drainage	3	Depreciated Replacement Cost	Independent registered valuer	June 2022	Construction costs, current condition, remaining useful lives. Consumed economic benefit/obsolescence of asset.
Infrastructure - parks	3	Depreciated Replacement Cost	Independent registered valuer	June 2022	Construction costs, current condition, remaining useful lives. Consumed economic benefit/obsolescence of asset.
Other infrastructure - coastal and estuary	3	Depreciated Replacement Cost	Independent registered valuer	June 2022	Construction costs, current condition, remaining useful lives. Consumed economic benefit/obsolescence of asset.
Other infrastructure - bridges	3	Depreciated Replacement Cost	Independent registered valuer	June 2022	Construction costs, current condition, remaining useful lives. Consumed economic benefit/obsolescence of asset.
Other infrastructure - other infrastructure	3	Depreciated Replacement Cost	Independent registered valuer	June 2022	Construction costs, current condition, remaining useful lives. Consumed economic benefit/obsolescence of asset.

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

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

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	20 to 110 years
Furniture and equipment	1 to 30 years
Plant and equipment	1 to 35 years
Infrastructure - roads	1 to 115 years
Infrastructure - drainage	1 to 100 years
Infrastructure - parks	1 to 100 years
Infrastructure - coastal and estuary	1 to 100 years
Infrastructure - bridges	60 to 115 years
Infrastructure - other	5 to 100 years
Right of use - plant and equipment	Based on the remaining lease

(b) Fully Depreciated Assets in Use

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

	2024	2023
	\$	\$
Plant and equipment	199,314	102,680
Infrastructure	14,550,365	8,027,513
	<u>14,749,679</u>	<u>8,130,193</u>

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

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - plant and equipment	Right-of-use assets Total
Note	\$	\$
Balance at 1 July 2022	433,934	433,934
Lease movement	667,229	667,229
Depreciation	(552,349)	(552,349)
Balance at 30 June 2023	548,814	548,814
Additions	507,877	507,877
Depreciation	(443,210)	(443,210)
Balance at 30 June 2024	613,481	613,481

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

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(443,210)	(552,349)
Finance charge on lease liabilities	(21,659)	(13,767)
Low-value asset lease payments recognised as expense	(446,631)	(387,402)
Total amount recognised in the statement of comprehensive income	(911,500)	(953,518)
Total cash outflow from leases	(459,981)	(559,121)
(b) Lease Liabilities		
Current	254,514	210,703
Non-current	388,928	363,184
	29(d) 643,442	573,887

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 29(d).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

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

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2024 Actual	2023 Actual
	\$	\$
	1,529,305	1,082,166
	1,164,660	1,055,934
	1,150,150	1,053,484
	1,166,281	1,062,835
	1,146,086	1,069,649
	12,249,055	12,744,211
	<u>18,405,537</u>	<u>18,068,279</u>

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

Refer to note 12 for details of leased investment property.

MATERIAL ACCOUNTING POLICIES

The City as Lessor

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

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

12. INVESTMENT PROPERTY

Non-current assets - at reportable value

Carrying balance at 1 July
Closing balance at 30 June

	2024 Actual	2023 Actual
	\$	\$
	10,683,760	10,683,760
	10,683,760	10,683,760
Amounts recognised in profit or loss for investment properties		
Rental income	728,438	728,438
Direct operating expenses from property that generated rental income	(21,849)	(16,966)

MATERIAL ACCOUNTING POLICIES

Investment properties

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

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

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

Revaluation

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

Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

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

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors	6,473,385	8,429,452
Prepaid rates	5,325,000	4,820,082
Accrued payroll liabilities	1,239,653	1,460,662
Bonds and deposits held	4,661,400	4,728,860
Other payables - receipts in advance	0	7,643
Other payables - other accrued expenses	51,871	64,448
Other payables - retention monies	220,013	276,713
	17,971,322	19,787,860

2024	2023
\$	\$
6,473,385	8,429,452
5,325,000	4,820,082
1,239,653	1,460,662
4,661,400	4,728,860
0	7,643
51,871	64,448
220,013	276,713
17,971,322	19,787,860

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

14. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Contract liabilities	253,428	108,453
Capital grant/contributions liabilities	4,812,548	6,547,243
Other Liabilities - Interest Earning Liabilities	920,018	705,954
	<u>5,985,994</u>	<u>7,361,650</u>
Non-current		
Capital grant/contributions liabilities	1,215,909	1,215,909
Other Liabilities - Interest Earning Liabilities	3,648,255	3,488,090
	<u>4,864,164</u>	<u>4,703,999</u>
Reconciliation of changes in contract liabilities		
Opening balance	108,453	45,000
Additions	253,428	378,967
Revenue from contracts with customers included as a contract liability at the start of the period	(108,453)	(315,514)
	<u>253,428</u>	<u>108,453</u>
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$6281885 (2023: \$7,871,605)</p> <p>The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.</p>		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	7,763,152	6,530,034
Additions	2,029,581	6,866,165
Revenue from capital grant/contributions held as a liability at the start of the period	(3,764,276)	(5,633,047)
	<u>6,028,457</u>	<u>7,763,152</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	4,812,548	6,547,243
1 to 2 years	1,215,909	1,215,909
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	<u>6,028,457</u>	<u>7,763,152</u>

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

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

15. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		5,317,216	21,204,784	26,522,000	4,361,670	19,202,243	23,563,913
Total secured borrowings	29(a)	5,317,216	21,204,784	26,522,000	4,361,670	19,202,243	23,563,913

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City of Mandurah.

The City of Mandurah has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 29(a).

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

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	4,821,053	4,714,952
Long service leave	4,886,946	4,786,776
	9,707,999	9,501,728
Total current employee related provisions	9,707,999	9,501,728
Non-current provisions		
Employee benefit provisions		
Long service leave	790,650	811,107
	790,650	811,107
Total non-current employee related provisions	790,650	811,107
Total employee related provisions	10,498,649	10,312,835

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

Note	2024	2023
	\$	\$
	4,821,053	4,714,952
	5,677,596	5,597,882
	10,498,649	10,312,834

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

17. OTHER PROVISIONS

	Provision for Workers Compensation	Total
	\$	\$
Opening balance at 1 July 2023		
Current provisions	624,543	624,543
	624,543	624,543
Amounts used	(294,208)	(294,208)
Balance at 30 June 2024	330,335	330,335
Comprises		
Current	330,335	330,335
	330,335	330,335

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

MATERIAL ACCOUNTING POLICIES

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.

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

18. REVALUATION SURPLUS

	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	75,390,270	0	75,390,270	75,390,270	0	75,390,270
Revaluation surplus - Buildings - non-specialised	89,853,505	0	89,853,505	89,853,505	0	89,853,505
Revaluation surplus - Furniture and equipment	1,001,625	0	1,001,625	1,001,625	0	1,001,625
Revaluation surplus - Plant and equipment	188,092	0	188,092	188,092	0	188,092
Revaluation surplus - Infrastructure - roads	227,256,653	0	227,256,653	227,256,653	0	227,256,653
Revaluation surplus - Infrastructure - drainage	118,790,040	0	118,790,040	118,790,040	0	118,790,040
Revaluation surplus - Infrastructure - parks	188,952,729	0	188,952,729	188,952,729	0	188,952,729
Revaluation surplus - Other infrastructure - coastal and estuary	42,449,246	0	42,449,246	42,449,246	0	42,449,246
Revaluation surplus - Other infrastructure - bridges	24,230,622	0	24,230,622	24,230,622	0	24,230,622
Revaluation surplus - Other infrastructure - cultural	17,691,148	0	17,691,148	17,691,148	0	17,691,148
	<u>785,803,930</u>	<u>0</u>	<u>785,803,930</u>	<u>785,803,930</u>	<u>0</u>	<u>785,803,930</u>

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

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	74,477,069	69,919,904
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	70,135,679	52,686,514
- Financial assets at amortised cost	4	6,512,395	12,357,618
		76,648,074	65,044,132
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	30	69,472,383	62,819,360
Contract liabilities	14	253,428	0
Capital grant liabilities	14	4,812,548	0
Unspent loans	29(c)	2,109,715	2,224,772
Total restricted financial assets		76,648,074	65,044,132

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

Net result		1,325,592	(9,197,014)
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		251,584	9,586
Depreciation/amortisation		35,755,740	36,638,351
(Profit)/loss on sale of asset		7,057,737	4,524,403
Impairment of plant and equipment		0	0
Assets received for substantially less than fair value		(11,770,725)	(6,128,951)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(5,558,856)	998,102
(Increase)/decrease in other assets		30,882	(617,750)
(Increase)/decrease in inventories		(143,059)	707,924
Increase/(decrease) in trade and other payables		(1,816,538)	2,344,584
Increase/(decrease) in employee related provisions		185,814	818,767
Increase/(decrease) in other provisions		(294,208)	(46,904)
Increase/(decrease) in other liabilities		(1,215,491)	1,296,571
Capital grants, subsidies and contributions		(12,181,402)	(8,297,216)
Net cash provided by/(used in) operating activities		11,627,070	23,050,453

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements			
Bank overdraft limit		0	0
Bank overdraft at balance date		0	0
Credit card limit		200,000	200,000
Credit card balance at balance date		(39,971)	(43,196)
Total amount of credit unused		160,029	156,804
Loan facilities			
Loan facilities - current		5,317,216	4,925,859
Loan facilities - non-current		21,204,784	18,638,054
Total facilities in use at balance date		26,522,000	23,563,913
Unused loan facilities at balance date		2,109,715	2,224,772

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

20. CONTINGENT LIABILITIES

The City has no identified contingent liabilities at the reporting date.

21. CAPITAL COMMITMENTS

	2024	2023
	\$	\$
Contracted for:		
- capital expenditure projects	17,023,816	11,187,623
- plant & equipment purchases	2,300,720	1,368,006
	19,324,536	12,555,629
Payable:		
- not later than one year	19,324,536	12,555,629

The capital expenditure projects outstanding at the end of the current reporting period represent the renovation and improvement of the City's Parks, Reserves, Eastern Foreshore, Dawesville Community Centre and Fleet Vehicles (the prior year commitment was mainly for renovation and improvement of the City's Parks, Reserves, MARC Roof and Fleet Vehicles).

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

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Mayor's annual allowance	91,997	91,997	91,997
Mayor's meeting attendance fees	49,435	49,435	48,704
Mayor's other expenses	2,458	11,132	907
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
	<u>147,390</u>	<u>156,064</u>	<u>145,108</u>
Deputy Mayor's annual allowance	22,999	22,999	22,999
Deputy Mayor's meeting attendance fees	32,960	32,960	32,470
Deputy Mayor's other expenses	1,730	6,595	2,299
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	2,394	0	0
	<u>63,583</u>	<u>66,054</u>	<u>61,268</u>
All other council member's meeting attendance fees	362,830	362,788	353,964
All other council member's other expenses	19,596	67,740	0
All other council member's annual allowance for ICT expenses	38,500	38,500	38,500
All other council member's travel and accommodation expenses	3,948	0	5,614
	<u>424,874</u>	<u>469,028</u>	<u>398,078</u>
22(b)	<u>635,847</u>	<u>691,146</u>	<u>604,454</u>

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits	2,502,187	2,634,802
Post-employment benefits	345,682	384,040
Employee - other long-term benefits	65,419	67,601
Employee - termination benefits	232,562	96,168
Council member costs	22(a) <u>635,847</u>	<u>604,454</u>
	<u>3,781,697</u>	<u>3,787,065</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

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

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

22. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2024 Actual	2023 Actual
	\$	\$
Purchase of goods and services	913,851	1,194,184
Payment of council member costs (Refer to Note 22(a))	635,847	604,454

Related Parties

The City's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the City, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 22(a) and 22(b).

ii. Other Related Parties

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

iii. Entities subject to significant influence by the City

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

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

23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2024					
Cash and cash equivalents	4.32%	74,477,069	44,334,660	30,142,409	0
Financial assets at amortised cost - term deposits	5.08%	6,512,395	6,512,395	0	0
2023					
Cash and cash equivalents	3.99%	69,919,904	38,475,282	31,444,622	0
Financial assets at amortised cost - term deposits	4.62%	12,357,618	12,357,618	0	0

Sensitivity

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

	2024	2023
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	301,424	314,446

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2024					
Trade and other receivables					
Expected credit loss	0.00%	25.57%	21.13%	21.93%	
Gross carrying amount	1,169,395	49,917	41,628	885,038	2,145,978
Loss allowance	0	12,761	8,798	194,052	215,611
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	0	0	0	5,348,406	5,348,406
Loss allowance	0	0	0	0	0
30 June 2023					
Trade and other receivables					
Expected credit loss	0.00%	20.13%	5.86%	17.48%	
Gross carrying amount	434,916	82,887	131,468	964,679	1,613,951
Loss allowance	0	16,688	7,700	168,581	192,969
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	160,172	148,790	144,561	3,255,134	3,708,657
Loss allowance	0	0	0	0	0

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivables		Trade and other receivables		Contract Assets	
	2024	2023	2024	2023	2024	2023
	Actual	Actual	Actual	Actual	Actual	Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 192,969	\$ 210,870	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	0	0	62,195	113,447	0	0
Receivables written off during the year as uncollectible	0	0	(39,553)	(131,348)	0	0
Closing loss allowance at 30 June	0	0	215,611	192,969	0	0

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

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

Contract Assets

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 19(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2024					
Trade and other payables	17,971,322	0	0	17,971,322	17,970,322
Borrowings	200,440	9,383,784	16,937,776	26,522,000	26,522,000
Interest bearing liabilities	1,338,806	4,409,740	0	5,748,546	4,568,273
Lease liabilities	254,514	388,928	0	643,442	643,442
	<u>19,765,082</u>	<u>14,182,452</u>	<u>16,937,776</u>	<u>50,885,310</u>	<u>49,704,037</u>
2023					
Trade and other payables	19,787,860	0	0	19,787,860	19,787,860
Borrowings	190,931	7,406,002	15,966,980	23,563,913	23,563,913
Interest bearing liabilities	1,049,378	3,709,962	629,019	5,388,359	4,194,044
Lease liabilities	210,703	363,184	0	573,887	573,887
	<u>21,238,872</u>	<u>11,479,148</u>	<u>16,595,999</u>	<u>49,314,019</u>	<u>48,119,704</u>

**CITY OF MANDURAH
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24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events occurred after balance sheet date.

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25. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

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

**CITY OF MANDURAH
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26. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting council members and ratepayers on matters which do not concern specific local government services.
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p>Health To provide an operational framework for environmental and community health.</p>	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	Operation of senior citizen's centre, youth centre and assistance to various community and voluntary services associated with families, children, aged and disabled.
<p>Community amenities To provide services required by the community.</p>	Rubbish collection services, recycling services, operation of transfer station, cemetery services, administration of town planning scheme and protection of the environment.
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
<p>Economic services To help promote the local government and its economic wellbeing.</p>	Marketing & promotion of tourism, visitor centres, economic development, implementation of building and development controls.
<p>Other property and services To monitor and control operating accounts.</p>	Private works, administration and public works overheads, works depots and council plant operations.

**CITY OF MANDURAH
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26. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2024 Actual	2023 Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	0	153
General purpose funding	98,666,244	92,737,982
Law, order, public safety	585,519	682,314
Health	253,775	227,729
Education and welfare	504,983	455,796
Community amenities	19,413,322	18,521,160
Recreation and culture	7,562,877	7,143,967
Transport	3,169,280	1,823,342
Economic services	2,789,339	2,560,543
Other property and services	669,469	430,787
	133,614,808	124,583,773
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	3,950,975	4,934,629
Law, order, public safety	137,887	105,334
Health	257,289	261,702
Education and welfare	77,286	41,550
Community amenities	5,464	9,785
Recreation and culture	7,003,182	3,185,715
Transport	5,752,730	4,145,885
Economic services	2,349,913	740,802
Other property and services	12,082,087	6,289,147
	31,616,813	19,714,549
Total Income	165,231,621	144,298,322
Expenses		
Governance	(6,018,975)	(5,202,841)
General purpose funding	(1,824,804)	(2,979,784)
Law, order, public safety	(3,889,795)	(3,937,261)
Health	(2,187,647)	(2,364,956)
Education and welfare	(4,764,563)	(4,523,292)
Community amenities	(24,960,642)	(23,180,144)
Recreation and culture	(57,268,763)	(53,440,948)
Transport	(33,266,755)	(31,047,320)
Economic services	(5,780,269)	(5,452,832)
Other property and services	(23,943,816)	(21,365,958)
Total expenses	(163,906,029)	(153,495,336)
Net result for the period	1,325,592	(9,197,014)
(c) Total Assets		
Governance	12,298,830	11,478,624
General purpose funding	5,493,925	3,562,120
Law, order, public safety	12,219,894	12,432,521
Health	2,100	2,521
Education and welfare	5,362,158	5,410,593
Community amenities	3,298,995	3,982,527
Recreation and culture	372,514,578	414,252,633
Transport	606,481,767	604,575,163
Economic services	101,436,263	101,506,186
Other property and services	1,058,481	993,814
Unallocated	39,316,206	73,689
	1,159,483,197	1,158,270,391

CITY OF MANDURAH
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FOR THE YEAR ENDED 30 JUNE 2024

27. RATING INFORMATION

(a) General Rates

RATE TYPE		2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2022/23
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$
Residential Improved	Gross rental valuation	0.08624	37,067	720,262,798	62,115,460	1,091,374	63,206,834	55,174,265	626,580	55,800,845	55,977,844
Residential Vacant	Gross rental valuation	0.16535	1,572	22,903,485	3,787,093	(585,060)	3,202,033	3,862,837	0	3,862,837	3,620,071
Business Improved	Gross rental valuation	0.09410	1,030	164,946,484	15,521,464	91,084	15,612,548	14,517,138	0	14,517,138	14,653,308
Business Vacant	Gross rental valuation	0.17248	108	3,113,760	537,062	2,175	539,237	576,395	0	576,395	545,683
Urban Development	Gross rental valuation	0.15374	10	1,644,200	252,779	263,788	516,567	140,801	0	140,801	253,423
Total general rates			39,787	912,870,727	82,213,858	863,361	83,077,219	74,271,436	626,580	74,898,016	75,050,329
Minimum Payment											
Minimum payment											
Residential Improved	Gross rental valuation	1,236	5,763	73,834,811	7,123,068	0	7,123,068	9,758,552	0	9,758,552	9,637,340
Residential Vacant	Gross rental valuation	1,023	1,973	8,845,952	2,018,379	0	2,018,379	1,668,225	0	1,668,225	1,863,288
Business Improved	Gross rental valuation	1,236	423	3,226,743	522,828	0	522,828	439,394	0	439,394	434,291
Business Vacant	Gross rental valuation	1,236	11	54,250	13,596	0	13,596	21,204	0	21,204	10,802
Total minimum payments			8,170	85,961,756	9,677,871	0	9,677,871	11,887,375	0	11,887,375	11,945,721
Total general rates and minimum payments			47,957	998,832,483	91,891,729	863,361	92,755,090	86,158,811	626,580	86,785,391	86,996,050
Specified Area Rates											
Waterside Canal Frontage		0.00000	317	7,561,460	0	0	0	0	0	0	0
Mandurah Ocean Marina		0.01170	889	25,824,391	302,146	470	302,616	304,388	0	304,388	304,820
Mandurah Quay		0.00425	406	7,967,130	33,861	92	33,953	15,965	0	15,965	15,983
Port Bouvard Eastport Canals		0.00130	428	10,683,320	13,889	242	14,131	13,005	0	13,005	13,210
Port Bouvard Northport Canals		0.00220	320	7,189,810	15,818	37	15,855	23,088	0	23,088	22,954
Port Mandurah Canals		0.00348	885	23,229,595	80,840	264	81,104	79,569	0	79,569	79,551
Mariners Cove		0.00100	445	11,466,780	11,467	228	11,695	0	0	0	0
Total amount raised from rates (excluding general rates)			3,690	93,922,486	458,021	1,333	459,354	436,015	0	436,015	436,518
Concessions							(49,775)			(73,101)	(68,587)
Total Rates							93,164,669			87,148,305	87,363,981
Rate instalment interest							389,549			476,220	400,109
Rate overdue interest							323,746			280,000	318,733

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

*Rateable Value at time of raising of rate.

CITY OF MANDURAH
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28. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2023/24 (30 June 2024 Carried Forward) \$	2023/24 Budget (30 June 2024 Carried Forward) \$	2022/23 (30 June 2023 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(188,569)	0	(134,365)
Less: Non-cash movement in assets		(1,490,669)	0	(703,062)
Less: Movement in liabilities associated with restricted cash		0	785,190	0
Less: Fair value adjustments to financial assets at fair value through profit or loss		251,584	0	9,586
Add: Loss on disposal of assets		7,246,306	0	4,658,768
Add: Impairment of Plant and Equipment	8(a)	0	0	0
Add: Depreciation		35,755,740	33,084,683	36,638,351
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(114,428)	0	(25,354)
Employee benefit provisions		79,713	0	184,335
Liabilities		330,421	0	61,284
Other liabilities		381,891	0	172,662
Contract liabilities		144,975	0	63,453
Non-cash amounts excluded from operating activities		42,396,964	33,869,873	40,925,658
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Movement in non-current capital grant/contribution liability		0	500,000	0
Movement in current unspent capital grants associated with restricted cash		(1,734,695)	0	1,233,118
Infrastructure received for substantially less than fair value	9(a)	(11,770,725)	0	(6,128,951)
Non-cash amounts excluded from investing activities		(13,505,420)	500,000	(4,895,833)
(c) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	30	(69,472,383)	(50,429,303)	(62,819,360)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(10,000)	0	(46,142)
Less: Inventory		(445,000)	0	(445,000)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15	5,317,216	4,709,990	4,361,670
- Unspent portion of borrowings		(2,109,715)	(310,134)	(2,224,772)
- Current portion of contract liability held in reserve		5,065,976	1,115,424	6,655,696
- Current portion of interest bearing liabilities		920,018	0	705,954
- Current portion of lease liabilities	11(b)	254,514	1,034,492	210,703
- Employee benefit provisions		4,886,946	5,020,443	4,786,776
Total adjustments to net current assets		(55,592,428)	(38,859,088)	(48,814,475)
Net current assets used in the Statement of Financial Activity				
Total current assets		95,914,005	75,093,554	91,681,600
Less: Total current liabilities		(39,567,380)	(36,724,934)	(41,848,154)
Less: Total adjustments to net current assets		(55,592,428)	(38,859,088)	(48,814,475)
Surplus or deficit after imposition of general rates		754,197	(490,468)	1,018,971

CITY OF MANDURAH
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29. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget				
		Principal			Principal at 30 June 2023	Principal			Principal at 1 July 2023	New Loans During 2023-24	Principal		Principal at 30 June 2024
		Principal at 1 July 2022	New Loans During 2022-23	Repayments During 2022-23		Repayments During 2023-24	Repayments During 2023-24	Repayments During 2023-24			Repayments During 2023-24		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
IT Communications Equipment [318(i)]		30,606	0	(18,507)	12,099	0	(12,099)	0	10,648	0	(11,937)	(1,289)	
Rushton Park Redevelopment [318(ii)]		147,376	0	(93,855)	53,521	0	(53,521)	0	54,001	0	(57,475)	(3,474)	
Meadow Springs Recreation Facility [318(iii)]		110,060	0	(70,502)	39,558	0	(39,558)	0	40,564	0	(42,207)	(1,643)	
Drainage [318(iv)]		37,317	0	(23,354)	13,963	0	(13,963)	0	13,437	0	(15,268)	(1,831)	
Road Construction [318(v)]		369,384	0	(234,418)	134,966	0	(134,966)	0	134,877	0	(136,904)	(2,027)	
Falcon Bay Seawall [351]		167,938	0	(36,179)	131,759	0	(36,078)	95,681	130,471	0	(38,537)	91,934	
Halls Head Ablution Block [350]		66,863	0	(14,422)	52,441	0	(14,383)	38,058	51,922	0	(15,369)	36,553	
Waste Water Reuse [349]		100,257	0	(21,647)	78,610	0	(21,590)	57,020	77,837	0	(23,062)	54,775	
MPAC Forecourt [348]		83,566	0	(18,035)	65,531	0	(17,986)	47,545	64,886	0	(19,215)	45,671	
MARC Carpark [347]		200,492	0	(43,306)	157,186	0	(43,193)	113,993	155,653	0	(46,123)	109,530	
Road Construction [346]		263,878	0	(57,015)	206,863	0	(56,866)	149,997	204,848	0	(60,718)	144,130	
MARC Stage 2 [345]		806,208	0	(205,600)	600,608	0	(188,188)	412,420	598,193	0	(198,343)	399,850	
Mandurah Football & Sporting Club [324]		1,703	0	(1,703)	0	0	0	0	0	0	0	0	
Mandurah Rugby Club [325]		158	0	(158)	0	0	0	0	0	0	0	0	
Ablutions - Netball Centre [329(i)]		4	0	(4)	0	0	0	0	0	0	0	0	
Road Construction [329(ii)]		9	0	(9)	0	0	0	0	0	0	0	0	
Drainage Construction [329(iii)]		3	0	(3)	0	0	0	0	0	0	0	0	
Peelwood Oval - Parking [329(iv)]		1	0	(1)	0	0	0	0	0	0	0	0	
Parks Construction [329(v)]		4	0	(4)	0	0	0	0	0	0	0	0	
Path Construction [329(vi)]		1	0	(1)	0	0	0	0	0	0	0	0	
IT Equipment [329(vii)]		1	0	(1)	0	0	0	0	0	0	0	0	
Street Lighting [329(viii)]		3	0	(3)	0	0	0	0	0	0	0	0	
Land Purchase [330]		3	0	(3)	0	0	0	0	0	0	0	0	
Bowling Club Relocation [326]		13	0	(13)	0	0	0	0	0	0	0	0	
Parks - Falcon Bay Reserve [333(i)]		22,699	0	(22,699)	0	0	0	0	0	0	0	0	
Road Construction [333(ii)]		103,407	0	(103,407)	0	0	0	0	0	0	0	0	
Waste Trailers and Dolly [336]		123,407	0	(58,252)	65,155	0	(60,640)	4,515	63,178	0	(61,341)	1,837	
New Pedestrian Bridge Construction [335]		243,718	0	(117,943)	125,775	0	(122,749)	3,026	124,010	0	(123,259)	751	
MARC Redevelopment [338]		431,781	0	(166,812)	264,969	0	(162,049)	102,920	264,426	0	(163,742)	100,684	
New Road Construction [339]		313,715	0	(109,366)	204,349	0	(114,371)	89,978	202,134	0	(116,617)	85,517	
WMC Tims Thicket [343]		67,049	0	(14,936)	52,113	0	(14,960)	37,153	51,194	0	(15,895)	35,299	
MARC Redevelopment Stage 2 [341]		823,803	0	(226,829)	596,974	0	(204,920)	392,054	596,229	0	(214,597)	381,632	
New Road Construction [342]		425,086	0	(104,830)	320,256	0	(101,175)	219,081	317,132	0	(106,764)	210,368	
MARC Redevelopment Stage 1 [340]		334,858	0	(77,677)	257,181	0	(77,926)	179,255	254,675	0	(82,535)	172,140	
Eastern Foreshore Wall [344]		541,704	0	(136,330)	405,374	0	(131,541)	273,833	401,422	0	(138,615)	262,807	
Halls Head Bowling Club upgrade [331]		235,855	0	(33,738)	202,117	0	(32,544)	169,573	199,514	0	(36,485)	163,029	
Mandurah Marina [352]		132,128	0	(18,576)	113,552	0	(17,897)	95,655	111,888	0	(20,109)	91,779	
MARC Solar Plan [353]		132,135	0	(18,576)	113,559	0	(17,896)	95,663	111,895	0	(20,108)	91,787	
MARC Carpark [354]		198,193	0	(27,867)	170,326	0	(26,846)	143,480	167,836	0	(30,157)	137,679	
Novara Foreshore Development [355]		264,429	0	(36,833)	227,596	0	(41,444)	186,152	224,090	0	(40,210)	183,880	

Falcon Bay Foreshore Upgrades [356]	264,225	0	(37,165)	227,060	0	(35,824)	191,236	223,748	0	(40,218)	183,530
Mandurah Foreshore Boardwalk Renewal [35]	296,245	0	(41,852)	254,393	0	(42,111)	212,282	250,797	0	(45,269)	205,528
Mandjar Square Development [358]	328,933	0	(48,291)	280,642	0	(47,401)	233,241	277,553	0	(50,313)	227,240
New Road Construction [359]	864,540	0	(140,576)	723,964	0	(134,613)	589,351	717,010	0	(145,037)	571,973
Lakelands DOS [360]	1,713,179	0	(325,482)	1,387,697	0	(267,295)	1,120,402	1,243,016	0	(286,902)	956,114
Smoke Bush Retreat Footpath [361]	66,065	0	(9,290)	56,775	0	(8,947)	47,828	55,942	0	(10,061)	45,881
New Road Construction 2018/19	1,172,269	0	(146,015)	1,026,254	0	(124,360)	901,894	1,009,656	0	(151,770)	857,886
Mandjar Square Stage 3 and 4	708,669	0	(87,839)	620,830	0	(75,433)	545,397	269,649	0	(92,047)	177,602
Falcon Seawall	367,421	0	(38,978)	328,443	0	(36,704)	291,739	662,938	0	(45,597)	617,341
New Boardwalks 18/19	369,640	0	(38,878)	330,762	0	(36,737)	294,025	323,760	0	(45,513)	278,247
Civic Building - Tuckey Room Extension	369,237	0	(38,894)	330,343	0	(36,761)	293,582	323,385	0	(45,537)	277,848
Novara Foreshore Stage 3	148,124	0	(15,533)	132,591	0	(14,768)	117,823	129,754	0	(18,201)	111,553
Pinjarra Road Carpark	148,124	0	(15,533)	132,591	0	(14,768)	117,823	129,754	0	(18,201)	111,553
Coodanup Drive - Road Rehabilitation	74,083	0	(7,762)	66,321	0	(7,459)	58,862	64,905	0	(9,100)	55,805
South Harbour Upgrade	189,552	0	(20,228)	169,324	0	(16,744)	152,580	167,292	0	(21,927)	145,365
Falcon Skate Park Upgrade	96,801	0	(10,677)	86,124	0	(10,090)	76,034	85,599	0	(11,511)	74,088
Falcon Bay Foreshore Stage 3 of 4	247,218	0	(28,203)	219,015	0	(31,750)	187,265	216,974	0	(28,600)	188,374
New Road Construction 2019/20	703,305	0	(99,180)	604,125	0	(104,899)	499,226	603,486	0	(87,048)	516,438
Mandjar Square Final Stage	247,205	0	(28,203)	219,002	0	(30,617)	188,385	216,962	0	(28,601)	188,361
Halls Head Recycled Water 2019/20	164,810	0	(17,933)	146,877	0	(14,307)	132,570	145,227	0	(19,067)	126,160
Westbury Way North side POS Stage 3	164,824	0	(17,933)	146,891	0	(14,305)	132,586	145,240	0	(19,067)	126,173
Smart Street Mall Upgrade 2019/20	401,335	0	(51,182)	350,153	0	(57,113)	293,040	349,381	0	(48,014)	301,367
Smart Street Mall 2020/21	1,004,804	0	(99,371)	905,433	0	(105,466)	799,967	890,714	0	(102,559)	788,155
New Roads 2020/21	543,876	0	(61,919)	481,957	0	(61,623)	420,334	477,765	0	(61,915)	415,850
Enclosed Dog Park	18,466	0	(1,401)	17,065	0	(1,244)	15,821	16,746	0	(1,876)	14,870
Falcon Bay Upgrade - Stage 4 of 5	256,387	0	(24,907)	231,480	0	(29,175)	202,305	228,998	0	(26,026)	202,972
Novara Foreshore Stage 4	91,576	0	(7,026)	84,550	0	(7,784)	76,766	83,035	0	(9,290)	73,745
Bortolo Reserve - Shared Use Parking and Fi	274,702	0	(26,314)	248,388	0	(31,271)	217,117	245,605	0	(27,894)	217,711
South Harbour Paving Upgrade Stage 2	45,794	0	(3,508)	42,286	0	(3,373)	38,913	41,523	0	(4,645)	36,878
Eastern/ Western Foreshore 2020/21	1,031,140	0	(118,389)	912,751	0	(120,004)	792,747	905,557	0	(106,458)	799,099
Falcon Skate Park Upgrade 2020/21	69,102	0	(6,025)	63,077	0	(5,022)	58,055	62,360	0	(7,018)	55,342
Ablutions 2020/21 & 2021/22 (consolidation of	250,051	0	(21,194)	228,857	0	(25,755)	203,102	450,064	0	(22,015)	428,049
Eastern/ Western Foreshore 2021/22	1,534,700	0	(156,899)	1,377,801	0	(159,732)	1,218,069	1,362,224	0	(135,130)	1,227,094
Smart Street Mall 2021/22	630,568	0	(62,443)	568,125	0	(65,422)	502,703	561,727	0	(55,516)	506,211
Enclosed Dog Park 2021/22	179,886	0	(14,157)	165,729	0	(18,599)	147,130	163,491	0	(15,838)	147,653
Novara Foreshore Stage 4 2021/22	230,047	0	(20,002)	210,045	0	(23,828)	186,217	207,711	0	(20,254)	187,457
Falcon Bay Upgrade - Stage 4 of 5 2021/22	71,455	0	(5,267)	66,188	0	(7,295)	58,893	65,534	0	(6,291)	59,243
Parks and Reserves Upgrades 2021/22	495,101	0	(48,318)	446,783	0	(51,216)	395,567	441,518	0	(43,590)	397,928
Mandurah Library Re Roofing Project	115,023	0	(8,759)	106,264	0	(12,070)	94,194	104,749	0	(9,779)	94,970
Carryover Roads 2020/21	500,102	0	(43,022)	457,080	0	(51,509)	405,571	0	0	(44,030)	(44,030)
Roads 2021/22	250,051	0	(20,437)	229,614	0	(25,305)	204,309	228,735	0	(22,015)	206,720
Carparks 2021/22	165,673	0	(13,239)	152,434	0	(17,244)	135,190	151,544	0	(14,586)	136,958
Cambria Island Abutment Wall	58,989	0	(4,040)	54,949	0	(6,351)	48,598	54,133	0	(5,194)	48,939
Mandurah Ocean Marina Chalets Refurbishm	150,031	0	(12,320)	137,711	0	(15,821)	121,890	135,995	0	(12,755)	123,240
Bortolo Reserve Fire Track Water Infrastructu	0	40,000	21	40,021	0	(2,830)	37,191	40,000	0	(4,747)	35,253
Falcon Reserve Activation Plan Stage 3	0	400,000	211	400,211	0	(51,388)	348,823	400,000	0	(47,465)	352,535
Pleasant Grove Foreshore	0	59,000	31	59,031	0	(7,408)	51,623	59,000	0	(7,001)	51,999
Kangaroo Paw Park	0	307,408	162	307,570	0	(39,016)	268,554	307,408	0	(36,478)	270,930
Falcon Bay Stage 5 of 5	0	145,000	76	145,076	0	(18,480)	126,596	145,000	0	(17,206)	127,794
2022/23 South Harbour Upgrades	0	102,000	54	102,054	0	(13,027)	89,027	102,000	0	(12,104)	89,896
Bruce Cresswell Reserve	0	196,000	103	196,103	0	(24,934)	171,169	196,000	0	(23,258)	172,742
Seascapes Boardwalk	0	200,000	105	200,105	0	(25,611)	174,494	200,000	0	(23,733)	176,267
Mandurah Community Museum Roof and Gutt	0	130,000	68	130,068	0	(16,676)	113,392	130,000	0	(15,426)	114,574

Stage 2 of Upgrades to Peelwood Reserve	0	0	0	0	0	0	0	320,244	0	0	320,244
Smart Street Mall Upgrade	0	58,717	31	58,748	0	(7,392)	51,356	58,717	0	(6,968)	51,749
2022/23 Parks and Reserves Upgrades	0	390,000	205	390,205	0	(50,030)	340,175	390,000	0	(46,279)	343,721
SP Halls Head PSP	0	200,000	105	200,105	0	(25,609)	174,496	200,000	0	(23,733)	176,267
RC Peel Street	0	111,000	58	111,058	0	(14,138)	96,920	111,000	0	(13,172)	97,828
Senior Citizens Carpark	0	12,000	6	12,006	0	(852)	11,154	12,000	0	(1,424)	10,576
Torcello Mews Canal PAW Renewal	0	100,000	54	100,054	0	(12,723)	87,331	100,000	0	(11,866)	88,134
MARC Carpark Additional and overflow	0	0	0	0	0	0	0	45,742	0	0	45,742
Halls Head Parade Car Park Stage 2a	0	50,000	26	50,026	0	(4,683)	45,343	50,000	0	(11,535)	38,465
RC Pinjarra Road Stage 4	0	500,000	263	500,263	0	(63,800)	436,463	500,000	0	(59,332)	440,668
Cambria Island Abutment Walls Repair	0	268,397	141	268,538	0	(34,592)	233,946	268,397	0	(31,849)	236,548
RC Pinjarra Road Stage 3	0	500,000	263	500,263	0	(63,813)	436,450	500,000	0	(59,332)	440,668
Halls Head Pde Beach Central CP Stage 2	0	97,210	51	97,261	0	(12,055)	85,206	97,210	0	(5,933)	91,277
Building Renewal & Upgrades	0	0	0	0	1,408,979	0	1,408,979	0	750,000	0	750,000
Parks and Reserves Upgrades	0	0	0	0	3,440,409	0	3,440,409	0	1,800,000	0	1,800,000
Roads & Drainage Program	0	0	0	0	2,365,222	0	2,365,222	0	2,550,000	0	2,550,000
2022/23 Capital Carryovers	0	0	0	0	0	0	0	0	2,342,854	0	2,342,854
Total	23,853,143	3,866,732	(4,155,961)	23,563,914	7,214,610	(4,256,521)	26,522,003	23,351,434	7,442,854	(4,316,708)	26,477,580

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending
					30 June 2024	30 June 2024	30 June 2023
					\$	\$	\$
IT Communications Equipment [318(i)]	3	Westpac	5.68%	19/06/2025	(196)	(153)	(334)
Rushton Park Redevelopment [318(ii)]	3	Westpac	5.68%	19/06/2025	(1,029)	(735)	(1,479)
Meadow Springs Recreation Facility [318(iii)]	3	Westpac	5.68%	19/06/2025	(784)	(540)	(1,093)
Drainage [318(iv)]	3	Westpac	5.68%	19/06/2025	(245)	(195)	(386)
Road Construction [318(v)]	3	Westpac	5.68%	19/06/2025	(2,647)	(1,752)	(3,730)
Falcon Bay Seawall [351]	6	Westpac	5.74%	19/06/2027	(6,739)	(4,291)	(6,637)
Halls Head Ablution Block [350]	7	Westpac	5.74%	19/06/2027	(2,681)	(1,707)	(2,642)
Waste Water Reuse [349]	8	Westpac	5.74%	16/06/2027	(4,018)	(2,558)	(3,961)
MPAC Forecourt [348]	9	Westpac	5.74%	19/06/2027	(3,350)	(2,133)	(3,302)
MARC Carpark [347]	10	Westpac	5.74%	19/06/2027	(8,035)	(5,117)	(7,921)
Road Construction [346]	11	Westpac	5.74%	16/06/2027	(10,573)	(6,734)	(10,425)
MARC Stage 2 [345]	12	Westpac	5.74%	19/06/2027	(30,047)	(19,901)	(12,631)
Parks - Falcon Bay Reserve [333(i)]	18	Westpac	0.00%	19/06/2023	0	0	(453)
Road Construction [333(ii)]	18	Westpac	0.00%	19/06/2023	0	0	(2,064)
Waste Trailers and Dolly [336]	19	Westpac	6.09%	19/06/2024	(2,060)	(1,371)	(4,447)
New Pedestrian Bridge Construction [335]	20	Westpac	6.09%	19/06/2024	(3,931)	(2,545)	(8,738)
MARC Redevelopment [338]	21	Westpac	6.21%	19/06/2025	(9,239)	(7,558)	(4,477)
New Road Construction [339]	22	Westpac	6.21%	16/06/2025	(7,634)	(5,615)	(12,638)
WMC Tims Thicket [343]	23	Westpac	5.74%	16/06/2026	(2,607)	(1,685)	(2,633)
MARC Redevelopment Stage 2 [341]	24	Westpac	5.74%	19/06/2026	(29,357)	(19,691)	(7,445)
New Road Construction [342]	25	Westpac	5.74%	16/06/2026	(15,957)	(10,380)	(12,301)
MARC Redevelopment Stage 1 [340]	26	Westpac	5.74%	19/06/2026	(12,855)	(8,257)	(13,104)
Eastern Foreshore Wall [344]	27	Westpac	5.74%	19/06/2026	(20,150)	(13,089)	(15,364)
Halls Head Bowling Club upgrade [331]	28	Westpac	5.74%	19/06/2028	(10,907)	(6,979)	(9,715)
Mandurah Marina [352]	29	Westpac	5.74%	16/06/2028	(6,128)	(3,927)	(5,447)
MARC Solar Plan [353]	30	Westpac	5.74%	19/06/2028	(6,129)	(3,928)	(5,448)
MARC Carpark [354]	31	Westpac	5.74%	16/06/2028	(9,192)	(5,891)	(8,171)
Novara Foreshore Development [355]	32	Westpac	5.74%	19/05/2028	(6,616)	(7,862)	(11,228)
Falcon Bay Foreshore Upgrades [356]	33	Westpac	5.74%	16/06/2028	(12,234)	(7,854)	(10,893)
Mandurah Foreshore Boardwalk Renewal [35]	34	Westpac	5.74%	16/05/2028	(11,950)	(8,803)	(12,211)

Mandjar Square Development [358]	35	Westpac	5.74%	19/06/2028	(12,671)	(9,771)	(11,782)
New Road Construction [359]	36	Westpac	5.74%	19/06/2028	(35,405)	(24,991)	(29,441)
Lakelands DOS [360]	37	Westpac	5.74%	16/06/2028	(69,148)	(49,554)	(10,963)
Smoke Bush Retreat Footpath [361]	38	Westpac	5.74%	19/06/2028	(3,064)	(1,963)	(2,724)
New Road Construction 2018/19	39	Westpac	5.68%	19/06/2029	(56,592)	(29,190)	(34,933)
Mandjar Square Stage 3 and 4	40	Westpac	5.68%	19/06/2029	(34,234)	(17,633)	(21,830)
Falcon Seawall	41	Westpac	5.68%	16/06/2029	(18,122)	(9,243)	(15,848)
New Boardwalks 18/19	42	Westpac	5.68%	19/06/2029	(18,091)	(9,327)	(15,949)
Civic Building - Tuckey Room Extension	43	Westpac	5.68%	19/06/2029	(18,067)	(9,303)	(15,931)
Novara Foreshore Stage 3	44	Westpac	5.68%	16/06/2029	(7,155)	(3,735)	(6,392)
Pinjarra Road Carpark	45	Westpac	5.68%	16/06/2029	(7,155)	(3,735)	(6,392)
Coodanup Drive - Road Rehabilitation	46	Westpac	5.68%	19/06/2029	(3,498)	(1,868)	(3,197)
South Harbour Upgrade	47	Westpac	5.68%	19/06/2030	(9,126)	(4,845)	(5,644)
Falcon Skate Park Upgrade	48	Westpac	5.68%	16/06/2030	(4,478)	(2,457)	(3,894)
Falcon Bay Foreshore Stage 3 of 4	49	Westpac	5.68%	19/06/2030	(2,007)	(6,320)	(5,554)
New Road Construction 2019/20	50	Westpac	5.68%	19/06/2030	(4,433)	(17,688)	(10,150)
Mandjar Square Final Stage	51	Westpac	5.68%	16/06/2030	(3,140)	(6,319)	(5,553)
Halls Head Recycled Water 2019/20	52	Westpac	5.68%	16/06/2030	(8,195)	(4,213)	(4,568)
Westbury Way North side POS Stage 3	53	Westpac	5.68%	19/06/2030	(8,196)	(4,213)	(4,569)
Smart Street Mall Upgrade 2019/20	54	Westpac	5.68%	19/06/2030	(3,618)	(10,174)	(9,549)
Smart Street Mall 2020/21	55	Westpac	5.69%	20/06/2031	(6,305)	(23,933)	(12,397)
New Roads 2020/21	56	Westpac	5.69%	20/06/2031	(4,607)	(12,689)	(4,310)
Enclosed Dog Park	57	Westpac	5.69%	20/06/2031	(964)	(440)	(807)
Falcon Bay Upgrade - Stage 4 of 5	58	Westpac	5.69%	20/06/2031	(1,726)	(6,110)	(5,995)
Novara Foreshore Stage 4	59	Westpac	5.69%	20/06/2031	(3,246)	(2,182)	(4,004)
Bortolo Reserve - Shared Use Parking and Fil	60	Westpac	5.69%	20/06/2031	(1,837)	(6,546)	(6,796)
South Harbour Paving Upgrade Stage 2	61	Westpac	5.69%	20/06/2031	(2,135)	(1,091)	(2,002)
Eastern/ Western Foreshore 2020/21	62	Westpac	5.69%	20/06/2031	(5,959)	(24,486)	(7,577)
Falcon Skate Park Upgrade 2020/21	63	Westpac	5.69%	20/06/2031	(3,294)	(1,646)	(2,293)
Carryover Roads 2020/21	64	Westpac	6.33%	19/06/2032	(3,273)	(15,315)	(11,762)
Roads 2021/22	65	Westpac	6.33%	19/06/2032	(1,792)	(7,657)	(6,661)
Carparks 2021/22	66	Westpac	6.33%	19/06/2032	(1,357)	(5,073)	(5,363)
Ablutions 2020/21 & 2021/22 (consolidation of	67	Westpac	6.33%	19/06/2032	(2,088)	(7,656)	(6,647)
Eastern/ Western Foreshore 2021/22	68	Westpac	6.33%	19/06/2032	(8,686)	(46,982)	(11,522)
Parks and Reserves Upgrades 2021/22	69	Westpac	6.33%	19/06/2032	(3,446)	(15,160)	(6,339)
Cambria Island Abutment Wall	70	Westpac	6.33%	19/06/2032	(573)	(1,806)	(2,883)
Mandurah Library Re Roofing Project	71	Westpac	6.33%	19/06/2032	(986)	(3,870)	(4,296)
Mandurah Ocean Marina Chalets Refurbishm	72	Westpac	6.33%	19/06/2032	(1,077)	(5,048)	(4,576)
Enclosed Dog Park 2021/22	73	Westpac	6.33%	19/06/2032	(1,560)	(5,508)	(6,004)
Falcon Bay Upgrade - Stage 4 of 5 2021/22	74	Westpac	6.33%	19/06/2032	(998)	(2,188)	(3,025)
Novara Foreshore Stage 4 2021/22	75	Westpac	6.30%	19/06/2032	(1,815)	(7,044)	(5,641)
Smart Street Mall 2021/22	76	Westpac	6.33%	19/06/2032	(4,058)	(19,308)	(7,037)
RC Pinjarra Road Stage 3	77	Westpac	6.43%	19/06/2033	(3,337)	(15,053)	(263)
RC Pinjarra Road Stage 4	78	Westpac	6.43%	19/06/2033	(3,351)	(14,925)	(263)
Falcon Reserve Activation Plan Stage 3	79	Westpac	6.43%	19/06/2033	(2,339)	(12,757)	(211)
2022/23 Parks and Reserves Upgrades	80	Westpac	6.43%	19/06/2033	(2,351)	(13,025)	(205)
Kangaroo Paw Park	81	Westpac	6.43%	19/06/2033	(2,263)	(9,570)	(162)
Cambria Island Abutment Walls Repair	82	Westpac	6.43%	19/06/2033	(1,454)	(8,695)	(141)
SP Halls Head PSP	83	Westpac	6.43%	19/06/2033	(1,246)	(5,761)	(105)

Seascapes Boardwalk	84	Westpac	6.43%	19/06/2033	(1,246)	(5,918)	(105)
Bruce Cresswell Reserve	85	Westpac	6.43%	19/06/2033	(1,382)	(6,399)	(103)
Falcon Bay Stage 5 of 5	86	Westpac	6.43%	19/06/2033	(986)	(4,661)	(76)
Mandurah Community Museum Roof and Gull	87	Westpac	6.43%	19/06/2033	(783)	(4,014)	(68)
RC Peel Street	88	Westpac	6.43%	19/06/2033	(766)	(3,370)	(58)
2022/23 South Harbour Upgrades	89	Westpac	6.43%	19/06/2033	(665)	(3,381)	(54)
Torcello Mews Canal PAW Renewal	90	Westpac	6.43%	19/06/2033	(707)	(2,855)	(53)
Halls Head Parade Car Park Stage 2a	91	Westpac	6.43%	19/06/2033	(999)	(1,582)	(51)
Pleasant Grove Foreshore	92	Westpac	6.43%	19/06/2033	(1,173)	(1,806)	(31)
Smart Street Mall Upgrade	93	Westpac	6.43%	19/06/2033	(495)	(1,707)	(31)
Halls Head Pde Beach Central CP Stage 2	94	Westpac	6.43%	19/06/2033	(2,024)	(3,051)	(26)
Bortolo Reserve Fire Track Water Infrastructu	95	Westpac	6.43%	19/06/2033	(2,534)	(1,316)	(21)
Senior Citizens Carpark	96	Westpac	6.43%	19/06/2033	(760)	(352)	(6)
Building Renewal & Upgrades	97	Westpac	5.34%	19/06/2034	(417)	(4,521)	0
Parks and Reserves Upgrades	98	Westpac	5.34%	19/06/2034	(1,018)	(2,916)	0
Roads & Drainage Program	99	Westpac	5.34%	19/06/2034	(700)	(7,438)	0
Total					(658,463)	(744,604)	(556,154)
Total Finance Cost Payments					(658,463)	(744,604)	(556,154)

CITY OF MANDURAH
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29. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2024 Actual	2024 Budget	2024 Actual	2024 Budget		
				%	\$	\$	\$	\$	\$	\$
Building Renewal & Upgrades	Westpac	Variable	10 Years	5.34%	1,408,979	750,000	1,408,979	750,000	417	0
Parks and Reserves Upgrades	Westpac	Variable	10 Years	5.34%	3,440,409	1,800,000	2,545,726	1,800,000	1,018	894,683
Roads & Drainage Program	Westpac	Variable	10 Years	5.34%	2,365,222	2,550,000	2,365,222	2,550,000	700	0
2022/23 Capital Carryovers	Westpac	Variable	10 Years	5.34%	0	2,342,854	0	2,342,854	0	0
					7,214,610	7,442,854	6,319,927	7,442,854	2,135	894,683

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance	Borrowed	Expended	Unspent Balance
			1 July 2023	During Year	During Year	30 June 2024
			\$	\$	\$	\$
Bighton Lane	Westpac	6/02/2019	43,022	0	0	43,022
Brighton Plaza	Westpac	6/02/2019	14,115	0	0	14,115
WMC Tims Thicket	Westpac	6/02/2019	150,000	0	0	150,000
Lakelands DOS	Westpac	6/02/2019	189,317	0	(111,024)	78,293
Mandurah Foreshore Boardwalk Stage 3	Westpac	6/02/2019	25,122	0	(25,122)	0
Pinjarra Road Carpark	Westpac	6/02/2019	11	0	0	11
Halls Head Recycled Water	Westpac	30/06/2020	29,927	0	0	29,927
Eastern/ Western Foreshore 20/21	Westpac	30/06/2021	787,997	0	(11,913)	776,084
Parks and Reserves Upgrades 2021/22	Westpac	29/06/2022	43,960	0	(39,751)	4,209
Cambria Island Abutment Wall	Westpac	29/06/2022	37,603	0	0	37,603
Mandurah Ocean Marina Chalets Refurbishm	Westpac	29/06/2022	53,039	0	0	53,039
Falcon Reserve Activation Plan Stage 3	Westpac	19/06/2023	142,895	0	(142,895)	0
Pleasant Grove Foreshore	Westpac	19/06/2023	42,574	0	(38,040)	4,534
Falcon Bay Stage 5 of 5	Westpac	19/06/2023	98,515	0	(98,515)	0
2022/23 South Harbour Upgrades	Westpac	19/06/2023	1,666	0	(1,666)	0
Seascapes Boardwalk	Westpac	19/06/2023	155,864	0	(155,864)	0
Mandurah Community Museum Roof and Gutt	Westpac	19/06/2023	17,832	0	0	17,832
2022/23 Parks and Reserves Upgrades	Westpac	19/06/2023	73,950	0	(73,950)	0
SP Halls Head PSP	Westpac	19/06/2023	200,000	0	(200,000)	0
RC Peel Street	Westpac	19/06/2023	111,000	0	(111,000)	0
Torcello Mews Canal PAW Renewal	Westpac	19/06/2023	6,363	0	0	6,363
Parks & Reserves Upgrades (23/24)	Westpac	30/06/2024	0	94,683	0	94,683
Parks & Reserves Upgrades (23/24)	Westpac	30/06/2024	0	800,000	0	800,000
			2,224,772	894,683	(1,009,740)	2,109,715

(d) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gym Equipment		146,428	47,192	(185,261)	8,359	219,276	(144,178)	83,457	8,359	147,577	(110,671)	45,265
Software		28,350	73,096	(83,090)	18,356	73,096	(73,096)	18,356	18,357	54,587	(71,774)	1,170
IT Equipment		255,014	295,536	(216,182)	334,368	215,505	(166,978)	382,895	325,856	820,080	(276,463)	869,473
Survey Equipment		21,892	245,583	(54,671)	212,804	0	(54,070)	158,734	212,804	0	(54,070)	158,734
Records - Postage Meter		0	6,150	(6,150)	0	0	0	0	0	0	0	0
Total Lease Liabilities	11(b)	451,684	667,557	(545,354)	573,887	507,877	(438,322)	643,442	565,376	1,022,244	(512,978)	1,074,642

Lease Finance Cost Payments

Purpose	Institution	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
Gym Equipment	MAIA - Marc Equipment	Various	(4,323)	(3,200)	(1,449)	Various
Software	MAIA - Business Systems	Various	(330)	(1,652)	(460)	Various
IT Equipment	HP and Fuji	Various	(10,484)	(13,392)	(8,960)	Various
Survey Equipment	MAIA - Survey	1/03/2027	(6,522)	(6,522)	(2,804)	27 months
Records - Postage Meter	Pitney Bowes	23/05/2023	0	0	(94)	75 months
Total Finance Cost Payments			(21,659)	(24,766)	(13,767)	

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

30. RESERVE ACCOUNTS

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
Cash in Lieu of Parking Reserve	491,695	13,499	0	505,194	487,850	11,625	0	499,475	481,438	10,257	0	491,695
	491,695	13,499	0	505,194	487,850	11,625	0	499,475	481,438	10,257	0	491,695
Restricted by council												
Building Reserve	1,448,838	166,243	(71,537)	1,543,544	1,282,364	30,556	0	1,312,920	1,627,162	70,123	(248,447)	1,448,838
Asset Management Reserve	21,080,104	10,998,768	(3,072,959)	29,005,913	26,449,182	5,075,643	(11,434,826)	20,089,999	15,417,266	7,598,757	(1,935,919)	21,080,104
Cultural Centre Reserve	189,763	13	(189,283)	493	2,480	0	0	2,480	215,975	0	(26,212)	189,763
Sustainability Reserve	509,862	7,545	(234,280)	283,127	409,106	9,748	(100,000)	318,854	531,204	10,636	(31,978)	509,862
Waste Reserve	8,221,489	1,801,708	(414,694)	9,608,503	5,028,905	304,289	0	5,333,194	6,053,666	2,441,519	(273,696)	8,221,489
Interest Free Loans Reserve	191,704	45,420	0	237,124	145,562	0	0	145,562	145,562	46,142	0	191,704
CLAG Reserve	20,690	11,735	0	32,425	11,933	284	0	12,217	11,917	8,773	0	20,690
Mandurah Ocean Marina Reserve	181,789	4,991	0	186,780	180,368	4,298	0	184,666	177,997	3,792	0	181,789
Waterways	1,055,377	64,849	(545,927)	574,299	757,688	18,054	0	775,742	811,550	243,827	0	1,055,377
Port Mandurah Canals Stage 2 Maintenance Reserve	95,096	2,611	0	97,707	94,352	2,248	0	96,600	93,112	1,984	0	95,096
Mariners Cove Canals Reserve	86,645	2,379	0	89,024	85,967	2,048	0	88,015	84,837	1,808	0	86,645
Port Bouvard Canal Maintenance Contributions Reserve	272,719	7,487	0	280,206	270,586	6,448	0	277,034	267,030	5,689	0	272,719
Unspent Grants Reserve	10,621,307	11,760,898	(13,311,223)	9,070,982	8,773,649	0	(1,282,917)	7,490,732	8,773,649	8,184,208	(6,336,550)	10,621,307
Leave Reserve	3,261,428	267,509	0	3,528,937	3,686,215	0	(964,133)	2,722,082	4,592,006	194,770	(1,525,348)	3,261,428
Bushland Acquisition Reserve	1,539,761	42,272	0	1,582,033	1,524,730	236,332	0	1,761,062	1,307,640	232,121	0	1,539,761
Coastal Storm Contingency Reserve	264,001	7,248	0	271,249	261,937	6,241	0	268,178	258,494	5,507	0	264,001
Digital Futures Reserve	58,078	1,594	0	59,672	57,795	1,377	0	59,172	56,866	1,212	0	58,078
Decked Carparking Reserve	1,030,111	28,280	0	1,058,391	1,022,055	24,354	0	1,046,409	1,008,622	21,489	0	1,030,111

Specified Area Rates - Waterside Canals	116,808	2,455	(2,680)	116,583	111,730	2,662	(6,738)	107,654	116,972	2,437	(2,601)	116,808
Specified Area Rates - Port Mandurah Canals	287,011	67,849	(214,836)	140,024	277,919	71,662	0	349,581	212,247	74,764	0	287,011
Specified Area Rates - Mandurah Quay Canals	239,190	33,631	0	272,821	234,213	32,442	0	266,655	222,331	16,859	0	239,190
Specified Area Rates - Mandurah Ocean Marina	774,206	169,013	0	943,219	721,040	166,328	0	887,368	564,257	209,949	0	774,206
Specified Area Rate - Port Bouvard Canals	152,725	3,259	(1,233)	154,751	141,137	3,881	0	145,018	131,740	20,985	0	152,725
Specified Area Rate - Mariners Cove	4,783	5,042	0	9,825	5,083	932	0	6,015	10,331	100	(5,648)	4,783
Specified Area Rate - Eastport	52,585	1,129	(105)	53,609	44,336	1,909	0	46,245	43,891	8,694	0	52,585
Sports Club Maintenance Levy Reserve	304,673	68,107	0	372,780	267,226	18,129	0	275,355	242,545	62,128	0	304,673
City Centre Land Acquisition Reserve	1,052,919	28,906	0	1,081,825	924,146	22,021	0	946,167	1,010,931	41,988	0	1,052,919
Lakelands Community Infrastructure Reserve	1,125,604	30,902	0	1,156,506	1,116,802	26,611	0	1,143,413	1,102,123	23,481	0	1,125,604
Plant Reserve	3,011,375	814,008	(1,850,296)	1,975,087	571,092	13,608	0	584,700	2,014,060	1,779,592	(782,277)	3,011,375
Workers Compensation Reserve	554,251	8,405	(248,110)	314,546	549,038	13,083	0	562,121	673,563	11,562	(130,874)	554,251
Restricted Cash Reserve	2,848,106	1,223,547	(1,095,944)	2,975,709	2,060,942	19,890	(1,095,943)	984,889	3,040,759	1,948,378	(2,141,031)	2,848,106
Transform Mandurah Funding Program Reserve	852,513	99,790	0	952,303	834,729	0	0	834,729	0	852,513	0	852,513
Public Arts Reserve	311,498	101,022	0	412,520	305,000	0	0	305,000	0	311,498	0	311,498
Community Safety Reserve	510,653	14,019	0	524,672	500,000	0	0	500,000	0	510,653	0	510,653
Mandurah Quay Seawall Reserve	0	0	0	0	0	0	0	0	0	0	0	0
	62,327,662	27,892,634	(21,253,107)	68,967,189	58,699,307	6,115,078	(14,884,557)	49,929,828	50,820,305	24,947,938	(13,440,581)	62,327,662
	62,819,360	27,906,133	(21,253,107)	69,472,383	59,187,157	6,126,703	(14,884,557)	50,429,303	51,301,743	24,958,195	(13,440,581)	62,819,360

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

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
Cash in Lieu of Parking Reserve	Parking - Provide additional parking areas
Restricted by council	
Building Reserve	Building - Future new building capital requirements
Asset Management Reserve	Asset Management - Renewal and upgrade of current infrastructure
Cultural Centre Reserve	Cultural Centre - Equipment/plant replacement for Mandurah Performing Arts Centre and the provision of standby financing
Sustainability Reserve	Sustainability - Development of Mandurah as a sustainable city
Waste Reserve	Waste Facilities Reserve Fund - Future waste treatment initiatives
Interest Free Loans Reserve	Interest Free Loans - Interest-free loans to sporting & community groups for minor capital projects
CLAG Reserve	CLAG - Contiguous Local Authority Group for control of mosquitoes
Mandurah Ocean Marina Reserve	Mandurah Ocean Marina - Future maintenance/asset replacement at Mandurah Ocean Marina
Waterways	Waterways - Future maintenance/asset replacement of specific waterways infrastructure
Port Mandurah Canals Stage 2 Maintenance Reserve	Port Mandurah Canals Stage 2 Maintenance - Stage 2 Future maintenance of canals
Mariners Cove Canals Reserve	Mariners Cove Canals - Future maintenance of canals
Port Bouvard Canal Maintenance Contributions Reserve	Port Bouvard Canal Maintenance Contributions - Contribution Future maintenance of canals
Unspent Grants Reserve	Unspent Grants & Contributions - Operating and non-operating grants and contributions tied to future expenditure
Leave Reserve	Long Service Leave - To fund the long service and sick leave liability of Council's staff
Bushland Acquisition Reserve	Bushland Acquisition - For the purchase & protection of bushland and environmentally sensitive sites within the City
Coastal Storm Contingency Reserve	Coastal Storm Contingency - Provide for coastal emergency works due to storm damage

Digital Futures Reserve	Digital Futures - Fund development, investigation or commissioning of digital technology initiatives
Decked Carparking Reserve	Decked Carparking - Amount received from Landcorp in June 2006, set aside for Decked Carparking
Specified Area Rates - Waterside Canals	Specified Area Rates - Waterside Canals - Future maintenance of canals
Specified Area Rates - Port Mandurah Canals	Specified Area Rates - Port Mandurah Canals - Future maintenance of canals
Specified Area Rates - Mandurah Quay Canals	Specified Area Rates - Mandurah Quay Canals - Future maintenance of canals
Specified Area Rates - Mandurah Ocean Marina	Specified Area Rates - Mandurah Ocean Marina - Future maintenance/asset replacement at Mandurah Ocean Marina
Specified Area Rate - Port Bouvard Canals	Specified Area Rate - Port Bouvard Canals - Future maintenance of canals
Specified Area Rate - Mariners Cove	Specified Area Rate - Mariners Cove - Future maintenance of canals
Specified Area Rate - Eastport	Specified Area Rate - Eastport - Future maintenance of canals
Sports Club Maintenance Levy Reserve	Sports Clubs Maintenance Levy - To maintain various city buildings leased to clubs
City Centre Land Acquisition Reserve	City Centre Land Acquisition Reserve - For future property purchases within the City Centre area
Lakelands Community Infrastructure Reserve	Lakelands Community Infrastructure Reserve - Contribute to the construction of the community infrastructure on Lot 2300 Seppings Parade Lakelands
Plant Reserve	Plant reserve - Replacement of heavy plant and equipment
Workers Compensation Reserve	Workers Compensation - For the purposes of funding previous year workers compensation claims that are open and still have costs required to be paid by the City of Mandurah
Restricted Cash Reserve	Restricted cash carried forward for future use
Transform Mandurah Funding Program Reserve	Progress projects endorsed by Council under Transform Mandurah or identified through other City Strategies to support the City's Economic aspirations and objectives
Public Arts Reserve	To fund public art throughout the City of Mandurah district
Community Safety Reserve	To fund the relevant actions in the Community Safety Strategy that have been identified as being funded from this reserve
Mandurah Quay Seawall Reserve	For future maintenance/asset replacement of Mandurah Quay seawall

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

31. TRUST FUNDS

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

	1 July 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Cash-in-lieu of public open space	1,397,656	91,368	(172,964)	1,316,060
	<u>1,397,656</u>	<u>91,368</u>	<u>(172,964)</u>	<u>1,316,060</u>



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

City of Mandurah

To the Council of the City of Mandurah

Opinion

I have audited the financial report of the City of Mandurah (City) which comprises:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the City is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the City's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

The Council is responsible for overseeing the City's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Mandurah for the year ended 30 June 2024 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.



Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
10 December 2024



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