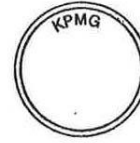


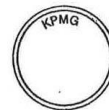
CITY OF ALBANY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022



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

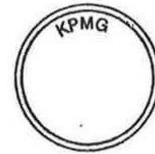
Amazing Albany, where anything is possible.



Principal place of business: 102 North Road, Yakamia WA 6330

CITY OF ALBANY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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



The accompanying financial report of the City of Albany for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the City of Albany at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. At the date of signing I am not aware of any circumstances which would render the particulars included within the financial report misleading or inaccurate.

Signed on the 18th day of November 2022

A handwritten signature in black ink, appearing to read 'Andrew Sharpe', written over a horizontal line.

Chief Executive Officer

Andrew Sharpe

Name of Chief Executive Officer



CITY OF ALBANY
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

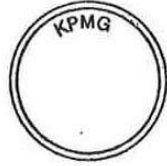
	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	26(a),2(a)	39,891,924	39,670,655	38,808,041
Operating grants, subsidies and contributions	2(a)	10,169,246	5,219,931	7,298,048
Fees and charges	25(c),2(a)	19,866,416	18,122,386	19,096,042
Interest earnings	2(a)	558,943	455,193	392,633
Other revenue	2(a)	192,437	194,560	311,651
Gain on finance sublease	2(a)	953,060	0	0
		71,632,026	63,662,725	65,906,415
Expenses				
Employee costs		(28,365,212)	(27,974,357)	(25,686,232)
Materials and contracts		(19,623,666)	(22,651,791)	(15,286,199)
Utility charges		(1,880,790)	(1,894,102)	(1,857,035)
Depreciation	10(a)	(17,898,023)	(17,658,413)	(17,971,077)
Finance costs	2(b)	(656,437)	(500,313)	(626,453)
Insurance		(766,902)	(710,860)	(700,903)
Other expenditure	2(b)	(2,313,691)	(3,527,625)	(2,324,815)
		(71,504,721)	(74,917,461)	(64,452,714)
		127,305	(11,254,736)	1,453,701
Capital grants, subsidies and contributions	2(a)	15,144,116	25,041,146	8,622,388
Profit on asset disposals	10(c)	138,412	30,600	128,869
Loss on asset disposals	10(c)	(149,690)	(635,822)	(166,087)
Fair value adjustments to financial assets at fair value through profit or loss		9,245	0	12,150
		15,142,083	24,435,924	8,597,320
Net result for the period	25(b)	15,269,388	13,181,188	10,051,021
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	13,454,822	0	0
Total other comprehensive income for the period		13,454,822	0	0
Total comprehensive income for the period		28,724,210	13,181,188	10,051,021

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



CITY OF ALBANY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	16,579,155	17,296,552
Trade and other receivables	5	2,965,218	2,755,984
Other financial assets	4(a)	42,514,163	36,513,729
Inventories	6	662,784	1,048,768
Other assets	7	4,094,296	2,007,808
TOTAL CURRENT ASSETS		66,815,616	59,622,841
NON-CURRENT ASSETS			
Trade and other receivables	5	1,671,743	693,091
Other financial assets	4(b)	314,141	319,059
Property, plant and equipment	8	169,859,791	169,215,327
Infrastructure	9	421,243,680	402,436,214
Right-of-use assets	11(a)	931,891	1,121,172
Intangible assets	12	4,070,641	4,481,129
TOTAL NON-CURRENT ASSETS		598,091,887	578,265,992
TOTAL ASSETS		664,907,503	637,888,833
CURRENT LIABILITIES			
Trade and other payables	13	7,527,064	7,338,891
Other liabilities	14	5,978,897	5,812,866
Lease liabilities	11(b)	189,674	183,570
Borrowings	15	2,020,082	2,413,321
Employee related provisions	16	6,723,065	5,699,361
Other provisions	17	165,740	213,455
TOTAL CURRENT LIABILITIES		22,604,522	21,661,464
NON-CURRENT LIABILITIES			
Other liabilities	14	762,933	1,044,509
Lease liabilities	11(b)	874,267	1,044,491
Borrowings	15	5,390,590	7,410,673
Employee related provisions	16	517,092	859,848
Other provisions	17	9,190,017	9,023,976
TOTAL NON-CURRENT LIABILITIES		16,734,899	19,383,497
TOTAL LIABILITIES		39,339,421	41,044,961
NET ASSETS		625,568,082	596,843,872
EQUITY			
Retained surplus		327,210,537	315,919,680
Reserve accounts	29	41,203,283	37,224,752
Revaluation surplus	18	257,154,262	243,699,440
TOTAL EQUITY		625,568,082	596,843,872

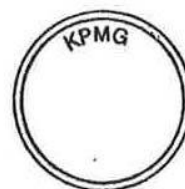


This statement is to be read in conjunction with the accompanying notes.

CITY OF ALBANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

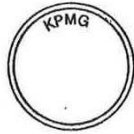
	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		313,865,617	29,227,794	243,699,440	586,792,851
Comprehensive income for the period					
Net result for the period		10,051,021	0	0	10,051,021
Total comprehensive income for the period		10,051,021	0	0	10,051,021
Transfers from reserves	29	14,844,347	(14,844,347)	0	0
Transfers to reserves	29	(22,841,305)	22,841,305	0	0
Balance as at 30 June 2021		315,919,680	37,224,752	243,699,440	596,843,872
Comprehensive income for the period					
Net result for the period		15,269,388	0	0	15,269,388
Other comprehensive income for the period	18	0	0	13,454,822	13,454,822
Total comprehensive income for the period		15,269,388	0	13,454,822	28,724,210
Transfers from reserves	29	17,339,363	(17,339,363)	0	0
Transfers to reserves	29	(21,317,894)	21,317,894	0	0
Balance as at 30 June 2022		327,210,537	41,203,283	257,154,262	625,568,082

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



CITY OF ALBANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

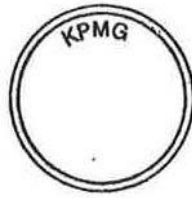
	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		40,177,516	39,545,862	39,009,567
Operating grants, subsidies and contributions		9,769,303	5,083,741	6,574,660
Fees and charges		19,571,010	18,074,886	19,096,042
Interest received		558,943	455,193	392,633
Goods and services tax received		2,611,645	2,000,000	1,765,589
Other revenue		192,437	194,560	311,651
		72,880,854	65,354,242	67,150,142
Payments				
Employee costs		(27,590,521)	(28,069,368)	(25,287,249)
Materials and contracts		(19,197,606)	(22,556,791)	(8,899,087)
Utility charges		(1,880,790)	(1,894,102)	(1,857,035)
Finance costs		(656,437)	(500,313)	(631,340)
Insurance paid		(766,902)	(710,860)	(700,903)
Goods and services tax paid		(2,639,324)	(2,000,000)	(1,863,002)
Other expenditure		(2,313,691)	(3,527,625)	(2,324,814)
		(55,045,271)	(59,259,059)	(41,563,430)
Net cash provided by operating activities	19(b)	17,835,583	6,095,183	25,586,712
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(5,537,191)	(11,280,005)	(5,659,824)
Payments for construction of infrastructure	9(a)	(18,062,840)	(36,167,718)	(13,450,397)
Non-operating grants, subsidies and contributions		12,932,299	19,444,883	8,622,388
Proceeds from financial assets at amortised cost		(6,000,000)	17,131,785	(19,000,000)
Proceeds from sale of property, plant & equipment	10(c)	697,915	806,551	569,285
Net cash used in investing activities		(15,969,817)	(10,064,504)	(28,918,548)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(2,413,322)	(2,401,452)	(2,522,894)
Payments for principal portion of lease liabilities	28(c)	(183,570)	(164,702)	(183,733)
Proceeds from financial assets at amortised cost - self supporting loans		13,729	13,729	13,307
Proceeds from new borrowings	28(a)	0	3,875,000	0
Net cash used in financing activities		(2,583,163)	1,322,575	(2,693,320)
Net (decrease) in cash held		(717,397)	(2,646,746)	(6,025,156)
Cash at beginning of year		17,296,552	13,878,074	23,321,708
Cash and cash equivalents at the end of the year	19(a)	16,579,155	11,231,328	17,296,552



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



CITY OF ALBANY
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022



NET CURRENT ASSETS - At start of financial year - surplus/(deficit)

OPERATING ACTIVITIES

Revenue from operating activities (excluding general rate)

Rates (excluding general rate)
Operating grants, subsidies and contributions
Fees and charges
Interest earnings
Other revenue
Profit on asset disposals
Gain on finance sublease
Fair value adjustments to financial assets at fair value through profit or loss

Expenditure from operating activities

Employee costs
Materials and contracts
Utility charges
Depreciation
Finance costs
Insurance
Other expenditure
Loss on asset disposals

Non-cash amounts excluded from operating activities

Amount attributable to operating activities

INVESTING ACTIVITIES

Non-operating grants, subsidies and contributions
Proceeds from disposal of assets
Purchase of property, plant and equipment
Purchase and construction of infrastructure

Non-cash amounts excluded from investing activities

Amount attributable to investing activities

FINANCING ACTIVITIES

Repayment of borrowings
Proceeds from borrowings
Proceeds from financial assets at amortised cost - self supporting loans
Payments for principal portion of lease liabilities
Transfers to reserves (restricted assets)
Transfers from reserves (restricted assets)

Amount attributable to financing activities

Deficit before imposition of general rates

Total amount raised from general rates

Surplus after imposition of general rates

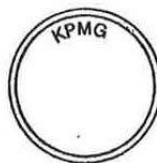
NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
27(c)	3,319,787	3,959,643	4,055,048
26(b)	119,833	120,000	118,062
	10,169,246	5,219,931	7,298,048
	19,866,416	18,122,386	19,096,042
	558,943	455,193	392,633
	192,437	194,560	299,501
10(c)	138,412	30,600	128,869
	953,060	0	0
	9,245	0	12,150
	32,007,592	24,142,670	27,345,305
	(28,365,212)	(27,974,357)	(25,686,232)
	(19,623,666)	(22,651,792)	(15,286,199)
	(1,880,790)	(1,894,102)	(1,857,035)
	(17,898,023)	(17,658,413)	(17,971,077)
	(656,437)	(500,313)	(626,453)
	(766,902)	(710,860)	(700,903)
	(2,313,691)	(3,527,625)	(2,324,815)
10(c)	(149,690)	(635,822)	(166,087)
	(71,654,411)	(75,553,284)	(64,618,801)
27(a)	16,482,563	18,263,635	18,457,082
	(19,844,469)	(29,187,336)	(14,761,366)
10(c)	15,144,116	25,041,146	8,622,388
	697,915	806,551	569,285
	(5,537,191)	(11,280,005)	(5,659,824)
9(a)	(18,062,840)	(36,167,718)	(13,450,397)
	(7,758,000)	(21,600,026)	(9,918,548)
27(b)	(404,523)	0	0
	(8,162,523)	(21,600,026)	(9,918,548)
28(a)	(2,413,322)	(2,401,452)	(2,522,894)
28(a)	0	3,875,000	0
4(a)	13,729	13,729	13,307
28(c)	(183,570)	(164,702)	(183,733)
29	(21,317,894)	(15,842,739)	(22,841,305)
29	17,339,363	25,756,871	14,844,347
	(6,561,694)	11,236,707	(10,690,278)
	(34,568,686)	(39,550,655)	(35,370,192)
26(a)	39,772,091	39,550,655	38,689,979
27(c)	5,203,405	0	3,319,787

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



CITY OF ALBANY
FOR THE YEAR ENDED 30 JUNE 2022
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1. BASIS OF PREPARATION

The financial report 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.

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 based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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

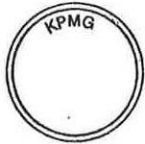
All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 of the financial report.

Judgements and estimates
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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible asset



2. REVENUE AND EXPENSES

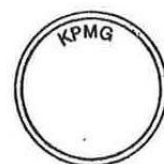
(a) Revenue

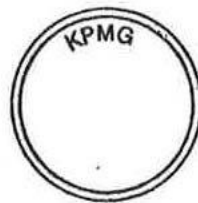
Contracts with customers

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
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed term 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 as inputs
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed term 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
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment upon exit at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled	On entry or at conclusion of hire
Fees and charges - memberships	Gym and aquatic membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Forts store, Library, ALAC and Visitor Centre stock	Single point in time	Payment in full in advance	Refund for faulty goods	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	When fine notice is issued
Other revenue - commissions	Commissions on licencing, accommodation and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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





2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	39,891,924	0	39,891,924
Operating grants, subsidies and contributions	0	0	0	10,169,246	10,169,246
Fees and charges	18,682,525	0	1,183,891	0	19,866,416
Interest earnings	0	0	285,622	273,321	558,943
Other revenue	0	0	0	192,437	192,437
Gain on finance sublease	0	0	0	953,060	953,060
Non-operating grants, subsidies and contributions	0	14,875,237	268,879	0	15,144,116
Total	18,682,525	14,875,237	41,630,316	11,588,064	86,776,142

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	38,808,041	0	38,808,041
Operating grants, subsidies and contributions	0	0	0	7,298,048	7,298,048
Fees and charges	17,548,713	0	1,547,329	0	19,096,042
Interest earnings	0	0	174,530	218,103	392,633
Other revenue	0	0	0	311,651	311,651
Non-operating grants, subsidies and contributions	0	7,697,392	924,996	0	8,622,388
Total	17,548,713	7,697,392	41,454,895	7,827,802	74,528,803

Assets and services acquired below fair value

Recognised volunteer services

The City utilises volunteer services at the National ANZAC Centre. When volunteers are not available, the City employs paid staff, and therefore the fair value of volunteer services can be reliably measured. All other volunteer services are not recognised as revenue as the fair value cannot be reliably estimated.

Interest earnings

Financial assets at amortised cost - self supporting loans
Interest on reserve funds
Rates instalment and penalty interest (refer Note 26(e))
Sublease finance income
Other interest earnings

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Finance costs

Borrowings
Other provisions: unwinding of discount
Lease liabilities

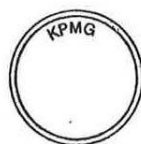
Other expenditure

Sundry expenses

Note	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
	167,051	260,000	169,084
	167,051	260,000	169,084
	2,621	2,693	3,044
	142,087	190,000	135,068
	285,622	220,000	174,530
	45,203	0	0
	83,410	42,500	79,991
	558,943	455,193	392,633
	71,533	75,000	68,000
	36,500	35,800	34,250
	108,033	110,800	102,250
28(b)	471,766	485,031	601,072
17	166,041	0	0
28(c)	18,630	15,282	25,379
	656,437	500,313	626,451
	2,313,691	3,527,625	2,324,815
	2,313,691	3,527,625	2,324,815

3. CASH AND CASH EQUIVALENTS

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



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

Note	2022	2021
	\$	\$
	6,579,155	11,296,552
	10,000,000	6,000,000
19(a)	16,579,155	17,296,552
	12,375,872	6,071,800
19(a)	4,203,283	11,224,752
	16,579,155	17,296,552

SIGNIFICANT 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 reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 19.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable
Term deposits

Held as
- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

(b) Non-current assets

Self supporting loans receivable
Financial assets at fair value through profit and loss

Financial assets at amortised cost

Total unrestricted other financial assets at amortised cost

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	42,514,163	36,513,729
	42,514,163	36,513,729
27(c)	14,163	13,729
	42,500,000	36,500,000
	42,514,163	36,513,729
19(a)	5,514,163	10,513,729
	37,000,000	26,000,000
	42,514,163	36,513,729
	61,278	75,441
	252,863	243,618
	314,141	319,059
	5,575,441	10,589,170
	5,575,441	10,589,170
	252,863	243,618
	252,863	243,618

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (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 and loss

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

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

Impairment and risk

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

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

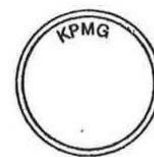
5. TRADE AND OTHER RECEIVABLES

Current

Note	2022 \$	2021 \$
Rates receivable	1,297,085	1,603,644
Trade and other receivables	1,439,763	1,054,474
GST receivable	413,407	385,728
Allowance for credit losses of trade and other receivables	(190,069)	(287,862)
Finance lease receivable	5,032	0
	2,965,218	2,755,984

Non-current

Pensioner's rates and Emergency Services Levy deferred	709,062	693,091
Finance lease receivable	962,681	0
	1,671,743	693,091



The City is an intermediate lessor whereby the City has subleased to a third party land subject to lease. The City has classified these leases as finance leases as the terms of the head lease and sublease are equal. Amounts due to the City under the sublease agreement are recorded as a receivable.

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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.

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.

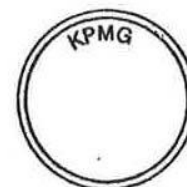
Finance lease receivables

Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest revenue and amortisation of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in the leases.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. INVENTORIES

Note	2022 \$	2021 \$
Current		
Gravel, Fuel and Materials	494,073	901,032
Retail Stock - ALAC Sports Store	10,936	8,568
Retail Stock - Albany Visitor Centre	22,343	35,360
Retail Stock - Forts Store	129,974	97,430
Retail Stock - Library	2,248	2,185
Retail Stock - Town Hall	3,210	4,193
	662,784	1,048,768



The following movements in inventories occurred during the year:

Balance at beginning of year	1,048,768	1,578,289
Inventories expensed during the year	(1,467,171)	(1,641,804)
Additions to inventory	1,081,187	1,112,283
Balance at end of year	662,784	1,048,768

SIGNIFICANT 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.

7. OTHER ASSETS

	2022 \$	2021 \$
Other assets - current		
Prepayments	587,109	505,528
Accrued income	480,893	283,280
Contract assets / grants receivable	3,026,294	1,219,000
	4,094,296	2,007,808

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

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

Contract assets / grants receivable

Contract assets primarily relate to the City's right to consideration for work completed but not billed at the end of the period.

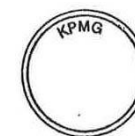
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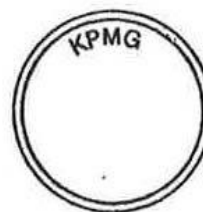
8. PROPERTY, PLANT AND EQUIPMENT

(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.

	Note	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Paintings	Work in progress at cost	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		64,373,431	84,336,901	148,710,332	3,401,966	14,539,887	740,382	2,365,569	169,758,136
Additions		0	1,961,177	1,961,177	1,181,432	1,805,983	0	711,232	5,659,824
Disposals	10(c)	0	(63,222)	(63,222)	0	(543,281)	0	0	(606,503)
Depreciation	10(a)	0	(2,752,530)	(2,752,530)	(1,284,521)	(1,559,079)	0	0	(5,596,130)
Transfers		0	2,128,218	2,128,218	5,260	51,188	0	(2,184,666)	0
Balance at 30 June 2021		64,373,431	85,610,544	149,983,975	3,304,137	14,294,698	740,382	892,135	169,215,327
Comprises:									
Gross balance amount at 30 June 2021		64,373,431	151,297,004	215,670,435	8,633,105	20,863,777	740,382	892,135	246,799,834
Accumulated depreciation at 30 June 2021		0	(65,686,460)	(65,686,460)	(5,328,968)	(6,569,079)	0	0	(77,584,507)
Balance at 30 June 2021		64,373,431	85,610,544	149,983,975	3,304,137	14,294,698	740,382	892,135	169,215,327
Additions		0	928,615	928,615	313,615	2,361,209	0	2,338,275	5,941,714
Disposals	10(c)	(1,818)	0	(1,818)	0	(707,375)	0	0	(709,193)
Revaluation increments / (decrements) transferred to revaluation surplus		1,202,487	(731,825)	470,662	0	0	0	0	470,662
Depreciation	10(a)	0	(2,797,382)	(2,797,382)	(753,931)	(1,507,406)	0	0	(5,058,719)
Transfers		0	747,501	747,501	0	0	0	(747,501)	0
Balance at 30 June 2022		65,574,100	83,757,453	149,331,553	2,863,821	14,441,126	740,382	2,482,909	169,859,791
Comprises:									
Gross balance amount at 30 June 2022		65,574,100	137,353,385	202,927,485	8,946,720	21,935,806	740,382	2,482,909	237,033,302
Accumulated depreciation at 30 June 2022		0	(53,595,932)	(53,595,932)	(6,082,899)	(7,494,680)	0	0	(67,173,511)
Balance at 30 June 2022		65,574,100	83,757,453	149,331,553	2,863,821	14,441,126	740,382	2,482,909	169,859,791





8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2 & 3	Market Approach using recent observable or estimated market data for similar properties	Independent Registered Valuers	June 2022	Price per square metre, with reference to current zoning of land. Market values were used unless there were some restrictions or other factors associated with the land
Buildings	2 & 3	Market Approach using recent observable or estimated market data for similar properties	Independent Registered Valuers	June 2022	Construction costs and current condition, residual values and direct market comparisons (Level 2) - remaining useful life assessments and active market inputs (Level 3)

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 City to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment	3	Not applicable	Independent Registered Valuers, Management Valuation & Cost	June 2016	Purchase costs of similar assets adjusted for current condition and comparability, residual values and remaining useful life assessments
Plant and equipment	2 & 3	Cost Approach using depreciated replacement cost	Independent Registered Valuers, Management Valuation & Cost	June 2016	Market price per item, purchase costs of similar assets adjusted for condition and comparability, residual values, and remaining useful life assessments
Work in progress at cost	N/A	Not applicable	Cost	Not applicable	Not applicable
Paintings	3	Market Approach using recent auction information for similar pieces of artwork	Independent Registered Valuers & Management Valuation	30 June 2018	Recent Auction Sales

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

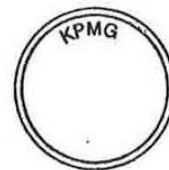
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9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Roads	Footpaths	Drainage	Parks, gardens and reserves	Other	Work in progress at cost	Total Infrastructure
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		221,218,773	23,668,438	51,406,823	34,374,015	68,417,610	5,191,950	404,277,609
Additions		3,884,435	721,456	1,558,519	626,165	56,348	6,603,474	13,450,397
Reclassification as Intangible Asset		0	0	0	0	(3,548,477)	0	(3,548,477)
Depreciation	10(a)	(6,420,814)	(651,973)	(1,118,433)	(1,736,641)	(1,815,454)	0	(11,743,315)
Transfers		386,495	462,748	324,523	121,845	3,236,602	(4,532,213)	0
Balance at 30 June 2021		219,068,889	24,200,669	52,171,432	33,385,384	66,346,629	7,263,211	402,436,214
Comprises:								
Gross balance at 30 June 2021		376,532,329	33,436,606	88,928,776	57,240,178	108,823,885	7,263,211	672,224,985
Reclassification as Intangible Asset		0	0	0	0	(3,548,477)	0	(3,548,477)
Accumulated depreciation at 30 June 2021		(157,463,440)	(9,235,937)	(36,757,344)	(23,854,794)	(38,928,779)	0	(266,240,294)
Balance at 30 June 2021		219,068,889	24,200,669	52,171,432	33,385,384	66,346,629	7,263,211	402,436,214
Additions		8,806,221	883,199	933,573	4,092,711	(391,782)	3,738,918	18,062,840
Revaluation increments / (decrements) transferred to revaluation surplus		19,041,683	(9,395,191)	(5,007,964)	13,593,372	(5,247,739)	0	12,984,161
Depreciation	10(a)	(6,652,094)	(678,196)	(1,153,401)	(1,782,487)	(1,973,357)	0	(12,239,535)
Transfers		1,398,882	0	11,828	344,740	4,363,264	(6,118,714)	0
Balance at 30 June 2022		241,663,581	15,010,481	46,955,468	49,633,720	63,097,015	4,883,415	421,243,680
Comprises:								
Gross balance at 30 June 2022		423,391,281	36,143,860	95,979,888	85,111,351	130,935,130	4,883,415	776,444,925
Accumulated depreciation at 30 June 2022		(181,727,700)	(21,133,379)	(49,024,420)	(35,477,631)	(67,838,115)	0	(355,201,245)
Balance at 30 June 2022		241,663,581	15,010,481	46,955,468	49,633,720	63,097,015	4,883,415	421,243,680



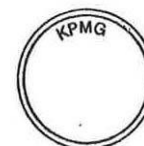
9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Roads	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Footpaths	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Drainage	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Parks, gardens and reserves	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Other	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Work in progress at cost		Not applicable	Cost	Not applicable	Not applicable

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.



10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings	8(a)	2,797,382	2,792,828	2,752,530
Furniture and equipment	8(a)	753,931	1,060,549	1,284,521
Plant and equipment	8(a)	1,507,406	1,549,101	1,559,079
Roads	9(a)	6,652,094	6,437,665	6,420,814
Footpaths	9(a)	678,196	649,701	651,973
Drainage	9(a)	1,153,401	1,742,877	1,118,433
Parks, gardens and reserves	9(a)	1,782,487	1,400,150	1,736,641
Other	9(a)	1,973,357	1,550,080	1,815,454
Right-of-use assets - plant and equipment	11(a)	189,281	175,891	221,144
		17,487,535	17,358,842	17,560,589
Amortisation				
Intangible assets - rehabilitation asset	12	410,488	299,571	410,488
		410,488	299,571	410,488
		17,898,023	17,658,413	17,971,077

Depreciation rates

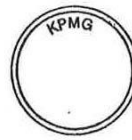
Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings:	
- Heritage Buildings	60 to 160 years
- Contemporary Buildings	40 to 80 years
- Sheds/Minor Structures/Public Toilets	40 to 60 years
Furniture and equipment	2 to 10 years
Plant and equipment	2 to 20 years
Sealed roads and streets:	
- formation	not depreciated
- pavement	60 to 90 years
- surface: single chip seal	8 to 10 years
- surface: double chip seal	20 to 30 years
- surface: asphalt	30 to 40 years
Kerbing	30 to 60 years
Gravel roads:	
- formation	not depreciated
- pavement	60 to 90 years
Formed roads (unsealed):	
- formation	not depreciated
- pavement	60 to 90 years
Footpaths	10 to 80 years
Major Bridges	70 to 100 years
Drainage	50 to 100 years
Infrastructure - Parks, Gardens & Reserves	5 to 45 years
Infrastructure - Other	10 to 70 years
Right of use	based on the remaining lease

(b) Fully Depreciated Assets In Use

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

	2022 \$	2021 \$
Furniture and equipment	0	358,333
Plant and equipment	583,445	617,821
	583,445	976,154



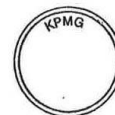
10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	1,818	73,475	71,657	0	0	0	0	0	0	0	0	0
Buildings	0	0	0	0	0	0	0	0	63,222	0	0	(63,222)
Plant and equipment	707,375	624,440	66,755	(149,690)	1,411,773	806,551	30,600	(635,822)	543,281	569,285	128,869	(102,865)
	709,193	697,915	138,412	(149,690)	1,411,773	806,551	30,600	(635,822)	606,503	569,285	128,869	(166,087)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Other property and services				
Massey Ferguson Tractor	58,793	39,318	0	(19,475)
Yamaha Quad Bike	3,000	5,636	2,636	0
Hamm Vibrating Roller	72,033	46,818	0	(25,215)
Caterpillar Tyre Roller	74,151	36,364	0	(37,787)
Wacker Diesel Vibrating Plate	2,250	787	0	(1,463)
Bobcat Excavator	47,248	18,727	0	(28,521)
Toyota Hilux	15,545	27,727	12,182	0
Ranger XL	16,515	19,318	2,803	0
Massey Ferguson Tractor	39,090	45,426	6,336	0
Caterpillar Grader	176,296	161,364	0	(14,932)
Isuzu Giga	129,178	109,545	0	(19,633)
EvertransTrailer	20,382	27,273	6,891	0
Tandem Axle Semi Trailer	4,484	30,227	25,743	0
Toyota Camry Hybrid	10,364	15,682	5,318	0
Colorado LX	11,518	16,364	4,846	0
Ford Ranger XL	26,528	23,864	0	(2,664)
	707,375	624,440	66,755	(149,690)
Land				
Other Property and Services				
Land - freehold land	1,818	73,475	71,657	0
	1,818	73,475	71,657	0
	709,193	697,915	138,412	(149,690)



10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least 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 vested land acquired by the City.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets 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.

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

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

Depreciation 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:

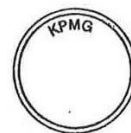
- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10.



11. LEASES

(a) Right-of-Use Assets

between the beginning and the end of the current financial year.

	Note	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$
Balance at 1 July 2020		1,157,093	1,157,093
Revaluation reversals transferred to profit or loss		185,223	185,223
Depreciation		(221,144)	(221,144)
Balance at 30 June 2021		1,121,172	1,121,172
Depreciation	10(a)	(189,281)	(189,281)
Balance at 30 June 2022		931,891	931,891

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(189,281)	(221,144)
Interest expense on lease liabilities	28(c)	(18,630)	(25,379)
Income from sub leasing right-of-use assets		953,060	0
Total amount recognised in the statement of comprehensive income		745,149	(246,523)
Total cash outflow from leases		(202,200)	(209,112)

(b) Lease Liabilities

Current		189,674	183,570
Non-current		874,267	1,044,491
	28(c)	1,063,941	1,228,061

The City has one plant and equipment lease that has been recognised as a lease liability. The term of the lease is ten years and the lease has a minimum lease payment commitment, with a variable payment component based on consumption over and above the minimum commitment. During the course of the financial year, the City finalised its other existing plant and equipment finance lease.

The City is an intermediate lessor whereby the City has subleased to a third party land subject to lease. The City has classified these leases as finance leases as the terms of the head lease and sublease are equal. The head lease is recognised as a lease liability. The term of the lease is 50 years and the lease payment commitments are apportioned between finance costs and amortisation of the recognised liability.

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.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

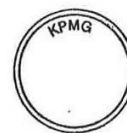
Right-of-use assets - valuation measurement

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included 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 significant 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 amortised over the useful life of the underlying asset.



12. INTANGIBLE ASSETS

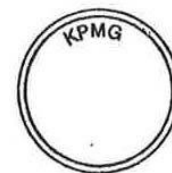
Note	2022 Actual \$	2021 Actual \$
Rehabilitation Assets		
Non-current		
Intangible assets - rehabilitation asset	7,799,214	7,799,214
Less: Accumulated amortisation	(3,728,573)	(3,318,085)
	4,070,641	4,481,129
Movements in balances of intangible assets during the financial year are shown as follows:		
Balance at 1 July	4,481,129	0
Recognition of intangible assets - rehabilitation asset	0	4,891,617
Amortisation of intangible assets - rehabilitation asset	(410,488)	(410,488)
Balance at 30 June	4,070,641	4,481,129
TOTAL INTANGIBLE ASSETS	4,070,641	4,481,129

SIGNIFICANT ACCOUNTING POLICIES

Rehabilitation assets

The City complies with the full provision method for accounting provisions in respect of restoration, rehabilitation and site monitoring costs. Charges are made to expenses based on the estimated costs of restoring, rehabilitating and monitoring the landfill site. The provision is recorded at the net present value of expected future costs discounted using the applicable government bond rates. The liability for estimated future capping expenditure is provided for through a rehabilitation provision and is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the amortisation charge. The discounted present value of the future capping expenditure is also capitalised as part of the rehabilitation asset and is amortised on a straight line basis. Changes in estimates are recognised proactively with corresponding adjustments to the provision and associated costs.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022



13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Bonds and deposits held
Sundry accruals
Income received in advance
Accrued salaries and wages
Accrued interest on long term borrowings

2022	2021
\$	\$
2,886,983	3,413,160
1,582,152	1,372,118
1,465,133	807,464
873,988	1,248,647
520,899	388,340
183,845	90,102
14,064	19,060
7,527,064	7,338,891

SIGNIFICANT 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 the fair value of the 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

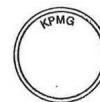
financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

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 revenue for the prepaid rates that have not been refunded.

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022



14. OTHER LIABILITIES

Current

Contract liabilities
Capital grant / contribution liabilities

Non-current

Capital grant / contribution liabilities

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

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

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions
Revenue from capital grant/contributions held as a liability at the start of the period

Expected satisfaction of capital grant/contribution liabilities

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

	2022	2021
	\$	\$
Contract liabilities	272,313	324,138
Capital grant / contribution liabilities	5,706,584	5,488,728
	5,978,897	5,812,866
Capital grant / contribution liabilities	762,933	1,044,509
	762,933	1,044,509
Opening balance	324,138	896,488
Additions	272,313	324,138
Revenue from contracts with customers included as a contract liability at the start of the period	(324,138)	(896,488)
	272,313	324,138
Opening balance	6,533,237	2,020,982
Additions	3,137,001	4,695,020
Revenue from capital grant/contributions held as a liability at the start of the period	(3,200,721)	(182,765)
	6,469,517	6,533,237
Less than 1 year	5,706,584	5,488,728
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	762,933	1,044,509
	6,469,517	6,533,237

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.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

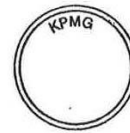
Contract liabilities represent the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

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

Capital grant / Contract liabilities

Capital grant / contract 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 / contract liabilities are recognised as revenue when the obligations in the contract are satisfied.



15. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Loans		2,020,082	5,390,590	7,410,672	2,413,321	7,410,673	9,823,994
Total secured borrowings	28(a)	2,020,082	5,390,590	7,410,672	2,413,321	7,410,673	9,823,994

Secured liabilities and assets pledged as security

Bank loans are secured by a floating charge over the assets of the City of Albany.

The City of Albany has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

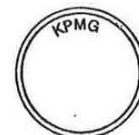
Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23. Details of individual borrowings required by regulations are provided at Note 28(a).



16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

2022	2021
\$	\$
2,717,332	2,440,601
4,005,733	3,258,760
6,723,065	5,699,361
517,092	859,848
517,092	859,848
7,240,157	6,559,209

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

2022	2021
\$	\$
2,781,678	2,651,061
4,458,479	3,908,148
7,240,157	6,559,209

Expected reimbursements of employee related provisions from other WA local governments

(87,882)	(50,861)
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SIGNIFICANT 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

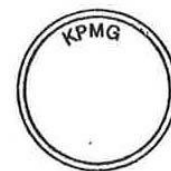
Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, 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.



17. OTHER PROVISIONS

	Note	Provision for gravel pit rehabilitation \$	Provision for waste site rehabilitation \$	Total \$
Opening balance at 1 July 2021				
Current provisions		213,455	0	213,455
Non-current provisions		0	9,023,976	9,023,976
		213,455	9,023,976	9,237,431
Additional provision		49,044	0	49,044
Amounts used		(96,759)	0	(96,759)
Charged to profit or loss				
- unwinding of discount	2(b)	0	166,041	166,041
Balance at 30 June 2022		165,740	9,190,017	9,355,757
Comprises				
Current		165,740	0	165,740
Non-current		0	9,190,017	9,190,017
		165,740	9,190,017	9,355,757

Other provisions

Amounts which are reliably 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 City.

Provision for remediation costs

Under the agreements for the City's gravel pits and waste facilities, the City has a legal obligation to restore the sites. A provision for remediation is recognised when:

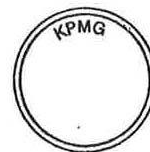
- there is a present obligation as a result of activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

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.



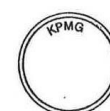
18. REVALUATION SURPLUS

	2022 Opening Balance \$	2022 Revaluation Increment \$	2022 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2022 Closing Balance \$	2021 Opening Balance \$	2021 Closing Balance \$
Land and buildings	70,652,144	470,661	0	470,661	71,122,805	70,652,144	70,652,144
Furniture and equipment	1,230,932	0	0	0	1,230,932	1,230,932	1,230,932
Plant and equipment	3,608,013	0	0	0	3,608,013	3,608,013	3,608,013
Paintings	406,769	0	0	0	406,769	406,769	406,769
Roads	76,219,304	19,041,683	0	19,041,683	95,260,987	76,219,304	76,219,304
Footpaths	12,094,576	0	(9,395,191)	(9,395,191)	2,699,385	12,094,576	12,094,576
Drainage	36,827,994	0	(5,007,964)	(5,007,964)	31,820,030	36,827,994	36,827,994
Parks, gardens and reserves	684,125	13,593,372	0	13,593,372	14,277,497	684,125	684,125
Other	41,975,583	0	(5,247,739)	(5,247,739)	36,727,844	41,975,583	41,975,583
	243,699,440	33,105,716	(19,650,894)	13,454,822	257,154,262	243,699,440	243,699,440

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

CITY OF ALBANY
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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	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	16,579,155	11,231,328	17,296,552

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	4,203,283	2,635,734	11,224,752
- Financial assets at amortised cost	4	37,000,000	26,000,000	26,000,000
		<u>41,203,283</u>	<u>28,635,734</u>	<u>37,224,752</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	29	41,203,283	28,635,734	37,224,752
Total restricted financial assets		<u>41,203,283</u>	<u>28,635,734</u>	<u>37,224,752</u>

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

Net result		15,269,388	13,181,188	10,051,021
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Non-cash items:

Adjustments to fair value of financial assets at fair value through profit and loss		(9,245)	0	(12,150)
Depreciation/amortisation		17,898,023	17,658,413	17,971,077
(Profit)/loss on sale of asset		11,278	605,222	37,218
Gain on finance sublease		(953,060)	0	0
Grants received non-cash		(404,523)	0	0

Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables		(1,187,887)	(95,011)	(871,682)
(Increase)/decrease in other assets		(1,133,428)	0	58,601
(Increase)/decrease in inventories		385,984	153,255	529,521
Increase/(decrease) in trade and other payables		188,173	(58,254)	1,615,269
Increase/(decrease) in employee related provisions		680,948	0	1,336,972
Increase/(decrease) in other provisions		118,326	(95,001)	0
Increase/(decrease) in contract liabilities / unspent grants		(115,545)	(213,482)	4,836,393
Increase/(decrease) in lease liabilities		19,450	0	0
Increase/(decrease) in intangible assets		0	0	(1,343,140)
Non-operating grants, subsidies and contributions		<u>(12,932,299)</u>	<u>(25,041,146)</u>	<u>(8,622,388)</u>
Net cash provided by operating activities		<u>17,835,583</u>	<u>6,095,184</u>	<u>25,586,712</u>

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Credit card limit		55,000		55,000
Total amount of credit unused		<u>55,000</u>		<u>55,000</u>

Loan facilities

Loan facilities - current		2,020,082		2,413,321
Loan facilities - non-current		5,390,590		7,410,673
Total facilities in use at balance date		<u>7,410,672</u>		<u>9,823,994</u>

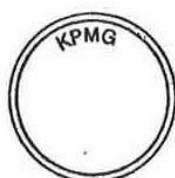
20. CONTINGENT LIABILITIES

The City, together with the Water Corporation, is part of a joint venture agreement ("JV") which owns a liquid waste facility. This facility is not in operation and is currently in care and maintenance. Indications from the Water Corporation is that this facility will not be used in the future. If at some point in the future the JV intends to decommission the facility, the JV will be liable for the associated decommissioning costs, however as at 30 June 2022 it is uncertain if and/or when this will occur. The City considers the decommissioning of the site a possible future obligation, however it is an uncertain future event that is not wholly within the control of the City.

21. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects



Construction of SES Level 3 Incident Control Facility
Design, Supply and Installation of Rooftop Solar Systems
Mindijup Road, Palmdale (SLK 5.47 – 6.35) Upgrade
Middleton Beach Foreshore Enhancement - Landscape Works
Lower King and Emu Point Boating Facility Upgrades
Construction of Pump Track and Jump Park at Centennial Park
Stone Wall Construction - Middleton Beach

2022	2021
\$	\$
1,187,613	3,703,211
1,187,613	3,703,211
700,334	0
304,648	0
182,631	277,369
0	3,065,266
0	181,815
0	143,373
0	35,388
1,187,613	3,703,211

CITY OF ALBANY
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FOR THE YEAR ENDED 30 JUNE 2022

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Councillor 1

Mayor's annual allowance
Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 2

Deputy Mayor's annual allowance
Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 3

Deputy Mayor's annual allowance
Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 4

Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 5

Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 6

Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 7

Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 8

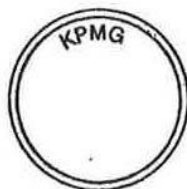
Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 9

Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement

Councillor 10

Meeting attendance
Annual allowance for ICT expenses
Travel allowance / reimbursement



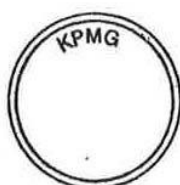
Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
	89,753	89,753	85,335
	47,516	47,516	45,176
	3,500	3,500	3,500
	50	50	50
	140,819	140,819	134,061
	15,260	15,260	0
	31,678	31,678	30,119
	3,500	3,500	3,500
	50	50	50
	50,488	50,488	33,669
	7,178	7,178	21,334
	31,678	31,678	30,119
	3,500	3,500	3,500
	50	50	50
	42,406	42,406	55,003
	31,678	31,678	30,119
	3,500	3,500	3,500
	50	50	50
	35,228	35,228	33,669
	31,678	31,678	30,119
	3,500	3,500	3,500
	50	50	50
	35,228	35,228	33,669
	31,678	31,678	30,119
	3,500	3,500	3,500
	50	50	149
	35,228	35,228	33,768
	31,678	31,678	30,119
	3,500	3,500	3,500
	50	50	50
	35,228	35,228	33,669
	31,678	31,678	30,119
	3,500	3,500	3,500
	1,368	50	3,620
	36,546	35,228	37,239
	22,396	22,396	0
	2,474	2,474	0
	35	35	0
	24,905	24,905	0

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. RELATED PARTY TRANSACTIONS (continued)

(a) Elected Member Remuneration (continued)

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor 11			
Meeting attendance	22,936	22,936	0
Annual allowance for ICT expenses	2,474	2,474	0
Travel allowance / reimbursement	1,369	35	0
	26,779	25,445	0
Councillor 12			
Meeting attendance	22,396	22,396	0
Annual allowance for ICT expenses	2,474	2,474	0
Travel allowance / reimbursement	35	35	0
	24,905	24,905	0
Councillor 13			
Meeting attendance	22,396	22,396	0
Annual allowance for ICT expenses	2,474	2,474	0
Travel allowance / reimbursement	35	35	0
	24,905	24,905	0
Councillor 14			
Meeting attendance	9,282	9,282	30,119
Annual allowance for ICT expenses	1,026	1,026	3,500
Travel allowance / reimbursement	15	15	50
	10,323	10,323	33,669
Councillor 15			
Meeting attendance	9,282	9,282	30,119
Annual allowance for ICT expenses	1,026	1,026	3,500
Travel allowance / reimbursement	15	15	50
	10,323	10,323	33,669
Councillor 16			
Meeting attendance	9,282	9,282	30,119
Annual allowance for ICT expenses	1,026	1,026	3,500
Travel allowance / reimbursement	15	15	50
	10,323	10,323	33,669
Councillor 17			
Meeting attendance	0	0	21,565
Annual allowance for ICT expenses	0	0	2,625
Travel allowance / reimbursement	0	0	37
	0	0	24,227
	578,862	576,210	553,650
	2022	2022	2021
Mayor's annual allowance	89,753	89,753	85,335
Deputy Mayor's annual allowance	22,438	22,438	21,334
Meeting attendance	418,910	418,910	398,050
Annual allowance for ICT expenses	44,474	44,474	44,625
Travel allowance / reimbursement	3,287	635	4,306
22(b)	578,862	576,210	553,650



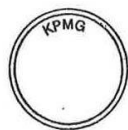
CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. RELATED PARTY TRANSACTIONS (continued)

(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
Post-employment benefits
Employee - other long-term benefits
Council member costs



22(a)

2022 Actual	2021 Actual
\$	\$
892,393	871,590
82,646	76,856
163,291	143,165
578,862	553,650
1,717,192	1,645,261

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

(c) 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:

Sale of goods and services
Purchase of goods and services

2022 Actual	2021 Actual
\$	\$
39,631	46,105
22,152	19,613
0	8,492
0	160

Amounts outstanding from related parties:

Trade and other receivables

Amounts payable to related parties:

Trade and other payables

(d) 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 entity, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP was employed by the City under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the City.

iii. Entities subject to significant influence by the City

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

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 area under policies approved by the Council. The finance area 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.

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 and term deposits 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
	%	\$	\$	\$
2022				
Cash and cash equivalents	0.71%	16,579,155	10,000,000	6,579,155
Financial assets at amortised cost - term deposits	1.21%	42,500,000	42,500,000	0
2021				
Cash and cash equivalents	0.12%	17,296,552	6,000,000	11,296,552
Financial assets at amortised cost - term deposits	0.26%	36,500,000	36,500,000	0

Sensitivity

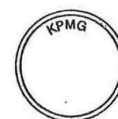
Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	65,792	112,966

* Holding all other variables constant

Borrowings

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



23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The City's major receivables comprise rates annual charges and user fees and charges. 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. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

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

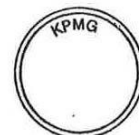
The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	549,830	194,499	129,875	422,881	1,297,085	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	590,803	469,470	543,371	0	1,603,644	
Loss allowance	0	0	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	1.00%	2.50%	58.13%		
Gross carrying amount	998,357	95,971	20,989	324,446	1,439,763	
Loss allowance	0	960	525	188,584	190,069	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	2.50%	9.51%	83.34%		
Gross carrying amount	636,535	35,218	43,291	339,430	1,054,474	
Loss allowance	0	880	4,115	282,867	287,862	5



23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

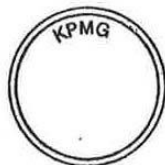
	Rates receivable		Trade and other receivables		Contract Assets / Grants Receivable	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 287,862	\$ 97,474	\$ 0	\$ 0
Increase / decrease in loss allowance recognised in profit or loss during the year	0	0	183,321	288,749	0	0
Receivables written off during the year as uncollectible	0	0	6,748	(887)	0	0
Closing loss allowance at 30 June	0	0	477,931	385,336	0	0

Trade 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 trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets / Grants Receivable

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. The City has determined that contract assets / grants receivables have significantly lower risk characteristics than other trade receivables. The City has therefore concluded that the expected credit loss rates for contract assets/grants receivable is nil.



CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

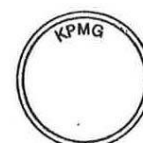
23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

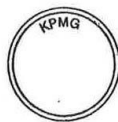
Payables and borrowings

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 balances, 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 values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	7,527,064	0	0	7,527,064	7,527,064
Borrowings	2,320,467	4,720,166	1,368,289	8,408,922	7,410,672
Contract liabilities	272,313	0	0	272,313	272,313
Capital grant / contribution liabilities	5,706,584	0	762,933	6,469,517	6,469,517
Lease liabilities	189,674	874,267	0	1,063,941	1,063,941
	16,016,102	5,594,433	2,131,222	23,741,757	22,743,507
2021					
Trade and other payables	7,338,891	0	0	7,338,891	7,338,891
Borrowings	2,821,626	6,390,641	2,018,281	11,230,548	9,823,994
Contract liabilities	324,138	0	0	324,138	324,138
Capital grant / contribution liabilities	5,488,728	0	1,044,509	6,533,237	6,533,237
Lease liabilities	183,570	815,573	228,919	1,228,062	1,228,061
	16,156,953	7,206,214	3,291,709	26,654,876	25,248,321



24. OTHER SIGNIFICANT 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 material effect on the statement of financial position, an additional 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 statements 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 earnings

Interest income 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 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 cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such 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.

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

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

k) Initial application of accounting standards

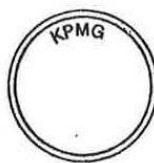
During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

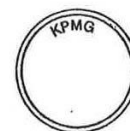


25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of the 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 elected members and ratepayers on matters which do not concern specific council services.
General purpose funding To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Elderly person's activities and support, community services planning, disabled persons, youth services, aboriginal issues, playgroup, pre-schools and other welfare and voluntary persons.
Community amenities To provide services required by the community.	Refuse collection services, including recycling, greenwaste and hardwaste. Operation of landfill facilities, administration of the Town Planning Scheme, public amenities and urban stormwater drainage works. Protection of the environment, coastline and waterways. Environmental planning.
Recreation and culture To establish and effectively manage infrastructure and resource which will help the social well being of the community.	Maintenance of halls, recreation and cultural facilities, including sportsgrounds, parks, gardens, reserves, playgrounds and foreshore amenities. Maintenance of boat ramps and jetties. Townscape works. Operation of the Library, Albany Leisure Centre, Vancouver, Art Centre, and other cultural activities.
Transport To provide safe, effective and efficient transport services to the community.	Construction & maintenance of roads, drainage, footpaths, bridges, and traffic signs. Maintenance of pump stations and road verges. Strategic planning for transport and traffic flows. Street lighting and street cleaning. Airport operation. Parking control and car park maintenance.
Economic services To help promote the city and its economic well being.	Tourism and area promotion, operation of the Visitor Centre, Sister City expenses, City marketing and economic development, implementation of building control, operation of plant nursery.
Other property and services To monitor and control council's overheads operating accounts.	Private works operation, plant repair, public works overhead, land acquisition (including town planning schemes) and subdivision development and sales.



25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
General purpose funding	40,539,800	40,232,348	39,335,059
Law, order, public safety	122,790	93,441	125,916
Health	129,662	167,192	167,420
Education and welfare	1,344,342	1,300,000	1,234,654
Community amenities	10,272,896	9,609,815	9,903,189
Recreation and culture	2,649,823	2,169,484	2,416,689
Transport	2,431,147	1,970,614	1,994,936
Economic services	2,008,574	1,890,900	2,396,867
Other property and services	2,111,403	1,039,600	1,174,655
	61,610,437	58,473,394	58,749,385

Grants, subsidies and contributions

Governance	1,492	0	0
General purpose funding	6,912,764	2,120,805	4,295,611
Law, order, public safety	3,150,979	4,025,720	452,503
Education and welfare	195,602	124,327	104,058
Community amenities	354,069	175,798	531,892
Recreation and culture	5,598,047	7,423,629	5,082,634
Transport	7,627,739	15,067,927	4,493,648
Economic services	200,916	260,000	424,649
Other property and services	1,271,754	1,062,871	535,441
	25,313,362	30,261,077	15,920,436

Total Income

86,923,799 88,734,471 74,669,821

Expenses

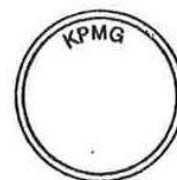
Governance	(3,830,036)	(4,510,932)	(3,960,369)
General purpose funding	(1,179,093)	(1,194,864)	(614,368)
Law, order, public safety	(3,567,956)	(3,254,517)	(2,853,154)
Health	(873,772)	(904,275)	(838,605)
Education and welfare	(2,018,415)	(2,222,633)	(1,855,868)
Community amenities	(12,146,726)	(12,729,453)	(10,263,658)
Recreation and culture	(17,616,552)	(18,057,227)	(15,989,843)
Transport	(23,342,144)	(25,073,211)	(20,557,116)
Economic services	(4,574,330)	(5,081,018)	(4,890,441)
Other property and services	(2,505,387)	(2,525,153)	(2,795,377)

Total expenses

(71,654,411) (75,553,283) (64,618,799)

Net result for the period

15,269,388 13,181,188 10,051,022



25. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges

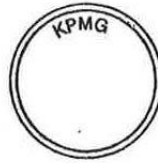
General purpose funding
Law, order, public safety
Health
Education and welfare
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2022 Actual	2022 Budget	2021 Actual
\$	\$	\$
124,894	106,500	122,234
122,790	93,441	125,917
129,662	167,192	167,421
1,344,342	1,300,000	1,234,654
10,272,895	9,609,815	9,903,190
2,647,561	2,167,924	2,413,933
2,431,146	1,970,614	1,994,935
1,903,465	1,797,900	2,274,219
889,661	909,000	859,539
19,866,416	18,122,386	19,096,042

(d) Total Assets

Governance
General purpose funding
Law, order, public safety
Health
Education and welfare
Community amenities
Recreation and culture
Transport
Economic services
Other property and services
Unallocated

2022	2021
\$	\$
36,078,810	30,782,044
858,009	876,656
3,310,521	3,473,841
244,209	121,980
821,878	166,548
35,472,812	34,803,298
116,449,898	107,690,688
364,888,085	360,306,867
16,537,179	17,117,061
70,152,060	69,456,860
20,094,042	13,092,990
664,907,503	637,888,833



26. RATING INFORMATION

(a) General Rates

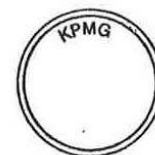
RATE TYPE		Rate In	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interlm Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interlm Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Rate Description	Basis of valuation	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rating Category 1	Gross rental valuation	10.4699	15,979	327,589,191	34,298,260	340,833	93,167	34,732,260	34,298,260	200,000	10,000	34,508,260	33,759,659
Rating Category 3	Unimproved valuation	0.3984	1,032	719,033,003	2,864,627	0	0	2,864,627	2,864,627	0	0	2,864,627	2,895,708
Sub-Total			17,011	1,046,622,194	37,162,887	340,833	93,167	37,596,887	37,162,887	200,000	10,000	37,372,887	36,655,367
Minimum payment		\$											
Rating Category 1	Gross rental valuation	1.067	1,357	8,054,829	1,447,919	0	0	1,447,919	1,447,919	0	0	1,447,919	1,414,646
Rating Category 3	Unimproved valuation	1.153	633	127,442,315	729,849	0	0	729,849	729,849	0	0	729,849	622,528
Sub-Total			1,990	135,497,144	2,177,768	0	0	2,177,768	2,177,768	0	0	2,177,768	2,037,174
			19,001	1,182,119,338	39,340,655	340,833	93,167	39,774,655	39,340,655	200,000	10,000	39,550,655	38,692,541
Discounts on general rates (Refer note 26(c))								(2,564)				0	(2,562)
Total amount raised from general rates								39,772,091				39,550,655	38,689,979
* Rateable value is based on the value of properties at the time the rate is raised.													
(b) Rates (excluding general rates)													
Ex-gratia Rates		Rate In											
		\$											
		0.095	4	1,010,020	119,833	0	0	119,833	120,000	0	0	120,000	118,062
Sub-Total			4	1,010,020	119,833	0	0	119,833	120,000	0	0	120,000	118,062
Total amount raised from rates (excluding general rates)								119,833				120,000	118,062
(c) Total Rates								39,891,924				39,670,655	38,808,041

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

(d) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee	Type	Discount	Discount	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount Is Granted
Discount Granted		%	\$	\$	\$	\$	
Rates assessment write-offs	Rate	N/A	N/A	2,564	0	2,562	Minor balances written off
				2,564	0	2,562	

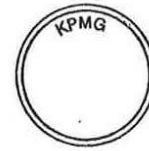


26. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

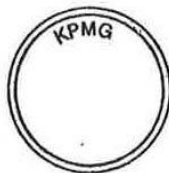
Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	23/09/2021	6.50	nil	7.00%
Option Two				
First instalment	23/09/2021	6.50	nil	7.00%
Second instalment	25/01/2022	6.50	5.50%	7.00%
Option Three				
First instalment	23/09/2021	6.50	nil	7.00%
Second instalment	23/11/2021	6.50	5.50%	7.00%
Third instalment	25/01/2022	6.50	5.50%	7.00%
Fourth instalment	25/03/2022	6.50	5.50%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	150,070	95,000	126,253
Interest on instalment plan	135,552	125,000	48,277
Charges on instalment plan	65,176	75,000	68,640
	350,798	295,000	243,170



27. RATE SETTING STATEMENT INFORMATION

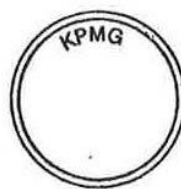
		2021/22 2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2020/21 (30 June 2021 Carried Forward)
Note		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	10(c) (138,412)	(30,600)	(128,869)
	Less: Gain on finance sublease	(953,060)	0	0
	Less: Fair value adjustments to financial assets at fair value through profit and loss	(9,245)	0	0
	Less: Finance costs (interest un-winding)	0		1,023,976
	Add: Loss on disposal of assets	10(c) 149,690	635,822	166,087
	Add: Depreciation	10(a) 17,898,023	17,658,413	17,971,077
Non-cash movements in non-current assets and liabilities:				
	Carrying value of investment land sold	0	0	158,000
	Pensioner deferred rates (non-current)	(15,971)	0	(10,614)
	Finance Lease Receivable	9,829	0	0
	Employee benefit provisions (non-current)	(342,756)	0	460,956
	Intangible assets	0	0	(1,343,140)
	Other provisions	166,041	0	0
	Contract liabilities (non-current)	(281,576)	0	118,006
	Lease liabilities	0	0	43,093
	Right-of-use-assets	0	0	(1,490)
Non-cash amounts excluded from operating activities		16,482,563	18,263,635	18,457,082
(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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
	Non cash non-operating grants, subsidies and contributions	(404,523)	0	0
Non-cash amounts excluded from investing activities		(404,523)	0	0
(c) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement 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	29 (41,203,283)	(28,635,734)	(37,224,752)
	Less: Financial assets at amortised cost - self supporting loans	4(a) (14,163)	(13,729)	(13,729)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	15 2,020,084	2,028,804	2,413,321
	- Current portion of lease liabilities	11(b) 189,674	164,380	183,570
Total adjustments to net current assets		(39,007,688)	(26,456,279)	(34,641,590)
Net current assets used in the Rate Setting Statement				
	Total current assets	66,815,615	39,646,768	59,622,841
	Less: Total current liabilities	(22,604,522)	(13,190,489)	(21,661,464)
	Less: Total adjustments to net current assets	(39,007,688)	(26,456,279)	(34,641,590)
Net current assets used in the Rate Setting Statement		5,203,405	0	3,319,787



28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at	Principal at	New Loans	Principal	Principal at
		1 July 2020	During 2020-21	Repayments During 2020-21	30 June 2021	During 2021-22	Repayments During 2021-22	30 June 2022	1 July 2021	During 2021-22	Repayments During 2021-22	30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ALAC Redevelopment		1,256,579	0	(147,658)	1,108,921	0	(157,183)	951,738	1,110,134	0	(156,996)	953,138
ALAC Redevelopment		1,280,363	0	(123,690)	1,156,673	0	(132,653)	1,024,020	1,158,341	0	(131,751)	1,026,590
Town Square Upgrade		226,332	0	(52,952)	173,380	0	(55,303)	118,077	173,130	0	(55,945)	117,185
Forts Entrance and Public Space		226,332	0	(52,952)	173,380	0	(55,303)	118,077	173,130	0	(55,945)	117,185
Centennial Park Stage 1		948,066	0	(223,772)	724,294	0	(232,379)	491,915	723,177	0	(232,379)	490,798
Centennial Park Stage 2		125,341	0	(125,341)	0	0	0	0	0	0	0	0
ALAC - Heat Exchange Unit		93,111	0	(93,111)	0	0	0	0	0	0	0	0
Centennial Park Stage 3		209,494	0	(103,513)	105,981	0	(105,981)	0	104,960	0	(102,151)	2,809
Centennial Park Stage 4		259,127	0	(84,281)	174,846	0	(86,359)	88,487	174,670	0	(86,967)	87,703
Town Hall		1,556,324	0	(248,033)	1,308,291	0	(252,468)	1,055,823	1,312,538	0	(247,221)	1,065,317
Emu Point Boat Pens		1,441,729	0	(59,772)	1,381,957	0	(61,312)	1,320,645	1,388,018	0	(55,717)	1,332,301
Roadworks - Asset Upgrade		489,591	0	(151,891)	337,700	0	(162,929)	174,771	336,552	0	(165,272)	171,280
Roadworks - 22C Refinanced		514,009	0	(164,581)	349,428	0	(171,246)	178,182	347,986	0	(173,935)	174,051
Roadworks - 03/04		251,185	0	(56,825)	194,360	0	(60,649)	133,711	194,368	0	(60,641)	133,727
Roadworks - 04/05		735,257	0	(130,627)	604,630	0	(138,367)	466,263	604,685	0	(137,303)	467,382
Roadworks - 06/07		727,813	0	(352,518)	375,295	0	(375,294)	1	371,123	0	(371,123)	0
Stirling Terrace Upgrade		181,066	0	(42,362)	138,704	0	(44,242)	94,462	138,504	0	(44,756)	93,748
Forts Cafe, Retail & Admin Upgrade/Refurbish		271,599	0	(63,543)	208,056	0	(66,363)	141,693	207,756	0	(67,134)	140,622
Visitor Centre Building		729,509	0	(95,463)	634,046	0	(98,242)	535,804	634,621	0	(97,988)	536,633
Admin Building 1		416,978	0	(74,081)	342,897	0	(78,471)	264,426	342,897	0	(79,005)	263,892
Purchase Land - Lot 20		407,083	0	(75,928)	331,155	0	(78,578)	252,577	331,056	0	(79,223)	251,833
Roadwork's 21/22		0	0	0	0	0	0	0	0	2,000,000	0	2,000,000
LED Street Lighting Program		0	0	0	0	0	0	0	0	1,875,000	0	1,875,000
Total		12,346,888	0	(2,522,894)	9,823,994	0	(2,413,322)	7,410,672	9,827,646	3,875,000	(2,401,452)	11,301,194



28. BORROWING AND LEASE LIABILITIES (Continued)

(b) Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
ALAC Redevelopment		Recreation and culture	30	WATC*	6.35%	(75,846)	(77,194)	(86,277)
ALAC Redevelopment		Recreation and culture	32	WATC*	7.12%	(88,051)	(89,328)	(97,780)
Town Square Upgrade		Recreation and culture	33	WATC*	4.39%	(7,556)	(8,288)	(10,256)
Forts Entrance and Public Space		Recreation and culture	36	WATC*	4.39%	(7,556)	(8,288)	(10,256)
Centennial Park Stage 1		Recreation and culture	37	WATC*	3.81%	(30,560)	(25,403)	(40,524)
Centennial Park Stage 2		Recreation and culture	38	WATC*	2.94%	0	0	(3,318)
ALAC - Heat Exchange Unit		Recreation and culture	39	WATC*	2.94%	0	0	(2,464)
Centennial Park Stage 3		Recreation and culture	41	WATC*	2.37%	(1,642)	(2,712)	(4,629)
Centennial Park Stage 4		Recreation and culture	42	WATC*	2.45%	(4,706)	(4,795)	(7,381)
Town Hall		Recreation and culture	44	WATC*	1.78%	(30,463)	(47,016)	(36,653)
Emu Point Boat Pens		Recreation and culture	46	WATC*	2.56%	(44,420)	(51,086)	(46,385)
Roadworks - Asset Upgrade		Transport	21A	WATC*	7.14%	(23,918)	(23,773)	(35,893)
Roadworks - 22C Refinanced		Transport	22D	WATC*	4.01%	(14,929)	(14,751)	(22,593)
Roadworks - 03/04		Transport	23	CBA**	6.62%	(11,809)	(11,888)	(15,684)
Roadworks - 04/05		Transport	28	WATC*	5.84%	(37,889)	(28,466)	(46,428)
Roadworks - 06/07		Transport	29	WATC*	6.36%	(21,558)	(20,361)	(46,532)
Stirling Terrace Upgrade		Transport	34	WATC*	4.39%	(6,044)	(6,630)	(8,205)
Forts Cafe, Retail & Admin Upgrade/Refurbish		Economic services	35	WATC*	4.39%	(9,067)	(9,945)	(12,309)
Visitor Centre Building		Economic services	43	WATC*	2.89%	(21,723)	(20,111)	(25,181)
Admin Building 1		Other property and services	25	WATC*	5.84%	(20,658)	(21,550)	(25,548)
Purchase Land - Lot 20		Other property and services	40	WATC*	2.37%	(13,371)	(13,446)	(16,777)
Total						(471,766)	(485,031)	(601,073)
Total Interest Repayments	2(b)					(471,766)	(485,031)	(601,073)

CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

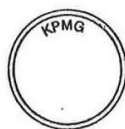
28. BORROWING AND LEASE LIABILITIES (Continued)

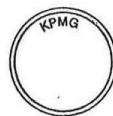
(c) Lease Liabilities

		Actual							Budget				
Purpose	Note	Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
ALAC Biofuels		1,170,178	226,826	(171,922)	1,225,082	0	(180,591)	1,044,491	0	0	(161,724)	(161,724)	
Wideformat Printers		14,790	0	(11,811)	2,979	0	(2,979)	0	0	0	(2,978)	(2,978)	
Emu Point Reserve		0	0	0	0	19,450	0	19,450	0	0	0	0	
Total Lease Liabilities	11(b)	1,184,968	226,826	(183,733)	1,228,061	19,450	(183,570)	1,063,941	0	0	(164,702)	(164,702)	

Lease Interest Repayments

Purpose	Note	Function and activity	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
					\$	\$	\$	
ALAC Biofuels		Recreation and culture	Blue Sky Renewables	1.63%	(18,624)	(15,276)	(25,250)	
Wideformat Printers		Other property and services	LeaselT	1.37%	(6)	(6)	(129)	
Total Interest Repayments	2(b)				(18,630)	(15,282)	(25,379)	





29. RESERVE ACCOUNTS

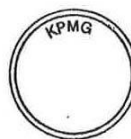
	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Public Open Space	30,000	0	0	30,000	0	70,000	0	70,000	0	30,000	0	30,000
(b) Emu Point Marina	25,350	64,029	(35,117)	54,262	0	50,000	(15,000)	35,000	0	60,467	(35,117)	25,350
	55,350	64,029	(35,117)	84,262	0	120,000	(15,000)	105,000	0	90,467	(35,117)	55,350
Restricted by council												
(c) Airport	3,373,739	2,424,000	(1,627,041)	4,170,698	3,596,927	1,961,584	(3,675,184)	1,883,327	2,829,537	1,998,313	(1,454,111)	3,373,739
(d) Albany Entertainment	347,134	26,484	0	373,618	345,196	25,000	0	370,196	367,707	4,427	(25,000)	347,134
(e) ALAC Synthetic Surface "Carpet"	25,000	25,107	0	50,107	25,000	25,000	0	50,000	0	25,000	0	25,000
(f) Bayonet Head Infrastructure	152,394	0	0	152,394	152,394	0	0	152,394	152,394	0	0	152,394
(g) Car Parking	313,425	15,707	0	329,132	311,781	14,367	(184,900)	141,248	311,781	1,644	0	313,425
(h) Emu Point Boat Pens Development	388,047	148,909	(178,667)	358,289	347,774	130,000	(117,616)	360,158	421,689	140,465	(174,107)	388,047
(i) Masterplan Funding	146,447	20,846	0	167,293	145,679	20,220	0	165,899	145,679	768	0	146,447
(j) National Anzac Centre	621,638	12,657	0	634,295	758,008	10,000	(390,286)	377,722	725,604	15,081	(119,047)	621,638
(k) Parks and Recreations Grounds	840,502	860,593	0	1,701,095	836,121	0	(200,000)	636,121	831,121	9,381	0	840,502
(l) Plant Replacement	2,164,247	9,251	0	2,173,498	2,079,395	0	(588,449)	1,490,946	1,953,946	210,301	0	2,164,247
(m) Roadworks	3,076,153	1,047,278	(909,595)	3,213,836	3,216,322	156,673	(903,441)	2,469,554	1,864,822	1,511,331	(300,000)	3,076,153
(n) Waste Management	6,018,025	1,092,548	(494,305)	6,616,268	5,991,762	1,065,433	(2,222,048)	4,835,147	4,933,318	1,089,187	(4,480)	6,018,025
(o) Refuse Collection & Waste Minimisation	5,526,656	8,984,719	(9,085,796)	5,425,579	5,938,508	8,270,994	(8,750,744)	5,458,758	4,855,333	8,688,442	(8,017,119)	5,526,656
(p) Building Restoration	1,318,355	105,635	(204,973)	1,219,017	1,311,048	100,000	(750,000)	661,048	1,386,048	7,307	(75,000)	1,318,355
(q) Debt Management	4,966,033	1,208,148	(1,789,435)	4,384,746	4,957,837	3,180,957	(4,358,279)	3,780,515	1,554,961	4,690,770	(1,279,698)	4,966,033
(r) Land Acquisition	633,478	76,183	0	709,661	643,733	0	(70,000)	573,733	503,733	137,201	(7,456)	633,478
(s) Coastal Management	1,669,951	157,138	(226,534)	1,600,555	2,049,933	150,000	(570,818)	1,629,115	1,176,189	1,267,228	(773,466)	1,669,951
(t) Information Technology	463,897	183,930	0	647,827	546,045	60,000	(143,203)	462,842	541,045	7,852	(85,000)	463,897
(u) Destination Marketing & Economic Development	509,278	145,637	(164,950)	489,965	561,802	93,652	(164,950)	490,504	468,150	111,128	(70,000)	509,278
(v) Albany Heritage Park Infrastructure	461,078	26,971	0	488,049	458,660	25,000	0	483,660	458,660	2,418	0	461,078
(w) Unspent Grants	2,317,558	4,235,188	(2,317,558)	4,235,188	2,315,796	0	(2,315,796)	0	2,307,368	2,317,558	(2,307,368)	2,317,558
(x) Cheynes Beach	203,788	90,771	(28,800)	265,759	205,230	88,602	(80,000)	213,832	141,628	82,510	(20,350)	203,788
(y) Capital Seed Funding for Sporting Clubs	126,394	75,000	(42,971)	158,423	121,184	0	(121,184)	0	71,000	75,000	(19,606)	126,394
(z) Centennial Park Stadium and Pavilion Renewal	197,526	84,258	(16,880)	264,904	203,099	84,257	(27,737)	259,619	146,578	63,194	(12,246)	197,526
(aa) Great Southern Contiguous Local Authorities Group (CLAG)	4,000	1,000	0	5,000	4,000	1,000	0	5,000	3,000	1,000	0	4,000
(ab) Town Hall	174,053	10,744	0	184,797	173,262	10,000	0	183,262	150,000	24,053	0	174,053
(ac) Developer Contributions (Non current)	1,044,509	(64,837)	(216,741)	762,931	1,146,134	0	0	1,146,134	926,503	119,279	(1,273)	1,044,509
(ad) Albany's Bicentenary	86,097	250,000	0	336,097	107,236	250,000	(107,236)	250,000	0	150,000	(63,903)	86,097
	37,169,402	21,253,865	(17,304,246)	41,119,021	38,549,866	15,722,739	(25,741,871)	28,530,734	29,227,794	22,750,838	(14,809,230)	37,169,402
	37,224,752	21,317,894	(17,339,363)	41,203,283	38,549,866	15,842,739	(25,756,871)	28,635,734	29,227,794	22,841,305	(14,844,347)	37,224,752

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

29. RESERVE ACCOUNTS (continued)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Public Open Space	Ongoing	To receipt funds for the purpose of Public Open Space.
(b) Emu Point Marina	Ongoing	To receipt leasing revenue to be used to manage, repair and maintain Reserve 42964.
(c) Airport	Ongoing	To facilitate the future development and improvements at the Albany Airport.
(d) Albany Entertainment	Ongoing	To provide for future funding requirements of the Albany Entertainment Centre.
(e) ALAC Synthetic Surface "Carpet"	Ongoing	To provide a replacement of the synthetic surface "carpet".
(f) Bayonet Head Infrastructure	Ongoing	To hold owner funding for infrastructure items and works within the Bayonet Head.
(g) Car Parking	Ongoing	To provide for the acquisition of land, the development of land for car parking within the Central Business District.
(h) Emu Point Boat Pens Development	Ongoing	To provide for the development/redevelopment of the Emu Point Boat Pens.
(i) Masterplan Funding	Ongoing	To provide for funding of asset masterplans.
(j) National Anzac Centre	Ongoing	To receipt funds for the ongoing management and building renewal for (AIC).
(k) Parks and Recreations Grounds	Ongoing	To facilitate the funding of future works associated with parks and recreation grounds.
(l) Plant Replacement	Ongoing	To provide for the future replacement of plant, and reduce dependency on loans for this purpose.
(m) Roadworks	Ongoing	To facilitate the funding of road and drainage works associated with roads.
(n) Waste Management	Ongoing	To facilitate the funding of future waste management the rehabilitation, redevelopment and development of refuse sites.
(o) Refuse Collection & Waste Minimisation	Ongoing	To receipt any annual surplus from Council's Waste Collection/Minimisation Program to provide future funding for Council's Sanitation program.
(p) Building Restoration	Ongoing	To receipt funds for the ongoing building renewal and expansion projects.
(q) Debt Management	Ongoing	To receipt funds for the long-term debt strategy.
(r) Land Acquisition	Ongoing	To receipt proceeds from sale of land to acquire strategic parcels of land in a future financial year.
(s) Coastal Management	Ongoing	To receipt funds to facilitate future coastal works
(t) Information Technology	Ongoing	To receipt funds for the long-term information technology changes and licensing
(u) Destination Marketing & Economic Development	Ongoing	To receipt funds for the purpose of destination marketing and major event attraction within the City of Albany.
(v) Albany Heritage Park Infrastructure	Ongoing	To receipt funds for the purpose of maintenance and capital improvements to the Albany Heritage Park.
(w) Unspent Grants	Ongoing	To receipt grant funds which are unspent at year end to be expended in a future financial year.
(x) Cheynes Beach	Ongoing	To receipt funds for the purpose of facilitating community maintenance and enhancement projects within the Cheyne Beach locality.
(y) Capital Seed Funding for Sporting Clubs	Ongoing	To receipt funds which are unspent at year end to be expended in a future financial year.
(z) Centennial Park Stadium and Pavilion Renewal	Ongoing	To receipt funds for the future renewal requirements of the Stadium & Pavilion within Centennial Park.
(aa) Great Southern Contiguous Local Authorities Group (CLAG)	Ongoing	To receipt funds for the Great Southern Contiguous Local Authorities Group (CLAG) for the purpose of Mosquito Control.
(ab) Town Hall	Ongoing	To provide funding for the Town Hall
(ac) Developer Contributions (Non current)	Ongoing	To receipt contributions from developers for future works.
(ad) Albany's Bicentenary	Ongoing	To provide funding for Albany's Bicentennial in 2026.



CITY OF ALBANY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

30. TRUST FUNDS

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

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Commission Sales- AVC	110,637	523,060	(554,868)	78,829
Lotteries House Photocopier	12,403	0	(562)	11,841
Lotteries House Management	135,988	13,001	0	148,989
Unclaimed Monies	5,683	0	(227)	5,456
WAPC - POS	151,825	0	(51,000)	100,825
Public Appeals Revenue	2,554	0	0	2,554
	419,090	536,061	(606,657)	348,494

